

**CARSON CITY AIRPORT AUTHORITY
MEETING AGENDA**

Wednesday, January 19, 2022 – 5:30 P.M.

Public Meeting at:

**CARSON CITY COMMUNITY CENTER
(Robert Crowell Board Room)
851 E. William
Carson City, Nevada**

This Agenda Prepared by Corey Jenkins, Airport Manager

- A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM.
- B. PLEDGE OF ALLEGIANCE
- C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.
- D. MODIFICATION OF THE AGENDA. *The Chairman reserves the right to modify the agenda in order to most effectively process the agenda items. Items may be taken out of order; Items may be combined for consideration by the Authority; Items may be pulled or removed from the agenda at any time.*
- E. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak on *agendized and non-agendized matters* related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.

• The public may provide public comment in advance of a meeting by written submission to the following email address: mgolden@flycarsoncity.com. For inclusion or reference in the minutes of the meeting, your public comment must include your full name & address and be submitted via email by not later than 5:00 p.m. the day before the meeting. The Carson City Airport Authority values your input. • Members of the public who wish to provide live public comment may do so during the designated public comment periods, indicated on the agenda in person.

F. CONSENT AGENDA

- 1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE SNOW REMOVAL PLAN.

Staff Summary: A Snow Removal Plan was developed by staff to improve snow removal at the Airport and discussed at the November CCAA meeting. The new plan details the conditions that will trigger snow removal operations, vehicle requirements, notification requirements, and prioritize areas to open the airport as quickly as possible. The plan, as drafted and with changes per the discussions at the last meeting, was implemented during the recent snow event with good results. A revision has been made to chapter 3 of the plan following the last snow event. Staff recommend approval of the new Snow Removal Plan

G. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE ANNUAL AUDIT REPORT OF THE CARSON CITY AIRPORT AUTHORITY FOR FY 2020/21. (J. Rogers)

Staff Summary: Eide Bailly completed the annual audit required by NRS 345. The review and approval of the audit by the Authority is required under the statute.

2. FOR DISCUSSION AND POSSIBLE ACTION: MODIFICATION TO THE MOUNTAIN WEST AVIATION, LLC. LEASE RECORDED SEPTEMBER 5, 2008 AS DOCUMENT NO. 382384 FOR LOT LINE ADJUSTMENT TO CORRECT THE LEGAL DESCRIPTION TO THE AREA ACTUALLY CONSTRUCTED BY THE AUTHORITY WHEN THE LEASE WAS SITED; ADJUSTMENT OF RENT AND REFUND OVERPAYMENT. (S.Tackes)

Staff Summary: The recent land survey revealed that the area occupied by Mountain West Aviation LLC for the self serve fuel island is not identical to the description in the lease that was approved in 2008. The Authority engineers sited that lot as part of the Authority's relocation of the lease required by the re-alignment of the runway. As a result, this correction to the legal description of the lease will align the lot to the edge of the pavement and results in a reduction of the lot by 1417sq ft. Staff recommends approval as this must be corrected prior to leasing the remaining Bravo lease parcel and can be corrected on the same Record of Survey. The corresponding rent should be adjusted.

3. FOR DISCUSSION AND POSSIBLE ACTION: THRESHOLD DECISION ON WHETHER TO LEASE THE BRAVO PARCEL AS A SINGLE PARCEL; THRESHOLD DECISION ON SIZE OF PARCELS FOR THE TRIANGLE LEASE PARCEL AND/OR DETERMINATION OF MINIMUM OR MAXIMUM SIZE OF PARCELS TO LEASE; SUPPORTING DOCUMENTS NEEDED FOR LEASING.

Staff Summary: CFA Reno has prepared survey documents identifying the Bravo Lease Parcel and the Triangle Lease Parcel. The Authority has been approached by persons interested in leasing Airport property for aviation purposes. Carson Tahoe Executive LLC has requested that the Bravo parcel (approx 12.27 ac) be leased as one parcel. The Authority will determine whether it is appropriate to lease said parcel as one parcel or whether to split it up. As for the Triangle parcel, a similar determination would be considered for size of parcels to be made available. The Authority will also consider what supporting documents to require for the bid responses.

4. ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID CARSON CITY AIRPORT LEASE ON THE FOLLOWING LEASE PARCEL: BRAVO LEASE PARCEL LOCATED WITHIN THE NORTHEAST ONE-QUARTER (1/4) OF SECTION FOUR (4) TOWNSHIP 15, NORTH, RANGE 20 EAST, MDM, CARSON CITY, NEVADA, OF APPROXIMATELY 12.27 ACRES AS DESCRIBED IN THE SURVEY DOCUMENT PREPARED BY CFA RENO AND POSTED ON THE AIRPORT WEBPAGE; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283. (S. Tackes)

Staff Summary: Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of resolution by the Authority. The Authority had previously identified this parcel for lease and obtained an MAI appraisal showing that this lot, in

its current improved state, has an appraised rental rate of \$0.28/sqft/yr. The proposed resolution will: (a) Describe the property proposed to be leased in such manner as to identify it; (b) Specify the minimum rental, and the terms upon which it will be leased; and (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered. The Authority may consider a phased development offering option. The Authority may consider commercial FBO activities for this leasehold.

5. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF CHANGE OF CONTROL OF GONI AVIATION LLC, FROM MESSRS HARTMAN AND CLARY TO KEVIN UPDEGROVE; APPROVAL OF CURRENT RENT ON THE GONI AVIATION LLC LEASE OR ACTION NEEDED FOR CURRENT MARKET RATE; CONSIDERATION OF ISSUE RAISED BY TENANT AS TO OFFSET DUE TO DRAINAGE ACTIONS TAKEN BY THE CITY.

Staff Summary: Ownership change- Bill Hartman and George Clary transferred their interest in Goni Aviation, LLC to Kevin Updegrove. Per the terms of the lease, a change of ownership of 25% or more is subject to Authority approval. Staff recommends approval of the change in ownership of Goni Aviation LLC. If approved the ownership interest in Goni Aviation LLC will be 50% Kevin Updegrove and 50% Steve Lewis. Rent change- The terms of the Goni Aviation lease state that a portion of the rent was prepaid through 2021, and that beginning in the year 2022, the rate will be set at the then-current market rate for the remainder of the lease term. It further states that the rent shall be adjusted by a reasonable CPI adjustment. Thus the Authority will consider the current market rate for use in 2022 and going forward. Staff recommends use of the last appraisal or alternatively to undertake an appraisal to set the rate. Staff recommends use of the same biennial CPI provision that applies to the other leases on the airport. Tenant has raised an issue regarding drainage improvements made by the City to the lease area and are requesting an offset to rent.

- H. AIRPORT ENGINEER'S REPORT (*Non-Action Item*).
- I. AIRPORT MANAGER'S REPORT (*Non-Action Item*).
- J. LEGAL COUNSEL'S REPORT (*Non-Action Item*).
- K. TREASURER'S REPORT (*Non-Action Item*).
- L. REPORT FROM AUTHORITY MEMBERS (*Non-Action Item*).
 - Status review of projects
 - Internal communications and administrative matters
 - Correspondence to the Authority
 - Status reports and comments from the members of the Authority
- M. PUBLIC COMMENT. Members of the public who wish to address the Airport Authority may speak on items discussed on the agenda related to the Airport. Comments are limited to three (3) minutes per person or topic. If your item requires extended discussion, please request the Chairman to calendar the matter for a future Airport Authority meeting.
- N. AGENDA ITEMS FOR NEXT REGULAR MEETING (*Non-Action Item*).
- O. ACTION ON ADJOURNMENT.

Final

* * * * *

**DELIVERED (via E-Mail) to the FOLLOWING LOCATIONS for POSTING by 9am,
January 13, 2022**

| | |
|--|--|
| The Carson City Airport (CCA) Website: www.flycarsoncity.com | |
| Airport Terminal Building 2600 College Parkway Carson City, NV | Mountain West Aviation 2101 Arrowhead Dr. Carson City, NV |
| Sterling Air, Ltd. 2640 College Parkway Carson City, NV | State of Nevada Public Notice Website https://notice.nv.gov |
| <i>~ Distribution made to others per request and as noted on the Airport Authority Distribution List ~ Supporting materials will be posted to the Carson City Airport website www.flycarsoncity.com as available, and can be obtained upon request from the, Airport Manager, 2600 E. College Parkway #6, Carson City, NV</i> | |

NOTE: The Airport Authority is pleased to make reasonable accommodations for the public who are disabled and wish to attend this meeting. If special arrangements for the meeting are necessary, please notify the Airport Authority at (775) 841-2255 or cjenkins@flycarsoncity.com

Notice: NRS 241.020(3)(b) states that a request for mailed notice of meetings automatically lapses six months after it is made to the public body. A separate written request is not required for each meeting although requests are limited to six months at a time.

THE CARSON CITY AIRPORT AUTHORITY ENCOURAGES WRITTEN COMMENTS FROM THE PUBLIC. Comments should be addressed to the **Airport Manager**, and sent to the following address:

Carson City Airport Authority 2600 E. College Parkway #6, Carson City, Nevada 89706

DRAFT MINUTES
Regular Meeting
Carson City Airport Authority (CCAA)
Wednesday, November 17, 2021 ● 5:30 PM
Community Center Robert “Bob” Crowell Board Room
851 East William Street, Carson City, Nevada

Authority Members

| | |
|--------------------------------|-------------------------------|
| Chair – Michael Golden | Vice Chair – Tim Puliz |
| Treasurer – Jon Rogers | Member – Stan Jones |
| Member – Paul Hamilton | Member – Karl Hutter |
| Member – Harlow Norvell | |

Staff

Steve Tackes – Airport Counsel
Corey Jenkins – Airport Manager
Danielle Howard – Public Meetings Clerk

NOTE: A recording of these proceedings, the Board’s agenda materials, and any written comments or documentation provided to the recording secretary during the meeting are public record. These materials are on file in the Clerk-Recorder’s Office, and available for review during regular business hours.

Audio recordings and the meeting minutes of the Carson City Airport Authority meetings are available on www.carson.org/minutes.

A. CALL TO ORDER, ROLL CALL, AND DETERMINATION OF QUORUM

(5:33:14) – Chairperson Golden called the meeting to order at 5:33 p.m.

(5:33:30) – Roll was called, and a quorum was present.

| Attendee Name | Status | Arrived |
|----------------------------|---------------|----------------|
| Chairperson Michael Golden | Present | |
| Vice Chair Tim Puliz | Absent | |
| Treasurer Jon Rogers | Present | |
| Member Stan Jones | Present | |
| Member Paul Hamilton | Present | |
| Member Karl Hutter | Present | |
| Member Harlow Norvell | Present | |

B. PLEDGE OF ALLEGIANCE

(5:33:45) – Led by Member Jones.

C. APPROVAL OF THE MINUTES OF PAST MEETINGS OF THE AIRPORT AUTHORITY.

(5:34:06) – Chairperson Golden introduced the item and entertained comments and a motion to approve the minutes of the October 25, 2021 meeting as presented.

(5:34:28) – MOTION: Member Hutter so moved.

| | |
|--------------------|--|
| RESULT: | APPROVED (6-0-0) |
| MOVER: | Hutter |
| SECONDER: | Jones |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

D. MODIFICATION OF THE AGENDA.

(5:34:44) – Chairperson Golden noted that there were no modifications to the agenda.

E. PUBLIC COMMENT.

(5:35:30) – Chairperson Golden entertained public comments; however, none were forthcoming.

G. PUBLIC HEARINGS

1. FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE SNOW REMOVAL PLAN.

(5:35:57) – Chairperson Golden introduced the item and referenced the Board Memo, which is incorporated into the record along with the draft *Snow and Ice Control Plan*.

(5:40:36) – Chairperson Golden entertained Member questions and comments, and Mr. Jenkins and Airport Maintenance and Operations Technician Rick Lee responded to clarifying questions. Chairperson Golden commented that the Airport is responsible for clearing the ramp at the self-serve fuel facility at the intersection of Taxiways Bravo and Delta, which was not indicated under the “Airfield Clearing Priorities” (Section 3.3). Mr. Lee stated that the referenced responsibility was indicated on the schematic. Chairperson Golden also expressed that he expected the Airport to clear the west ramp of snow, as it is owned by the Airport and provides access to the runway environment, and it was not mentioned on either the draft plan or the schematic. Mr. Lee believed that the area could be added into the plan. Mr. Jenkins referenced Section 4.1, and he believed that there needs to be some form of formal agreement if Airport staff plans to plow areas that are technically on a leasehold, and during discussion on the matter, Chairperson Golden explained that the majority of the west ramp is common area for the Airport. Mr. Tackes stated that the lease would need to be reviewed to determine who would be responsible for snowplowing the ramp. He added that certain areas were leased to Chairperson Golden, as a fixed-based operator (FBO), which Mr. Tackes believed made Chairperson Golden responsible for plowing those areas; however, he also indicated that the Airport should be responsible for plowing access to each FBO. Chairperson Golden reiterated that whatever is common area needs to be addressed by the Airport.

(5:58:02) – Member Hamilton requested including language in the plan to specify “style” of clearing snow or access to aircraft and taxiways to minimize snow berms. Mr. Lee informed Member Hamilton that, around mid-January, staff would be getting a 10-foot-wide box plow for the front of the tractor with extensions off the ends of the blade to help capture and contain the snow as it moves, and he noted that this box plow would be ideal for the ramp areas. Mr. Jenkins suggested adding language to Chapter 4 of the plan stating that “we will attempt to reduce/minimize berms that would impact aircraft access.”

(6:05:28) – Member Hamilton complimented the priorities listed in Section 3.3.

(6:06:20) – Chairperson Golden entertained a motion.

(6:06:29) – MOTION: Member Hutter moved to approve the *Snow and Ice Control Plan* as presented with the note that Airport Manager Corey Jenkins acknowledged adding language to discuss minimization of berms and double-checking around the full inclusion of all public ramp space in the plan.

| | |
|--------------------|--|
| RESULT: | APPROVED (6-0-0) |
| MOVER: | Hutter |
| SECONDER: | Rogers |
| AYES: | Golden, Rogers, Jones, Hamilton, Hutter, Norvell |
| NAYS: | None |
| ABSTENTIONS | None |
| ABSENT: | Puliz |

2. FOR DISCUSSION AND DIRECTION: DETERMINE WHAT THE SCOPE OF A NEW TERMINAL PROJECT SHOULD BE.

(6:11:33) – Chairperson Golden introduced the item and referenced the Board Memo, which is incorporated into the record. Mr. Jenkins responded to clarifying questions.

(6:13:41) – Member Jones suggested working on some of the elements of the project if the Airport has the funds to do so. Mr. Jenkins explained that there were some issues that the Authority could run into with Member Jones’ suggestion because funds from Federal Aviation Association (FAA) grants must be used in the year that they’re approved to be spent in. He added that, depending on what the sources of funding are, it may be better to work on all the project at once so if, for example, the State funds a portion of the project, they may provide a grant for the terminal building and the Authority could include signage and landscaping within that scope.

(6:14:37) – In response to Chairperson Golden’s question regarding whether the FAA would fund a new entrance to the Airport, Airport signage on the street, or landscaping leading up to the terminal building, Mr. Jenkins indicated that Airport Improvement Program (AIP) entitlement funds, up to \$600,000, could be used. He elaborated on the pros and cons of using those funds and recommended reviewing the funding sources that are available and what their limitations would be. Member Jones agreed with Mr. Jenkins’ input and mentioned that, if nothing else, he wished to get a new sign for the Airport.

(6:18:05) – Chairperson Golden believed that “first impressions are lasting, and from the time you deplane and walk through the terminal building or from the time you drive in from College Parkway and go to the terminal building, the impression has great room for improvement.” He supported the Authority doing what it can do as soon as possible; however, he also stated that “on the concept of reconfiguring the hardscape and landscaping, that could be an issue if we put the cart in front of a horse with the terminal building because perhaps the terminal building footprint would move or be reconfigured in some way. ... I guess the discussion we need to have is, all things considered, what do we want out of a building?”

(6:28:03) – Chairperson Golden entertained ideas for what each Member wished to have incorporated into a new Airport terminal building. Member Norvell stated that if the Authority did not anticipate having a type of FBO function associated with the terminal building, “then that would guide our planning, perhaps, as opposed to if we did.” He commented that, if the Authority was not planning to configure the inside of a terminal building for a fuel desk, a waiting area, and/or a pilots’ lounge, “we could probably simplify it.” He believed it would be important to have the Airport Manager’s Office in the terminal building because it would be “the center of the Airport.” Member Norvell added that a small building with restroom facilities, executive offices, a “pleasing sort of waiting area,” and landscaping would be adequate. He did not believe that there needed to be an “elaborate” terminal building if the building is aesthetically pleasing and comfortable inside, and he noted that there were big requirements for a restaurant concerning construction that would increase the cost. Member Norvell also suggested making the terminal building a single-story building and mentioned that the “major draw” for pilots is the fuel.

(6:36:22) – Member Hutter commented, “I certainly love and have always loved the vision of the restaurant and lounge in that space that has a deck to see the mountains and the airplanes and the whole thing,” and he agreed with Member Norvell’s analysis and reminder of what the Authority has looked into before as well as Member Norvell’s suggestion about the addition of an executive office, restrooms, and a waiting area in the terminal building. He suggested adding a couple vending machines to the area and creating a clean, warm, and inviting terminal building. Member Hutter proposed adding an element similar to that of the Reno Stead Airport Terminal Building by including a place to hang models and pictures to “ground this as a place where one would say ‘I’m coming here to learn about and get exposed to aviation.’”

(6:39:45) – Treasurer Rogers wished to use the terminal building to attract some interest from the community to counteract the notion that the Airport focuses exclusively on the flying community and is not a part of the Carson City transportation infrastructure. He pointed out that several people have complained to him about how the City does not have decent meeting space, and he suggested including an observation deck/area to the terminal building instead of a restaurant that is big enough to organize a party or gathering in and has large windows to observe what is going on at the Airport.

(6:41:57) – Chairperson Golden agreed with Member Norvell’s input and commented that “we need to meet our market, not exceed our market [and] not try to be something we’re not.” He stated that restrooms are the most important element to a terminal building. He indicated that there needed to be office space for Airport management and maintenance staff and recommended including a lounge area and a conference area. He added that members of the public may pay to use a conference area, and the Authority may hold its meetings at the Airport if a conference area is included in the terminal building. Chairperson Golden did not see a reason why the Airport should not have

a terminal building that is an option or an alternative to any FBO. He was not in favor of financing an Airport restaurant and indicated that “the only way an Airport restaurant survives is to get traffic from off the street.” He also noted that the traffic counts on College Parkway decrease at night and during the weekends “to basically zero” and mentioned that the Airport has a parcel on the street that could be advertised for a request for proposal (RFP) for a restaurant; however, he believed it would be “an uphill battle either way.”

(6:49:43) – Member Jones echoed Member Norvell’s and Chairperson Golden’s input and believed that the terminal building should include charging stations for electronics. He agreed with Member Hutter’s suggestion to add vending machines and mentioned that a pilot space for flight planning would be “nice” if it could be incorporated.

(6:51:43) – Member Hamilton agreed with the input regarding the terminal building having good restrooms, a conference room, and offices. He stated that people, including himself, fly to such airports as the Minden Airport to visit its restaurant, and he added, “as far as getting a community together, that’s where it happens.” He added that the restaurant did not have to be gourmet and pointed out that such establishments as the sandwich shop near the Truckee Tahoe Airport is “booming.” Member Hamilton referenced the previous Airport survey feedback indicating that “almost everyone” was in favor of a restaurant at the Airport and commented, “if we build it, they will come.” He proposed starting the process of constructing a terminal building with a restroom, a conference room, and an observation deck and expressed that he envisioned a second floor “with glass all over” for an area where people could get together and be involved in aviation. Chairperson Golden commented that “you might as well just double the cost of the building” when adding a second floor to a building and noted the factors that would need to be considered to construct a two-story building. He also informed Member Hamilton that the establishment that was referenced is currently a lunch counter, which Chairperson Golden was in favor of starting at the Airport if someone would be willing to manage it and the Airport does not have to spend too much in costs on it.

(6:57:37) – Mr. Tackes commented that the Members’ suggestions were all good ideas to include in a terminal building, though he also believed that adding a restaurant would be the most complicated feature to incorporate at the Airport. He did not believe that the Airport wants to get involved in operating a restaurant. He added that single-story buildings are much more practical than two-story buildings and recommended providing Mr. Jenkins a priority from the list of suggested terminal building features or some direction to work with for the terminal building.

(7:00:36) – Chairperson Golden suggested that Mr. Jenkins inform Chris Nocks, Armstrong Consultants Engineer Operations Manager, that the Authority wished to begin the process to replace the terminal building so that it becomes a viable project on the Authority’s list of projects to present to the FAA for funding. Treasurer Rogers agreed with Chairperson Golden’s suggestion, and he believed that the Authority should immediately “resurrect” and fund the front area hardscape and landscape proposal that was approved the previous year. Member Hamilton recommended ensuring that the Authority obtains the “footprint of the building [for] what we can and can’t do so we can integrate that into the landscaping.” No formal action was taken on this item.

H. AIRPORT ENGINEER’S REPORT

(7:05:34) – Chairperson Golden introduced the item. Mr. Jenkins and Armstrong Consultants Airport Project Manager Nadine Crow, appearing remotely via WebEx, referenced the report, which is incorporated into the record, and responded to clarifying questions.

I. AIRPORT MANAGER’S REPORT

(7:16:44) – Mr. Jenkins presented his report, which is incorporated into the record. No questions were forthcoming.

J. LEGAL COUNSEL’S REPORT

(7:19:01) – Mr. Tackes informed the Members that there had been a conflict on the survey, which was conducted to identify the property that was available to lease per Carson Tahoe Executive’s request, between some of the parcels. He identified one of the conflicts as the fuel island and stated that one of the parcel’s borders is “a little bit off,” resulting in the tenant, Mountain West Aviation, paying rent on an area that is slightly bigger than what the tenant possesses. He added that he would provide an amendment to Mountain West Aviation’s lease at the January 2022 CCAA meeting in order to “sync up what’s actually there with a legal description for that lease,” and the rest of the area may be made available for lease to Carson Tahoe Executive. Mr. Tackes mentioned that he and Mr. Jenkins were still working on determining the amount of roadway access that should be left at the north end of the parcel, which is located on the east side of Taxiway Bravo, and there were still some concerns expressed by Carson Tahoe Executive about the land appraisal. No questions or comments were forthcoming.

K. TREASURER’S REPORT

(7:22:31) – Chairperson Golden introduced the item, and Treasurer Rogers referenced the agenda materials. No questions or comments were forthcoming.

L. REPORT FROM AUTHORITY MEMBERS

(7:24:29) – Chairperson Golden entertained Member reports; however, none were forthcoming.

M. PUBLIC COMMENT.

(7:24:36) – Chairperson Golden entertained public comments; however, none were forthcoming.

N. AGENDA ITEMS FOR NEXT REGULAR MEETING

(7:24:42) – Chairperson Golden introduced the item. He noted that items regarding the lease amendment, referenced by Mr. Tackes, as well as the Airport sign placement and the Airport entry hardscape and landscape plan would be agendized for the January 2022 meeting. He informed the Authority that he anticipated at least two letters of intent to lease land for hangar development on the Airport, as he and Mr. Jenkins had been working with two parties that are seemingly committed to building hangars for their aircraft and for lease on the Airport.

(7:26:29) – Treasurer Rogers indicated that he and Mr. Jenkins were planning to present the first draft of the Budget for fiscal year 2022/2023 during the January 2022 meeting.

O. ACTION ON ADJOURNMENT.

(7:27:40) – Chairperson Golden adjourned the meeting at 7:27 p.m.

The Minutes of the November 17, 2021 Carson City Airport Authority meeting are so approved on this 19th day of January 2022.



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: F-1

BOARD MEMO 2022- 01

Meeting Date: January 19, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF THE SNOW AND ICE CONTROL PLAN.

Staff Summary: A Snow Removal Plan was developed by staff to improve snow removal at the Airport and discussed at the November CCAA meeting. The new plan details the conditions that will trigger snow removal operations, vehicle requirements, notification requirements, and prioritize areas to open the airport as quickly as possible. The plan, as drafted and with changes per the discussions at the last meeting, was implemented during the recent snow event with good results. A revision has been made to chapter 3 of the plan following the last snow event. Staff recommend approval of the new Snow Removal Plan

Agenda Action: Formal Action/Motion

Time Requested 0 Minutes

Proposed Motion

I move to approve the Revised Snow and Ice Control Plan.

CCAA'S Strategic Goal

Maintain airport infrastructure in top condition/Maintain positive relationships with the community/Maintain financial stability.

Previous Action

The Snow and Ice Control plan was approved November 2021

Executive Summary

N/A

Recommendation: Approve Revised Snow and Ice Control Plan

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount:

Is it currently budgeted?

Alternatives

Approve the plan with suggested changes/Do not approve plan

Board Action Taken:

| | | |
|---------------|----------|---------|
| Motion: _____ | 1) _____ | Aye/Nay |
| | 2) _____ | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |

(Vote Recorded By)

Snow and Ice Control Plan

Carson City Airport (CXP)

Prepared by:

Rick Lee, Airport Operations and Maintenance
rlee@flycarsoncity.com
775-443-7288

And

Corey Jenkins, ACE, Airport Manager
cjenkins@flycarsoncity.com
775-841-2255

Original Date 11/17/2021
Revision Date 1/03/2022

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Original Date 11/17/2021

Revision Date 1/03/2022

Phase #1

Pre- and Post-Winter Season Topics

Original Date 11/17/2021

Revision Date 1/03/2022

Chapter 1. Pre-Season Actions

1.1 Airport Preparation

a) Airport Management Meetings

The Airport Manager will typically initiate a meeting in October to discuss equipment status and material inventory, repair needs, staffing, budget, training, previous years issues, and any other topics associated with the Snow and Ice Control Plan.

b) Personnel Training

All airport personnel receive annual, recurrent snow removal training. Training records are maintained by the Airport Manager or Airport Operations and Maintenance Technician. Training will include the following:

- i) Familiarization with equipment operation
- ii) Familiarization with airfield clearing priorities

c) Equipment Preparation

60 days prior to snow season Airport Operations and Maintenance Technician will inspect and prepare each piece of snow removal equipment. Required fluids, replacement parts, and snow removal equipment components will be inventoried and stockpiled or ordered.

Original Date 11/17/2021

Revision Date 1/03/2022

Chapter 2. Post-Event/Season Actions

2.1 Post Event.

After each snow event, airport management may host a meeting and invite Airport Authority Chair or designated representative to discuss any issues that have arisen from the event.

During the snow season, winter operations is included in the Airport Managers Report at the Airport Authority Board Meeting, which is held every third Wednesday of each month.

2.2 Post Season.

After each snow season an Airport Management meeting will be held, typically in April to review the snow season issues and recommendations for changes. The same topics as pre-season should be reviewed.

Provide actions for each department post season, i.e., Maintenance-inspect and repair equipment, Airport Management – update SICP.

Original Date 11/17/2021

Revision Date 1/03/2022

Phase #2

Winter Storm Actions and Procedures

Original Date 11/17/2021

Revision Date 1/03/2022

Chapter 3. Snow Removal Action Criteria

3.1 Activating Snow Removal Personnel.

The Airport Manager and Airport Operations and Maintenance Technician are responsible for determining when snow removal operations shall begin.

a) Weather Forecasting

- The Airport Operations and Maintenance Technician is responsible to monitor the current and/or forecast weather conditions during business hours. The Airport Manager is responsible on weekends.
- Recommended sources for monitoring weather
 - Airport Cameras
 - Airport AWOS
 - www.aviationweather.gov
 - www.noaa.gov

b) Chain of Command

- The Airport Operations and Maintenance Technician is responsible for monitoring the airfield during regular business hours.
- The Airport Manager is responsible on the weekends.
- The Airport Manager is responsible to initiate a Snow Alert Callout on the weekends.
- A Snow Alert Callout is executed by phone call.

c) Triggers for Initiating Snow Removal Operations

The runway condition will be checked continually for snow depth, slush, and braking during normal business hours. If there are forecasted conditions for snow accumulation over the weekend, the Airport Manager will monitor the cameras for any sign of accumulation and report to the airport to measure accumulation if a hazard is present. When snow depth reaches two inches a Notice to Airmen (NOTAM) and AWOS message will be issued, and snow removal will begin as soon as possible.

The Airport Manager should use discretion to determine the most efficient use of airport staff and equipment for keeping the airport open depending on the overall situation.

As an example: Snowplow operations should not be initiated if snow accumulation reaches two inches at 3 PM, snow accumulation will continue, and below minimum IFR conditions are expected to persist. Based on this example situation, snowplowing would begin early the next morning since plowing would be no benefit to opening the airport to

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incoming/outgoing aircraft and would not be the best use of airport staff and equipment. Additionally, this would avoid excessive overtime expense and equipment wear.

| Precipitation | Depth in Inches |
|----------------------|------------------------|
| Slush | 2 |
| Wet Snow | 2 |
| Dry Snow | 2 |

3.2 Personnel Responsible.

Both the Airport Manager and the Airport Operations and Maintenance Technician are responsible for snow removal operations as soon as possible.

3.3 Airfield Clearing Priorities.

The snow removal priorities have been developed to achieve an open and safe runway as quickly as possible.

- a) **Priority 1**
 - Runway 09/27

- b) **Priority 2**
 - Parallel Taxiways A and D to include the connector Taxiways at each end
 - The midfield connector (A-3/D-3)

- c) **Priority 3**
 - Remaining connector Taxiways (A-2, D-2, A-4)
 - Taxiways B and C
 - Airfield access from north-west ramp to Taxiway C
 - Taxi lanes from hangars to taxiways.

- d) **Priority 4**
 - South ramp apron

- e) **Priority 5**
 - Perimeter vehicle access roads
 - terminal parking lot

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3.4 Snow Equipment List.

| Equipment Type | Primary Area of Use |
|---|--|
| 1984 Autocar 10-wheel dump truck with 11 ft. plow | Runway and Taxiways |
| 2000 GMC 3500 flatbed truck with 9ft. plow | Taxiway intersections, taxi lanes, perimeter road, south ramp, parking lot |
| 2019 Case tractor with 1yrd. bucket | Taxi lanes, south ramp |

*As of November 2021

3.5 Storage of Snow and Ice Control Equipment.

Outside of the snow season, the equipment is stored at the maintenance yard. During the snow season, the equipment is stored near the Airport Operations office and is plugged into block heaters and battery chargers to maintain preparedness.

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Chapter 4. Snow Clearing Operations

4.1 Snow Clearing Principals.

a) Runway and Taxiways

The 1984 Autocar 10-wheel dump truck with 11ft. plow is the primary equipment used for the Runways. All runways and taxiways are cleared by plowing from the center line working towards the pavement edge. The 2000 GMC 3500 flatbed truck with 9ft. plow is used to clear areas in turns or smaller sections missed by the larger plow. The minimum acceptable clearance is all the pavement up to the pavement edge.

b) Ramp and Terminal

All fixed base operators (FBO) and, or, leased premises will be responsible for snow removal on their ramp areas. The Airport must ensure access to the leased areas and make an effort to minimize the berms that would negatively impact airport access.

4.2 Surface Incident/Runway Incursion Mitigation Procedures.

To reduce the possibility of a Surface Incident/Runway Incursion, all pavement areas actively undergoing snow clearing operations will be closed. A NOTAM will be issued and the recording on the AWOS will be updated.

All snow removal vehicles operating on any aircraft movement area will be equipped with an amber beacon and two-way VHF radio, which must be always monitored by the vehicle operator.

No ground vehicle will operate beyond the existing ramp areas without first being cleared by the Airport Manager.

a) Driver Fatigue

Snow removal operations can last extremely long hours. To avoid Driver Fatigue and ensure a safe operating environment, everyone operating snow removal equipment will be allowed a 15-minute break in the morning, a 1-hour lunch break, and a 15-minute break in the afternoon. Total driving hours will not exceed 10 hours in a single workday.

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Chapter 5. Runway and Taxiway Closures

5.1 Requirements for Closures.

Runways receiving a NIL braking (either pilot reported or by assessment by the airport) are unsafe for aircraft operations and will be closed immediately when this unsafe condition exists.

Runways and Taxiways will be closed if snow depth exceeds two inches. A NOTAM and AWOS message will be issued.

The airport will open for operations when priority areas 1-3 have been cleared.

5.2 Surface Conditions Not Being Monitored/Reported

Runway and Taxiway conditions are not monitored after dark.

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Chapter 6. Definitions

Compacted Snow.

Snow that has been compressed and consolidated into a solid form that resists further compression such that an airplane will remain on its surface without displacing any of it. If a chunk of compressed snow can be picked up by hand, it will hold together or can be broken into smaller chunks rather than falling away as individual snow particles.

Note: A layer of compacted snow over ice must be reported as compacted snow only.

Example: When operating on the surface, significant rutting or compaction will not occur. Compacted snow may include a mixture of snow and embedded ice; if it is more ice than compacted snow, then it should be reported as either ice or wet ice, as applicable.

Contaminant.

A deposit such as frost, any snow, slush, ice, or water on an aerodrome pavement where the effects could be detrimental to the friction characteristics of the pavement surface.

Dry (Pavement).

Describes a surface that is neither wet nor contaminated.

Dry Snow.

Snow that has insufficient free water to cause it to stick together. This generally occurs at temperatures well below 32° F (0° C). If when making a snowball, it falls apart, the snow is considered dry.

Frost.

Frost consists of ice crystals formed from airborne moisture that condenses on a surface whose temperature is below freezing. Frost differs from ice in that the frost crystals grow independently and therefore have a more granular texture.

Note: Heavy frost that has noticeable depth may have friction qualities similar to ice and downgrading the runway condition code accordingly should be considered. If driving a vehicle over the frost does not result in tire tracks down to bare pavement, the frost should be considered to have sufficient depth to consider a downgrade of the runway condition code.

Ice.

The solid form of frozen water to include ice that is textured (i.e., rough or scarified ice).

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A layer of ice over compacted snow must be reported as ice only.

Mud.

Wet, sticky, soft earth material.

Oil.

A viscous liquid, derived from petroleum or synthetic material, especially for use as a fuel or lubricant.

Sand.

A sedimentary material, finer than a granule and coarser than silt.

Slush.

Snow that has water content exceeding a freely drained condition such that it takes on fluid properties (e.g., flowing and splashing). Water will drain from slush when a handful is picked up. This type of water-saturated snow will be displaced with a splatter by a heel and toe slap-down motion against the ground.

Slush over Ice.

See individual definitions for each contaminant.

Water.

The liquid state of water. For purposes of condition reporting and airplane performance, water is greater than 1/8-inch (3mm) in depth.

Wet Ice.

Ice that is melting, or ice with a layer of water (any depth) on top.

Wet Snow.

Snow that has grains coated with liquid water, which bonds the mass together, but that has no excess water in the pore spaces. A well-compacted, solid snowball can be made, but water will not squeeze out.

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FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-1

BOARD MEMO 2022-02

Meeting Date: January 19, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: Approval of the Annual Audit Report of the Carson City Airport Authority for FY 2020

Staff Summary: Eide Bailly completed the annual audit required by NRS 354 and found the audit to be in compliance with GAAP with corrective action. The approval of the audit by the Authority is required under the statute.

Agenda Action: Discussion and Possible

Time Requested 30 Minutes

Proposed Direction

Approve the FY 2020 annual audit report of the Carson City Airport Authority conducted by Eide Bailly

CCAA'S Strategic Goal

Maintain Financial Stability

Previous Action

The Carson City Airport Authority approved the FY 2019 annual report November 2020 and has done so annually as directed by NRS 354..

Executive Summary

N/A

Recommendation: Approve Annual Audit Report

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount:

Is it currently budgeted?

Alternatives

N/A

Board Action Taken:

| | | |
|---------------|----------|---------|
| Motion: _____ | 1) _____ | Aye/Nay |
| | 2) _____ | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |

(Vote Recorded By)



November 23, 2021

To the Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

We have audited the financial statements of Airport Authority of Carson City as of and for the year ended June 30, 2020 and have issued our report thereon dated November 4, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated May 26, 2021 and the addendum dated August 6, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the Authority complied with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

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

Our responsibility, as prescribed by professional standards as it relates to the audit of Authority's major federal program compliance, is to express an opinion on the compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances 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, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the Authority's internal control over compliance.

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

We have provided our comments regarding internal controls during our audit in our 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* dated November 23, 2021. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated November 23, 2021.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Airport Authority of Carson City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements relate to the value of the net pension liability, deferred outflows and deferred inflows.

Management's estimate of the value of the net pension liability, deferred outflows and inflows is based on the actuary report as provided by PERS. We evaluated the key factors and assumptions used to develop the net pension liability, deferred outflows and inflows and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Airport Authority of Carson City's financial statements relate to the pension plan in Note 9.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

The attached schedule of misstatements that we identified as a result of audit procedures performed were brought to the attention of, and corrected by, management.

The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated November 4, 2020.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Authority's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Modification of the Auditor's Report

We expect to make the following modification to our auditor's report.

The Authority did not comply with requirements regarding the Federal Financial Assistance Listing No. 20.106, for the year ended June 30, 2021. We qualified our opinion on the major federal program due to this matter.

This report is intended solely for the information and use of the Board of Trustees and management of Airport Authority of Carson City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada

Adjusting journal entries

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---------|---------------------|---------------------|
| Adjusting Journal Entries | | | | |
| Adjusting Journal Entries JE # 2101 | | | | |
| To adjust per client changes in GL - CLIENT DO NOT RECORD | | | | |
| 3000 | Accounts Payable | 3f | 10,947.00 | |
| 6062 | AIP #33 Perimeter Fence Design | | 10,947.00 | |
| 6400.2 | Capital Project:Landscape & Design | | 36.25 | |
| 6032.1 | AIP 34 SRE RWY rehab Catexes:AIP #34 SRE RWY Rehab Catexes Revenue | | | 768.00 |
| 6032.2 | AIP 34 SRE RWY rehab Catexes:AIP#34 SRE RWY Rehab Catexes Expenses | | | 10,179.00 |
| 6061.2 | AIP #32 Rehab taxiways:AIP #32 Rehab Taxiways Expenses | | | 10,947.00 |
| 6400.5 | Capital Project:Ops Vehicle | | | 36.25 |
| Total | | | 21,930.25 | 21,930.25 |
| Adjusting Journal Entries JE # 2102 | | | | |
| To record grant reimbursements in the grant revenue account. | | | | |
| 6062.2 | AIP #33 Perimeter Fence Design:AIP #33 Perimeter Fence Design Expense | OO.50 | 516,123.53 | |
| 6032.1 | AIP 34 SRE RWY rehab Catexes:AIP #34 SRE RWY Rehab Catexes Revenue | | | 17,864.00 |
| 6062.1 | AIP #33 Perimeter Fence Design:AIP #33 Perimeter Fense Design Revenue | | | 498,259.53 |
| Total | | | 516,123.53 | 516,123.53 |
| Adjusting Journal Entries JE # 2103 | | | | |
| To record current year lease amortization | | | | |
| 6530 | Lease Transaction | E.10 | 6,240.00 | |
| 2300 | Provided for LT Obligations | | | 6,240.00 |
| Total | | | 6,240.00 | 6,240.00 |
| Adjusting Journal Entries JE # 2104 | | | | |
| To adjust interest accrual/receivable. | | | | |
| 5500 | Interest Income | F.10 | 585.48 | |
| 2011 | Accrued Interest Receivable | | | 585.48 |
| Total | | | 585.48 | 585.48 |
| Adjusting Journal Entries JE # 2105 | | | | |
| Client should **NOT** book: To reclassify credit balances from AR | | | | |
| 2000 | Accounts Receivable - Operating | B.10 | 20,356.50 | |
| 3100 | Lease Advances - | | | 20,356.50 |
| Total | | | 20,356.50 | 20,356.50 |
| Adjusting Journal Entries JE # 2106 | | | | |
| To adjust equity to prior year balances | | | | |
| 4200 | Fund Balance | LL.10 | 4,932.37 | |
| 5151 | Gate Card Fees | | 2,319.02 | |
| 5400 | Misc Income | | 1,680.61 | |
| 6032.2 | AIP 34 SRE RWY rehab Catexes:AIP#34 SRE RWY Rehab Catexes Expenses | | | 8,932.00 |
| Total | | | 8,932.00 | 8,932.00 |
| Adjusting Journal Entries JE # 2107 | | | | |
| CLIENT NOT TO BOOK - GWFS adjustments | | | | |
| 2198 | Accumulated Depreciation | LL.10 | 659,750.00 | |
| 3085 | Net Pension Liability | | 230,178.00 | |
| 3090 | Pension Requirement-Liab | | 92,866.00 | |
| 4999.1 | GWFS to Fund FS adjustments | | 86,220.00 | |
| 6317 | Airport Equipment Mainteneace | | 13,770.98 | |
| 6325 | Tractor US Bank | | 38,223.02 | |
| 6351 | Labor Expense:Salaries | | 10,659.00 | |
| 2120 | land | | | 146,542.00 |
| 2125 | Machinery & Equipment | | | 734,657.00 |
| 2201 | Tractor | | | 73,699.00 |
| 2810 | Pension Requirement | | | 123,804.00 |
| 5000 | FAA Grant Revenue | | | 50,970.00 |
| 9100 | Interest Expense | | | 1,995.00 |
| Total | | | 1,131,667.00 | 1,131,667.00 |
| Adjusting Journal Entries JE # 2108 | | | | |
| Client not to boodk - Reclass grants recievable for FS purposes | | | | |
| 2010 | Due from Other Government | B.10 | 259,640.28 | |
| 2000 | Accounts Receivable - Operating | | | 259,640.28 |
| Total | | | 259,640.28 | 259,640.28 |
| Adjusting Journal Entries JE # 2109 | | | | |
| To record grant receivable and associated revenue/expense at FYE. Note: Client needs to reverse this after FYE as client already recorded these transactions in July and September 2021 at different/incorrect amounts. | | | | |
| 2020 | Grants Receivable | OO.40 | 120,979.67 | |
| 6062.2 | AIP #33 Perimeter Fence Design:AIP #33 Perimeter Fence Design Expense | | 127,618.55 | |
| 3000 | Accounts Payable | | | 127,618.55 |
| 6062.1 | AIP #33 Perimeter Fence Design:AIP #33 Perimeter Fense Design Revenue | | | 120,979.67 |
| Total | | | 248,598.22 | 248,598.22 |

Adjusting Journal Entries continued

| Account | Description | W/P Ref | Debit | Credit |
|--|--|---------|---------------------|---------------------|
| Adjusting Journal Entries JE # 2110 | | | | |
| To reflect amount collected subsequent to year-end for taxes. | | | | |
| 2010 | Due from Other Government | OO.10 | 38,683.87 | |
| 5010 | Real/Personal Property Tax | | | 31,522.66 |
| 5250 | Through the Fence Fees | | | 7,161.21 |
| Total | | | 38,683.87 | 38,683.87 |
| Adjusting Journal Entries JE # 2111 | | | | |
| to record accrued vacation change for current year for gov't wide statements per detail provided | | | | |
| 2102 | Accrued Compensated Absences | CC.10 | 10,659.00 | |
| 6351 | Labor Expense:Salaries | | | 10,659.00 |
| Total | | | 10,659.00 | 10,659.00 |
| Adjusting Journal Entries JE # 2112 | | | | |
| to record accrued payroll for June 2021 payroll not paid until after July 1, 2021 | | | | |
| 2101 | Payroll Liability | CC.10 | 2,382.18 | |
| 6351 | Labor Expense:Salaries | | | 2,382.18 |
| Total | | | 2,382.18 | 2,382.18 |
| Adjusting Journal Entries JE # 2113 | | | | |
| Adjustment per client for error noted in grant expense | | | | |
| 6062 | AIP #33 Perimeter Fence Design | OO.40 | 1,135.50 | |
| 6062 | AIP #33 Perimeter Fence Design | | 1,385.98 | |
| 6218A | Legal Notices | | | 1,135.50 |
| 6319 | Airfield Maintenance | | | 1,385.98 |
| Total | | | 2,521.48 | 2,521.48 |
| Adjusting Journal Entries JE # 2114 | | | | |
| To adjust LT lease transaction to end of year balance | | | | |
| 3200 | Mayes-Lease Transacions | E.10 | 3,773.28 | |
| 5051 | AIRPORT LEASES:Land Leases | | | 3,773.28 |
| Total | | | 3,773.28 | 3,773.28 |
| Adjusting Journal Entries JE # 2115 | | | | |
| To adjust for FAA grant revenue that is for Carson City's asset | | | | |
| 6098 | Contra revenue for FAA grant for Carson City Asset | OO.41b | 273,367.55 | |
| 6099 | Contra expense for FAA grant for Carson City Asset | | | 273,367.55 |
| Total | | | 273,367.55 | 273,367.55 |
| Adjusting Journal Entries JE # 2116 | | | | |
| To adjust for Fund vs GWFS for lease transaction | | | | |
| 3200 | Mayes-Lease Transacions | E.10 | 145,253.33 | |
| 2300 | Provided for LT Obligations | | | 145,253.33 |
| Total | | | 145,253.33 | 145,253.33 |
| Adjusting Journal Entries JE # 2117 | | | | |
| To adjust expenses to correct grant per client | | | | |
| 6034 | AIP #36 Relocate AWOS | OO.41 | 1,552.00 | |
| 6032.2 | AIP 34 SRE RWY rehab Catexes:AIP#34 SRE RWY Rehab Catexes Expenses | | | 1,552.00 |
| Total | | | 1,552.00 | 1,552.00 |
| Total Adjusting Journal Entries | | | 2,692,265.95 | 2,692,265.95 |

Reclassifying Journal Entries

| Account | Description | W/P Ref | Debit | Credit |
|--|---|---------|---------------------|---------------------|
| Reclassifying Journal Entries | | | | |
| Reclassifying Journal Entries JE # 1 | | | | |
| To tie to government wide FS | | | | |
| 2120 | land | | 146,542.00 | |
| 2125 | Machinery & Equipment | | 734,657.00 | |
| 2201 | Tractor | | 73,699.00 | |
| 2810 | Pension Requirement | | 123,804.00 | |
| 5000 | FAA Grant Revenue | | 50,970.00 | |
| 9100 | Interest Expense | | 1,995.00 | |
| 2198 | Accumulated Depreciation | | | 659,750.00 |
| 3085 | Net Pension Liability | | | 230,178.00 |
| 3090 | Pension Requirement-Liab | | | 92,866.00 |
| 4999.1 | GWFS to Fund FS adjustments | | | 86,220.00 |
| 6317 | Airport Equipment Maintenance | | | 13,770.98 |
| 6325 | Tractor US Bank | | | 38,223.02 |
| 6351 | Labor Expense:Salaries | | | 10,659.00 |
| Total | | | 1,131,667.00 | 1,131,667.00 |
| Reclassifying Journal Entries JE # 2 | | | | |
| To reclassify LTD for gov't wide FS | | | | |
| 6325 | Tractor US Bank | | 12,245.92 | |
| KC22 | Current Portion of LTD | | | 12,245.92 |
| Total | | | 12,245.92 | 12,245.92 |
| Reclassifying Journal Entries JE # 3 | | | | |
| to record changes to PERS Liability and related accounts | | | | |
| 2810 | Pension Requirement | | 71,372.04 | |
| 3090 | Pension Requirement-Liab | | 21,967.00 | |
| 6351 | Labor Expense:Salaries | | 6,794.91 | |
| 6353 | Labor Expense:PERS Retirement Contribution | | 15,609.05 | |
| 3085 | Net Pension Liability | | | 115,743.00 |
| Total | | | 115,743.00 | 115,743.00 |
| Reclassifying Journal Entries JE # 4 | | | | |
| To reclassify capital outloay to fixed asset for gov't wide FS | | | | |
| 2125 | Machinery & Equipment | | 63,353.38 | |
| 6400.3 | Capital Project:Gate Access | | | 29,476.07 |
| 6400.4 | Capital Project:Fuel Tank | | | 1,339.99 |
| 6400.5 | Capital Project:Ops Vehicle | | | 32,537.32 |
| Total | | | 63,353.38 | 63,353.38 |
| Reclassifying Journal Entries JE # 5 | | | | |
| To record current year depreciation for government wide financial statements | | | | |
| KC15 | Depreciation | | 42,632.33 | |
| 2198 | Accumulated Depreciation | | | 42,632.33 |
| Total | | | 42,632.33 | 42,632.33 |
| Reclassifying Journal Entries JE # 6 | | | | |
| To record disposals of fixed assets | | | | |
| 2120 | land | | 0.03 | |
| 2198 | Accumulated Depreciation | | 432,328.97 | |
| Kc9 | Loss on Disposal | | 3,311.70 | |
| 2125 | Machinery & Equipment | | | 432,865.70 |
| 2201 | Tractor | | | 2,775.00 |
| Total | | | 435,640.70 | 435,640.70 |
| Reclassifying Journal Entries JE # 7 | | | | |
| To record accrued vacation for GWFS | | | | |
| 6351 | Labor Expense:Salaries | | 1,135.28 | |
| 2102 | Accrued Compensated Absences | | | 1,135.28 |
| Total | | | 1,135.28 | 1,135.28 |
| Reclassifying Journal Entries JE # 8 | | | | |
| To record fixed asset additions for FAA grants | | | | |
| 2126 | Fencing | | 911,661.46 | |
| 2130 | CIP | | 124,175.35 | |
| 6097 | Contra account for FAA capitalized expenses | | | 1,035,836.81 |
| Total | | | 1,035,836.81 | 1,035,836.81 |
| Reclassifying Journal Entries JE # 9 | | | | |
| To adjsut for GWFS vs fund FS | | | | |
| 2300 | Provided for LT Obligations | | 145,253.33 | |
| 3200 | Mayes-Lease Transacions | | | 145,253.33 |
| Total | | | 145,253.33 | 145,253.33 |
| Total Reclassifying Journal Entries | | | 2,983,507.75 | 2,983,507.75 |

Passed Journal Entries

| W/P Ref | TYPE (2) | BALANCE SHEET | | | | REVENUE | EXPENDITURES | OTHER FINANCING | | NON-OPER REV & EXPENSES | TRANSFERS IN & OUT | OPERATING NET | EQUITY | NET |
|---------|----------|---------------|-------------------|-------------|------------------|---------|--------------|-----------------|------|-------------------------|--------------------|---------------|--------|-----|
| | | ASSETS | DEFERRED OUTFLOWS | LIABILITIES | DEFERRED INFLOWS | | | SOURCES | USES | | | | | |

Major Funds:

GENERAL FUND:

SCOPE: All known and projected misstatements and/or classifications errors over \$ 1,700 (Not to exceed 10% of PAJE limit)

Materiality \$ 29,500
 Allowance for Possible Undetected Misstatements - 40% (11,800)
 Passed Adjustment Limit \$ 17,700

| P/Y REVERSING | PY Sb.O | Mix | | | | | | | | | | | | |
|--|---------|-----|--------|---|---|----------|----------|----------|---|-------|-------|----------|----------|---|
| | | | | | | | | | | | | (11,770) | 7,053 | - |
| AFDA Not Recorded | B.10 | PM | 10,825 | | | | (10,825) | | | | | 10,825 | | - |
| Lease revenue understated | OO.20 | PM | 10,188 | | | (10,188) | | | | | | (10,188) | | - |
| Grant revenue understated in PY and CY | | | 20,267 | | | | | | | 7,551 | | 7,551 | (27,818) | - |
| | | | | | | | | | | | | - | | - |
| | | | | | | | | | | | | - | | - |
| | | | | | | | | | | | | - | | - |
| | | | | | | | | | | | | - | | - |
| Total General Fund (3) | | | 41,280 | - | - | - | (10,188) | (10,825) | - | - | 7,551 | (3,582) | (20,765) | - |



Financial Statements
June 30, 2021

Airport Authority of Carson City

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Independent Auditor's Report

To the Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Airport Authority of Carson City (Authority), a component unit of Carson City, Nevada, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 financial position of the governmental activities and the general fund of the Airport Authority of Carson City, as of June 30, 2021, and the respective changes in financial position 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, and pension information on pages 4-7, 24-25, and 26-27, respectively, 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 management discussion and analysis and pension 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.

The budgetary comparison 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The schedule of expenditures of federal awards 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 schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards* and Other Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated Date Pending, on our consideration of the Airport Authority of Carson City'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 Airport Authority of Carson City'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 Authority's internal control over financial reporting and compliance.

In accordance with the Federal Aviation Authority's (FAA) policy, we have also issued our report dated November 23, 2021, on our consideration of the Airport Authority of Carson City's compliance with the FAA's policy regarding the use of airport revenue and 49 U.S.C. Section 47107(b). The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

The image shows a handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Reno, Nevada
November 23, 2021

The Airport Authority of Carson City's (Authority) management discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activities, (c) identify changes in the Authority's financial position in connection with current and subsequent years challenges, (d) identify any material deviations from the approved budget, and (e) identify issues and concerns.

We encourage readers to read this information in conjunction with the financial statements and notes to financial statements in order to obtain a comprehensive view of the information presented.

INTRODUCTION

The Authority is an independent political subdivision of the State of Nevada created pursuant to Chapter 844, Statutes of Nevada, 1989. It is charged with the administration and operation of the municipal airport in Carson City, Nevada. The airport's funding for capital improvements is a cooperative effort of the Federal Aviation Administration (FAA) and the Authority. Approximately 97% of the funding for capital improvements is in the form of grants from the FAA and the balance is matching funds provided by the Authority from revenues generated by operations. Accordingly, no separate ad valorem taxes or bonding for construction is required of the citizens of Carson City. Revenue generated from airport operations are sufficient for the annual cost of these operations as well as the implementation of the master plan approved by Carson City in March of 2001.

FINANCIAL HIGHLIGHTS

Revenue from operational activities of \$662,852 increased 4% from the previous year and exceeded budget by 17.9%. Operational revenue comes from three primary sources: (a) property leases (38%); (b) a portion of real and personal property taxes collected by Carson City for buildings on leased airport property and aircraft based at the airport (43%) and (c) other operational activities such as tie down fees, rock sales, fuel flowage fees, and interest on cash in the bank (19%).

Operational expenditures of \$384,369 were 10% under the budgeted figure of \$428,938 and \$12,264 higher than the previous year primarily due to lower expenses for salaries and employee taxes and benefits.

The Authority requested and was approved to receive a total of \$470,000.00 in federal grant money from the FAA, grant number AIP 3-32-0004-31, for Development of the Master Plan. As of June 30, 2021, the Authority expended \$421,190.63, with a 6.25% match requirement. The project is complete.

The Authority requested and was approved to receive a total of \$69,000 in federal grant money from the FAA, grant number AIP 3-32-0004-35-2020, for Coronavirus Aid, Relief, and Economic Security Act. As of June 30, 2021, the Authority expended \$65,059.02, with no match requirement. The project is complete.

The Authority requested and was approved to receive a total of \$1,315,462 in federal grant money from the FAA, grant number AIP 3-32-0004-033-2020, to install perimeter fencing and rehabilitate the Runway. As of June 30, 2021, the Authority expended \$1,184,585, with no matching requirement.

The Authority requested and was approved to receive a total of \$112,810 in federal grant money from the FAA, grant number AIP 3-32-0004-034-2020, for Snow Removal Equipment Building Design. As of June 30, 2021, the Authority expended \$94,446, with no matching requirement.

FINANCIAL STATEMENTS

The first two statements (pages 8 and 9) are combined *fund* and *government-wide (Statement of Net Position)* financial statements that provide both long-term and short-term information about the Authority's overall financial status. The primary differences between the Governmental Fund Balance Sheet and the Statement of Net Position relate to the capitalization and depreciation of capital assets, the inclusion of the lease payment exchange for infrastructure as a liability and the addition of the PERS liability and related deferred outflow and inflow activity in the government-wide statements. A summary of the condensed government-wide financial information is presented below:

| | Condensed Statements of Net Position | |
|--------------------------------|--------------------------------------|--------------|
| | 2021 | 2020 |
| Current assets | \$ 1,931,653 | \$ 1,549,716 |
| Capital assets | 1,348,394 | 295,148 |
| Prepaid airport improvements | 145,253 | 151,493 |
| Total assets | 3,425,300 | 1,996,357 |
| Deferred outflows of resources | 195,176 | 123,804 |
| | 3,620,476 | 2,120,161 |
| | | |
| Total liabilities | 1,040,424 | 818,173 |
| Deferred outflows of resources | 70,899 | 92,866 |
| | 1,111,323 | 911,039 |
| Net position | | |
| Invested in capital assets | 1,310,171 | 245,149 |
| Unrestricted | 1,198,982 | 963,973 |
| | \$ 2,509,153 | \$ 1,209,122 |

| Condensed Statements of Activities | | |
|---|--------------|--------------|
| | 2020 | 2019 |
| Charges for services | \$ 308,794 | \$ 364,865 |
| Material sales | 61,158 | - |
| Federal grants | 1,113,190 | 348,173 |
| General Revenue | 292,900 | 271,968 |
| Total revenues | 1,776,042 | 985,006 |
| | | |
| Airport Authority operations | 446,120 | 390,467 |
| Airport construction, planning projects and capital outlay | 26,580 | 388,672 |
| Loss on disposal | 3,311 | - |
| | 476,011 | 779,139 |
| Change in net position | 1,300,031 | 205,867 |
| | | |
| Net position, beginning of year | 1,209,122 | 1,003,255 |
| Net position, end of year | \$ 2,509,153 | \$ 1,209,122 |

The Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual (pages 24 and 25) shows income and expenditures in the same format as our budget is generally presented. There were no significant variances between budgeted and actual figures except for additional grant revenue and related capital expenses than originally expected to be budgeted.

YEAR-END POSITION

The Authority expects to maintain a minimum fund balance in future years with the possibility that the fund balance will actually become negative as the Authority continues to utilize prepaid leases to fund the match on FAA projects but believes the cash flow necessary to fund on-going operations is available.

DEBT ACTIVITY

The Authority currently has no bond indebtedness.

ECONOMIC FACTORS

Primarily all airport revenue, other than grants, is based on personal property taxes and long-term property leases (50 years or more). These revenue sources are stable. As additional areas of the airport are developed, the additional leases and buildings should provide increases in revenue beyond increases in the CPI.

The Airport Authority will continue to implement the 2020 Master Plan over the next several months with the following Airport Capital Improvement Program (ACIP) projects: Relocate AWOS, Construct Snow Removal Equipment Building, Acquire Snow Removal Equipment, and Install Approach Lighting, offset PAPI (Planning Study and Aeronautical Survey). Based upon economic recovery, the Airport Authority will also be looking to implement the 33-acre Center Triangle Development and the 12-acre Bravo parcel in the Master Plan, which will provide the Airport with mixed-use aircraft hangars.

The improvements to the Airport and its facilities should increase interest in the Airport as a home for an increased number of aircraft thus increasing the revenue stream from real and personal property taxes, property leases, and fuel flowage fees.

RISK ASSESSMENT

FAA funds authorized to be used for airport development are determined annually and the amount authorized will impact the timing of the implementation of the master plan. The Airport Authority is seeking additional economic development activities to maximize the Airport Authority's self-sufficiency.

CAPITAL ASSETS

As of June 30, 2021, the Authority's capital assets amounted to \$1,348,394 net of accumulated depreciation and amortization, an increase of \$1,053,246, attributable mostly to the fencing.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Airport Authority of Carson City, 2600 E. College Pkwy, Carson City, NV 89706.

Airport Authority of Carson City
Statement of Net Position and Governmental Fund Balance Sheet
June 30, 2021

| | General Fund | Adjustments | Statement of Net Position |
|--|---------------------|---------------------|------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 1,498,365 | \$ - | \$ 1,498,365 |
| Accounts receivable | 13,842 | - | 13,842 |
| Accrued interest receivable | 142 | - | 142 |
| Due from other government | 419,304 | - | 419,304 |
| Capital assets, net of accumulated depreciation | - | 1,348,394 | 1,348,394 |
| Prepaid airport improvements | - | 145,253 | 145,253 |
| Total assets | <u>1,931,653</u> | <u>1,493,647</u> | <u>3,425,300</u> |
| Deferred Outflows of Resources | | | |
| Pension requirement | - | 195,176 | 195,176 |
| Total assets and deferred outflows of resources | <u>\$ 1,931,653</u> | <u>1,688,823</u> | <u>3,620,476</u> |
| Liabilities | | | |
| Accounts payable | \$ 185,309 | - | 185,309 |
| Accrued expenses | 1,473 | 1,134 | 2,607 |
| Advance payments on lease revenue | 20,357 | - | 20,357 |
| Long-term lease revenue transactions | 302,754 | 145,253 | 448,007 |
| Long-term lease purchase transactions | - | 38,223 | 38,223 |
| Net pension liability | - | 345,921 | 345,921 |
| Total liabilities | <u>509,893</u> | <u>530,531</u> | <u>1,040,424</u> |
| Deferred Inflows of Resources | | | |
| Pension requirement | - | 70,899 | 70,899 |
| Fund Balance/Net Position | | | |
| Fund balance | | | |
| Committed | | | |
| Gate fees | 8,916 | (8,916) | - |
| Unassigned | | | |
| | <u>1,412,844</u> | <u>(1,412,844)</u> | <u>-</u> |
| Total fund balance | <u>1,421,760</u> | <u>(1,421,760)</u> | <u>-</u> |
| Total liabilities and fund balance | <u>\$ 1,931,653</u> | | |
| Net Position | | | |
| Invested in capital assets, net of related debt | | 1,310,171 | 1,310,171 |
| Unrestricted | | <u>1,198,982</u> | <u>1,198,982</u> |
| Total net position | | <u>\$ 2,509,153</u> | <u>\$ 2,509,153</u> |

Airport Authority of Carson City

Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2021

| | General Fund | Adjustments | Statement of Activities |
|---|---------------------|---------------------|----------------------------|
| Expenditures/Expenses | | | |
| Airport Authority operations | \$ 390,609 | \$ 55,511 | \$ 446,120 |
| Airport construction, planning projects and capital outlay | 1,125,769 | (1,099,189) | 26,580 |
| Loss on disposal | - | 3,311 | 3,311 |
| Total expenditures/expenses | <u>1,516,378</u> | <u>(1,040,367)</u> | <u>476,011</u> |
| Program Revenue | | | |
| Charges for services | 308,794 | - | 308,794 |
| Material sales | 61,158 | - | 61,158 |
| Federal grants | 1,164,160 | (50,970) | 1,113,190 |
| Total program revenue | <u>1,534,112</u> | <u>(50,970)</u> | <u>1,483,142</u> |
| Net Program Revenue | <u>17,734</u> | <u>989,397</u> | <u>1,007,131</u> |
| General Revenue | | | |
| Interest income | 3,657 | - | 3,657 |
| Property taxes | 289,243 | - | 289,243 |
| Total general revenue | <u>292,900</u> | <u>-</u> | <u>292,900</u> |
| Other Financing Sources | | | |
| Capital lease for equipment | (11,776) | (11,776) | - |
| Excess of Revenue over Expenditures | <u>298,858</u> | <u>(298,858)</u> | <u>-</u> |
| Change in Net Position | - | 1,276,479 | 1,300,031 |
| Fund Balance/Net Position | | | |
| Beginning of year | <u>1,122,902</u> | <u>86,220</u> | <u>1,209,122</u> |
| End of year | <u>\$ 1,421,760</u> | <u>\$ 1,063,841</u> | <u>\$ 2,509,153</u> |

Note 1 - Summary of Significant Accounting Policies

The Airport Authority of Carson City's (Authority) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity

The financial statements present the financial position and results of operations of the Authority, under the direct jurisdiction of the Board of Trustees of the Authority. The Authority, as organized under Senate Bill No. 255 of the 1989 Legislative Session, Special Act Nevada Revised Statutes Chapter 844, provides for management and maintenance of the Carson City airport.

The Authority is considered to be part of the city of Carson City, Nevada's (City) reporting entity because it has oversight responsibility and, therefore, these statements are described as component unit financial statements. The criteria used in determining oversight responsibility for financial reporting purposes is set forth by Governmental Accounting Standards Board Codification, Section 2100, *Defining the Reporting Entity*. Indications of oversight responsibility include: (1) appoints, or serves as, a majority of the organization's governing body and is able to impose its will or there is a potential to provide financial benefits or impose financial burdens, or (2) financial dependency. The Authority has no component units to include in these financial statements. The Airport Manager maintains all accounting records.

Basic Financial Statements – Government-Wide Statements

The basic financial statements include both government-wide and fund financial information. The government-wide financial statements are reflected on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Basic Financial Statements - Fund Accounting

The financial transactions of the Authority are reported in the general fund. The operations of the general fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflow of resources, fund equity, revenue and expenditures. The Authority's general fund is a governmental fund type. Governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on the balance sheets. The recorded fund balance is considered a measure of "available spendable resources." Operating statements for governmental funds present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Basis of Accounting

The Authority is defined as a single-program special-purpose entity under GASB Codification 2600, *Reporting Entity and Component Unit Presentation and Disclosure*. This classification allows for the preparation of financial statements under an optional reporting method which combines the fund and government-wide statements into a single presentation. Under standard methodology, the government-wide statement of net position and statement of activities are presented independently from the respective fund balance sheet and statement of revenues, expenditures, and fund balance. A reconciliation of adjustments provided on the modified financial statements demonstrates the changes from the fund financial statements to the government-wide financial statements in order to assist the reader in evaluating these statements. The Authority has utilized this optional method of presentation.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority maintains its accounting records for its governmental fund types on the modified accrual basis of accounting. This method provides for recognizing expenditures at the time liabilities are incurred, while revenue is recorded when measurable and available to finance expenditures of the fiscal period. Available is defined as being due and collected within the current period or within 60 days after fiscal year end. When revenue is due, but will not be collected within 60 days, the receivable is recorded, and an deferred inflow of resources – unavailable revenue is established.

Budgets and Budgetary Accounting

The Authority adheres to the Local Government Budget Act incorporated within Statutes of the State of Nevada. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Appropriations lapse at year end. Budget amounts within the general fund may be transferred if amounts do not exceed the original budget. Such budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Trustees. In accordance with the Statutes, actual expenditures may not exceed budget appropriations of the Airport function of the general fund. An encumbrance system is not utilized by the Authority.

Cash and Cash Equivalents

The Authority's cash and cash equivalents include cash on deposit at one commercial bank and in the State Treasurer's Local Government Investment Pool. State Pool investments are stated at cost since they are similar to money market mutual funds. The Authority does not currently have a deposit policy related to custodial credit risk.

Pooled investment funds consist of cash deposited in the interest-bearing State of Nevada's Local Government Investment Pool. Investments are recorded at fair value, which is the same as the value of the pool shares. The State of Nevada Local Government Investment Pool is an unrated external investment pool that does not provide information on realized or unrealized gain or loss activity. Accordingly, changes in the investment pool are reflected as interest income in the accompanying financial statements.

Inventory of Consumable Supplies

Management of the Authority has elected to consider expenditures for supplies held for consumption as charges against appropriations at the time of purchase. Any inventories of such supplies at June 30, 2021, are not material and accordingly, are not recognized in the financial statements.

Prepaid Airport Improvements

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide financial statements.

Capital Assets

All capital assets are valued at historical cost. Capital assets of the Authority included the improvements to the runway area such as lights, fencing, equipment, and property acquired for clear zones. The assets transferred from the City to the Authority, at their original cost to the City, were capitalized at that amount. Capital outlay incurred for land and improvements to airport property purchased with pass-through grantor funds with Carson City, Nevada as the sponsor agency have not been capitalized; however, they are reflected in the City's financial statements.

For purposes of the government-wide financial statements, depreciation of capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation. The Authority's capital assets consist of vehicles, machinery and equipment which have useful lives of 5 to 10 years.

The Authority reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at June 30, 2021.

In the fund financial statements, capital assets used in operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Advance Payments on Leases and Long-Term Lease Transactions

Advance payments on leases and long-term lease transactions represent credits on airport leases and infrastructure charges to be realized during future periods.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The changes in proportion and differences between employer contributions and the proportionate share of contributions as well as contributions made after the measurement period for pensions qualify for reporting in this category.

In addition to liabilities, a separate section is reported for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Differences between expected and actual experience and between projected and actual investment earnings on pension plan investments qualify for reporting in this category.

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- Net invested in capital assets – consists of capital assets, net of accumulated depreciation and net of any related debt.
- Restricted net position – consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Authority has no restricted net position.
- Unrestricted net position – net position that is neither classified as “restricted” nor as “invested in capital assets.”

In the governmental fund financial statement, fund balances are classified as follows:

- Nonspendable - represents amounts that are either not in a spendable form or are legally or contractually required to remain intact. The Authority includes fund balances that have been prepaid for expenses in this category.
- Restricted – represents amounts which can be spent only for specific purposes because of state or federal laws, or externally imposed conditions. The Authority has no restricted fund balances.
- Committed – represents amounts which can be used only for specific purposes determined by the members of the governing Board’s formal action through a resolution or action. The Authority has committed resources for gate expenditures that result from gate fee charges.
- Assigned - represents amounts that are intended by the Authority for specific purposes but do not require action by the governing Board. The Authority has amounts designated for subsequent year expenditures included in this category which represent a projected budgetary deficit in the subsequent years budget, if any.
- Unassigned – represents all amounts not included in non-spendable classifications.

The Authority's policy is to first apply expenditures against non-spendable fund balances and then unassigned balances. On an annual basis assigned fund balances are determined based upon available resources.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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 at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code

The Authority conformed to all significant statutory constraints on its financial administration.

Note 3 - Cash and cash equivalents

By provision of statutes, the Authority is authorized to deposit all money in banks or savings and loan associations located in the State of Nevada and must be subject to withdrawal on demand. The Authority maintains its checking and savings accounts in one commercial bank. The accounts are each insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 or collateralized under the state collateral pool by the applicable banking institution.

The Authority is authorized to invest in the State of Nevada Local Government Investment Pool (LGIP). The LGIP is administered by the State Treasurer, with oversight by the State of Nevada Board of Finance. State statutes require the State Treasurer to collateralize the deposits made to it with other securities. The LGIP invest in securities as allowed by statute. The LGIP is valued at NAV and therefore is not valued according to the hierarchy. At June 30, 2021 the LGIP had a weighted average maturity of 130 days. The Authority's deposits in the pool are considered to be highly liquid. At June 30, 2021, \$1,000,243 was held in the Local Government Investment Pool.

Note 4 - Due from and to Other Government

At June 30, 2021, the Authority is owed \$419,304 for an intergovernmental receivable from the city of Carson City, Nevada, for personal property taxes of \$298,324 and \$120,979 for funds receivable for FAA grant expenditures incurred.

Note 5 - Capital Assets

Capital asset activity consists of the following for the years ended June 30:

| | <u>2020</u> | <u>Additions</u> | <u>Deletions</u> | <u>2021</u> |
|--|-------------------|---------------------|-------------------|---------------------|
| Capital assets, not being depreciated | | | | |
| Land | \$ 146,542 | \$ - | \$ - | \$ 146,542 |
| Capital assets, being depreciated | | | | |
| Machinery and equipment | 803,356 | 975,014 | (430,640) | 1,347,730 |
| Less accumulated depreciation | | | | |
| Machinery and equipment | <u>(654,750)</u> | <u>(42,632)</u> | <u>427,329</u> | <u>(270,053)</u> |
| Total capital assets being depreciated, net | <u>148,606</u> | <u>932,382</u> | <u>(3,311)</u> | <u>1,077,677</u> |
| Capital Assets, Net | 295,148 | 932,382 | (3,311) | 1,224,219 |
| Construction in progress | <u>-</u> | <u>124,175</u> | <u>-</u> | <u>124,175</u> |
| | <u>\$ 295,148</u> | <u>\$ 1,056,557</u> | <u>\$ (3,311)</u> | <u>\$ 1,348,394</u> |

Note 6 - Advance Payments on Leases

Advance payments on leases at June 30, 2021, totaling \$20,357, will be recognized in the subsequent year.

Note 7 - Long-Term Lease Revenue Transactions

The Authority entered into an airport lease agreement, dated October 10, 1994, with Contri Construction Company (Contri). The lease was subsequently assigned to Mayes. Mayes leases the property for 50 years in return for improving the flood control ditch; furnishing and providing the utility infrastructure by installing power, gas and telephone lines; providing trenching and a six-inch water line; and furnishing and installing six-inch PVC sewer and manholes. These improvements were made to assets belonging to the City, and are not reflected in the capital assets of the Authority. The unamortized balance is reflected as a prepaid expense in the accompanying government-wide financial statements.

The value of the work was determined to be \$312,000 or \$6,240 a year for 50 years. This lease transaction is a noncash transaction, which is amortized, in the accompanying financial statements at \$6,240 a year with a balance of \$145,253 at June 30, 2021.

On September 1, 2005, the Authority entered into a lease agreement with KCXP Investments LLC in which the lessee prepaid a 50-year lease in the amount of \$362,890. The lease will be amortized at a rate of \$7,258 per year over the 50 years. At June 30, 2021, the balance of the prepaid lease reflected as a long-term lease transaction in the accompanying financial statements totaled \$247,976.

On October 19, 2006, the Authority entered into an amended lease agreement with Cubix in which the lessee prepaid a 15-year lease in the amount of \$100,679. The lease will be amortized at a rate of \$9,330 for the first five years, \$40,600 for the second five years, and \$50,749 for the last five years. At June 30, 2021, the balance of the prepaid lease reflected as a long-term lease transaction in the accompanying financial statements totaled \$11,920.

On January 26, 2017, the Authority entered into an amended lease agreement with John Mayes, who assumed the Contri lease discussed above, in which the lessee prepaid \$27,424 which represented an increase in the above lease. The new amount will be amortized over a 28-year period. The lease will be amortized at a rate of \$979 per year. At June 30, 2021, the balance of the prepaid lease reflected as a long-term lease transaction in the accompanying financial statements totaled \$22,446.

On July 18, 2018, the Authority entered into a lot line adjustment on the above lease with John Mayes in which the lessee prepaid \$23,058, which is being amortized over a 25 year period. The lease will be amortized at the annual rate of \$907. At June 30, 2020, the balance of the prepaid lease reflected as a long-term lease transaction in the accompanying financial statements totaled \$20,412.

In addition, the Authority is a party to several long-term leases that are not reflected above that will earn revenue into future periods. Following is a schedule of the minimum future rentals on all of the leases:

| <u>Years Ending June 30,</u> | <u>Amount</u> |
|------------------------------|---------------|
| 2022 | \$ 224,192 |
| 2023 | 175,962 |
| 2024 | 170,173 |
| 2025 | 168,106 |
| 2026 | 166,039 |
| 2027-2031 | 830,197 |
| 2032-2036 | 698,625 |
| 2037-2041 | 623,267 |
| 2042-2046 | 623,267 |
| 2047-2051 | 455,278 |
| 2052-2056 | 308,870 |
| 2057-2061 | 189,578 |
| 2062-2066 | 185,417 |
| 2067-2071 | 22,079 |

Note 8 - Long-Term Lease Purchase Transaction

In December 2019, the Authority entered into a lease purchase arrangement of a tractor. The total cost of the tractor was \$73,699 made with cash of \$23,700 and debt of \$49,999. The loan is payable in four annual installments of \$13,771, including applicable interest, beginning December 1, 2020. Interest accrues at 3.99%. The loan is secured by the specific equipment. Following are the minimum lease payments:

| Years Ending June 30, | Principal Payments | Interest Payments | Total |
|-----------------------|-----------------------|----------------------|------------------|
| 2022 | \$ 12,246 | \$ 1,525 | \$ 13,771 |
| 2023 | 12,734 | 1,037 | 13,771 |
| 2024 | 13,243 | 528 | 13,771 |
| | <u>\$ 38,223</u> | <u>\$ 3,090</u> | <u>\$ 41,313</u> |

Leased property under capital leases at June 30, 2021 totaled \$73,699, with accumulated depreciation of \$12,812.

Note 9 - Pensions

General Information About the Pension Plan

Plan Description

PERS (PERS or System) administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010 and for members entering the System on or after July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% multiplier. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 – 286.579.

Vesting

Regular members entering the System prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015 are eligible for retirement at age 65 with 5 years of service, or at age 62 with 20 years of service or at age 55 with 30 years of service or at any age with 33 1/3 years of service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2020, the Statutory Employer/employee matching rate was 15.25% for Regular employees. The Employer-pay contribution (EPC) rate was 29.25%, for June 30, 2020 for Regular employees. The Authority's contributions were \$15,643 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the Authority reported a liability of \$345,921 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2020. At June 30, 2020, the Authority's proportion was .00248%, which was an increase of .00079% from its proportion measured at June 30, 2019.

For the year ended June 30, 2021, the Authority recognized pension expense of \$42,696. Amounts totaling \$15,643 resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. At June 30, 2021, the Authority had a payable of \$1,076 due to the System related to contractually required contributions for the year ended June 30, 2021 that were included in accounts payable in the accompanying financial statements.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 10,748 | \$ 4,467 |
| Changes of assumptions | 9,717 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 13,068 |
| Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions | 159,068 | 53,364 |
| City contributions subsequent to the measurement date | 15,643 | - |
| | \$ 195,176 | \$ 70,899 |

The \$15,643 reported as deferred outflows of resources resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2022. The net difference between projected and actual investment earnings on pension plan investments will be recognized over five years, all the other above deferred outflow and deferred inflows will be recognized over the average expected remaining services lives, which was 6.13 years for the measurement period ending June 30, 2020. The amount reported as deferred outflows/(inflows) of resources will be recognized in pension expense as follows:

| Years Ending June 30, | Amount |
|-----------------------|------------|
| 2022 | \$ 9,066 |
| 2023 | 19,789 |
| 2024 | 23,015 |
| 2025 | 33,484 |
| 2026 | 20,957 |
| 2027 | 2,323 |
| | \$ 108,634 |

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------|---|
| Inflation rate | 2.75% |
| Payroll growth | 5.00%, including inflation |
| Investment rate of return | 7.50% |
| Productivity pay increase | 0.50% |
| Projected salary increases | Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases |
| Consumer price index | 2.75% |
| Other assumptions | Same as those used in the June 30, 2020 funding actuarial valuation |

Mortality rates for all non-disabled members (Regular and Police/Fire) age 50 and over were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scape MP-2016, set forward one year for spouses and beneficiaries. For all non-disabled members under the age of 50, mortality rates were based on the Headcount-Weighted RP-2014 Employee Mortality Tables adjusted by the ration of the mortality rate for members at age 50 to the mortality rate at age 50 from the Employee mortality tables used for age 50 and over. The mortality rates for ages less than 50 are then projected to 2020 with Scale MP-2016. The mortality table used in the actuarial valuation to project mortality rates for all disabled members (Regular and Police/Fire) is the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial valuation completed that same date. There were no changes in actuarial assumptions since the preceding valuation.

Investment Policy

The System's policies which determine the investment portfolio target asset allocation are established by the Retirement Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Retirement Board's adopted policy target asset allocation as of June 30, 2020:

| Asset Class | Target Allocation | Long-Term Geometric Expected Real Rate of Return |
|-----------------------|-------------------|--|
| Domestic Equity | 42% | 5.50% |
| International Equity | 18% | 5.75% |
| Domestic Fixed Income | 28% | 0.75% |
| Private Equity | 12% | 6.65% |

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2020, was projected to be available to make all projected future benefit payments of current active and inactive employees. 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 as of June 30, 2020.

Discount Rate and Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the PERS as of June 30, 2020, calculated using the discount rate of 7.5%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.5%) or 1 percentage-point higher (8.5%) than the current discount rate:

| | 1% Decrease in Discount Rate (6.50%) | Discount Rate (7.50%) | 1% Increase in Discount Rate (8.50%) |
|-----------------------|--|--------------------------|--|
| Net Pension Liability | \$ 539,503 | \$ 345,921 | \$ 184,972 |

Pension Plan Fiduciary Net Position

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 10 - Commitments, Contingencies and Risk Management

The Authority has entered into agreements to complete two AIP projects which have not been received as of June 30, 2021 in the amount of \$349,025 with expected completion in the next fiscal year. These grants are 100% federally funded and do not require local matching funds. In addition, there is construction contract relating to the AIP project with an unpaid amount of \$29,146.

There were no other claims pending or unresolved disputes involving the Authority at June 30, 2021.

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of these risks of loss. In the past three years, no claims exceeded existing insurance coverage. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority.

During 2020, the world-wide Coronavirus pandemic impacted national and global economies. The Authority is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the current and future full impact to the Authority is not known.

Note 11 - Related Party Transactions

The Authority leases certain property to various individuals or related businesses that are members or relatives of the Board of Trustees. All such transactions are considered to be arms-length transactions.

Note 12 - Conversion to Government-Wide Financial Statements

Adjustments on the face of the financial statements were made to the fund balance sheet and statement of revenue, expenditures, and changes in fund balance in order to reconcile the fund financial statements to the government-wide statements of net position and activities. The differences are reflected below:

Statement of Net Position and Governmental Fund Balance Sheet Adjustments – Increases (decreases)

- Capitalization of fixed assets of \$1,618,447, accumulated depreciation of \$270,053 - \$1,348,394
- Prepaid airport improvements incurred by lessee and long-term lease - \$145,253
- Accrued compensated absences – \$1,134
- Reflect long-term lease purchase transaction – \$183,476
- Pension activity including deferred outflows of (\$195,176), net pension liability of \$345,921 and deferred inflows of \$70,899 – \$221,644
- Elimination of fund balances – (\$1,421,760)
- Inclusion of net position - \$2,509,153

*Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balances
Adjustments*

- Grant revenue considered available under accrual accounting - \$50,970
- Removal of other financing sources for capital lease for equipment - \$11,776
- Increase in net pension liability and related accounts – \$22,404
- Addition of depreciation expense of \$42,632
- Decrease in accrued compensated absences - \$9,525
- Capital assets – \$1,099,189
- Loss on disposal of assets - \$3,311



Required Supplementary Information
June 30, 2021

Airport Authority of Carson City

Airport Authority of Carson City
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2021

| | 2021 | | | Variance to Final Budget | 2020 |
|--|------------------|------------------|------------------|--------------------------------|----------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | (Memorandum Only) |
| Revenue | | | | | |
| Local government shared revenue | | | | | |
| Property tax | | | | | |
| Aircraft | \$ 135,592 | \$ 135,592 | \$ 156,876 | \$ 21,284 | \$ 122,337 |
| Buildings | 114,408 | 114,408 | 132,367 | 17,959 | 130,391 |
| FAA grant revenue | <u>1,058,016</u> | <u>1,128,017</u> | <u>1,164,160</u> | <u>36,143</u> | <u>327,510</u> |
| Total local government shared revenue | <u>1,308,016</u> | <u>1,378,017</u> | <u>1,453,403</u> | <u>75,386</u> | <u>580,238</u> |
| Miscellaneous | | | | | |
| Leases - annual | 257,692 | 238,348 | 250,635 | 12,287 | 263,909 |
| Interest earnings | 18,300 | 17,000 | 3,657 | (13,343) | 19,240 |
| Tie-downs | 4,000 | 2,000 | 10,157 | 8,157 | 17,777 |
| Fuel flowage fees | 12,000 | 6,000 | 14,499 | 8,499 | 10,417 |
| Jet fuel tax | 2,200 | 1,100 | 2,148 | 1,048 | 2,025 |
| Through the fence fees | 6,595 | 6,595 | 7,161 | 566 | 6,912 |
| Miscellaneous | 18,830 | 400 | 15,574 | 15,174 | 15,117 |
| Gate cards | 1,800 | 900 | 120 | (780) | 2,679 |
| Class II FBO fees | 9,072 | 3,600 | 8,500 | 4,900 | 5,600 |
| Rock sales | <u>45,000</u> | <u>36,000</u> | <u>61,158</u> | <u>25,158</u> | <u>40,429</u> |
| Total miscellaneous revenue | <u>375,489</u> | <u>311,943</u> | <u>373,609</u> | <u>61,666</u> | <u>384,105</u> |
| Total revenue | <u>1,683,505</u> | <u>1,689,960</u> | <u>1,827,012</u> | <u>137,052</u> | <u>964,343</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Airport service and supplies | | | | | |
| Repairs and maintenance | 55,971 | 55,971 | 48,092 | 7,879 | 37,139 |
| Web site and AWOS | 10,000 | 10,000 | 10,760 | (760) | 14,147 |
| Utilities and telephone | 18,380 | 18,380 | 14,627 | 3,753 | 14,540 |
| Contractual services | 10,500 | 10,500 | 12,155 | (1,655) | 3,900 |
| Insurance | 11,000 | 11,000 | 12,628 | (1,628) | 1,860 |
| Operating supplies | 8,385 | 8,385 | 5,856 | 2,529 | 11,103 |
| Miscellaneous | 25,745 | 7,945 | 4,297 | 3,648 | 17,157 |
| Audit and accounting services | 26,000 | 26,000 | 24,295 | 1,705 | 21,044 |
| Legal | 50,000 | 50,000 | 69,558 | (19,558) | 35,640 |
| Engineering - general | - | - | - | - | 2,275 |
| Other professional | <u>5,000</u> | <u>5,000</u> | <u>1,170</u> | <u>3,830</u> | <u>314</u> |
| Total airport service and supplies | <u>220,981</u> | <u>203,181</u> | <u>203,438</u> | <u>(257)</u> | <u>159,119</u> |

Airport Authority of Carson City
Statement of Revenue, Expenditures, and Changes in Fund Balances – Budget and Actual
Year Ended June 30, 2021

| | 2021 | | | Variance to Final Budget | 2020 |
|-------------------------------------|-------------------|---------------------|---------------------|--------------------------------|----------------------|
| | Budgeted Amounts | | Actual | | Actual |
| | Original | Final | | | (Memorandum Only) |
| Airport administration | | | | | |
| Salaries and wages | \$ 157,471 | \$ 157,471 | \$ 128,435 | \$ 29,036 | \$ 155,372 |
| Employee taxes and benefits | 68,286 | 68,286 | 52,496 | 15,790 | 57,614 |
| Total airport administration | <u>225,757</u> | <u>225,757</u> | <u>180,931</u> | <u>44,826</u> | <u>212,986</u> |
| Total airport operations | <u>446,738</u> | <u>428,938</u> | <u>384,369</u> | <u>44,569</u> | <u>372,105</u> |
| Capital outlay | | | | | |
| FAA grant project | | | | | |
| Master plan update | - | - | - | - | 52,068 |
| Rehabilitation taxiways | - | - | 27,156 | (27,156) | 316,442 |
| Perimeter fence design | 1,107,128 | 1,036,596 | 911,662 | 124,934 | 6,958 |
| Runway Rehab | 21,422 | 21,422 | 85,462 | (64,040) | - |
| Relocate AWOS | - | - | 8,602 | (8,602) | - |
| Snow removal | - | - | 4,200 | (4,200) | - |
| CARES Act funds | - | - | - | - | 1,380 |
| Other capital outlay | <u>150,450</u> | <u>150,450</u> | <u>88,687</u> | <u>61,763</u> | <u>85,523</u> |
| Total capital outlay | <u>1,279,000</u> | <u>1,208,468</u> | <u>1,125,769</u> | <u>82,699</u> | <u>462,371</u> |
| Debt service | | | | | |
| Lease transaction | <u>6,240</u> | <u>6,240</u> | <u>6,240</u> | <u>-</u> | <u>6,240</u> |
| Total expenditures | <u>1,731,978</u> | <u>1,643,646</u> | <u>1,516,378</u> | <u>127,268</u> | <u>840,716</u> |
| Other Financing Sources | | | | | |
| Capital lease for equipment | <u>-</u> | <u>-</u> | <u>(11,776)</u> | <u>(11,776)</u> | <u>49,999</u> |
| Excess of Revenue over Expenditures | (48,473) | 46,314 | 298,858 | 252,544 | 173,626 |
| Fund Balance, Beginning of Year | <u>1,042,058</u> | <u>1,042,058</u> | <u>1,122,902</u> | <u>80,844</u> | <u>949,276</u> |
| Fund Balance, End of Year | <u>\$ 993,585</u> | <u>\$ 1,088,372</u> | <u>\$ 1,421,760</u> | <u>\$ 333,388</u> | <u>\$ 1,122,902</u> |

Airport Authority of Carson City
Schedule of Changes in Net Pension Liability Based on Measurement Date
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|------------|------------|------------|------------|-----------|
| Portion of the net pension liability | 0.00248% | 0.00169% | 0.00092% | 0.00147% | 0.00150% | 0.00139% | 0.00094% |
| Proportionate share of the net pension liability | \$ 345,921 | \$ 230,178 | \$ 125,881 | \$ 196,091 | \$ 202,273 | \$ 158,883 | \$ 97,541 |
| Covered payroll | 143,181 | 134,163 | 72,499 | 101,312 | 91,332 | 83,111 | 84,222 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 241.60% | 171.57% | 173.63% | 193.55% | 221.47% | 191.17% | 115.81% |
| Plan fiduciary net position as a percentage of the total pension liability | 77.04% | 76.46% | 74.40% | 74.42% | 72.23% | 75.13% | 76.31% |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the Authority will present information only for those years for which information is available.

Airport Authority of Carson City
 Schedule of Contributions
 Last Ten Fiscal Years

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually required contribution | \$ 15,643 | \$ 21,232 | \$ 19,054 | \$ 13,295 | \$ 14,690 | \$ 14,690 | \$ 14,206 |
| Contributions in relation to the contractually required contribution | <u>(15,643)</u> | <u>(21,232)</u> | <u>(19,054)</u> | <u>(13,295)</u> | <u>(14,690)</u> | <u>(14,690)</u> | <u>(14,206)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Authority's covered payroll | \$ 104,445 | \$ 143,181 | \$ 134,163 | \$ 72,499 | \$ 101,312 | \$ 91,332 | \$ 83,111 |
| Contributions as a percentage of covered payroll | 14.83% | 14.83% | 14.20% | 18.34% | 14.50% | 16.08% | 17.09% |

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the Authority will present information only for those years for which information is available.



**Independent Auditors' 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 Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

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 and the general fund of the Airport Authority of Carson City (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002 and 2021-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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*.

Airport Authority of Carson City's Response to Findings

The Airport Authority of Carson City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Airport Authority of Carson City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, professional style.

Reno, Nevada
November 23, 2021



**Independent Auditor’s Report on Compliance for the Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

Report on Compliance for the Major Federal Program

We have audited Airport Authority of Carson City (the “Authority”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority’s major federal program for the year ended June 30, 2021. The Authority’s major federal program is 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 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 the Authority’s major federal program 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 Authority’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 qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority’s compliance.

Basis for Qualified Opinion on the Major Federal Program

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding Airport Improvement Program, CFDA 20.106, as described in Finding 2021-004 for Equipment and Real Property Management and Finding 2021-005 for Reporting and Finding 2021-006 for special tests and provisions. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Qualified Opinion

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Authority'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 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 and significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2021-004, 2021-005 and 2021-006 that we consider to be material weaknesses.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Eide Bailly LLP

Reno, Nevada
November 23, 2021



**Independent Auditors' Report on Compliance with FAA's Policy
Regarding the Use of Airport Revenue and 49 U.S.C. Section 47107(b)**

To the Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

We have audited the compliance of the Airport Authority of Carson City with the FAA policy regarding the use of airport revenue and 49 U.S.C. Section 47107(b) as of and for the year ended June 30, 2021. Compliance with the requirements of the FAA and 49 U.S.C. Section 47107(b) is the responsibility of the Airport Authority of Carson City's management. Our responsibility is to express an opinion on the Airport Authority of Carson City's compliance based on our audit.

We conducted our audit of compliance 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the financial statements occurred. An audit includes examining, on a test basis, evidence about the Airport Authority of Carson City'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. Our audit does not provide a legal determination of the Airport Authority of Carson City's compliance with those requirements.

In our opinion, the Airport Authority of Carson City, complied, in all material respects, with the requirements referred to above for the year ended June 30, 2021.

This report is intended solely for the information and use of the Board of Trustees, management, city of Carson City, Nevada, others within the Authority, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 23, 2021



Auditors' Comments

To the Board of Trustees
Airport Authority of Carson City
Carson City, Nevada

In connection with our audit of the financial statements of the Airport Authority of Carson City as of and for the year ended June 30, 2021, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the Authority failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

The Authority monitored all significant constraints on its financial administration during the year ended June 30, 2020.

Current Year Recommendations

See the schedule of findings and questioned costs for the current year recommendations.

Progress on Prior Year Recommendations

Although there was improvement over prior year, differences were noted in the accounting records that required proposed audit adjustments.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 23, 2021

Airport Authority of Carson City
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2021

| Federal Grantor/Pass-Through Grantor/Program Title | Federal Financial Assistance Listing/Federal CFDA Number | Pass-Through Grantor Identifying Number | Federal Expenditures |
|---|---|--|----------------------------|
| <u>United States Department of Transportation</u> | | | |
| Federal Aviation Administration | | | |
| Passed through Carson City, Nevada | | | |
| Airport Improvement Program | 20.106 | 3-32-0004-033-2020 | \$ 906,506 |
| Airport Improvement Program | 20.106 | 3-32-0004-034-2020 | 109,310 |
| Airport Improvement Program | 20.106 | 3-32-0004-036-2020 | 8,602 |
| Airport Improvement Program | 20.106 | 3-32-0004-037-2020 | 4,200 |
| Covid 19: Airport Improvement Program | 20.106 | 3-32-0004-035-2020 | <u>69,100</u> |
| Total Federal Financial Assistance | | | <u><u>\$ 1,097,718</u></u> |

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Airport Authority of Carson City (the Authority) under programs of the federal government for the year ended June 30, 2021. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Airport Authority of Carson City, it is not intended to and does not present the financial position changes in net position of Airport Authority of Carson City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

The Organization has not elected to use the 10% de minimis cost rate.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

| | |
|--|---------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified | Yes |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

| | |
|--|---------------|
| Internal control over major program: | |
| Material weaknesses identified | Yes |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Type of auditor's report issued on compliance for major programs: | Qualified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516: | Yes |

Identification of major programs:

| Name of Federal Program | CFDA Number |
|--|-------------|
| Airport Improvement Program | 20.106 |
| Dollar threshold used to distinguish between type A and type B programs: | \$ 750,000 |
| Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

**2021-001 Internal Control over the Preparation of Financial Statements and Reconciliations
Material Weakness**

Criteria: The Authority should have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures.

Condition: The Authority does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited without material adjustments. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements, which is common. However, there were several accounts in which reconciliations were not properly completed or reviewed timely.

Cause: The Authority is not reviewing and monitoring the financial information as reflected in the accounting records or the reconciliations over financial information.

Effect: Errors or omissions could occur without being identified in the normal course of operations.

Recommendation: We recommend that the Authority implement a policy that includes review of the financial information as recorded in the records and a review of expenses incurred to reduce the risk of errors or omissions.

Views of Responsible Officials: The Authority is in agreement with finding.

**2021-002: Grant Expenditures
Material Weakness**

Criteria: Internal controls should be in place to provide reasonable assurance that protects the Authority from errors or omissions.

Condition: During the course of our engagement, we proposed material audit adjustments to the Authority's recorded account balances in the grant expenditures including capitalizing grant expenditures. If the adjustments were not recorded, it would have resulted in a material misstatement of the Authority's financial statements. The need for these adjustments indicates that the Authority's interim financial information is not materially correct, which may affect appropriate grant reporting.

Cause: The Authority is not reviewing and monitoring the grant expenditures as reflected in the accounting records.

Effect: Errors or omissions could occur without being identified in the normal course of operations.

Recommendation: The Authority should implement a policy that includes review of the financial information as recorded in the records and a review of expenses incurred to reduce the risk of errors or omissions.

View of Responsible Officials: The Authority is in agreement with finding.

**2021-003: Schedule of Expenditures of Federal Awards Material Weakness
Material Weakness**

Criteria: Title 2 Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires grantees to prepare the Schedule of Expenditures of Federal Awards (SEFA).

Condition: The accounting system utilized to prepare the SEFA by the Authority did not properly reflect the expenditures of federal awards.

Cause: The Authority did not have adequate internal controls to ensure Federal expenditures reported for amounts passed through to subrecipients on the SEFA were accurately reported.

Effect: Errors or omissions could occur without being identified in federal expenditures.

Recommendation: We recommend the Authority enhance internal controls to ensure total Federal expenditures are accurately reported on the SEFA.

View of Responsible Officials: The Authority is in agreement with finding.

Section III – Federal Award Findings and Questioned Costs

**2021-004: U.S. Department of Transportation
Airport Improvement Program, CFDA 20.106**

**Equipment/Real Property Management
Material Weakness in Internal Control over Compliance and Material Noncompliance**

Grant Award Number: Affects all grant awards included under CFDA 20.106 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200.313(d)(1), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) provides that a physical inventory of property (equipment) must be taken, including condition, and the results reconciled with property records at least once every 2 years.

Condition: The Authority has not taken a physical inventory of equipment purchased with Federal funds within the past 2 years in addition the fixed asset listing retained by the Authority does not properly report all required information as required.

Cause: The Airport Authority of Carson City (the Authority) did not have adequate internal controls to maintain a fixed asset listing and ensure a physical inventory including condition of items is taken and reconciled with property records at least once every 2 years.

Effect: The Authority could be missing certain equipment and could be out of compliance with Federal requirements.

Questioned Costs: None reported

Context/Sampling: Not applicable.

Repeat Finding from Prior Year: No.

Recommendation: We recommend the Authority enhance internal controls to ensure a proper listing is maintained and a physical equipment inventory of property purchased with Federal funds including condition is completed at least once every 2 years and reconciled to underlying property records.

Views of Responsible Officials: The Authority agrees with this finding.

**2021-005 U.S. Department of Transportation
Airport Improvement Program, CFDA 20.106**

**Reporting
Material Weakness in Internal Control over Compliance and Material Noncompliance**

Grant Award Number: Affects all grant awards included under CFDA 20.106 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200.302 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) provides that the financial management system of each non-Federal entity must provide for identification in its account all federal awards expended, and under which program they were received.

Condition: The Authority relies on an engineering consultant to prepare reports, the Authority does not have a process in place to ensure these reports are being completed in accordance with appropriate accounting standards.

Cause: The Airport Authority of Carson City (the Authority) did not have adequate internal controls to ensure the reports are completed in accordance with appropriate accounting standards.

Effect: The Authority could be out of compliance with reporting.

Questioned Costs: None reported

Context/Sampling: We reviewed 6 reports out of 16, all reports lacked the appropriate review.

Repeat Finding from Prior Year: No.

Recommendation: We recommend the Authority enhance internal controls to ensure that appropriate personnel are reviewing and approving grant reports and verifying that they reconcile to general ledger activity and that grant expenditures are reported in the proper period.

Views of Responsible Officials: The Authority agrees with this finding.

**2021-006: U.S. Department of Transportation
Airport Improvement Program, CFDA 20.106**

**Special Tests and Provisions – Wage Rate Requirements
Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects all grant awards included under CFDA 20.106 on the Schedule of Expenditures of Federal Awards.

Criteria: Title 29 U.S. Code of Federal Regulations Part 5 Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction provides that the contractor or subcontractor must submit to the nonfederal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance with prevailing wage regulations (certified payrolls).

Condition: The Authority relies on an engineering consultant to collect all wage rate certification forms from subcontractors and the Authority does not have a process in place to ensure these forms are being turned in on a weekly basis and are complete.

Cause: The Airport Authority of Carson City (the Authority) did not have adequate internal controls to ensure that wage rate certification forms are being turned in on a weekly basis and are complete.

Effect: The Authority could be out of compliance with prevailing wage requirements if there is a lapse in collection of the wage rate certification forms by the engineering contractor or if the forms are incomplete.

Questioned Costs: None reported

Context/Sampling: We reviewed all certified payrolls from subcontractors for a total of 34 payrolls, none were reviewed by the Authority.

Repeat Finding from Prior Year: No.

Recommendation: We recommend the Authority enhance internal controls to ensure that the appropriate personnel at the Authority is verifying that completed certified payrolls are being collected each week that applicable construction work is taking place and that these forms are completed properly.

Views of Responsible Officials: The Authority agrees with this finding.

Management's Response to Auditor's Findings:
Summary Schedule of Prior Audit Findings and
Corrective Action Plan
June 30, 2021

Prepared by Management of
Airport Authority of Carson City

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Yellow Book

Finding 2020-001

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: The Authority does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements. Although this circumstance is not unusual for an Authority of your size, the preparation of financial statements as a part of the audit engagement may result in financial statements and related information included in financial statement disclosures not being available for management purposes as timely as it would be if prepared by Authority personnel. It is the responsibility of management and those charged with governance to determine whether to accept the risk associated with this condition because of cost or other considerations.

Status: Ongoing, the Authority does not have adequate staff to prepare the financial statements

Finding 2020-002

Initial Fiscal Year Finding Occurred: 2019

Finding Summary: During the course of our engagement, we proposed material audit adjustments to the Authority's recorded account balances in the grant receivables and related revenue, accounts payable, and lease revenue. If the adjustments were not recorded, it would have resulted in a material misstatement of the Authority's financial statements. The need for these adjustments indicates that the Authority's interim financial information is not materially correct, which may affect management decisions made during the course of the year.

Status: Ongoing, by developing standard operating procedures that fully utilizes the Intuit software tools available and SharePoint for collaboration this issue should be resolved.

Single Audit

No single audit during fiscal year 2020.

CORRECTIVE ACTION PLAN FOR AUDIT FINDINGS

Yellow Book

Finding: 2021-001:

Finding Summary: The Authority does not have an internal control system designed to provide for the preparation of the financial statements and related financial statement disclosures being audited without material adjustments. In conjunction with the completion of our audit, we were requested to draft the financial statements and accompanying notes to those financial statements, which is common. However, there were several accounts in which reconciliations were not properly completed or reviewed timely.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: Develop standard operating procedures that fully utilizes the Intuit software tools available and SharePoint for collaboration.

Anticipated Completion Date: 01/31/2022

Finding: 2021-002:

Finding Summary: During the course of our engagement, we proposed material audit adjustments to the Authority's recorded account balances in the grant expenditures including capitalizing grant expenditures. If the adjustments were not recorded, it would have resulted in a material misstatement of the Authority's financial statements. The need for these adjustments indicates that the Authority's interim financial information is not materially correct, which may affect appropriate grant reporting.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: Develop a system of accounting that tracks both credits and debits to properly balance each grant account.

Anticipated Completion Date: 11/30/2021

Finding: 2021-003:

Finding Summary: The accounting system utilized to prepare the SEFA by the Authority did not properly reflect the expenditures of federal awards.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: Utilize guidance in 2.CFR.200.502 to update our accounting system to properly reflect the expenditures of federal awards.

Anticipated Completion Date: 01/31/2021

Single Audit

Finding: 2021-004

Federal Agency Name: U.S. Department of Transportation

Program Name: Airport Improvement Program, CFDA 20.106

CFDA #: 20.106

Finding Summary: The Authority has not taken a physical inventory of equipment purchased with Federal funds within the past 2 years in addition the fixed asset listing retained by the Authority does not properly report all required information as required.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: Develop a Standard Operating Procedure to perform a physical inventory of equipment purchased with federal funds

Finding: 2021-005

Federal Agency Name: U.S. Department of Transportation

Program Name: Airport Improvement Program, CFDA 20.106

CFDA #: 20.106

Finding Summary: The Authority relies on an engineering consultant to prepare reports, the Authority does not have a process in place to ensure these forms are being completed in accordance with appropriate accounting standards.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: The consultant will have all forms verified by the Airport Manager for future projects.

Finding: 2021-006

Federal Agency Name: U.S. Department of Transportation

Program Name: Airport Improvement Program, CFDA 20.106

CFDA #: 20.106

Finding Summary: The Authority relies on an engineering consultant to collect all wage rate certification forms from subcontractors and the Authority does not have a process in place to ensure these forms are being turned in on a weekly basis and are complete.

Responsible Individuals: Chair of the Carson City Airport Authority, The Chair's Designee, and Accounting Contractor

Corrective Action Plan: The consultant will have all forms verified by the Airport Manager for future projects.

This corrective action plan is respectfully submitted by:

Corey Jenkins, ACE

Airport Authority of Carson City

2600 E College Pkwy, Carson City, NV 89706

cjenkins@flycarsoncity.com



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-2

BOARD MEMO 2022-03

Meeting Date: January 19, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: MODIFICATION TO THE MOUNTAIN WEST AVIATION, LLC. LEASE RECORDED SEPTEMBER 5, 2008 AS DOCUMENT NO. 382384 TO CORRECT THE LEGAL DESCRIPTION TO THE AREA ACTUALLY CONSTRUCTED BY THE AUTHORITY WHEN THE LEASE WAS SITED. (S. Tackes)

Staff Summary: *The recent land survey revealed that the area occupied by Mountain West Aviation LLC for the self serve fuel island is not identical to the description in the lease that was approved in 2008. The Authority engineers sited that lot as part of the Authority's relocation of the lease required by the re-alignment of the runway. As a result, this correction to the legal description of the lease will align the lot to the edge of the pavement and results in a reduction of the lot by 1417sq ft. Staff recommends approval as this must be corrected prior to leasing the remaining Bravo lease parcel and can be corrected on the same Record of Survey.*

Agenda Action: Formal Action/Motion

Time Requested 10 Minutes

Proposed Motion/ Action

I move to approve the corrected legal description and change to rent between the Carson City Airport Authority and Mountain West Aviation, LLC, as well as authorize the Authority to reimburse Mountain West Aviation, LLC for the overpayment on 1417sq ft (approx. \$552.63).

CCAA'S Strategic Goal

Management and safety of airport and operations; compliance with NRS 844 and federal requirements

Previous Action

N/A

Executive Summary

In 2008, the Airport Authority was implementing its Master Plan that provided for a re-alignment of the runway to better fit the overall airport land footprint. In doing so, it was necessary for the Airport Authority to relocate the parcels rented by Mountain West Aviation, LLC. Those parcels included a fuel island parcel and a parcel for future expansion. The Airport Authority and the tenant agreed to move the fuel island parcel across Taxiway Bravo to the

location it currently occupies. The relocation was part of the FAA AIP grant and was performed by the Airport Authority. The fuel island equipment was replaced as it was less expensive than trying to move and rehabilitate the old fuel island equipment. In short, the Airport Authority designed and constructed the new fuel island, with the consent of the tenant. The Airport Engineer provided the lot description and size for use in the lease amendment. However the recorded lease only refers to .89 acres. (Doc. No. 382384). The Airport Engineer supervised the construction of the re-located fuel island. We learned via the recent survey that the land area being used does not line up with description used in the lease amendment. The Airport Engineer neglected to notify the Authority of the change in size and provide a corrected legal description that could be used to create the parcel. The northern lot line takes a different angle that does not include part of the constructed facility and includes part that is not included with the constructed facility. An accurate description is needed so that the Authority can proceed with leasing the Bravo Parcel without a conflict in the leased areas. The corrected lease area description for the fuel island is 1,417 sq feet smaller than the .89acre description in the lease. As a result, the tenant has agreed to the corrected lease area which will correctly align the lease boundaries. As such, the rent will be reduced for the amount of sq footage reduced, plus the Airport Authority owes the tenant an amount (somewhat small) for the overpayments of area not used. Since the recorded lease does not contain the legal description, when the Authority records the survey, the precise legal description will be identified. An amendment to the lease to add the precise legal description is recommended and can be accomplished after the survey map is recorded.

Recommendation: Vote to approve.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: lease revenues

Is it currently budgeted? No.

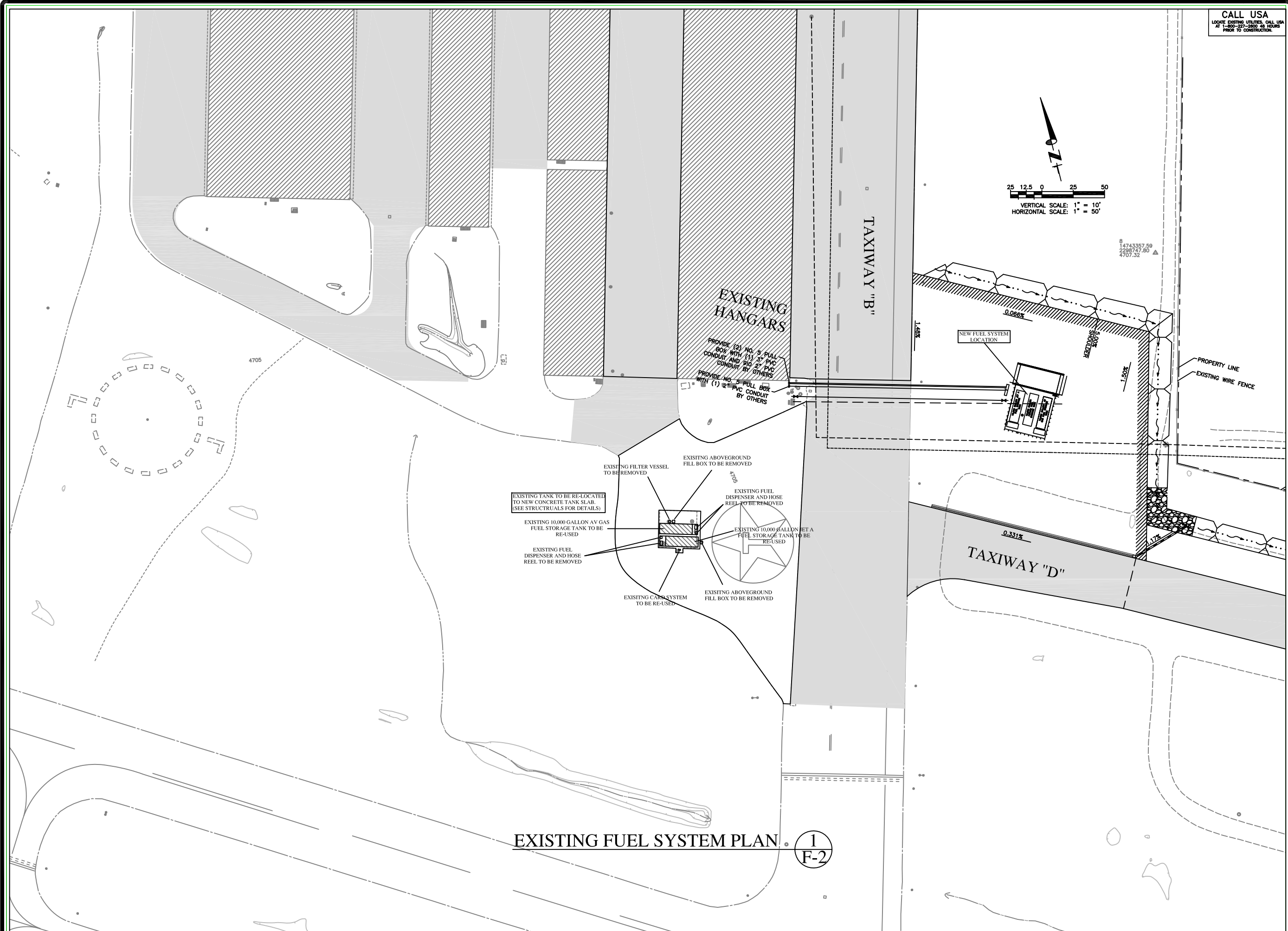
Alternatives

Do not correct the lease area and introduce conflicting areas in future leases to the north of the fuel island.

Board Action Taken:

| | | |
|---------------|----------|---------|
| Motion: _____ | 1) _____ | Aye/Nay |
| | 2) _____ | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |

(Vote Recorded By)



CALL USA
 LOCATE EXISTING UTILITIES CALL USA
 AT 1-800-227-2800 48 HOURS
 PRIOR TO CONSTRUCTION.

| REVISIONS | BY |
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L.A. PERKS
PLUMBING AND HEATING INC.
 PH 775-358-4403 NV Lic 12559 A.B.C. NV UTH Lic 1018
 765 EAST GREG ST. SPARKS NV 89431 CAL Lic 678948

CARSON AIRPORT
 REALIGNMENT/RECONSTRUCTION
 RUNWAY 9 / 27 & TAXIWAY "A"
 &
 CONSTRUCT TAXIWAY "D"

PREPARED BY
 KYLEN PERKS
 DATE
 9-18-09
 SCALE
 AS NOTED
 JOB NO.
 SHEET
F-2
 OF SHEETS

EXISTING FUEL SYSTEM PLAN. 1 F-2

APN 005-011-74
DOC 507510
LEASE PAR 35-B

APN 005-011-74
DOC 239344
LEASE PAR 35-A

CONC APRON

BRAVO

PROPOSED
BRAVO LEASE
12.4 Acres



TAXIWAY

LEASE
PARCEL 43

ORIGINAL
LEASE LINE

S 76°04'59" E
219.20'

N 00°49'20" E
175.09'

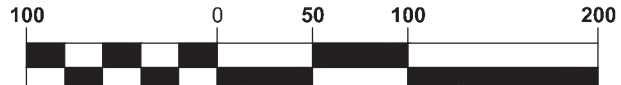
MW Aviation LLC
37351 Sq. Feet
0.8575 Acres

S 00°49'20" W
174.80'

LEASE
PARCEL 44

N 76°09'24" W
219.13'

GRAPHIC SCALE



1 inch = 100 ft.



LEASE PARCEL EXHIBIT
FOR
CARSON CITY AIRPORT
BEING PORTION OF THE EAST HALF OF SECTION 4,
T.15 N., R 20 E., M.D.M., CARSON CITY COUNTY, NEVADA

LAND SURVEYORS
CIVIL ENGINEERS
LAND USE PLANNERS
1150 CORPORATE BOULEVARD
RENO, NEVADA 89502
775-856-1150 MAIN ■ CFARENO.COM

SHEET
1 / OF **1**

Legal Description

MW Aviation LLC Parcel

All that piece or parcel of land located within the Northeast one-quarter (1/4) of Section Four (4) Township 15, North, Range 20 East, MDM, Carson City Nevada;

Commencing at the North Section Corner common to Sections 4 and 3, Township 15 North, Range 20 East, MDBM, thence along the line common to Sections 3 & 4, South 00°49'20" West, a distance of 2530.09 feet to the Point of Beginning.

Thence South 00°49'20" West, a distance of 174.80 feet;

Thence North 76°09'24" West, a distance of 219.13 feet;

Thence North 00°49'20" East, a distance of 175.09 feet;

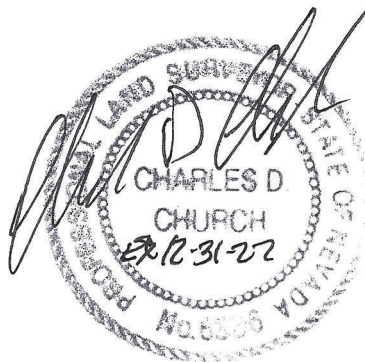
Thence South 76°04'59" East, a distance of 219.20 feet to the Point of Beginning,

having an area of 37351 square feet more or less.

Basis of Bearing:

The basis of bearings for this description is the East line of the Northeast one-quarter of Said Section 4, Township 15 North, Range 20 East.

CFA Reno
1150 Corporate Blvd.
Reno, Nevada 89502
775-856-1150
CFAReno.com
Project 21099.00
November 9, 2021



11-10-2021

BASIS OF BEARING

THE BASIS OF BEARING FOR THIS SURVEY IS THE NEVADA STATE PLANE COORDINATE SYSTEM, MODIFIED GRID, AS SHOWN ON THE RECORD OF SURVEY RS 2554, DOC. NO. 330854

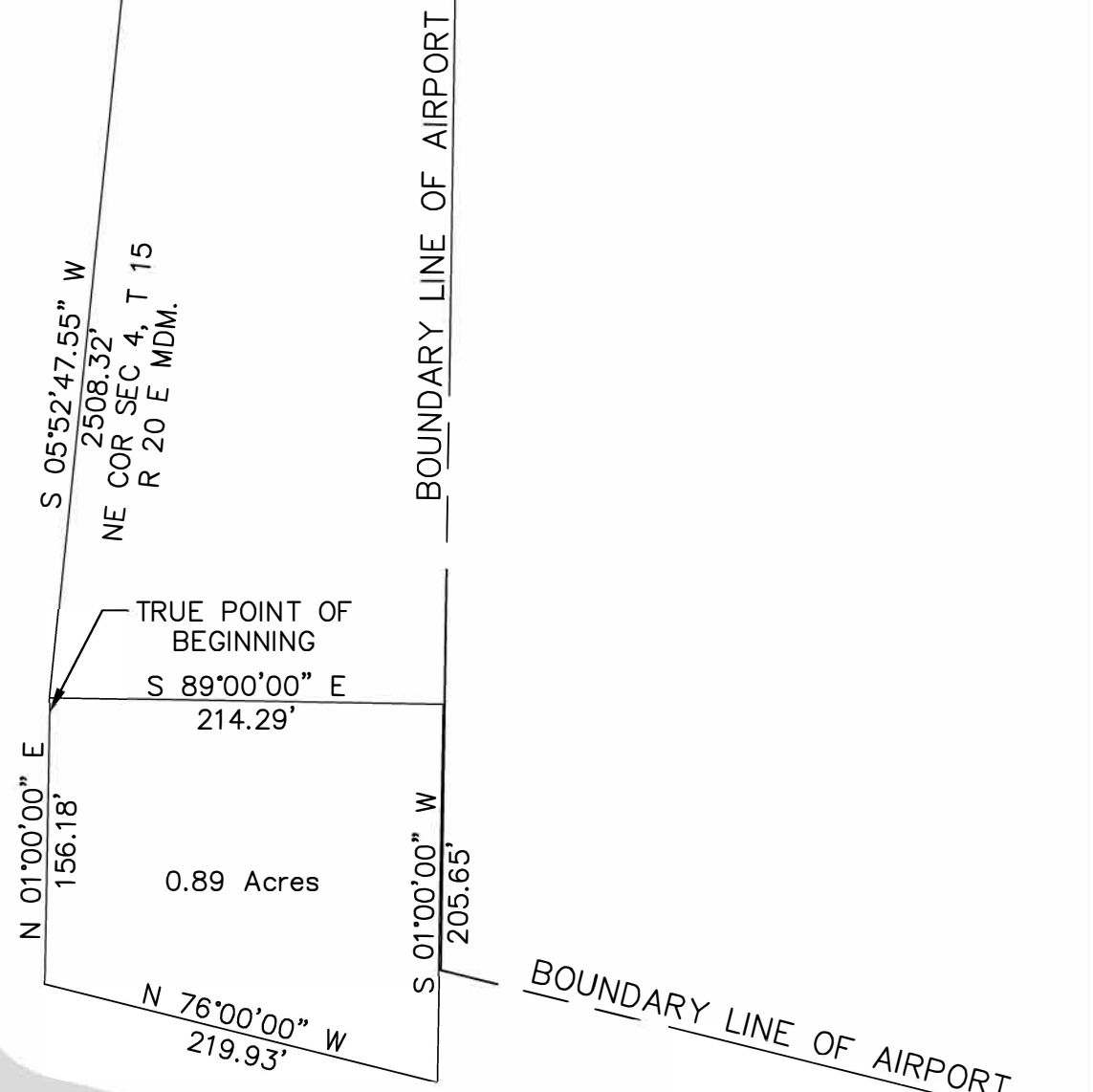
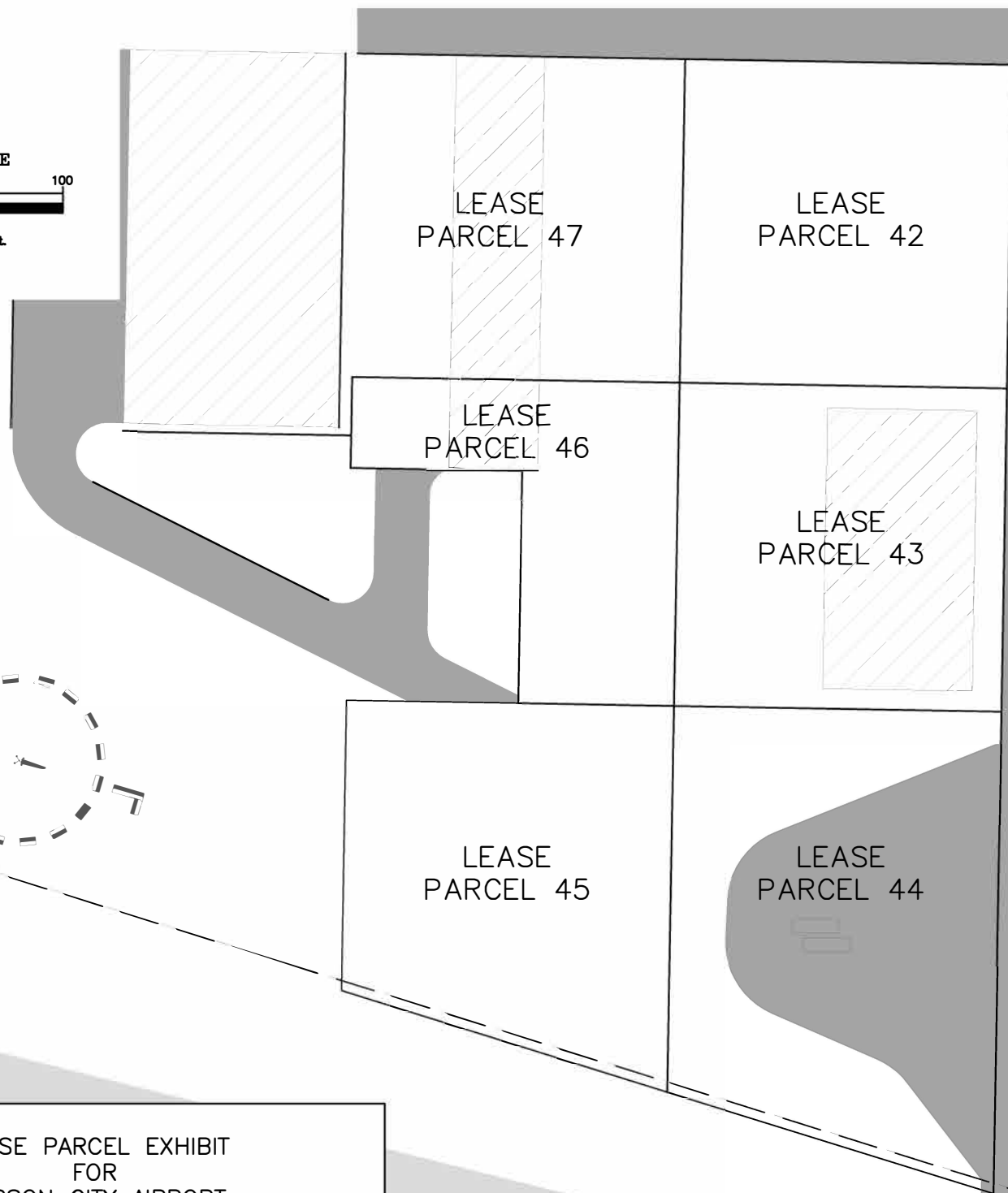
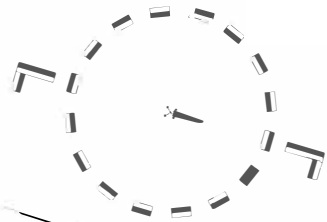
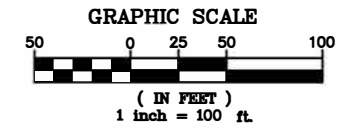
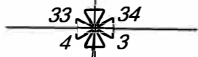
REFERENCE

(R) RECORD OF SURVEY RS 2554 - DOC. NO. 330854

SURVEYOR'S NOTE

ALL INTERNAL DIMENSIONS SHOWN ARE PER RECORD OF SURVEY NO. 2150, FILED IN THE CARSON CITY RECORDS OFFICE AS DOC # 186154

Fuel Farm LEASE PARCEL DESCRIPTION FOR CARSON CITY AIRPORT
BEING A PORTION OF THE EAST HALF OF SECTION 4, TOWNSHIP 15 NORTH, RANGE 20 EAST M.D.B & M. WITHIN CARSON CITY COUNTY, NEVADA



LEASE PARCEL EXHIBIT FOR CARSON CITY AIRPORT
BEING PORTION OF THE EAST HALF OF SECTION 4, T.15 N., R 20 E., M.D.B & M, CARSON CITY COUNTY, NEVADA



555 DOUBLE EAGLE COURT, SUITE 2000
RENO, NEVADA 89521-8991
(775)828-1622

REALIGNED RUNWAY 9-27



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-3

BOARD MEMO 2022-04

Meeting Date: January 19, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: THRESHOLD DECISION ON WHETHER TO LEASE THE BRAVO PARCEL AS A SINGLE PARCEL; THRESHOLD DECISION ON SIZE OF PARCELS FOR THE TRIANGLE LEASE PARCEL AND/OR DETERMINATION OF MINIMUM OR MAXIMUM SIZE OF PARCELS TO LEASE; SUPPORTING DOCUMENTS NEEDED FOR LEASING

Staff Summary: *CFA Reno has prepared survey documents identifying the Bravo Lease Parcel and the Triangle Lease Parcel. The Authority has been approached by persons interested in leasing Airport property for aviation purposes. Carson Tahoe Executive LLC has requested that the Bravo parcel (approx 12.27 ac) be leased as one parcel. The Authority will determine whether it is appropriate to lease said parcel as one parcel or whether to split it up. As for the Triangle parcel, a similar determination would be considered for size of parcels to be made available. The Authority will also consider what supporting documents to require for the bid responses.*

Agenda Action: Formal Action/Motion

Time Requested 10 Minutes

Proposed Motion/ Action

I move to lease the Bravo Parcel as one development; or I move to lease the Bravo Parcel as several pieces to be divided as follows (insert results of discussion and decision). I move to lease the Triangle Parcel as one development; or I move to lease the Triangle Parcel as several pieces to be divided as follows (insert results of discussion and decision). I move to include the following supporting documents for the bid responses (insert results of discussion and decision)

CCAA'S Strategic Goal

Management and safety of airport and operations; compliance with NRS 844 and federal requirements

Previous Action

N/A

Executive Summary

Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of Resolution by the Authority by majority vote in an open meeting. "The resolution must: (a) Describe the property proposed to be leased in such manner as to

identify it. (b) Specify the minimum rental, and the terms upon which it will be leased. (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered.” NRS 244.283(2).

As such, the Resolution must identify the parcel to be leased. The Authority has that information from CFA Reno via the survey. For the Bravo parcel, it is 12.27 acres, and could be offered for lease in portions or as a single parcel. On this parcel Airport Staff recommends that it be leased as a single parcel for several reasons. First, the request to lease (from Carson Tahoe Executive) was for the entire parcel as one parcel. Second, there are through-the-fence access points along the lease area which need to be worked into the development plan and thus the entire parcel will necessarily need to be developed with breaks in buildings. As such, a single developer would be better able to size hangars to fit expected market use and those TTF access points. While the offer is open to any bidder, coordination of the development with the adjacent property owner is a plus. Third, the property is being offered for commercial FBO services so long as the developer can create a public access to the parcels that protect aircraft movement areas from public vehicles. A single parcel allows for more solutions to reach the parcels via public access. This could be accomplished by a roadway down the back of the lease area either on the Airport side of the fence or the adjacent owner side of the fence. Either way, a single parcel will be easier to address in setting up public access. Note: Carson Tahoe Executive, who requested that the property be made available, owns, or controls via its common ownership, the development to occur on the outside of the fence line which could optimize use of the entire parcel.

For the Triangle parcel, it is 44 acres, and could be offered in portions or as a single parcel. Here the physical restrictions will limit its use to aircraft storage hangars as there is no way to economically provide public business access. Several sample layouts have been developed and could be coordinated into the survey map and used to parcel the property. Alternatively, the Authority could set a minimum and maximum size for the portions and allow the bidder to propose the parceling they can best use. A potential problem with allowing the bidders to design the parceling is that you may end up with an inconsistent mix of parcels and wasted areas (due to taxilanes, setbacks, etc.)

Lastly, the issue of what additional documents would the Authority like to include so that it can better evaluate the bids. A draft form for submission is attached for Authority review, modification, approval or rejection. (see Lease Proposal Form)

Staff is providing supporting documents with different ideas for parceling based on requests made in discussions with persons interested in constructing hangars. (see Hangar Rendering attachments)

Recommendation: Vote to approve Bravo as one lease parcel. Vote to approve the Triangle parcel as shown on one of the submitted proposals or set minimum and maximum sizes of each parcel. Vote to include the Lease Proposal Form.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: lease revenues

Is it currently budgeted? No.

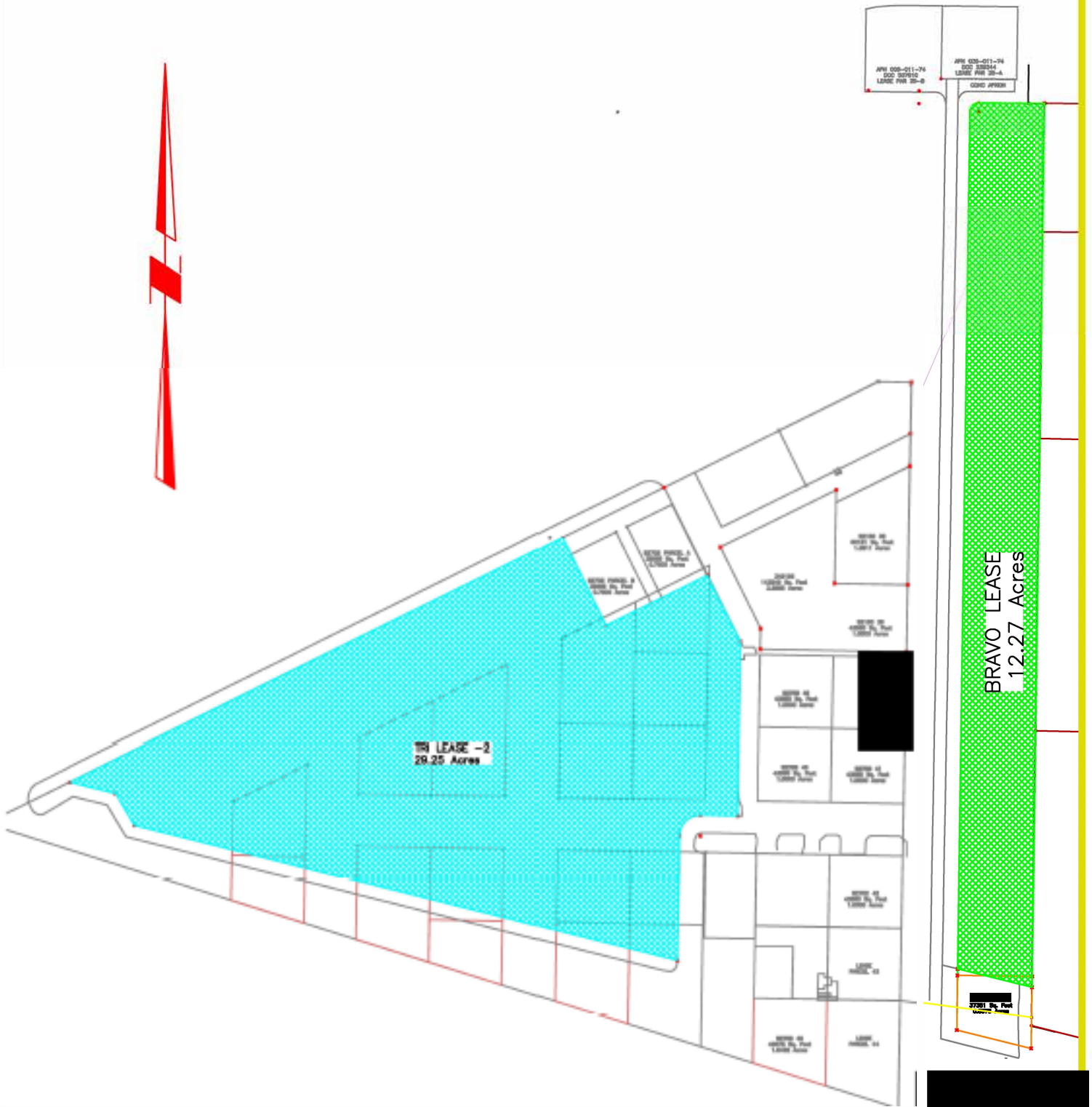
Alternatives

Do not specify the lease size areas and see if you get workable bids that will be compatible with Airport operations and other developments.

Board Action Taken:

| | | |
|---------------|----------|---------|
| Motion: _____ | 1) _____ | Aye/Nay |
| | 2) _____ | _____ |
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(Vote Recorded By)

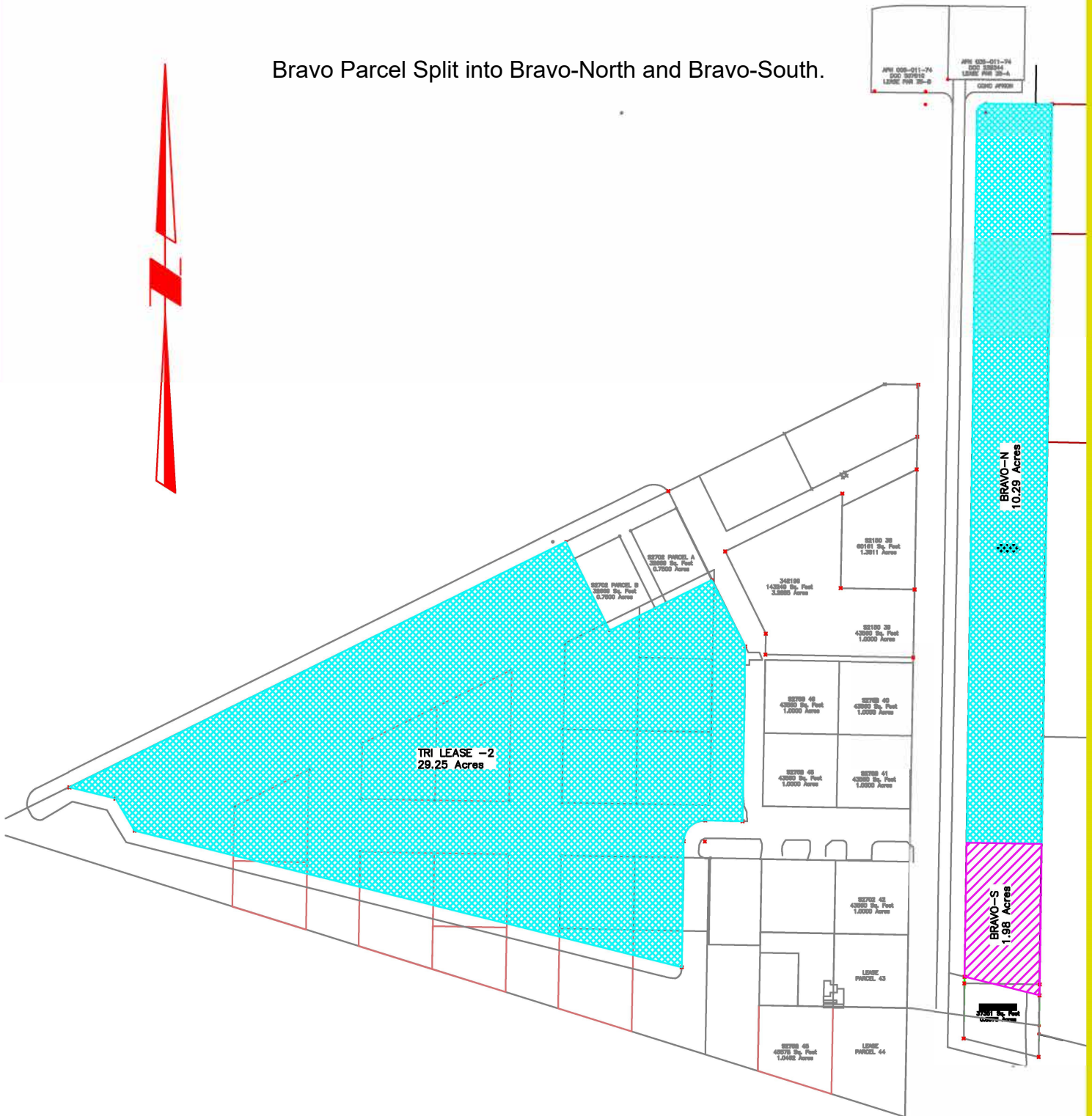


LEASE PARCEL EXHIBIT
FOR
CARSON CITY AIRPORT
BEING PORTION OF THE EAST HALF OF SECTION 4,
T.15 N., R 20 E., M.D.M., CARSON CITY COUNTY, NEVADA

LAND SURVEYORS
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SHEET
1 / OF **1**

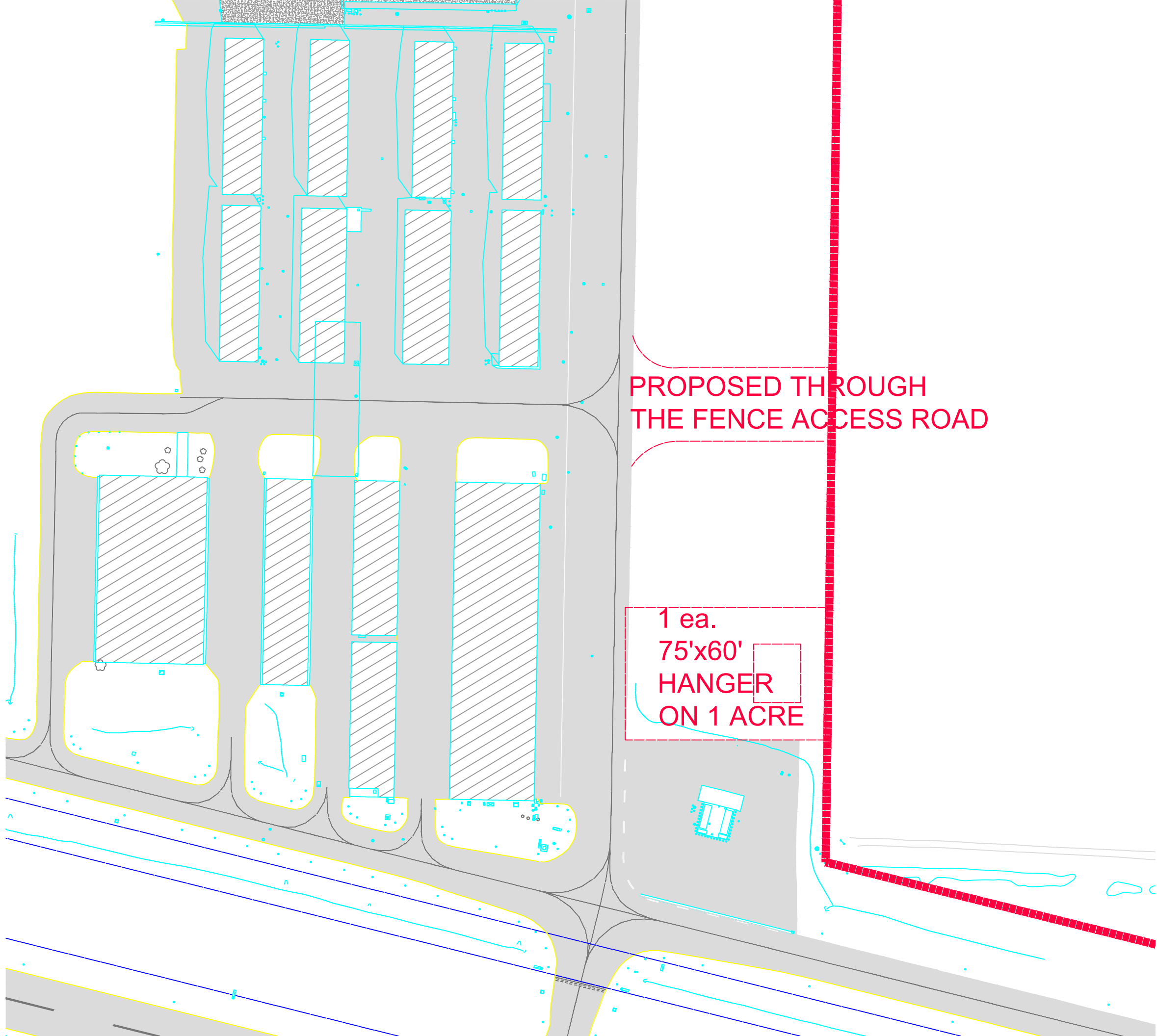
Bravo Parcel Split into Bravo-North and Bravo-South.



LEASE PARCEL EXHIBIT
 FOR
CARSON CITY AIRPORT
 BEING PORTION OF THE EAST HALF OF SECTION 4,
 T.15 N., R 20 E., M.D.M., CARSON CITY COUNTY, NEVADA

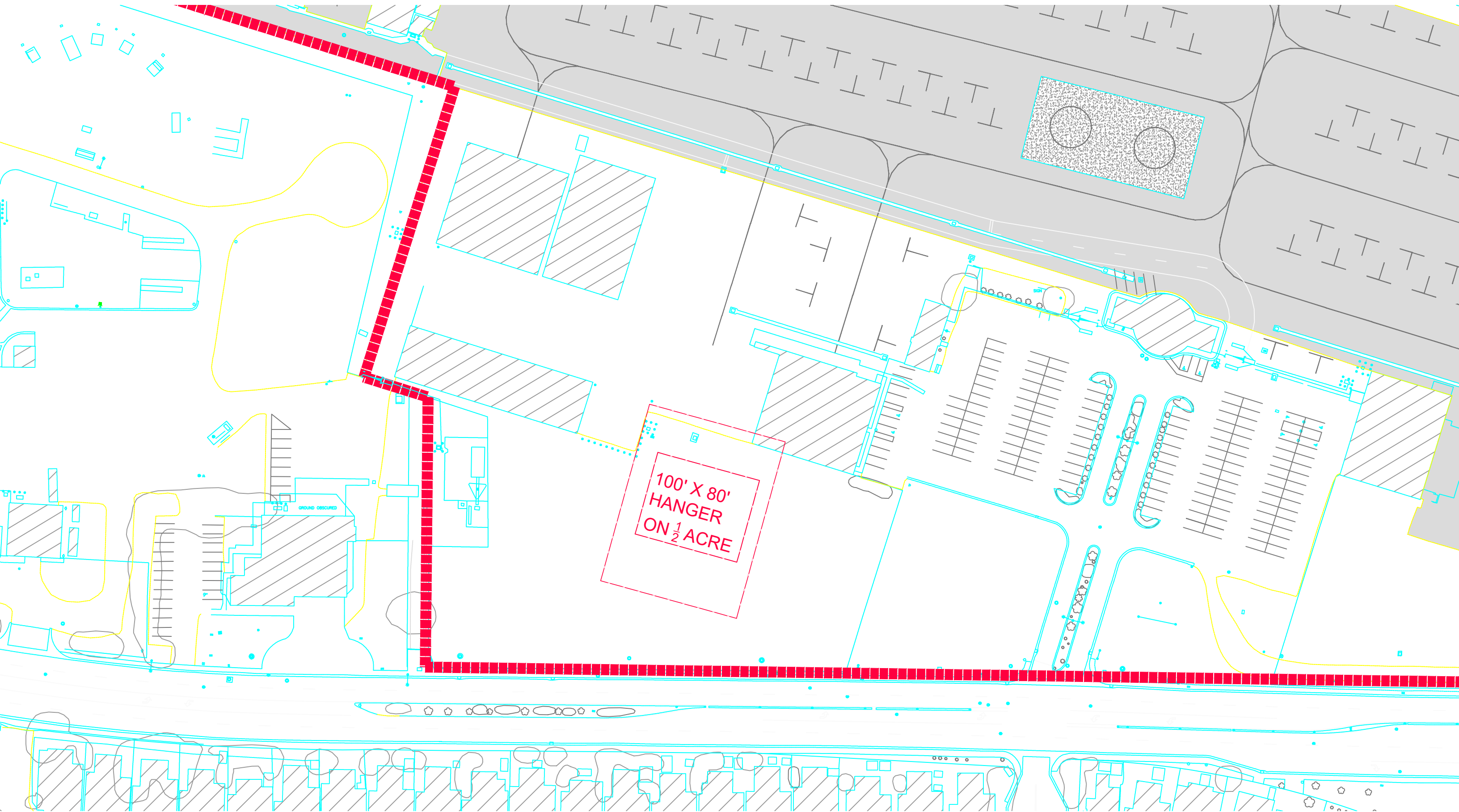
LAND SURVEYORS
 CIVIL ENGINEERS
 LAND USE PLANNERS
 1150 CORPORATE BOULEVARD
 RENO, NEVADA 89502
 775-856-1150 MAIN ■ CFARENO.COM

SHEET
1 / OF **1**



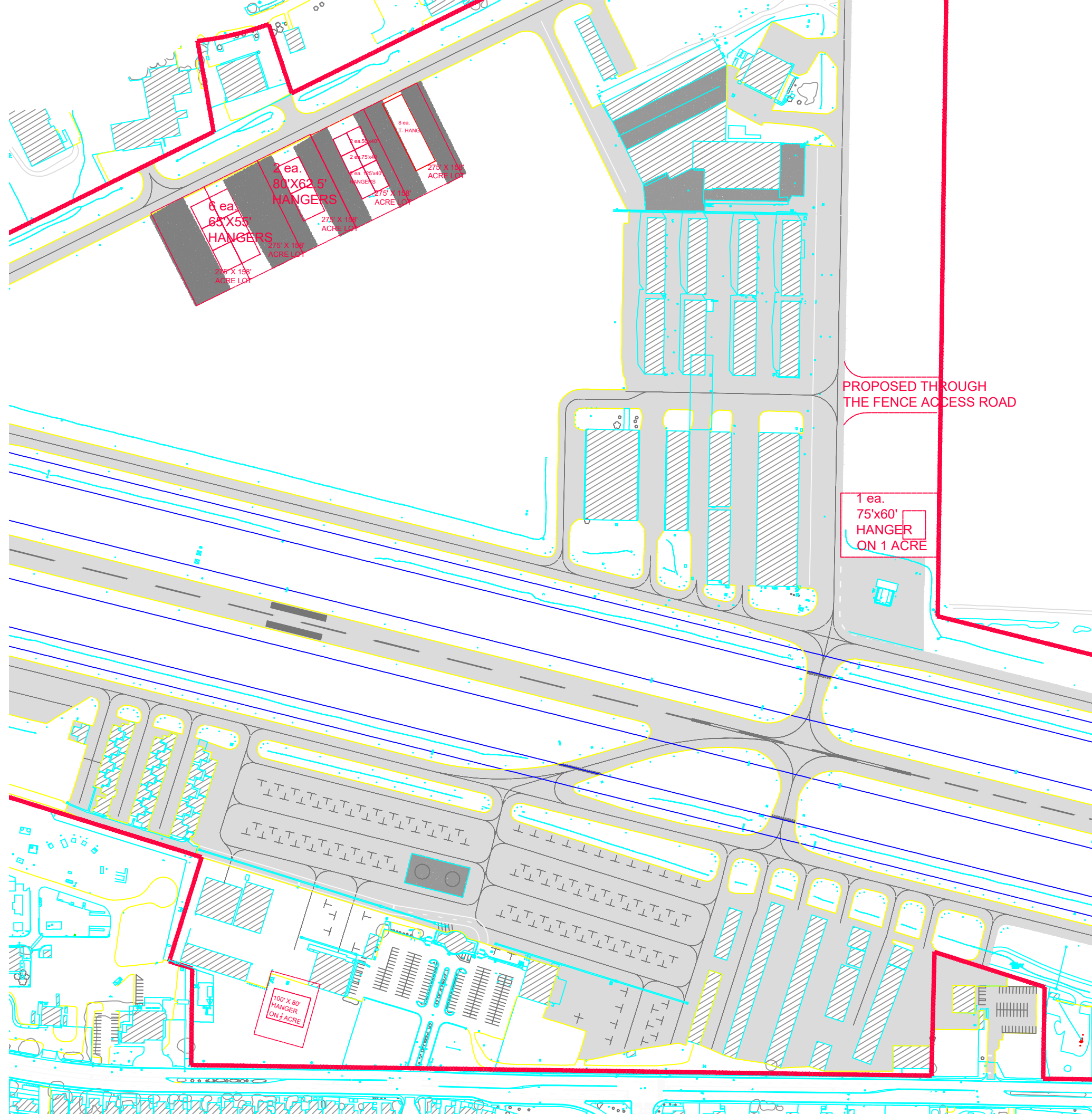
PROPOSED THROUGH
THE FENCE ACCESS ROAD

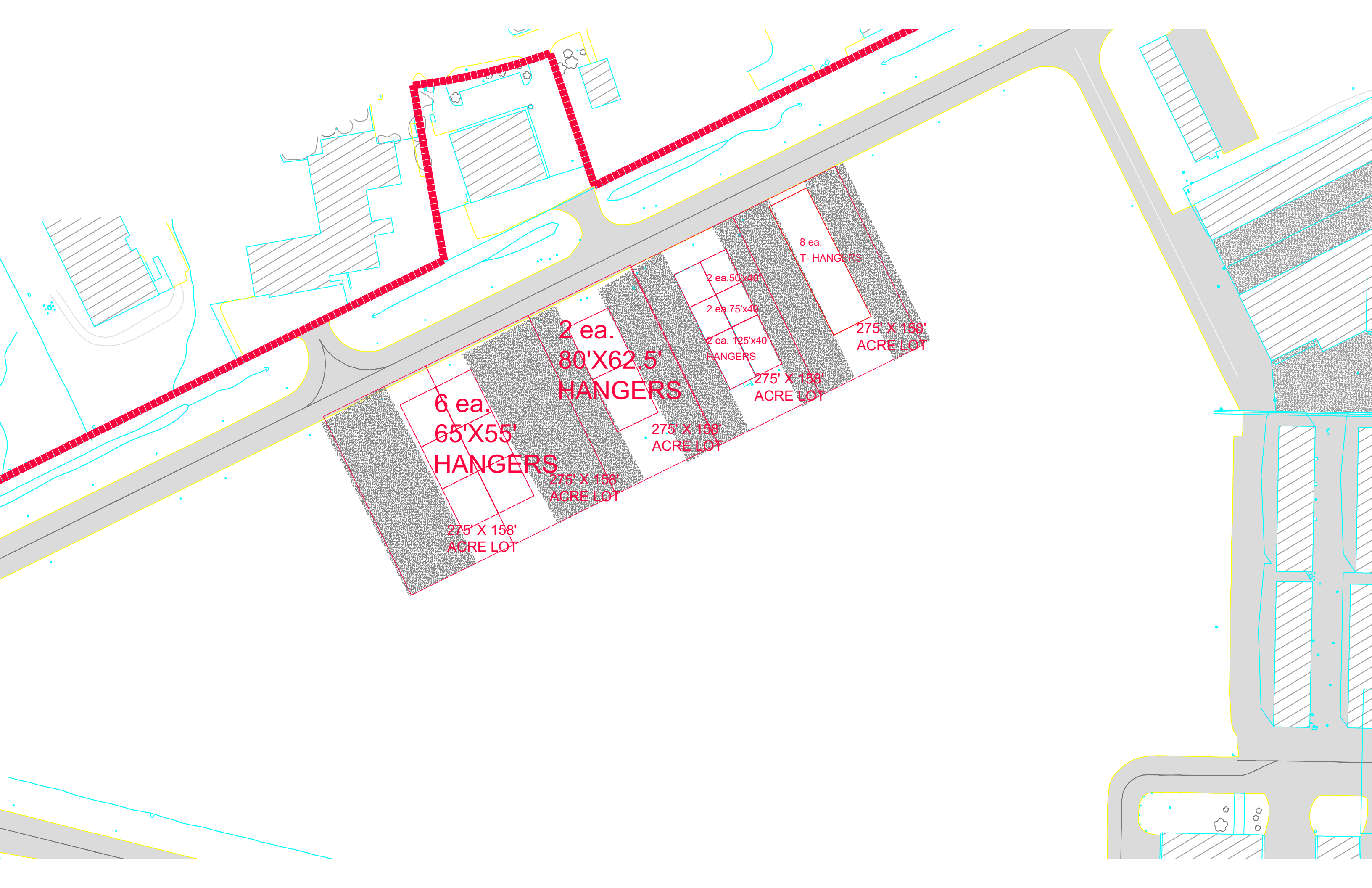
1 ea.
75'x60'
HANGER
ON 1 ACRE



100' X 80'
HANGER
ON 1/2 ACRE

GROUND OBSCURED





6 ea.
65'X55'
HANGERS

2 ea.
80'X62.5'
HANGERS

2 ea. 50'x40'

2 ea. 75'x40'

2 ea. 125'x40'
HANGERS

8 ea.
T- HANGERS

275' X 158'
ACRE LOT

275' X 158'
ACRE LOT

275' X 158'
ACRE LOT

275' X 158'
ACRE LOT

275' X 158'
ACRE LOT



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-4

BOARD MEMO 2022-05

Meeting Date: January 19, 2022

Agenda Title: ADOPTION OF RESOLUTION AND NOTICE OF INVITATION TO BID CARSON CITY AIRPORT LEASE ON THE FOLLOWING LEASE PARCEL: BRAVO LEASE PARCEL LOCATED WITHIN THE NORTHEAST ONE-QUARTER (1/4) OF SECTION FOUR (4) TOWNSHIP 15, NORTH, RANGE 20 EAST, MDM, CARSON CITY, NEVADA, OF APPROXIMATELY 12.27 ACRES AS DESCRIBED IN THE SURVEY DOCUMENT PREPARED BY CFA RENO AND POSTED ON THE AIRPORT WEBPAGE; APPROPRIATE MINIMUM LEASE RATE AND TERMS OF LEASE AND PERMITTED USES; SET DEADLINE FOR BIDS AND THE DATE FOR THE BID OPENING AND CONSIDERATION PURSUANT TO NRS 244.283. (S. Tackes)

Staff Summary: *Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of resolution by the Authority. The Authority had previously identified this parcel for lease and obtained an MAI appraisal showing that this lot, in its current improved state, has an appraised rental rate of \$0.28/sqft/yr. The proposed resolution will: (a) Describe the property proposed to be leased in such manner as to identify it; (b) Specify the minimum rental, and the terms upon which it will be leased; and (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered. The Authority may consider a phased development offering option. The Authority may consider commercial FBO activities for this leasehold..*

Agenda Action: Formal Action/Motion

Time Requested 20 Minutes

Proposed Motion/ Action

I move to adopt the proposed Resolution and Notice of Invitation to Bid on the Bravo lease parcel with the minimum terms as discussed and agreed at the meeting, and to direct Staff to publish the Resolution as required by law.

CCAA'S Strategic Goal

Management and safety of airport and operations; compliance with NRS 844 and federal requirements

Previous Action

N/A

Executive Summary

Per NRS 244.283, the required process for leasing airport land is via a public offering and sealed bid process upon adoption of Resolution by the Authority by majority vote in an open meeting. “The resolution must: (a) Describe the property proposed to be leased in such manner as to identify it. (b) Specify the minimum rental, and the terms upon which it will be leased. (c) Fix a time, not less than 3 weeks thereafter, for a public meeting of the board to be held at its regular place of meeting, at which sealed proposals to lease will be received and considered.” NRS 244.283(2). The law requires the Authority to post copies in 3 public places and to publish “the resolution not less than once a week for 2 successive weeks before the meeting in a newspaper of general circulation published in the county..”

Accordingly, Staff has drafted a Resolution that meets these requirements based on the appraisal received which sets the minimum lease rate at \$0.28/sqft/yr. Staff has included the model lease in the format approved by the District Attorney, with modifications made to allow for commercial FBO services so long as public access is provided by the Tenant which protects aircraft movement areas from public vehicles (ie. public access road and fencing or whatever is required to separate the public access from the aircraft movement areas.)

Phasing should be discussed and the phasing terms should be inserted into the Resolution and lease.

The Authority should discuss any modifications it wants to the Resolution and Notice, and vote on those modifications. The Authority should then vote on the Resolution and Notice and authorize the Staff to post and publish it in the newspaper.

Note: if the Authority votes to lease Bravo is portions instead of as a single parcel, appropriate changes to the Resolution would need to be made.

Recommendation: Vote to approve the Resolution and Notice, and authorize Staff to post and publish it as required.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: lease revenues

Is it currently budgeted? No.

Alternatives

Do not approve the Resolution; or postpone the issue if warranted.

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)

APN

Lessee/ tax statements to:
--INSERT NAME OF TENANT--
ADDRESS of TENANT

The Tenant and Landlord hereto affirm that this document submitted for recording does not contain the social security number of any person or persons. (Per NRS 239B.030).

CARSON CITY AIRPORT LEASE AGREEMENT

This lease, made and entered into this ___ day of _____, 2022, between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as “City” or “Carson City” (property owner) and the Carson City Airport Authority, an Airport operator per NRS 844 hereinafter referred to as “Airport Authority” (and together with City, “Landlord”), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706 (email to: manager@flycarsoncity.com), and --INSERT NAME OF TENANT-- (“Tenant”), whose address is --insert address-- (email to: --insert email address--).

WITNESSETH:

WHEREAS, the Tenant and Landlord desire to enter a lease as regards certain ground space for construction of hangars as an aircraft storage FBO under Title 19 of the Carson City Municipal Code, or for commercial FBO services so long as public access can be separated from aircraft movement areas; and

WHEREAS, the parties desire to establish such lease in a manner consistent with the Airport Master Plan and Carson City Municipal Code, so as to lease Tenant premises consistent with uses desired by Landlord and to provide economic activity and monetary support to the Carson City Airport (“Airport”); and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Airport and comprised of that lot located at --insert location-- identified as APN _____; further identified as (eg. the Bravo Lease parcel on Survey or Document no. ___ dated _____); and as fully described on Exhibit A (“Legal Description”) to this lease, with the appurtenant rights included in Paragraph 8. The area is comprised of approximately ___ sq ft. of undeveloped property.

2. TERM. The term shall be fifty (50) years from the date of execution hereunder.

3. BASE RENT. Tenant shall pay to Landlord \$_____ per year (\$_____ per month); calculated as \$0.____ per square foot per year (upon lease approval; to be paid on the first of the month following Board of Supervisor approval of the lease). Rent shall be payable monthly with payments due on the first day of each month. Tenant shall be responsible for the paving of ramp and taxilane area within the leasehold boundaries, and connecting to the taxiway. Tenant responsible for coordinating through-the-fence access for properties ease of the lease area.

A. Tenant must bring utilities infrastructure to site at Tenant's cost, and must pay hookup fees or other related fees, if any, assessed by the Carson City Utility Department.

B. Tenant shall maintain, at Tenant's cost, utilities infrastructure in conformance with the engineering design and installation approved by the Airport Authority

C. Tenant to reimburse Landlord for the appraisal cost of \$_____.

4. ADJUSTMENTS TO BASE RENT.

A. CONSUMER PRICE INDEX ADJUSTMENT. An adjustment of the rental and fees described above shall occur first on January 1, 2024, then at two-year anniversary intervals from January 1, 2024, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the "Price Index") for the preceding two-year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the Bureau of Legal Statistics. Landlord shall measure each two-year adjustment using the most recently available report, recognizing that it may be necessary to use a 2-year period with a final quarter ending prior to each January 1 adjustment date. In no event, however, shall any decrease in the Price Index result in a decrease of the rental below the base rate set forth at Section 3 of this lease. For example, if the Price Index for December 2025 is 155.0 (1982-1984=100), and for December 2023 was 150.0, then the rent would be adjusted by the difference (155.0-150.0) divided by 150.0 which equals a 3.3% increase.

B. MARKET TO MARKET LAND APPRAISAL. On January 1, 20__ (insert year 15), and thereafter at each 10-year anniversary of the lease term, the rent rate shall be adjusted to the appraised rate as determined by an MAI certified appraiser, selected from the Carson City Board of Supervisors' approved list of appraisers. Landlord and Tenant shall share equally the expense of such appraisals.

5. IMPROVEMENTS. Tenant shall commence construction of the hangar project as set forth in Exhibit B to this lease with construction of all hangars completed within 2 years of execution of this lease. Tenant shall meet the construction requirements and standards adopted by Landlord pursuant to Title 19 of the Carson City Municipal Code, including but not limited to, expending funds for maintenance on the property, pavement and improvements, at an effective rate of at least \$0.03/sqft/yr averaged over a 10-year period. Upon completion of construction, Tenant shall provide Landlord with an exterior and pavement maintenance plan and shall abide by the plan. Upon each 10-year anniversary of January 1, 2022, the Tenant shall report on its improvements to, and maintenance on, the leasehold made during the 10-year period. Upon request of Landlord, Tenant shall provide supporting documentation of such Tenant expenditures to ensure that the facility is being maintained in the same fashion (i.e. the same, good condition as when improvement construction was completed, normal wear and tear excepted). Such maintenance shall include, as a minimum, adequate care of the Tenant pavement such that the pavement remains no lower than a fair rating (i.e. PCI 58-74). Failure to maintain leasehold improvements at or above these standards shall be treated as a breach of this lease.

6. DEFAULT. The occurrence of any of the following shall constitute a default by Tenant:

A. Failure to pay rent when due if the failure continues for ten (10) days after notice has been given to Tenant.

B. Abandonment and vacation of the premises. Failure to occupy and operate the premises for thirty (30) consecutive days shall be deemed an abandonment and vacation, except to the extent such non-use is within the construction schedule.

C. Violation of Tenant or its contractors, and/or subcontractors of the terms and conditions of this lease, as determined by Landlord at its sole discretion. If such default is not cured, within ten (10) days after written notice thereof from Landlord to Tenant, Landlord may, at its sole discretion, suspend or terminate this Agreement.

D. Failure of Tenant to abide by all applicable laws, ordinances, rules and regulations of the United States, State of Nevada, or Carson City.

E. Filing a petition of voluntary or involuntary bankruptcy regarding Tenant.

F. The making by the Tenant of any general assignment for the benefit of creditors.

G. Violation of any of the standards, rules, and regulations set forth in CCMC Title 19, Appendix A of this lease, or Exhibit B to this lease, or failure to maintain current licenses required for the permitted operation.

H. Failure to provide or maintain the required certificates of insurance.

I. Failure to complete construction of the facilities as required by this lease and any exhibits or amendments thereto, or extensions granted by action of the Airport Authority at a publicly noticed meeting. Landlord may terminate this lease under this subsection at its sole discretion, with thirty (30) days written notice of its intention to terminate this Lease.

Notices given under this paragraph must specify the alleged default, the applicable lease provision(s), and must demand that Tenant cure its default and perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. Unless a different period to cure a default is specified in this lease, any notice of default from Landlord to the Tenant shall provide Tenant ten (10) days to cure its default, if the default is one that can be cured, or quit the premises. No such notice will be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

Failure to declare a breach or the actual waiver of any particular breach of this lease or its material or nonmaterial terms by either Landlord or Tenant shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

7. REMEDIES. Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as Landlord deems appropriate. Any amount paid, or expense or liability incurred, by the

Landlord for the account of Tenant may be deemed to be additional charges, and the same may, at the option of Landlord, be added to any amounts then due or thereafter falling due.

A. Penalties. Landlord may assess any penalties permitted under Carson City Municipal Code Title 19, or any penalties otherwise provided by law if the default constitutes a violation of law.

B. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect, as long as Landlord does not terminate Tenant's right to possession. Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. In the event of reletting, Tenant shall still pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

If Landlord elects to relet the premises as provided in this paragraph, rent that Landlord receives from a third party upon reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including maintenance, incurred by Landlord in reletting;

Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph. Any sum remaining from the rent Landlord received from reletting shall be held by Landlord and applied for payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from reletting is less than the rent due on the date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs including for maintenance Landlord incurred in reletting, that remain after applying the rent received from the reletting as provided in this paragraph.

C. Termination of Tenant's right to possession. Landlord can terminate Tenant's right to possession of the premises at any time after default. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant the unpaid rent that had been earned at the time of termination of this lease, and any other amount, including court costs, necessary to compensate Landlord for all detriments proximately caused by Tenant's default.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for the storage of aircraft; storage of machinery, parts and tools associated with the stored aircraft; office space associated with the stored aircraft; and the permitted FBO activities identified in the FAA Hangar Use Policy as adopted in the Carson City Municipal Code 19.02.020.370, as amended. Tenant may use the premises for commercial FBO services so long as Tenant provides public access in a way that protects aircraft movement areas from public access. Such public access to be approved by the Airport Manager, and will not be unreasonably denied. Commercial FBO services include the following: aircraft sales, parts and accessories, charter, rental, repair, instruction, maintenance, and related services permitted under CCMC Title 19. Tenant is expressly prohibited from conducting any activity at the Airport other than that provided by this lease or as may be approved by Landlord.

Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this lease and other leases on this Airport. Landlord's decision shall be final as to claims of conflict over interfering uses. No person may live in, or otherwise inhabit, any hangars constructed on the property leased.

All aircraft stored on the leased area must be registered as personal property in Carson City, Nevada, unless such aircraft are transient and are not on the leased area for more than 21 consecutive days. Tenant shall supply Landlord with evidence of the registration and taxation information for aircraft stored on the leased premises on the two-year anniversaries of this lease, or upon such shorter period as may be requested by the Airport Manager or required by the Hangar Use Ordinance, or other applicable law or policy.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the leased premises and a nonexclusive right to use the taxiways between the leased premises and the Airport's runway. Tenant shall be responsible for, and control the access to, the leased premises. Tenant is responsible for determining whether the designated taxiway access is sufficient for its needs. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, and/or access plans, and any rules or security regulations which may have been established or shall be established in the future by the FAA, the Transportation Security Administration (TSA), or the State of Nevada. To the extent that the Airport utilizes a key card or other gate control system, and charges Airport users for such system, Tenant shall be entitled to use the system upon the same terms, conditions, and charges as other Airport users.

C. Right of Entry. Landlord, or its designated Airport Manager or agent, reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this lease.

D. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. Exported material must be approved by the Landlord as to placement or sale. Tenant acknowledges that Landlord is the owner of the dirt material in place at the time of lease. All exemptions or applications must have the prior approval of Landlord and comply with the Carson City Municipal Code Title 19, Airport Rules and Regulations.

E. Federal Requirements.

1. The Tenant for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration, does covenant and agree as a covenant running with the land that Tenant shall comply with all Federal Aviation Regulations (FARs) applicable to Tenant's operations on the premises. The Tenant acknowledges that the Airport is the recipient of FAA Airport Improvement Program funds and other federal funds. The Tenant shall take no action which violates or causes others to violate the assurances

Landlord granted to the FAA in conjunction with such federal funding. Such assurances include, but are not limited to compliance with:

- a. Title 49, USC, subtitle VII, as amended.
- b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
- d. Hatch Act - 5 U.S.C. 1501, et seq. (if applicable)
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq
- f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
- h. Native Americans Grave Repatriation Act -25 U.S.C. Section 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended.
- j. Coastal Zone Management Act, P.L. 93-205, as amended.
- k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- l. Title 49 ,U.S.C., Section 303, (formerly known as Section 4(f))
- m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
- n. Civil Rights Act of 1964 - Title VI - 42 U.S.C. 2000d through d-4.
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended
- r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.
- s. Power plant and Industrial Fuel Use Act of 1978 -Section 403- 2 U.S.C. 8373.
- t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- u. Copeland Anti kickback Act - 18 U.S.C. 874.1
- v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq. (if applicable)
- y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252)..
- aa. Such Federal Regulations and Executive Orders as may be applicable to FAA AIP funding, and such other OMB Circulars as may apply and are listed at

https://www.faa.gov/airports/aip/grant_assurances/ or such updated listing at the official website maintained by the FAA.

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration, covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

3. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

4. Tenant shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users and it must charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; PROVIDED that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach of this lease and in the event of such noncompliance, the Landlord shall have the right to terminate this lease without liability, or at the election of the Landlord or the United States; either or both governments shall have the right to judicially enforce these provisions.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement by which the Tenant grants a right or privilege to any person or

entity to render accommodations and/or services to the public on the leased premises.

7. If the conduct of business is permitted on the premises, the Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart.

8. The Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. The Landlord reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relative to the development, operation, or maintenance of the Airport.

11. The Landlord, its successors and assigns, for the use and benefit of the public, does reserve a right of flight for the passage of aircraft in the airspace above the surface of the lease premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation of the Airport.

12. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event future construction of a building is planned for the leased premises, or

in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

13. The Tenant by accepting this expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the leased premises to a height more than ten (10) feet above the highest part of Tenant's building. In the event this covenant is breached, the Landlord reserves the right to enter upon the premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

14. The Tenant, by accepting this lease, agrees for itself, its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Landlord reserves the right to enter upon the leased premises and to abate the interference at the expense of the Tenant.

15. It is understood and agreed that nothing contained in this lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

F. Tenant assures complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

9. ASSIGNMENT AND SUBLEASING. Tenant shall be permitted to assign this lease to a hangar owners association to allow individual ownership of hangars and such association shall be a single entity responsible to Landlord, but Tenant shall have no other right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, but only if the Landlord provides prior, written approval.

The parties agree that a transfer of corporate interests in Tenant exceeding twenty-five percent (25%) shall be deemed an assignment of this lease. The term "corporate interests" shall

include corporate ownership, or the ownership of any partnership, trust, Limited Liability Company, and other entity for ownership by more than one person permitted by law.

The Landlord reserves the right to assign, pledge, or hypothecate this lease upon notice to the Tenant.

10. INSURANCE AND BONDING.

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at its own cost, commercial general insurance coverage in the amount of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and TWO MILLION DOLLARS (\$2,000,000.00) aggregate, the category to be under-written by a responsible insurance carrier, authorized by the State of Nevada to provide such coverage. The following coverage shall be included:

1. Third-party comprehensive general liability coverage for bodily injury and property damage, including owned and non-owned aircraft, for any claim or liability for any injury or damage to any person or property occurring on the leased premises or arising out of or resulting from Tenant's operations or omissions at the Airport.

2. Products liability coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale.

3. Fire and extended coverage and vandalism and malicious mischief insurance, for damage or destruction of real property or leasehold improvements, where the Landlord has, or will have, an interest in such property by virtue of an existing lease.

B. Workers' Compensation & Employer's Liability Insurance. In addition, to the extent required by law, Tenant shall provide workers' compensation insurance as required by NRS Chapters 616A through 617 inclusive and Employer's Liability insurance with a minimum limit not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

C. Insured Includes. Both Airport Authority and Carson City, individually, must be named as additional insureds and the insurance carrier underwriting such coverage must

give the Landlord thirty (30) days written notice prior to cancellation of, or material alteration to, the insurance policy.

Landlord requires that Tenant provide Landlord with a Certificate of Insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during the term of the lease, including and renewals or extensions of this lease.

D. Review of Insurance coverage. Landlord reserves the right, every five years, to review and adjust the amount and kind of insurance coverage required.

E. Insurance to remain in effect. Tenant agrees to keep all insurance policies in effect, as required by this lease, until the time Tenant surrenders the premises.

11. INDEMNIFICATION. To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, Landlord and Tenant shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents arising in connection to this lease. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

Except as otherwise provided below in this Section, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with: (1) a written request for a legal defense for such pending claim(s) or cause(s) of action; and (2) a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

In addition, and as more fully described in Section 12 of this lease, the Tenant further agrees to indemnify, hold harmless and defend Landlord from environmental liability for contamination or damage to the leased premises and any adjacent area to the leased premises related or connected with the occupation or use of the leasehold property.

12. ENVIRONMENTAL. The Tenant will conduct its business and operation on the leased premises in compliance with all applicable environmental laws and permits. No fuel storage (other than in aircraft fuel tanks of operational aircraft) is permitted on the leased premises. Flammable materials shall be stored in National Fire Code fireproof containers and not to exceed 5 gallons. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

- (a) a release of a hazardous substance on or about the leased premises except in strict compliance with applicable environmental laws and permits;
- (b) the receipt by the Tenant of an Environmental Notice; or
- (c) the receipt by the Tenant of information which indicates that hazardous substances are being used, dissipated, stored, disposed of or introduced into the environment by anyone in or about the leased premises in a manner other than that authorized under environmental laws.

Tenant will not permit the storage, use, treatment, disposal, or introduction into the environment of hazardous substances in or about the leased premises, except in compliance with applicable environmental laws. If the Landlord receives information that hazardous substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the leased premises in a manner other than that authorized under environmental laws, the Tenant will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to determine the existence of hazardous substances in or about the leased premises or traceable to the leased premises. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter the leased premises and take any actions necessary to complete the Investigations, the cost of which actions will

be borne by the Tenant as additional rent. If remedial work is required due to the presence of hazardous substances on or in the leased premises, the Tenant will take all necessary action, at the cost of the Tenant, to restore the leased premises to a level acceptable to the Landlord and to all governmental authorities having jurisdiction. Upon the request of the Landlord, from time to time, the Tenant will provide to the Landlord satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. The Tenant will indemnify and hold harmless Landlord, its officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, employees, agents and shareholders, arising, directly or indirectly, out of:

- (a) a breach by the Tenant of any of the covenants contained in Section 12 of this lease;
- (b) the presence of or release of any hazardous substance on or off-site of the leased premises;
- (c) any action taken by the Landlord with respect to the existence of any hazardous substance on or off-site of the leased premises; or
- (d) any action taken by the Landlord in compliance with any environmental notice with respect to the existence of any hazardous substance on or off-site of the leased premises;

and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

13. **MAINTENANCE.** Landlord is not required to provide any maintenance, repairs, removal, and construction of the gross area leased or of buildings or facilities erected by Tenant.

Tenant shall provide and pay for all light, gas, electric, water, janitorial, sewer, trash and other utility charges used or incurred in or about the lease premises.

Tenant shall maintain all leased areas, salvage and rehabilitation areas, displays, storage areas, landscaping, pavement, facilities, and structures in a state of repair and good appearance acceptable to the Landlord. Landlord shall have sole discretion in interpreting and enforcing all Federal, State, and local rules, regulations, codes, and ordinances in determining what is, or is not,

acceptable. No parking of vehicles, trailers or Tenant property shall be outside of the hangar, nor blocking any taxiway, except that vehicles will be parked immediately in front of hangar door if such can be done without obstructing any taxiway, taxiway or public use area, or in designated parking areas.

Landlord may require Tenant to perform all necessary maintenance, repairs, removal, construction or cleaning/clearing of unsightly areas upon the leased premises. In the event such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas is not undertaken as required, Landlord may perform such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas on behalf of Tenant, and at Tenant's expense, plus ten percent (10%) for administration.

14. TAX OBLIGATION. Tenant shall pay all taxes and assessments against any buildings or other structures and improvements used by Tenant in its operations, and if imposed at any future date, any and all real property taxes assessed against the land leased from Landlord, including any possessory interest taxes.

15. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall remove at his cost all buildings and improvements upon termination of this lease and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on expiration of lease period, or upon termination of this lease, to take title of the buildings and improvements, at no cost or obligation to Landlord, in lieu of Tenant's obligation to restore the premises to its original condition.

16. REPORTING. Anything that affects the safe and efficient operation of the Airport shall be immediately reported to Landlord or the designated Airport Manager.

17. AMENDMENTS. Any amendments to this lease require approval by the Landlord and Tenant. All proposed amendments must be submitted in writing to Landlord for review and placement before a regularly scheduled meeting of the Airport Authority for consideration.

18. GENERAL. It is understood and agreed that each and all the terms of this lease are subject to the regulations and provisions of law applicable to the operation of the Airport as a Federal Aid Airport Project. If any provision of this lease is invalid, the other provisions of this lease which are valid shall remain in effect, and this lease will be re-negotiated to comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court, which shall then be entitled

to establish such replacement provisions or issue such rulings as are just, for the purpose of satisfying the intent of this lease's provisions.

The Tenant agrees to observe and obey during the terms of this lease all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and by any other proper authority having jurisdiction over the conduct of operations at the Airport.

Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Airport for any person who fails to obey all relevant laws, rules, and regulations.

19. NOTICES. It is agreed that any notice to be given or served upon either party shall be sufficient if sent by email; certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this lease; or to such other address as may be designated in writing by such party.

20. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Tenant may be open to public inspection and copying. Landlord will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Tenant may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that Tenant thereby agrees to indemnify and defend Landlord for honoring such a designation. The failure to so label any document that is released by Landlord shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

21. PROPER AUTHORITY. Landlord and Tenant represent and warrant that the person executing this lease on behalf of each party has full power and authority to enter into this lease. Tenant acknowledges that this lease is effective only for the period of time specified in this lease.

22. GOVERNING LAW / JURISDICTION. This lease and the rights and obligations of the Landlord and Tenant shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. Tenant consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for any dispute arising in relation to this lease.

23. ADDITIONAL CONDITIONS. Unless otherwise provided, Tenant shall comply with the Development/Construction Standards set forth in Appendix A. Unless otherwise provided,

all construction materials, appearance, and building size shall be completed as represented in the submissions to Landlord.

24. ENTIRE CONTRACT AND MODIFICATION. This lease and its integrated attachment(s) constitute the entire agreement of Landlord and Tenant and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this lease specifically displays a mutual intent to amend a particular part of this lease, general conflicts in language between any such attachment and this lease shall be construed consistent with the terms of this lease. Conflicts in language between this lease and any other agreement between Landlord and Tenant on this same matter shall be construed consistent with the terms of this lease. The parties agree that each has had their respective counsel review this lease which shall be construed as if it was jointly drafted.

TENANT
--INSERT NAME OF TENANT--

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA

Name and title if applicable

Michael Golden, CHAIRMAN

ATTEST:

Jon Rogers, TREASURER

STATE OF NEVADA)
 : ss
CARSON CITY)

On this ___ day of March, 2022, before me, the undersigned, a Notary Public, personally appeared --INSERT NAME--, Managing Member of --INSERT NAME OF TENANT--, known to me (or proved to me) to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

NOTARY PUBLIC (SEAL)

CARSON CITY

The Board of Supervisors of Carson City, Nevada, as underlying owner of the Airport, and thus the Lease Parcel, hereby approves and acknowledges the Lease, and the right and authority of the Authority to lease the Lease Parcel to Tenant.

Approved by the Board of Supervisors this ____ day of _____, 2022.

LORI BAGWELL, Mayor

ATTEST:

CITY'S LEGAL COUNSEL
Approved as to form.

CLERK/RECORDER (or Deputy)

DEP. DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form

STEVEN E. TACKES, ESQ.

EXHIBIT A (legal description)--attached

Plot Map on next page.-----

DRAFT

**SUBJECT PLOT MAP CARSON
CITY APN _____**

Subject Outlined in Yellow

DRAFT

**APPENDIX A
CARSON CITY AIRPORT AUTHORITY**

DEVELOPMENT/CONSTRUCTION STANDARDS

CODE REQUIREMENTS - ALL CONSTRUCTION SHALL MEET ALL CARSON CODES AND REQUIREMENTS INCLUDING THE CARSON CITY AIRPORT AUTHORITY (C.C.A.A.)

OUTSIDE STORAGE AREA - T-HANGERS, SHOP-HANGERS/OFFICE BUILDINGS ETC. SHALL NOT HAVE OUTSIDE STORAGE OF ANY KIND.

WATER - WATER SERVICE SHALL BE BROUGHT TO THE PROPERTY BY THE LEASE HOLDER.

FIRE HYDRANTS - FIRE HYDRANTS MAY BE REQUIRED PURSUANT TO FIRE DEPARTMENT REGULATIONS AND ARE THE LEASEHOLDERS RESPONSIBILITY.

POWER - ELECTRIC POWER SHALL BE REQUIRED TO EACH BUILDING.

FLOORS - GROUND LEVEL CONCRETE FLOORS SHALL BE REQUIRED IN EACH BUILDING.

COLORS - EXTERIOR BUILDING COLORS SHALL BE LIMITED TO BLUE AND TAN MATCHING EXISTING STRUCTURES.

DOOR HEIGHT - T-HANGARS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 12 FT. LARGER OR MULTIPLE AIRCRAFT HANGERS MUST HAVE A MINIMUM DOOR HEIGHT CLEAR SPAN OF 19 FT. UNLESS APPROVED OTHERWISE BY THE AIRPORT AUTHORITY.

NEW CONSTRUCTION - ALL BUILDINGS SHALL BE OF NEW CONSTRUCTION.

LIGHTING - SECURITY LIGHTING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

PARKING - PARKING SPACES SHALL NOT BE REQUIRED FOR HANGARS LOCATED ON THE INTERIOR OF THE AIRPORT. FOR HANGERS THAT ARE LOCATED WITH EXTERIOR ACCESS OR FRONTAGE, ENOUGH SPACES DEEMED PROPER FOR THE SIZE OF THAT BUILDING WILL BE REQUIRED AND WILL BE IN COMPLIANCE WITH THE APPLICABLE CITY CODES. NO PARKING OR STORAGE WILL BE PERMITTED ON AIRPORT PROPERTIES. AUTOMOBILE PARKING WILL BE RESTRICTED TO THE INDIVIDUAL'S LEASEHOLD BUT WILL NOT ALLOW FOR THE EXTERIOR STORAGE OF BOATS, CONTAINERS, RV'S, TRAILERS, WRECKED AIRCRAFT ETC.

FENCING - IF APPROPRIATE, PROPERTIES, WITH EXTERIOR BOUNDARIES SHALL PROVIDE SECURITY FENCING. SAID SECURITY FENCING SHALL BE REQUIRED WITH CONSTRUCTION OF THE STRUCTURE. ALL FENCING SHALL BE 6 FT. HIGH, CHAIN LINK FENCE OR BETTER.

TRASH - ALL PROPERTY, FENCE AND BUILDING LINES SHALL BE KEPT CLEAR OF WEEDS, TRASH, AND LITTER. LANDSCAPING SHALL BE AT THE DISCRETION OF THE AIRPORT AUTHORITY.

EXHIBIT B
CONSTRUCTION EXHIBITS

If required by any Federal, State, or local agency, the Tenant shall prepare and submit an environmental Phase I audit. All structures erected, and paved areas on the Airport, shall comply with all applicable County and State building, health, and safety regulations, including, if applicable, any other building, fire, sign, electrical, heating, zoning, and plumbing codes. Architectural design of all structures and paving shall be reviewed and approved by the Carson City Airport Authority.

Tenant shall be required to furnish to the Carson City Airport Authority a copy of a contract between Tenant and a licensed contractor. The contract shall be protected by a performance bond to guarantee that the improvements will be completed according to the existing codes and the improvements will be free from any liens.

Tenant is obligated to secure all permits that are necessary and required to construct or develop any building, improvements, and additions upon lease parcel.

1. **CONSTRUCTION ON PREMISES.** Tenant shall comply with all Federal, State, and local laws, ordinances, orders, judgments, decrees, regulations, directives, and requirements now, or which may be, applicable to the construction of improvements on the operations and uses of the premises.

A. Construction Phasing

1. All plans completed and submitted to Landlord and governmental offices for approval within 1 year of the effective date of the lease.
2. All permits obtained for construction within 120 days next following.
3. All construction completed within two years of the effective date of the lease.

B. Failure to Use Property. Failure by Tenant to satisfy the requirements as set forth above may result in default of this Agreement and Landlord may, at its discretion, disallow the use of any, or all, of the premises.

C. Certificate of Completion. Upon completion of the improvements, Tenant

shall submit to the Landlord a copy of its acceptance letter certifying completion and a certified copy of any certificate or permit which may be required by any Federal, State, County, or other local government or agency in connection with the completion or occupancy by Tenant. Tenant shall furnish to Landlord a set of reproducible, final "as built" drawings of any and all improvements not later than ninety (90) days following the completion, occupancy, or initial use of such improvements, whichever comes first.

2. TITLE TO IMPROVEMENTS AND FIXTURES. During the term of this lease, all improvements (other than trade fixtures) erected, installed, or constructed by Tenant on the premises shall become part of the land upon which they are erected, or part of the building to which they are affixed, and title to such improvements, facilities, or alterations shall remain with Tenant. "Trade fixtures" shall remain the property of Tenant and that term shall include, but shall not be limited to, personal property, signs used to identify the Tenant's facilities in and about the premises, and all machinery and equipment installed in, placed on, or used in connection with Tenant's operation.



FlyCarsonCity.com

CCAA BOARD MEMO

Agenda Item: G-5

BOARD MEMO 2022-06

Meeting Date: January 19, 2022

Agenda Title: FOR DISCUSSION AND POSSIBLE ACTION: APPROVAL OF CHANGE OF CONTROL OF GONI AVIATION LLC, FROM MESSRS HARTMAN AND CLARY TO KEVIN UPDEGROVE; APPROVAL OF CURRENT RENT ON THE GONI AVIATION LLC LEASE OR ACTION NEEDED FOR CURRENT MARKET RATE; CONSIDERATION OF ISSUE RAISED BY TENANT AS TO OFFSET DUE TO DRAINAGE ACTIONS TAKEN BY THE CITY

Staff Summary: *Ownership change- Bill Hartman and George Cleary transferred their interest in Goni Aviation, LLC to Kevin Updegrove. Per the terms of the lease, a change of ownership of 25% or more is subject to Authority approval. Staff recommends approval of the change in ownership of Goni Aviation LLC. If approved the ownership interest in Goni Aviation LLC will be 50% Kevin Updegrove and 50% Steve Lewis. 2022 Rent change- The terms of the Goni Aviation lease state that a portion of the rent was prepaid through 2021, and that beginning in the year 2022, the rate will be set at the then-current market rate for the remainder of the lease term. It further states that the rent shall be adjusted by a reasonable CPI adjustment. Thus the Authority will consider the current market rate for use in 2022 and going forward. Staff recommends use of the last appraisal or alternatively to undertake an appraisal to set the rate. Staff recommends use of the same biennial CPI provision that applies to the other leases on the airport. Tenant has raised an issue regarding drainage improvements made by the City to the lease area and are requesting an offset to rent.*

Agenda Action: Formal Action/Motion

Time Requested 10 Minutes

Proposed Motion/ Action

Ownership change: I move to approve change in ownership of Kevin Updegrove replacing Bill Hartman and George Cleary.

2022 Rent change: I move to reset the rental rate at \$_____ based on the current market rate information provided along with the standard 2yr CPI adjustment provision;
OR I move the Airport Authority obtain an appraisal to determine the current market rate for this lease, and bring it back for approval.

Tenant request for offset due to City drainage work: action?

CCAA'S Strategic Goal

Management and safety of airport and operations; compliance with NRS 844 and federal requirements

Previous Action

Lease was originally issued to Cubix Corporation in 1988 (Doc No 0070745); the lease was amended and restated in 2006 with Cubix with a 30 year extension and Cubix providing making a prepayment of rent up to the year 2021. "Beginning in the year 2022, the rate will be set at the then--current market rate for the remainder of the lease term, and shall be adjusted by a reasonable CPI adjustment." In June of 2017, the lease was assigned to Goni Aviation LLC by Assignment and Assumption of Airport Lease recorded 06/05/2017 as Document No. 475493.

Executive Summary

Ownership change. Goni Aviation, LLC took an assignment of the Cubix lease in 2017. At the time, Goni Aviation LLC was, per their representations, to be 50% owned by Steve Lewis, 25% owned by Bill Hartman, and 25% owned by George Clary. Messrs. Hartman and Clary have transferred their ownership to Kevin Updegrave. Pursuant to the Lease, the Tenant needs Landlord (Authority) approval to change ownership by more than 25%. The language states:

"Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, upon the prior approval of Landlord.

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease."

The Authority was previously provided a copy of Mr. Updegrave's resume (copy attached) and the Airport Manager was provided with evidence of financial fitness which appeared to be sufficient.

Rent reset. In 2006, Cubix approached the Airport Authority and requested a 30 year extension of their lease. As a part of the renegotiated lease, the parties agreed to a prepayment of part of the rent to 2021. The precise language is:

"3. RENT. Tenant shall pay to Landlord:

A. \$100,679.00 at time of lease approval to cover the first fifteen years (up to the year 2021) This is calculated as the first five years at the current lease rate, with appropriate CPI increases, for a sum total of \$8,330; The second five years at 16¢ per sf, for a sum total of \$40,600; The third five years at 20¢ per sf, for a sum total of \$50,749. This talces the lease up to the year 2021.

B. Beginning in the year 2022, the rate will be set at the then-current market rate for the remainder of the lease term, and shall be adjusted by a reasonable CPI adjustment. Payments shall be made monthly, with payments due on the first day of each month."

The following CPI adjustment provision states that CPI adjustments will occur on 2 year anniversaries of January 1, 2022.

The Authority must determine the current market rate for the remainder of the lease. The most recent appraisal for airport land is \$0.28/sqft/yr for aircraft storage hangars, and/or commercial FBOs that do not have public road access. The Authority can determine whether use of that

amount is appropriate, or whether the Authority should obtain an appraisal on the leasehold and postpone this part of the Agenda item until obtaining that appraisal. The Authority may want to set an interim rate to be trued up back to January 1, 2022, upon resetting the rate based on the appraisal.

Rent reduction request from Tenant. Attached are the documents regarding the Tenant’s argument for a reduction in rent. This appears to be an issue with the City, not something that the Airport Authority has done. Further, the actions complained of pre-dated the time when Goni Aviation took their Lease Assignment and Assumption. Lastly, that Assignment says that the Assignor (Cubix) was to indemnify them from any claims that arose prior to the Assignment.

Recommendation: Vote to approve change of ownership. Either get appraisal for current market rate on lease or use most recent appraisal as the current market rate. No Staff recommendation on the request for a rent offset or reduction.

Financial Information

Is there a fiscal impact?

No Yes

If yes, account name/number & amount: lease revenues

Is it currently budgeted? No.

Alternatives

Do not approve the change of ownership. Do not set a rent rate and collect rent that is due under the terms of the lease.

Board Action Taken:

| | | |
|---------------|----------|---------|
| Motion: _____ | 1) _____ | Aye/Nay |
| | 2) _____ | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |
| | | _____ |

(Vote Recorded By)

APN W1-C

APN _____

APN _____

RECORDED AT THE
REQUEST OF
CARSON CITY CLERK TO
THE BOARD

2006 OCT 19 PM 3:17

FILE NO. 360015

ALAN GLOVER
CARSON CITY RECORDER

FEE \$ MC DEP (R)

FOR RECORDER'S USE ONLY

TITLE OF DOCUMENT:

*Carson City Airport Lease Amendment
and Restatement*

WHEN RECORDED MAIL TO:

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CARSON CITY AIRPORT LEASE AMENDMENT AND RESTATEMENT

This amendment and restatement of airport lease (Lease), made and entered into this 16th day of August, 2006, between the CARSON CITY AIRPORT AUTHORITY (Landlord), whose address is 2600 E. College Parkway #6 Carson City, Nevada 89706, and CUBIX CORPORATION. (Tenant), whose address is 2800 Lockheed Way, Carson City, NV 89706-0719.

WITNESSETH:

WHEREAS, the Tenant holds a lease dated May 5, 1988, recorded April 29, 1988, as Document No. 70745, on Parcel #W1-C on the Carson City Airport, said lease for a term of 36 years, which will by its terms expire on August 20, 2017; and

WHEREAS, Landlord and Tenant desire to extend and restate the Lease consistent with the presently effective rates and with the terms of the standard lease utilized by Landlord; and

THEREFORE, Landlord and Tenant agree as follows:

1. PREMISES. Landlord leases to Tenant and Tenant leases from Landlord the real property located at the Carson City Airport in Exhibit A (premises), and the appurtenant rights included in Paragraph 8. The parties acknowledge that this Lease supercedes and replaces the lease as between Landlord and Tenant contained in the Lease Agreement recorded April 29, 1988, as Document No. 70745.

2. TERM. The Lease shall be extended 30 years beyond its existing termination date and thus will end on August 20, 2047, and shall be effective upon approval of the Carson City Airport Authority and Carson City as set forth by the latter date of signature hereunder.

3. RENT. Tenant shall pay to Landlord:

- A. \$100,679.00 at time of lease approval to cover the first fifteen years (up to the year 2021) This is calculated as the first five years at the current lease rate,

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with appropriate CPI increases, for a sum total of \$8,330; The second five years at 16¢ per sf, for a sum total of \$40,600; The third five years at 20¢ per sf, for a sum total of \$50,749. This takes the lease up to the year 2021.

B. Beginning in the year 2022, the rate will be set at the then-current market rate for the remainder of the lease term, and shall be adjusted by a reasonable CPI adjustment. Payments shall be made monthly, with payments due on the first day of each month.

C. To the extent that Tenant elects to sell fuel pursuant to Paragraph 8 of this Lease, Landlord and Tenant will negotiate a fuel flowage fee per gallon as and for the right to sell fuel on the premise, in such location as mutually agreed upon between Landlord and Tenant, such fees to be paid at the time of each delivery of fuel to Tenant's fuel storage facility.

4. CPI ADJUSTMENT. An adjustment of the rental and fees above described shall occur on two year anniversary intervals from January 1, 2022, during the term of this Lease. Such adjustment of rental shall be based upon the percentage change reflected by the Consumer Price Index (hereinafter called the Price Index) for the preceding two year period. The Price Index shall mean the average for "all items" shown on the "U.S. City Average for All Urban Consumers" as promulgated by Bureau of Legal Statistics of the U.S. Department of Labor, as amended or replaced by the agency. Landlord shall measure each two year adjustment using the most recently available report, recognizing that it may be necessary to use a 2 year period with a final quarter ending prior to each December 31 adjustment date. In no event, however, shall any decrease in the Consumer Price Index result in a decrease of the rental below the base rate. For example, if the CPI for December

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2020 is 200.0 (1982-1984=100) and for December 2022 is 208.0, then the rent would be adjusted by the difference (208.0-200.0) divided by 200.0 which equals a 4.0% increase.

5. IMPROVEMENTS. For all new construction upon the premises, Tenant shall meet the construction requirements and standards adopted by Landlord pursuant to Title 19 of the Carson City Municipal Code.

6. DEFAULT. The occurrence of any of the following shall constitute a default by Tenant:

A. Failure to pay rent when due, if the failure continues for ten (10) days after notice has been given to Tenant.

B. Abandonment and vacation of the premises (failure to occupy and operate the premises for thirty (30) consecutive days shall be deemed an abandonment and vacation, except during the period of initial remodeling which is expected to last approximately 150 days).

C. Failure to perform any other provision of this lease including the construction requirements, if the failure to perform is not cured within thirty (30) days after notice has been given to Tenant. If Tenant can demonstrate to the satisfaction of Landlord the default cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this lease if Tenant commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

D. Filing a petition of voluntary or involuntary bankruptcy.

E. The making by the tenant of any general assignment for the benefit of creditors.

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F. Violation of any of these standards, rules, and regulations, or failure to maintain current licenses required for the permitted operation.

Notices given under this paragraph must specify the alleged default and the applicable lease provisions, and must demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, within the applicable period of time, or quit the premises. No such notice will be deemed a forfeiture or a termination of this lease unless Landlord so elects in the notice.

7. REMEDIES. Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative to any remedies now or later allowed by law.

A. Tenant's right to possession not terminated. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the premises and relet them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in reletting the premises. Reletting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting.

If Landlord elects to relet the premises as provided in this paragraph, rent that Landlord receives from reletting shall be applied to the payment of:

First, any indebtedness from Tenant to Landlord other than rent due from Tenant;

Second, all costs, including maintenance, incurred by Landlord in reletting;

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Third, rent due and unpaid under this lease, after deducting the payments referred to in this paragraph, any sum remaining from the rent Landlord received from reletting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from reletting is less than the rent due on the date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs including for maintenance Landlord incurred in reletting that remain after applying the rent received from the reletting as provided in this paragraph.

B. Termination of Tenant's right to possession. Landlord can terminate Tenant's right to possession of the premises at any time after default. No act by Landlord other than giving notice to Tenant shall terminate this lease. Acts of maintenance, efforts to relet the premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant the unpaid rent that had been earned at the time of termination of this lease, and any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.

8. APPURTENANT RIGHTS AND RESTRICTIONS.

A. Tenant may use the premises primarily for aircraft storage, as well as, any Fixed Base Operator activities at the Carson City Airport as listed below, to the extent permitted in Carson City Municipal Code Title 19, and as may be approved by

Landlord. NOTE: All aircraft stored on the premises must be registered for tax purposes in Carson City, Nevada, unless Tenant provides evidence acceptable to Landlord and Carson City that this facility is not the primary storage location for the particular aircraft. For all ramp areas on the premises, the parties acknowledge that these areas are under the dominion and control of Landlord, and that Landlord maintains all rights appropriate to use of FAA funds on said areas.

Tenant is, by this lease, an authorized FBO, and shall comply with the provisions of Title 19 applicable to the public provision of FBO services. Tenant is specifically permitted but not required to offer the following services:

1. Sales of new and used aircraft, including demonstrations of aircraft for sale.
2. Sales of aircraft parts, retail and wholesale, radio and electronic equipment, navigation and airman supplies and accessories.
3. Flight operations, rental and charter (with or without pilot), air taxi and air ambulance.
4. Flight training (primary and/or advanced).
5. Maintenance, repair and overhaul of all types of aircraft, engines, instruments, radio and electronic gear.
6. Line service, including fueling, lubrication and other servicing of any aircraft; towing disabled aircraft; a right to load and unload passengers and cargo and to transport passengers from transient aircraft parking areas to the terminal and other areas of the airport.
7. Aircraft storage.

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Activities other than those specifically stated in subparagraphs 1 through 7, inclusive, herein, will not be conducted by the Tenant without written advance approval from Landlord.

Tenant may conduct such non-aviation business upon the premises as are otherwise permitted by law and do not otherwise interfere with the aviation uses permitted under this Lease and other leases on this airport. Landlord's decision shall be final as to claims of conflict over interfering uses.

Tenant may construct, upon Landlord approval and other applicable governmental approvals, a fuel storage facility for Tenant's own use and sale to the public. For all fuel so stored, Tenant shall pay Landlord a fuel flowage fee to be negotiated. If Tenant supplies fuel, Tenant shall provide appropriate signage upon said fuel storage facility so as to notify pilots, during day and night, of its location and the availability of self service fuel.

B. Ingress and Egress. Tenant shall have full and unimpaired access to the premises at all times and a nonexclusive right to use the taxiway area between premises and runway, together with an easement of reasonable width and location between the premises and the taxiway. Tenant shall be responsible for all improvements upon such easement. Tenant shall be responsible for, and control the access to, the premises. Access between the leasehold and Airport shall comply with the Landlord's rules, regulations, or access plans.

C. Right of Entry. Landlord, or its designated Airport Manager or agent, reserves the right to enter upon the premises at any reasonable time for the purpose of making any inspection deemed expedient or desirable for the proper enforcement of any terms, conditions, provisions, and covenants of this Agreement.

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D. Air Space and Subsurface Rights. This lease confers no rights to the subsurface of the land more than five (5) feet below the ground level of the premises or to airspace more than ten (10) feet above the top of the roof of the building or buildings that is a part of the premises. All exemptions or applications must have the prior approval of Landlord.

E. Federal Requirements.

1. The Tenant for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration, does covenant and agree as a covenant running with the land that tenant shall comply with all Federal Aviation Regulations (FARs) applicable to tenant's operations on the premises.

2. The Tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration covenants and agrees as a covenant running with the land that: 1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the facilities; 2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination.

3. Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Subtitle A, Office of the Secretary, Part 21,

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Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as the Regulation may be amended.

4. Tenant shall furnish its accommodations and/or services on a fair, equal, and not unjustly discriminatory basis to all users and it must charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; PROVIDED that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

5. Noncompliance with Provision 4 above shall constitute a material breach of this Agreement and in the event of such noncompliance, the Landlord shall have the right to terminate this lease Agreement without liability or at the election of the Landlord or the United States; either or both governments shall have the right to judicially enforce these provisions.

6. Tenant agrees that it shall insert the above five provisions in any lease agreement by which the Tenant grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the leased premises.

7. The Tenant assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. The Tenant assures that no person shall be excluded on these

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grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Tenant assures that it will require that its covered suborganization provide assurance to the Tenant that they similarly will require assurance from their suborganizations, as required by 14 CFR 152, Subpart E, to the same effort.

8. The Landlord reserves the right to further develop or improve the landing area of the Carson City Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.

9. The Landlord reserves the right, but shall not be obligated to the Tenant, to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard.

10. This lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relative to the development, operation, or maintenance of the Airport.

11. The Landlord, its successors and assigns, for the use and benefit of the public, does reserve a right of flight for the passage of aircraft in the airspace above the surface of the lease premises. This public right of flight shall include the right to cause in the airspace any noise inherent in the operation of any aircraft used for navigation or flight through the airspace or landing at, taking off from, or operation of the Carson City Airport.

12. Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the

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event future construction of a building is planned for the leased premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the leased premises.

13. The Tenant by accepting this lease expressly agrees for itself, its successors and assigns that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the leased premises to a height more than ten (10) feet above the highest part of Tenant's building. In the event this covenant is breached, the Landlord reserves the right to enter upon the premises to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of the Tenant.

14. The Tenant, by accepting this lease, agrees for itself, its successors and assigns, that it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from Carson City Airport or otherwise constitutes a hazard. In the event this covenant is breached, the Landlord reserves the right to enter upon the premises and to abate the interference at the expense of the Tenant.

15. It is understood and agreed that nothing contained in this lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958 (49 U.S.C. 1349).

F. Tenant assures complete compliance with the Carson City Airport Rules and Regulations upon leased premises.

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9. ASSIGNMENT AND SUBLEASING. Tenant shall have no right to assign or sublet its interest in this lease except upon Landlord's prior consent. Any such assignment or sublease will be binding to assignees/sublessees on all terms and conditions in this lease.

Tenant shall have the right to assign, pledge, or hypothecate this lease for the purpose of securing additional financing, upon the prior approval of Landlord.

The parties agree that a transfer of corporate interests in excess of twenty-five percent (25%) shall be deemed an assignment of this lease.

The Landlord reserves the right to assign, pledge, or hypothecate this Agreement upon notice to the Tenant.

10. INSURANCE AND BONDING.

A. Coverage. As a condition precedent to this lease, Tenant shall provide, at his own cost, insurance coverage in the amount of TWO MILLION DOLLARS (\$2,000,000.00), the category to be under-written by a responsible insurance carrier, authorized by the State of Nevada to provide such coverage. The following coverage shall be included:

1. Third-party comprehensive general liability coverage for bodily injury and property damage including owned and non-owned aircraft, for any claim or liability for any injury or damage to any person or property occurring on the leased premises or arising out of or resulting from Tenant's operations or omissions at the Carson City Airport.

2. Products liability coverage in addition to the foregoing comprehensive general liability insurance where the licensee operates a food service or offers goods or merchandise for sale.

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3. Statutory workers' compensation and employer's liability coverage to the extent required by law.

4. Fire and extended coverage and vandalism and malicious mischief insurance, as provided by the lease Agreements, for damage or destruction of real property or leasehold improvements, where the Landlord has, or will have, an interest in such property by virtue of an existing lease.

B. Insured Includes. Landlord and Carson City must be named as additional insureds, and hereby require that the insurance carrier underwriting such coverage give the Landlord thirty (30) days written notice prior to cancellation of or material alteration to the policy.

Landlord requires that Tenant provide Landlord with a Certificate of Insurance evidencing the coverage in effect, including limits and expiration date. Such policy or policies shall be maintained in full force and effect during the term of the lease, and renewals or extensions of same.

Carson City and the Carson City Airport Authority reserve the right, every five years, to review and adjust the amount of insurance coverage required.

11. HOLD HARMLESS. The Tenant, in consideration of the Landlord's agreement to lease certain real property to Tenant pursuant to this Agreement, agrees that at all times during the term of this Agreement, Tenant shall indemnify and defend, saving harmless Landlord, Carson City, their officers, boards, commissions, agents, and employees from any and all claims by any person whatsoever on account of property damage, injury, or death of a person or persons acting on behalf of, or upon the request of, the Tenant during the term of this Agreement.

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The Tenant further agrees to indemnify Landlord and Carson City from environmental liability for contamination or damage to the premises and any adjacent area to the premises related or connected with the occupation or use of the leasehold property.

Landlord, Carson City, their officers' boards, commissions, agents, and employees shall be held harmless in all respect for any cost, expense, or liability of any nature which may be incurred by the Tenant during the term of this Agreement.

12. ENVIRONMENTAL. The Tenant will conduct its business and operation in the Premises in compliance with all Environmental Laws and Permits. The Tenant will forthwith notify the Landlord of the occurrence of any of the following and will provide the Landlord with copies of all relevant documentation in connection therewith:

(a) a release of a Hazardous Substance in or about the Premises and/or Lands except in strict compliance with Environmental Laws and any applicable Permits;

(b) the receipt by the Tenant of an Environmental Notice; or

(c) the receipt by the Tenant of information which indicates that Hazardous Substances are being used, dissipated, stored, disposed of or introduced into the environmental by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws.

Tenant will not permit the storage, use, treatment, disposal or introduction into the environment of Hazardous Substances in or about the Premises and/or Lands, except in compliance with applicable Environmental Laws. If the Landlord receives information that Hazardous Substances are being dissipated, used, stored, disposed of or introduced into the environment by anyone in or about the Premises and/or Lands in a manner other than that authorized under Environmental Laws, the Tenant will conduct such investigations, searches, testing, drilling and sampling ("Investigations") as are reasonably requested from time to time by the Landlord to

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determine the existence of Hazardous Substances in or about the Premises and/or Lands. If the Tenant does not complete the Investigations to the satisfaction of the Landlord, the Landlord may enter on the property of the Tenant and take any actions necessary to complete the Investigations, the cost of which actions will be borne by the Tenant as additional rent. If remedial work is required due to the presence of Hazardous Substances on or in the Premises and/or the Lands, the Tenant will take all necessary action, at the cost of the Tenant, to restore the Premises and/or Lands to a level acceptable to the Landlord and to all governmental authorities having jurisdiction. Upon the request of the Landlord, from time to time, the Tenant will provide to the Landlord satisfactory documentary evidence that all environmental permits are valid and in good standing.

Environmental Indemnity. The Tenant will indemnify and save harmless the Landlord, Carson City, their officers, directors, employees, agents and shareholders, from and against any and all losses, claims, costs, expenses, damages and liabilities, including all costs of defending or denying the same, and all costs of investigation, monitoring, remedial response, removal, restoration or permit acquisition and including all solicitor's fees (on a solicitor and own client basis) and disbursements in connection therewith which at any time may be paid or incurred by or claimed against the Landlord, its officers, directors, employees, agents and shareholders, and Carson City arising, directly or indirectly, out of:

- (a) a breach by the Tenant of any of the covenants contained in this Section;
- (b) the presence of or release of any Hazardous Substance on or off-site of the Premises and/or the Lands;
- (c) any action taken by the Landlord with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands; or

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(d) any action taken by the Landlord in compliance with any Environmental Notice with respect to the existence of any Hazardous Substance on or off-site of the Premises and/or the Lands; and such indemnity will survive the expiration or any termination of this lease notwithstanding anything in this lease to the contrary.

13. MAINTENANCE. Landlord is not required to provide any maintenance, repairs, removal, and construction of gross area leased or of buildings or facilities erected by Tenant.

Tenant shall provide and pay for all light, gas, electric, water, janitorial, and sewer charges used or incurred in or about the lease premises.

Tenant shall maintain all leased areas, salvage and rehabilitation areas, displays, storage areas, landscaping, pavement, facilities, and structures in a state of repair and good appearance acceptable to the Landlord. Landlord shall have sole discretion in interpreting and enforcing all Federal, State, and local rules, regulations, codes, and ordinances in determining what is, or is not, acceptable.

Landlord may require Tenant to perform all necessary maintenance, repairs, removal, construction or cleaning/clearing of unsightly areas upon the leased premises. In the event such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas is not undertaken as required, Landlord may perform such maintenance, repairs, removal, construction, or cleaning/clearing of unsightly areas on behalf of Tenant and at Tenant's expense, plus ten percent (10%) for administration.

14. TAX OBLIGATION. Tenant shall pay all taxes and assessment against any buildings or other structures and improvements used by Tenant in its operations, and if imposed at any future date, any and all real property taxes assessed against the land leased from Landlord, including any possessory interest taxes.

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15. REMOVAL OF BUILDINGS AND IMPROVEMENTS. Tenant shall remove at his cost all buildings and improvements upon termination of the Agreement and restore the premises to its original condition. Title in building and improvements shall at all times during the lease term remain in the Tenant. The Landlord shall have the option on termination to take title of the buildings and improvements, at no cost or obligation to Landlord, in lieu of Tenant's obligation to restore the premises to its original condition.

16. REPORTING. Anything that affects the safe and efficient operation of the Carson City Airport shall be immediately reported to Landlord or the designated Airport Manager.

17. AMENDMENTS. Any amendments to this lease require approval by the Landlord, Carson City, and Tenant. All proposed amendments must be submitted in writing to Landlord for review and placement before a regularly scheduled meeting of the Carson City Airport Authority for consideration.

18. GENERAL. It is understood and agreed that each and all the terms of this Lease are subject to the regulations and provisions of law applicable to the operation of the Carson City Airport as a Federal Aid Airport Project. If any provision of this Lease is invalid, the other provisions of the Lease which are valid shall remain in effect, and the Lease will be re-negotiated to comply with the requirements of the applicable laws and regulations. In the event that negotiation attempts are unsuccessful, either party may petition the First Judicial District Court, which shall then be entitled to establish such replacement provisions or issue such rulings as are just, for the purpose of satisfying the intent of the Lease provisions.

The Tenant agrees to observe and obey during the terms of this Lease all laws, rules, and regulations promulgated and enforced by the State of Nevada, Carson City, and by any other proper authority having jurisdiction over the conduct of operations at the Carson Airport.

360015

Landlord and the Carson City Sheriff's Office shall have complete dominion over the premises herein during the term of this Lease for the purpose of, and to the extent necessary, to maintain law, order, and safety, and has the authority and the right to deny access to the Carson Airport by any person who fails to obey all relevant laws, rules, and regulations.

19. NOTICES. It is agreed that any notice to be given or served upon either party shall be sufficient if sent by certified mail, postage prepaid, addressed to the address of the party listed at the beginning of this Lease, or to such other address as may be designated in writing by such party.

Approved this 10 day of August, 2006.

TENANT




CUBIX CORPORATION
By Al Fiegehen, President.

LANDLORD
CARSON CITY AIRPORT AUTHORITY
CARSON CITY, NEVADA



NEIL WEAVER, CHAIRMAN

ATTEST:

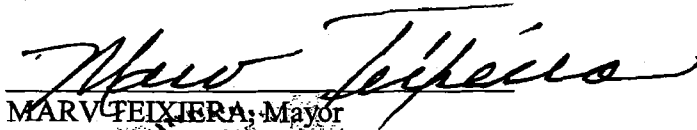


COLLIE HUTTER, TREASURER, CCAA

360015

CARSON CITY

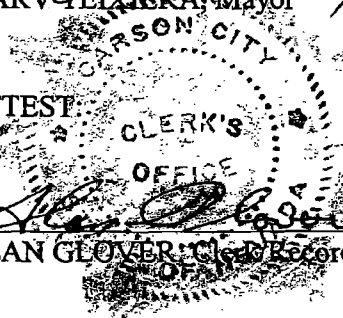
Approved by the Board of Supervisors this 19th day of Oct, 2006.



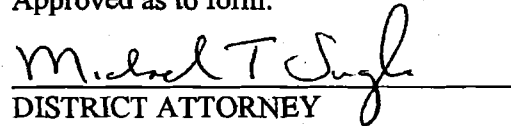
MARV TEIXEIRA, Mayor

ATTEST:

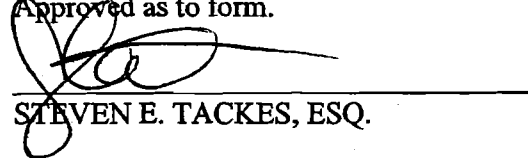

ALAN GLOVER, Clerk Recorder



CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY COUNSEL
Approved as to form.


STEVEN E. TACKES, ESQ.

360015

EXHIBIT A

Carson City Airport Area Leased /legal description for CUBIX Lease

Parcel W1-C

A certain parcel of land situate in the NE ¼ of the NW ¼ of Section 4, T.15N., R.20E, M.D.B.M., Carson City, Nevada, particularly described as follows, to-wit:

Commencing at the NW corner of Lot 41 of the Ormsby County Industrial Airpark subdivision of Carson City as shown and located on Map No. 318, File No. 41674 of the Official Records of Carson City; thence on a Nevada State plane coordinate (modified grid) bearing of N 89° 12'35" W 460.00 ft. to the true point of beginning. Thence S 0°43'58" W 290.00 ft., thence N 89°12'35" W 150.00 ft., thence N 19°14'37" W 58.54 ft., thence N 0° 43'58" E 135.00 ft., thence N 89°12'35" W 20.00 ft., thence N 0° 43'58" E 100.00 ft., thence S 89°12'35" E 190.00 ft. to the true point of beginning.

Said parcel containing 50,749.00 sq. ft.

TOGETHER WITH its appurtenances and hereditaments, including but not limited to the right of full access thereto and uses thereon, and the further right, in common with others, to use public roads, driveways, runways, taxiways, and ramps.

360015

APN 005-011-99

When Recorded, Return To:

Tim Rowe, Airport Manager
Carson City Airport
2600 College Parkway #6
Carson City, NV 89706
227 1184R

RECORDED AT THE REQUEST OF
FIRST CENTENNIAL - RENO (MAIN)
06/05/2017 08:37AM
FILE NO. 475493
SUSAN MERRIWETHER
CARSON CITY RECORDER
FEE \$43.00 DEP RMH

ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE

THIS ASSIGNMENT AND ASSUMPTION OF AIRPORT LEASE (“**Assignment**”) is made effective as of the date of recordation (“**Effective Date**”) by and between **CUBIX CORPORATION**, a Delaware corporation (“**Assignor**”) and **GONI AVIATION, LLC.**, a Nevada limited liability company (“**Assignee**”).

RECITALS:

WHEREAS, Assignor is the tenant under that certain Carson City Airport Lease Agreement (the “**Airport Lease**”) between Assignor and the Carson City Airport Authority (“**Airport**”) as landlord, dated August 16, 2006, and recorded in the Official Records of Carson City, Nevada, as Document No. 360015, on October 19, 2006;

WHEREAS, Assignor desires to assign the Airport Lease to Assignee as permitted with Landlord’s consent under Section 9 of the Airport Lease and Assignee desires to assume the same.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee covenant and agree as follows:

1. **Airport Lease Assignment and Assumption.**

(a) Assignor hereby assigns, conveys and transfers to Assignee all of Assignor’s right, title and interest under the Airport Lease for Parcel W1-C, as more particularly described on **Exhibit A** hereto.

(b) Assignee hereby accepts the foregoing assignment and agrees to assume, perform and discharge, as and when due, all of the covenants and obligations of the Assignor under the Airport Lease which arise after the Effective Date of this Assignment, and agrees to be bound by all of the terms and conditions thereof from and after the Effective Date.

2. **Indemnification**

Assignee shall defend, indemnify, hold harmless and release Assignor, its successors and assigns, from and against any and all damage, loss, liability, claim, cost, expense, action and

475493

cause of action (including, without limitation, attorneys' fees and the reasonable costs of investigation) (collectively, "Claims") incurred by or asserted against Assignor, its successors and assigns, arising under the Airport Lease and accruing subsequent to the Effective Date of this Assignment.

Assignor shall defend, indemnify, hold harmless and release Assignee, its successors and assigns, from and against any and all Claims incurred by or asserted against Assignee, its successors and assigns, arising under the Airport Lease and accruing prior to the Effective Date of this Assignment.

3. Miscellaneous.

(a) Successors. This Assignment shall be binding upon the heirs, successors, assigns and personal representatives of the parties hereto.

(b) Headings. The captions to the paragraphs are intended for convenient reference only and shall not be used and are not intended to modify, aid, describe or otherwise affect the meaning of the paragraph from that which is indicated by the text of the paragraph alone.

(c) Construction. This Assignment is the product of negotiation and the parties agree that it shall not be construed against the drafter. If any part of this Assignment shall be found to be invalid or unenforceable, the remainder of the Assignment shall be enforceable in accordance with its terms, deleting such unenforceable or invalid provisions.

(d) Entire Agreement. This Assignment constitutes the entire agreement between the parties with regard to the Airport Lease and any prior negotiations, agreements or other writings pertaining to the subject matter of this Assignment are merged herein and extinguished.

(e) Governing Law. This Assignment shall be construed under the laws of Nevada.

(f) Attorney Fees. In the event of any action or proceeding brought by either party against the other pertaining to or arising out of this Assignment, the prevailing party shall be entitled to recover all costs and expenses, including reasonable attorney fees.

(g) Counterparts. This Assignment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(h) Effective date. This Assignment & Assumption of Lease shall be effective upon recording.

SIGNATURES CONTINUED ON FOLLOWING PAGE

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first written above.

ASSIGNOR:

CUBIX CORPORATION,
A Nevada Corporation

By: *Al Fieghen*
Al Fieghen
Its: President

Date: 5/15/17

ASSIGNEE:

GONI AVIATION, LLC,
A Nevada Limited Liability Company

By: *George R. Clary* *William Hartman*
George R. Clary William Hartman
Its: Managers/Members

Date: 5/16/2017

STATE OF NEVADA)
: ss
CARSON CITY)

On this 15th day of May, 2017, before me, the undersigned, a Notary Public, personally appeared AL FIEGEHEN, president of CUBIX CORPORATION, known to me to be the person described herein, who executed the foregoing instrument, and he acknowledged to me, that he has the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

Dena Reed
NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)



STATE OF NEVADA)
: ss
CARSON CITY)

On this 16th day of May, 2017, before me, the undersigned, a Notary Public, personally appeared GEORGE R. CLARY and WILLIAM HARTMAN, Manger/Members of GONI AVIATION, LLC., known to me to be the persons described herein, who executed the foregoing instrument, and they acknowledged to me, that they have the requisite authority and executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

Dena Reed
NOTARY PUBLIC
(Signature of Notarial Officer)

(SEAL)

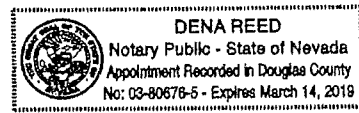


EXHIBIT A

Parcel W1-C

A certain parcel of land situate in the NE ¼ of the NW ¼ of Section 4, T.15N., R.20E., M.D.B.M., Carson City, Nevada, particularly described as follows, to wit:

Commencing at the NW corner of Lot 41 of the Ormsby County Industrial Airpark subdivision of Carson City as shown and located on Map No. 318, File No. 41674 of the Official Records of Carson City; thence on a Nevada State plane coordinate (modified grid) bearing of N89°12'35"W 460.00 ft. to the true point of beginning. Thence S0°43'58"W 290.00 ft., thence N89°12'35"W 150.00 ft., thence N19°14'37"W 58.54 ft., thence N0°43'58"E 135.00 ft., thence N89°12'35"W 20.00 ft., thence N0°43'58"E 100.00 ft., thence S89°12'35"E 190.00 ft. to the true point of beginning.

Said parcel containing 50,749 sq. ft.

TOGETHER WITH its appurtenances and hereditaments, including but not limited to the right of full access thereto and uses thereon, and the further right, in common with others, to use public roads, driveways, runways, taxiways, and ramps.

Note: the above legal description previously appeared in Lease of Carson City Airport Property, recorded May 9, 1988, as Document No. 70745, Official Records of Carson City, Nevada, and in the Lease of Carson City Airport Property, recorded October 19, 2006, as Document No. 360015, Official Records of Carson City, Nevada.

CONSENT TO ASSIGNMENT- Airport Authority

Approved this 17th day of May, 2017, pursuant to Notice, meeting and vote.

CARSON CITY AIRPORT AUTHORITY

By: 
LINDA CHANDLER LAW, Chairperson

ATTEST:

By: 
LARRY HARVEY, Secretary/Treasurer

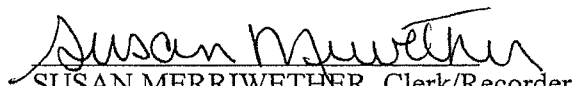
CONSENT TO ASSIGNMENT- Carson City

CARSON CITY

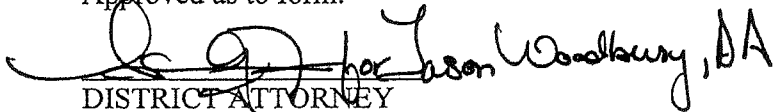
Approved by the Board of Supervisors this 1st day of June, 2017.


ROBERT L. CROWELL, Mayor

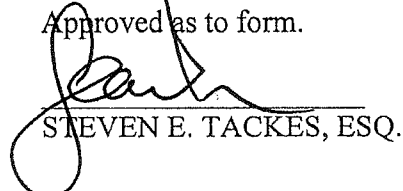
ATTEST:


SUSAN MERRIWETHER, Clerk/Recorder

CITY'S LEGAL COUNSEL
Approved as to form.


DISTRICT ATTORNEY

AIRPORT AUTHORITY
LEGAL COUNSEL
Approved as to form.


STEVEN E. TACKES, ESQ.

MEMBERS OF GONI AVIATION, LLC.

George Clary (25% share holder)

Mr. Clary is a retired Aerospace Engineer who has been an active pilot since 1969. He currently owns five airplanes which are all based at the Carson City airport (two Cessna Skymasters, two Cessna 150s, and a Cessna Cardinal RG).

Mr. Clary earned his pilot's license and Flight Instructor ratings while attending Harvey Mudd College in Southern California. After college, he enjoyed a successful career in aerospace, working mostly on advanced guidance and navigation concepts. He spent five years at NASA working on advanced navigation radar concepts and was involved in early work on differential GPS approaches. After NASA, he came to Reno and worked with Sierra Nevada Corporation. That work included development and fielding of automatic landing systems for many military Unmanned Aerial Vehicle (UAV) systems.

In 1988 Mr. Clary moved his initial airplane to KCXP and remains an active pilot and mechanic on the airport. He's a member of the Carson City Sheriff's Aero Squadron, currently serving as Commander of the Squadron. He's also a volunteer pilot for the Cactus Air Force's 'O2' Skymaster. Mr. Clary has over 5,000 hours as a pilot and is single and multi-engine (SMEL) rated, Flight Instructor (SMEL and instrument), and is also a licensed FAA Airframe and Powerplant mechanic. He has been a tenant in the Cubix hangar for close to five years.

Bill Hartman (25% share holder)

After graduate school Bill became a career U.S. Navy officer and Naval Aviator for 20 years. After retiring from the Navy, he worked at Lockheed in satellite operations for 12 years. Bill retired at the age of 56 and moved to Carson City with both his wife and airplane some 21 years ago.

Bill started flying in 1964. His Navy flying experience included single and multi-engine piston aircraft, single engine jets, multi-engine turboprop, multi-engine amphibious together with numerous carrier landings. Bill currently holds a private pilot certificate with a single engine land instrument rating. He has logged 5,930 total flight hours. Bill's current aircraft is a 1977 Beechcraft A36 Bonanza which is based in the Cubix hangar. He has been operating aircraft from the Carson City airport for 21 years and has been a tenant of the Cubix hangar for over 12 years.

Bill is an active leader of the Boy Scouts of America whereby his Scouts have been parking cars for the airport open house for many years. Bill is a multi-year member of the airport open house committee as well as a member of the local EAA chapter here at the Carson City Airport.

Steve Lewis (50% share holder)

Steve has been actively employed at or operating from the Carson City Airport since November 1976. He became the chief pilot for Cubix Corporation beginning in 1983 and in 1988 assisted Cubix in obtaining the former 'MOBILL' Class 1 FBO lease on the airport which was later relocated to its current location. He worked with then Ray Shaw of Shaw Construction in both the design and build of the current hangar. Steve also managed both the design and construction of the large Jet Ranch hangar complex beginning in 2007 and continues to manage that facility for the owner.

Steve is the owner of Sterling Air, Ltd., a Class 1 FBO that's been operating on the airport since 1991 (initially as a Class II FBO). He holds a Commercial pilot certificate with Single & Multi-engine Instrument ratings as well as current Certified Flight Instructor Instrument ratings. He has logged in excess of 10,500 hours of pilot time in various single and multi-engine piston, turbine and jet powered aircraft. Since 1991, he's been the co-owner of a Piper Twin Comanche, N7101Y, which is hangered at the Jet Ranch facility.

Steve is a former member and past chairman of the Carson City Airport Authority (2005-2009), overseeing the initial FAA grant and those various construction phases of the then new runway and taxiways here at KCXP. He's been an active member of the Carson City Sheriff's Aero Squadron since 1984, serving as Commander in 1987-88. Since 1994, he's been very active with the Rotary Club of Carson City and beginning in 2010 has accepted various senior leadership assignments with Rotary International requiring extensive domestic and international travel which he greatly enjoys.

GONI AVIATION LLC

**1999 Arrowhead Drive
Carson City, NV 89706**

5, August 2021

Mr. Tim Puliz
Interim Airport Manager
2600 College Parkway
Carson City, NV 89706

RE: REQUEST TO HAVE CITY ABANDON AND REMOVE STORMWATER DITCH ON OUR LEASEHOLD

Dear Tim,

Further to our earlier conversation concerning the City's continued efforts to divert stormwater on our KCXP leasehold, I'm once again making a formal request to have the City both abandon and entirely remove this stormwater ditch (and associated 'rip-rap') as soon as possible.


On November 4, 2020 at approximately 2:15 p.m., I met with then airport manager Ken Moen with Goni Aviation LLC partner George Clary on site to show both Ken and I believe two engineers from the airport engineer's office to discuss the City Public Works continued efforts of diverting storm water from both Goni Road and Arrowhead Drive on to the Carson City Airport and specifically onto our leasehold as depicted on the attached map. This has been ongoing for years! Ken assured me he would take care of this issue ASAP!

About ten years ago, Public Works made this 'ditch' even larger (deeper & wider) and lined it with 'rip-rap' due to excessive water draining off both Goni and Arrowhead as the result of a huge winter storm. Since that time, new flood control was added at the intersection of Goni and Arrowhead when Goni was repaved in 2018 which I believe eliminates the need for the City to continue diverting stormwater onto our lease.

Goni Aviation LLC continues to pay the Carson City Airport Authority to lease this portion of land but is restricted in developing this area due to Public Works continued use of this stormwater ditch.

We intend to develop this corner of our leasehold into paved ramp space for both aircraft tiedowns and car parking for employees. We are requesting that you please work with Public Works to both abandon and totally remove this specific ditch and stop diverting stormwater onto our leasehold so that we may invest in improving this portion of our airport.

Sincerely,
GONI AVIATION LLC



Steven W. Lewis
Member

C: Kevin Updegrove, Member Goni Aviation LLC


Goni Aviation - Request to City to Abandon and Remove Stormwater Ditch on our Leasehold.

steve@sterling-air.com <steve@sterling-air.com>

Fri 1/7/2022 12:03 PM

To: Corey Jenkins <cJenkins@flycarsoncity.com>

Cc: 'KevinDiane Updegrove' <kupde@sbcglobal.net>; 'Tim Puliz' <timpuliz@puliz.com>; Steve Lewis <steve@sterling-air.com>

 2 attachments (990 KB)

Goni Aviation Letter to KCXP Mgr.pdf; Goni Aviation LLC City Stormwater Ditch (002).pdf;

Corey,

Per our discussions over the past couple of weeks pertaining to the City's Public Works department's continued efforts to proactively divert flood water from the corner of Goni Road and Arrowhead Drive onto the Carson City Airport and specifically, the Goni Aviation, LLC leasehold, attached is the follow up request Goni Aviation made to then 'interim' airport manager Tim Puliz back on August 5th 2021.

Prior to this effort, Goni Aviation had brought this issue up to then airport manager, Ken Moen back in the Fall of 2020. As the attached letter indicates, on November 4th 2020, Ken met with me and then Goni Aviation partner George Clary (now deceased) together with two airport engineers to confirm our initial complaint and to seek the airport's help in working with the City to rectify this issue and to remove the large 'rip-rap' lined ditch they constructed on the north-west corner of our leasehold some 25 years ago. At that time, Ken agreed that this was a huge problem and not right that Public Works was actively diverting flood water onto our leasehold. He indicated he would try to get this issue resolved so that we could begin developing this corner in the future.

Corey, as you requested, the following is the brief background of this issue. The original ground lease issued to Cubix Corporation was on May 5, 1988. Construction of the 11,000+ sf hangar began that Fall with completion in early 1989. I worked for Cubix Corporation from 1983 through 1991, as both their corporate pilot and for the last three years as their director of international sales. As their pilot, I played an integral part in obtaining the original 'MoBill' Class 1 FBO lease (where the EAA an El Aero South facility is now located) and it's relocation to the current site as well as the design and overseeing the construction of the new Cubix hangar that was erected by Shaw Construction.

At that time, the 'natural drainage' coming from the intersection of Goni Road and Arrowhead Drive ran east, on the south side of Arrowhead to the north intersection of the then Cubix lease and El Aero lease. The original 'rip-rap' placed near the parallel fence along Arrowhead is still there. The natural drainage would then dissipate over much of the northern parts of both leaseholds, mostly in the dirt areas. In exceptionally wet rainy years, both water and silt would cover a part of the concrete apron on the NW corner of El Aero's west facing hangar and some of the Cubix asphalt ramp because the flood control basin near the NE corner of the then Cubix hangar would generally plug up with weeds and then flood the area. I believe this flood basin and associated underground culvert ran north to main culvert under Arrowhead that then runs to the east and ultimately to the open flood ditch that runs through airport property and the west side of the fire department.

In the early '90's, either El Aero's general manager, Joe Green or Kathy Gilbert complained to the airport manager, (at that time, likely Yvon Weaver) and in about 1991 or '92, the City's Public Works Department excavated an 'L' shaped ditch (depicted on the drawing attached here) on the then Cubix lease and cut a drainage ditch on the south shoulder of at the intersection of Goni and Arrowhead to capture the flood water earlier (to prevent it from naturally running all the way down to the El Aero hangars) and divert it back onto the Airport and specifically the NW corner of the then Cubix Lease. I can only assume that Public Works obtained permission from the Airport Manager to allow them to divert the natural flow of the flood water to this corner and specifically on to the Cubix leasehold. Approximately late 1995 or early 1996, due in large part to an exceptionally wet year (17" +/- precipitation), the diversion ditch built on the Cubix lease filled up with silt, plugged up the flood control basin on NE side of the Cubix building which needed to be cleaned out two or three times that Winter by Public Works. In the early Spring 1996, Public Works came back to the site with a backhoe and increased the size of the diversion ditch by nearly 300% on the NW corner of the Cubix lease and then lined it with 'rip-rap' material. This is the same ditch that exist today, however much of the 'rip-rap' has since filled in with silt and debris and today, (January 7, 2022), the flood control basin is again plugged up and created a pond of water on the north side of some of the current Goni Aviation and El Aero leaseholds.

As you know, Goni Aviation, LLC assumed the Cubix lease back in May 2017. We've had plans to develop the NW corner of our leasehold into both a paved tie-down and public parking area to better accommodate our new tenant, Stew's Aero

maintenance business. To that end, on September 20th at 3:00 p.m., both Tim Puliz and you joined me and co-owner Kevin Updegrove to personally meet with Stephen Pottey and others at Public Works at their office to see if we could find a solution to stop the intentional diversion of flood water running down Goni Road and Arrowhead Drive onto our leasehold so we can begin to invest in needed improvements in that area. As you know, unfortunately, our collective efforts and concerns at that meeting fell on deaf ears.

At this point, the current Goni Aviation lease now requires the Airport Authority together with Goni Aviation to determine the new lease rate beginning 1, January 2022. Goni Aviation is asking that the Airport Authority immediately abate the lease payments due on a small portion of the NW corner of our leasehold (a minimum of 5,500 sf as recently identified by the Airport's engineer) until such time as the Airport Manager and City Public Works can find a mutually acceptable solution to stop the intentional diversion of flood water onto our leasehold which would then allow us to develop that corner. Upon Public Works fully removing both the 'rip-rap' ditch and concrete 'capture point' along the south shoulder of Arrowhead Drive and find a solution to stop diverting road water onto our leasehold, we're happy to begin paying lease payments again on this abated portion of our leasehold.

Corey, it's been well over a year since this issue was first brought to the attention of Airport Manager Ken Moen and we would like to find a solution as soon as possible so that we may continue to develop these planned improvements on our leasehold.

Thank you and the members of the CCAA for giving this matter your immediate attention and please let me know if the above 'background' and attachments completely satisfies your request of last week.

Sincerely,

Steve Lewis & Kevin Updegrove
Managers of Goni Aviation, LLC

Steven W. Lewis
President



STERLING AIR, Ltd.
Carson City Airport (KCXP)
2640 College Parkway
Carson City, NV 89706
[1-800-770-5908](tel:1-800-770-5908)
[\(775\) 885-6800](tel:(775)885-6800)
FAX: 885-6842
CELL: (775) 720-5092
e-mail: steve@sterling-air.com
web site: <http://www.sterling-air.com>



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GONI ROAD

CARSON CITY PUBLIC WORKS

Stormwater Ditch
TO BE ABANDONED
AND REMOVED

ARROWHEAD DRIVE

ARROWHEAD DRIVE

GONI AVIATION

EL AERO

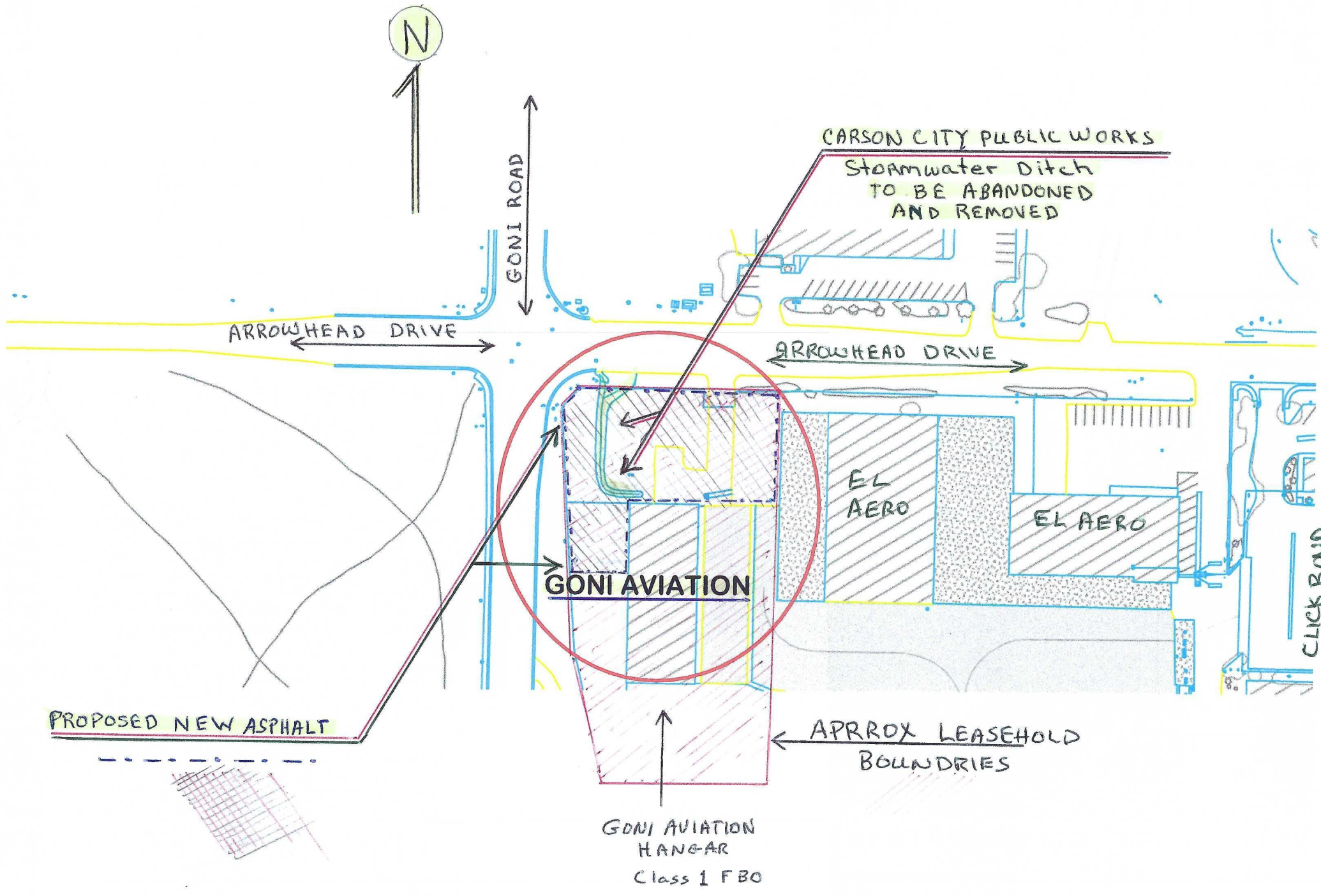
EL AERO

CLICK BAND

PROPOSED NEW ASPHALT

APPROX LEASEHOLD
BOUNDARIES

GONI AVIATION
HANGAR
Class 1 FBO

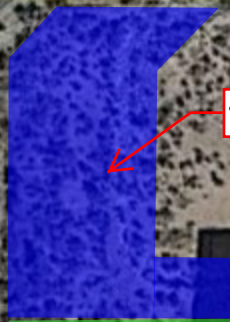


Arrowhead Dr

Goni Rd - Goni Rd

Goni Rd

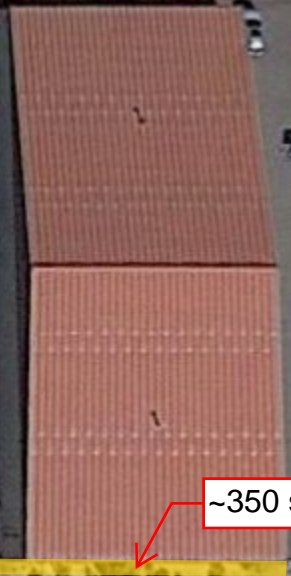
Goni Rd



~5,500 sf



~10,000 sf



~350 sf



Kevin Updegrove
2555 Fermi Rd Carson City, NV 89706
(775) 671-2731 e-mail kupde@sbcglobal.net

Highlights

- 36 years of aerospace turbine engine experience in general management, project management, materials and product development, and manufacturing operations.
- Experienced in business management : delivering top line sales, EBITDA, and cash flow targets.
- Strong team building and leadership skills with a track record of delivering completed projects on schedule.
- Proficient in lean manufacturing and theory of constraints.
- Demonstrated capability to build a manufacturing business from the ground up, including all hiring, training, equipment selection, and process development.
- Experienced in Engineering of Investment Castings(Dimensional, Process, Process Control)
- 7 US Patents

- **Professional History**

Retired Feb/2020

Advanced Airfoil Components (a Siemens and Chromalloy Joint Venture)

CEO - Jan 2017-Feb 2020 - Tampa, FL

Complete start up of new Company. Site selection, Build out, Incentive negotiations, Equipment acquisitions, hiring. New \$100M facility on 230,000 sqft. Manufacture and Deliver Hot Section components for Siemens Gas Turbine Engines.

Chromalloy Gas Turbine Company

Director of Operations, Process Control, Engineering - July 2013-Jan 2017 - Tampa, FL

Assumed various roles during the start up of the new Investment Casting Facility

Director of Operations - Mar 2009-July 2013 - Carson City, NV

Responsible for Arrowhead and Industrial Park Manufacturing Operations

330 people, 7M monthly budget(materials,labor,OME), 10M monthly sales

Director of Casting Operations - June 2000-Feb 2009 - Carson City, NV

Responsible for Investment Casting Operations, 100 people, 3M monthly budget, 4M monthly sales

- Started Ceramic Core and Investment Casting Business from scratch.
- Directed the hiring, purchase and fabrication of equipment, and development of all processes.

Plant Manager - Jan 1999-May 2000 - Carson City, NV
Responsible for Industrial Park Blade Repair Operations

Supervisor - May 1994-Dec 1998 - Carson City, NV
Responsible for Lab, Heat treatment, and Acid Strip

Delco Automotive Parts - Dayton, OH

Applications Engineer - June 1992-April 1994
Responsible for trouble shooting manufacturing issues associated with automotive struts, shocks and fan clutch castings

Allied Signal Garrett Engine Division - Phoenix, AZ

Development Engineer - June 1989-August 1991
Development of Single Crystal Turbine Blades and Abrasive Tip Coatings

General Electric Aircraft Engine Business Group - Cincinnati, OH

Mfg Development Project Manager for the YF120 Engine - April 1988-May 1989
Responsible for Technical, Schedule, and Financial Management(5M) for manufacturing development programs

Development Engineer - Sept 1986-Mar 1988
Responsible for New Alloy Introduction(3M Budget)

Materials Application Engineer - Feb 1985-Aug 1986
Responsible for introduction of structural castings into aircraft engines. Blueprint completion, Source Approvals, New Casting Introductions

Pratt and Whitney Aircraft - East Hartford, CT

Materials Engineer - June 1983-Feb 1985
Responsible for Advanced Plasma Spray and Diffusion Coatings

Education

B.S. Materials Engineering, M.S. Metallurgical Engineering - Rensselaer Polytechnic Institute - Troy, NY

Professional Engineering License, Numerous Professional Workshops and Seminars



ARMSTRONG

Airport Improvement Update

CARSON CITY AIRPORT – CARSON CITY, NEVADA

January 2022

ENGINEERING UPDATE

Project Updates:

Runway 9-27 Pavement Maintenance Project:

- Sign installation completed Jan 6
- Closeout in progress

Snow Removal Equipment Building:

- Design work is completed.
- Tentative re-bid in 2022, pending grant funding
- ACI will proceed with Special Use Permit and any outstanding design or permitting processes
- Grant application was submitted end of December

AWOS Relocation Project:

- Equipment order has been initiated with All Weather Inc. (equipment supplier)
- Special Use Permit under review
- FAA has indicated that this project will be funded per the FY22 Project Initiation Letter
- Grant application was submitted end of December

Acquire Snow Removal Equipment:

- Tentative delivery of ramp plow is early February (shipping from factory 1/24)
- Snow plow truck tentative delivery mid-Summer

Aeronautical Survey for Nighttime Approach:

- Next milestone is NGS survey approval; FAA update meeting planned for Jan 18
- FY22 project is Phase 2: design for offset PAPI
- Grant application was submitted end of December

CARSON CITY AIRPORT

Date Updated: 1/13/2022

CURRENT PROJECT DASHBOARD

AIP Funded Projects

| Project | ACI Task Order | Grant Number | Project Status | Preliminary Grant Application | NEPA Documentation | City Planning Status | Draft Task Order | IFE | Final Task Order | RON | Design Status | Bidding Status | Final Grant Application | Grant Status | Construction Status | Billing Status | Budget Status | Contractor | Notes |
|--|----------------|--------------------|------------------|-------------------------------|--------------------|----------------------|------------------|-----------|------------------|-----------|----------------------|-------------------------------|-------------------------|-----------------|-------------------------------|-----------------------|---------------------------------------|-------------------------------------|---|
| Install Perimeter Fencing and Gates | B | 3-32-0004-033-2020 | Closeout | Completed | Completed | N/A | Completed | Completed | Completed | Completed | Completed | Completed | Completed | Issued | Completed | Final Payments Issued | On-budget | Custom Fence & Mesquite Electric | Will closeout with completion of pavement rehab project. |
| Rehab RW 9/27 | C | 3-32-0004-033-2020 | Closeout | Completed | Completed | N/A | Completed | N/A | Completed | Completed | Completed | Completed | Completed | Issued | Completed | Paid up to date | Grant Amendment under review with FAA | American Road Maintenance | Closeout in progress. |
| Relocate AWOS | D | 3-32-0004-036-2021 | Pending Const | Completed | Completed | SUP drafted | Completed | N/A | Completed | Completed | Completed | Completed | Completed | Pending receipt | Can proceed upon SUP approval | No Billing Issued Yet | No Issues Anticipated | Silver Sabre Electric / All Weather | Equipment order initiated with AWI. Can proceed with SUP review and coordination with the City. |
| Construct SRE Bldg (Bid and Const) | E | 3-32-0004-036-2021 | Rebid | Completed | Completed | SUP drafted | Completed | Completed | Completed | Completed | Completed | No Bids Received - Rebid FY22 | N/A | N/A | TBD | No Billing Issued Yet | Current estimate exceeds budget | TBD | Rebidding in FY2022 depending on availability of grant funding. Admin tasks (SUP) to continue towards completion. |
| Acquire SRE | F | 3-32-0004-037-2021 | Pending Delivery | Completed | Completed | N/A | Completed | N/A | Completed | Completed | Equipment Identified | Completed | Completed | Issued | N/A | Paid up to date | No Issues Anticipated | Henke Mfg | Pending delivery. |
| Install Approach Lighting (Phase 1 - Planning Study and Aeronautical Survey) | G | 3-32-0004-038-2021 | Design | Completed | Completed | N/A | Completed | Completed | Completed | Completed | Completed | N/A | Completed | Issued | N/A | Paid up to date | None | | Survey complete, design in progress |
| ARPA Grant | N/A | 3-32-0004-040-2020 | Open | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | Issued | N/A | No ACI Role | No ACI Role | N/A | |



FlyCarsonCity.com



ARMSTRONG



January 19, 2022

FlyCarsonCity.com

Carson City Airport Manager's Report Prepared by Corey Jenkins

December 2021 Fuel Flowage

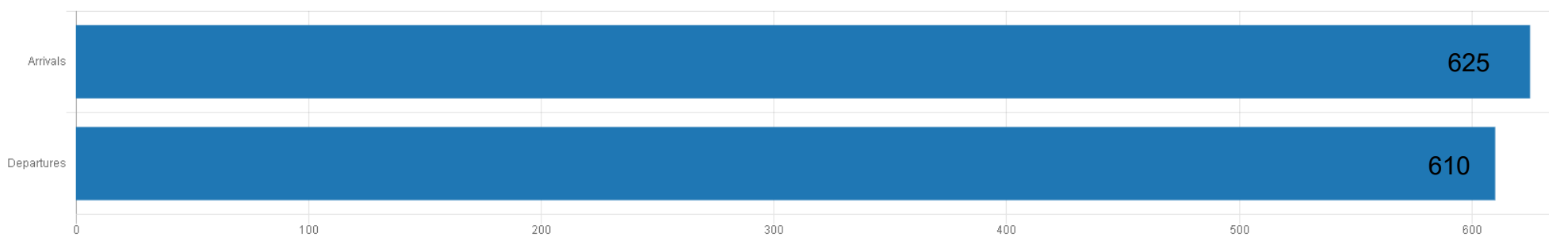
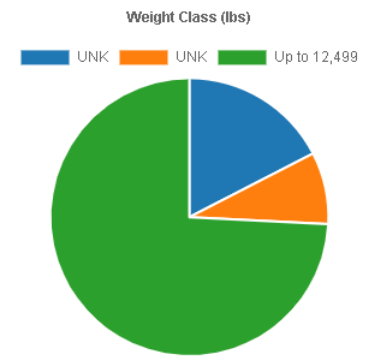
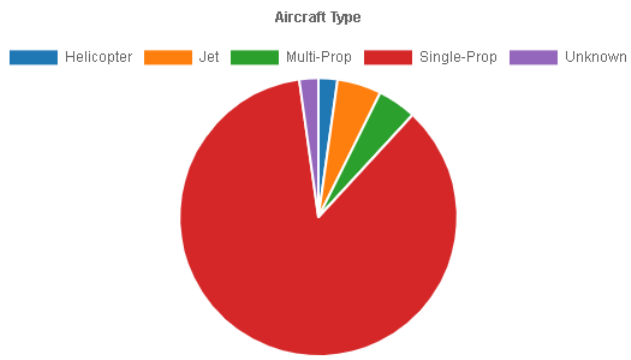
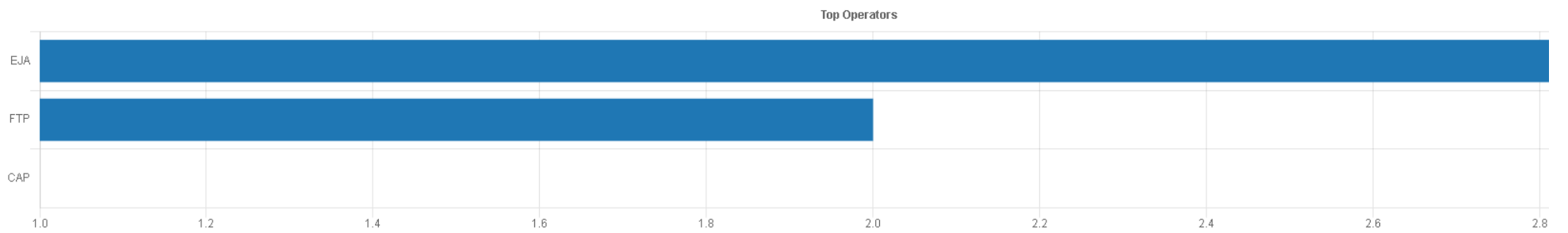
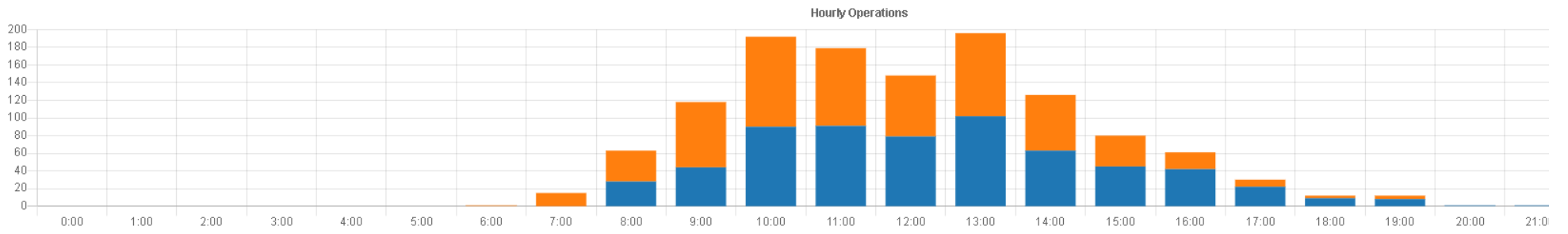
| 2021 | 100LL | Jet A | Total |
|-----------------------|-------------------------|--------------|--------------|
| Self-Serve | N/A | N/A | N/A |
| Full-Service | N/A | N/A | N/A |
| FFF = N/A | | | |
| 2022 | | | |
| Self-Serve | 0 | 672 | 672 |
| Full-Service | 3,479.3 | 8,752 | 12,231.30 |
| FFF = \$645.17 | YOY Change = N/A | | |

Managers' Report

- Completed Based Aircraft update
 - Cross referenced Tax Assessors Data with previous Based Aircraft Data
 - Total Validated Based Aircraft: 302
- Test application of herbicide/preemergent complete and documented
 - 500 ft along Taxiway A
- Signage installation for AIP 32 is Complete
 - Additional work over the weekend was required because of the need for additional concrete work.
 - The concrete did not set because of cold temperatures causing an additional delay of two weeks to complete the project.
 - Minimized pavement closure by providing escort through the weekend and closely monitoring construction.
- I have fully taken on processing accounts payable and accounts receivable
 - By utilizing SharePoint and Intuit tools, a plan is in place to insure a smoother audit next year
- Snow Removal
 - Snowplow operations began on Sunday 12/26/2021 at 6 am.
 - Due to persistent snow fall Snowplow operations continued through Tuesday 12/28/2021.
 - With proper execution of the Snow and Ice Control Plan, the runway was open for a short period of time each day despite the constant snow fall.
 - The operation resulted in 14 hours of overtime overall.
- Aircraft Operations
 - The total aircraft operations for December were 1,235 according to ADS-B data.
 - There was an ADS-B outage that did impact the total numbers by an unknown margin.
 - Detailed charts of the operations are attached below

CARSON CITY AIRPORT

2600 College Parkway #6 • Carson City, NV 89706 • 775-841-2255



Carson City Airport Authority-2

Balance Sheet Comparison

As of December 31, 2021

| | TOTAL | |
|--------------------------------------|-----------------------|-------------------------|
| | AS OF DEC 31, 2021 | AS OF DEC 31, 2020 (PY) |
| ASSETS | | |
| Current Assets | | |
| Bank Accounts | | |
| 1050 Designated Reserves #5163 | 0.00 | 0.00 |
| 1075 LGIP-Deferred | 388,540.08 | 386,819.05 |
| 1076 LGIP - Reserve | 0.00 | 433,023.53 |
| 1077 LGIP- General Fund | 612,370.59 | 153,679.88 |
| 1078 LGIP- Gate Fund Res | 0.00 | 23,146.62 |
| 3099 Gen. Fund #1162 | 626,100.02 | 535,269.62 |
| 3101 Deferred Lease #8249 | 0.00 | 0.00 |
| 3102 Gate Card #5242 | 0.00 | 0.00 |
| 6.30.20 Audit Adustment | 0.00 | 0.00 |
| Total Bank Accounts | \$1,627,010.69 | \$1,531,938.70 |
| Accounts Receivable | | |
| 2000 Accounts Receivable - Operating | 197,421.95 | 125,645.94 |
| Total Accounts Receivable | \$197,421.95 | \$125,645.94 |
| Other Current Assets | | |
| 1499 Undeposited Funds | 3,846.83 | 13,245.96 |
| 2010.1 Audit Adjustment to AR | 0.00 | 0.00 |
| 2011 Accrued Interest Receivable | 727.85 | 727.85 |
| 2020 Grants Receivable-CY | 0.00 | 0.00 |
| 2021 Grants Receivable AIP33 | 0.00 | 0.00 |
| Total Other Current Assets | \$4,574.68 | \$13,973.81 |
| Total Current Assets | \$1,829,007.32 | \$1,671,558.45 |
| Fixed Assets | | |
| 2120 land | 146,542.00 | 146,542.00 |
| 2125 Machinery & Equipment | 748,025.79 | 734,657.00 |
| 2198 Accumulated Depreciation | -659,750.00 | -659,750.00 |
| 2201 Tractor | 73,699.00 | 73,699.00 |
| Total Fixed Assets | \$308,516.79 | \$295,148.00 |
| Other Assets | | |
| 2300 Provided for LT Obligations | 151,493.33 | 151,493.33 |
| 2810 Pension Requirement | 123,804.00 | 123,804.00 |
| Total Other Assets | \$275,297.33 | \$275,297.33 |
| TOTAL ASSETS | \$2,412,821.44 | \$2,242,003.78 |

Carson City Airport Authority-2

Balance Sheet Comparison

As of December 31, 2021

| | TOTAL | |
|--|-----------------------|-------------------------|
| | AS OF DEC 31, 2021 | AS OF DEC 31, 2020 (PY) |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | | |
| 3000 Accounts Payable | 42,124.94 | 16,785.09 |
| Total Accounts Payable | \$42,124.94 | \$16,785.09 |
| Credit Cards | | |
| 6321 Home Depot | 0.00 | 0.00 |
| 6322 Visa Credit Card #9428 (Ken) (deleted) | 0.00 | 558.61 |
| 6326 Visa Credit Card #7203 (Formerly #5280) | 904.82 | 0.00 |
| 6327 Visa CNB Corey 8721 | 843.88 | |
| Total Credit Cards | \$1,748.70 | \$558.61 |
| Other Current Liabilities | | |
| 2101 Payroll Liability | 86.49 | 3,854.18 |
| 2102 Accrued Compensated Absences | 10,659.00 | 10,659.00 |
| 3090 Pension Requirement-Liab | 92,866.00 | 92,866.00 |
| Total Other Current Liabilities | \$103,611.49 | \$107,379.18 |
| Total Current Liabilities | \$147,485.13 | \$124,722.88 |
| Long-Term Liabilities | | |
| 3085 Net Pension Liability | 230,178.00 | 230,178.00 |
| 3200 Mayes-Lease Transacions | 188,764.11 | 195,004.11 |
| 3250 Gonzalez Deferred Lease | 244,347.47 | 251,605.31 |
| 3260 Goni Deferred Lease | 7,859.98 | 15,979.90 |
| 6325 Tractor US Bank | 24,452.37 | 38,223.02 |
| Total Long-Term Liabilities | \$695,601.93 | \$730,990.34 |
| Total Liabilities | \$843,087.06 | \$855,713.22 |
| Equity | | |
| 4200 Fund Balance | 1,211,214.62 | 1,211,214.62 |
| 4999 Retained Earnings | 226,197.90 | 2,840.92 |
| Net Income | 132,321.86 | 172,235.02 |
| Total Equity | \$1,569,734.38 | \$1,386,290.56 |
| TOTAL LIABILITIES AND EQUITY | \$2,412,821.44 | \$2,242,003.78 |

Carson City Airport Authority-2

Budget vs. Actuals: CCAA 21/22 Final Budget - FY22 P&L

July 2021 - June 2022

| | TOTAL | | | |
|--|---------------------|---------------------|-----------------------|----------------|
| | ACTUAL | BUDGET | OVER BUDGET | % OF BUDGET |
| Income | | | | |
| 5010 Real/Personal Property Tax | 212,706.32 | | 212,706.32 | |
| 5010.1 Aircraft | | 129,999.96 | -129,999.96 | |
| 5010.2 Building | | 140,000.04 | -140,000.04 | |
| Total 5010 Real/Personal Property Tax | 212,706.32 | 270,000.00 | -57,293.68 | 78.78 % |
| 5050 AIRPORT LEASES | | | | |
| 5050H Hanger Lease | 25,139.74 | 36,000.00 | -10,860.26 | 69.83 % |
| 5051 Land Leases | 109,633.97 | 180,000.00 | -70,366.03 | 60.91 % |
| 5052 Tower Leases | 24,896.15 | 60,000.00 | -35,103.85 | 41.49 % |
| 5053 Lease-Mayes | 3,640.00 | 6,240.00 | -2,600.00 | 58.33 % |
| Total 5050 AIRPORT LEASES | 163,309.86 | 282,240.00 | -118,930.14 | 57.86 % |
| 5150 Tie Down Fees | 4,841.05 | 10,000.00 | -5,158.95 | 48.41 % |
| 5151 Gate Card Fees | 522.51 | 2,000.00 | -1,477.49 | 26.13 % |
| 5155 Parking Fees | 679.67 | 600.00 | 79.67 | 113.28 % |
| 5200 Committed-Fuel Flowage Fees | 7,446.50 | 18,000.00 | -10,553.50 | 41.37 % |
| 5201 Committed-Jet Fuel Tax | 1,983.01 | 2,300.00 | -316.99 | 86.22 % |
| 5250 Through the Fence Fees | 6,849.90 | | 6,849.90 | |
| 5300 Class II FBO Fees | 7,463.30 | 8,000.00 | -536.70 | 93.29 % |
| 5404 Rock Materials Sales | 12,688.55 | 40,000.00 | -27,311.45 | 31.72 % |
| 5500 Interest Income | 667.91 | 2,500.00 | -1,832.09 | 26.72 % |
| Total Income | \$419,158.58 | \$635,640.00 | \$ -216,481.42 | 65.94 % |
| Cost of Goods Sold | | | | |
| 6000.1 Cost Of Goods Sold | 2,514.00 | | 2,514.00 | |
| Total Cost of Goods Sold | \$2,514.00 | \$0.00 | \$2,514.00 | 0.00% |
| GROSS PROFIT | \$416,644.58 | \$635,640.00 | \$ -218,995.42 | 65.55 % |
| Expenses | | | | |
| 6000 Airport Engineering | 6,594.00 | | 6,594.00 | |
| 6130 Dues | 1,450.00 | | 1,450.00 | |
| 6135 Memberships | 825.00 | 1,400.00 | -575.00 | 58.93 % |
| 6136 Registration | | 1,250.00 | -1,250.00 | |
| 6137 Conferences | 455.00 | 4,000.00 | -3,545.00 | 11.38 % |
| 6169 Taxes & Licenses | 250.00 | | 250.00 | |
| 6170 SWAAAE BOD Travel | | 850.00 | -850.00 | |
| 6190 Office Expenche-PC Software | 1,405.17 | 2,500.00 | -1,094.83 | 56.21 % |
| 6200 Office Expenses -PC Hardware | | 1,500.00 | -1,500.00 | |
| 6211 Meals and Entertainment | | 500.00 | -500.00 | |
| 6218 Marketing and Website | 220.00 | 5,000.00 | -4,780.00 | 4.40 % |
| 6218A Legal Notices | | 2,000.00 | -2,000.00 | |
| 6300 Operating Expenses | | | | |
| 6301 Utilities | | | | |
| 6238 Stormwater Discharge Permit | | 300.00 | -300.00 | |
| 6302 Phone & Internet | 1,960.34 | 4,200.00 | -2,239.66 | 46.67 % |

Carson City Airport Authority-2

Budget vs. Actuals: CCAA 21/22 Final Budget - FY22 P&L

July 2021 - June 2022

| | TOTAL | | | |
|--------------------------------------|---------------------|-----------------------|-------------------------|----------------|
| | ACTUAL | BUDGET | OVER BUDGET | % OF BUDGET |
| 6303 Electric | 4,246.74 | 8,000.00 | -3,753.26 | 53.08 % |
| 6304 Gas | 221.05 | 600.00 | -378.95 | 36.84 % |
| 6305 Water | 1,033.29 | 1,700.00 | -666.71 | 60.78 % |
| 6306 Carson City Landfill | 40.25 | 750.00 | -709.75 | 5.37 % |
| Total 6301 Utilities | 7,501.67 | 15,550.00 | -8,048.33 | 48.24 % |
| Total 6300 Operating Expenses | 7,501.67 | 15,550.00 | -8,048.33 | 48.24 % |
| 6308 Office Expenses and Supplies | 508.49 | 2,000.00 | -1,491.51 | 25.42 % |
| 6309 Legal | 32,940.00 | 50,000.00 | -17,060.00 | 65.88 % |
| 6310 Security | 2,549.94 | 4,000.00 | -1,450.06 | 63.75 % |
| 6311 CCAA printing | | 350.00 | -350.00 | |
| 6312 Data Storage | 195.36 | 500.00 | -304.64 | 39.07 % |
| 6313 Insurance | 5,326.53 | 12,000.00 | -6,673.47 | 44.39 % |
| 6314 Auditing | 33,000.00 | 15,000.00 | 18,000.00 | 220.00 % |
| 6314A Accounting/Bullis | 13,625.00 | 7,500.00 | 6,125.00 | 181.67 % |
| 6315 Contract Services/Appraisals | 3,000.00 | 4,000.00 | -1,000.00 | 75.00 % |
| 6316 Bank Charges/Square Chgs | 34.13 | 400.00 | -365.87 | 8.53 % |
| 6317 Airport Equipment Maintenance | 6,536.24 | 10,000.00 | -3,463.76 | 65.36 % |
| 6317.5 AWOS III Service Charges | 5,550.00 | 7,500.00 | -1,950.00 | 74.00 % |
| 6318 Terminal Building Maint | 964.12 | 5,000.00 | -4,035.88 | 19.28 % |
| 6319 Airfield Maintenance | 15,841.76 | 15,000.00 | 841.76 | 105.61 % |
| 6319.5 Gate Maintenance | 0.00 | 1,000.00 | -1,000.00 | 0.00 % |
| 6350 Labor Expense | | | | |
| 6351 Salaries | 61,275.56 | 154,000.00 | -92,724.44 | 39.79 % |
| 6352 Healthcare | 13,803.16 | 10,500.00 | 3,303.16 | 131.46 % |
| 6353 PERS Retirement Contribution | 21,205.34 | 38,000.00 | -16,794.66 | 55.80 % |
| 6354 Nevada Payroll | 1,567.92 | 1,100.00 | 467.92 | 142.54 % |
| 6355 Workers Compensation | | 6,800.00 | -6,800.00 | |
| 6356 State Unemployment Contri | 49.68 | 1,400.00 | -1,350.32 | 3.55 % |
| 6357 Federal Quarterly Tax | 0.00 | | 0.00 | |
| 6358 Medicare Expense | 80.04 | 2,500.00 | -2,419.96 | 3.20 % |
| 6360 Managers Medical Expense | | 7,200.00 | -7,200.00 | |
| 6476 Uniforms | 935.00 | 2,400.00 | -1,465.00 | 38.96 % |
| Total 6350 Labor Expense | 98,916.70 | 223,900.00 | -124,983.30 | 44.18 % |
| 6351.5 Overtime Budget (Airfield) | | 6,000.00 | -6,000.00 | |
| 6369 Travel | 5,300.94 | | 5,300.94 | |
| 6444 Advertising & Marketing | 149.00 | | 149.00 | |
| 6999 Uncategorized Expense | 1,000.00 | | 1,000.00 | |
| Total Expenses | \$244,139.05 | \$398,700.00 | \$ -154,560.95 | 61.23 % |
| NET OPERATING INCOME | \$172,505.53 | \$236,940.00 | \$ -64,434.47 | 72.81 % |
| Other Income | | | | |
| 5000 FAA Grant Revenue | | 1,195,313.00 | -1,195,313.00 | |
| Total Other Income | \$0.00 | \$1,195,313.00 | \$ -1,195,313.00 | 0.00% |

Carson City Airport Authority-2

Budget vs. Actuals: CCAA 21/22 Final Budget - FY22 P&L

July 2021 - June 2022

| | TOTAL | | | |
|--|---------------------|-----------------------|-------------------------|------------------|
| | ACTUAL | BUDGET | OVER BUDGET | % OF BUDGET |
| Other Expenses | | | | |
| 6033 AIP 35 FAA CARES Act Grant | | 23,000.00 | -23,000.00 | |
| 6034 AIP #36 Relocate AWOS | 0.00 | 300,000.00 | -300,000.00 | 0.00 % |
| 6035 AIP #36 Construct SRE Building | | 500,000.00 | -500,000.00 | |
| 6036 AIP #37 Acquire Snow Removal Equipment | 1,125.00 | 225,000.00 | -223,875.00 | 0.50 % |
| 6037 AIP #38 Install Approach Lighting Phase I | -2,100.00 | 250,000.00 | -252,100.00 | -0.84 % |
| 6038 AIP #39 Airport Coronavirus Response Grant | | 23,000.00 | -23,000.00 | |
| 6039 AIP #40 Airport Rescue Grant | 0.00 | 59,000.00 | -59,000.00 | 0.00 % |
| 6062 AIP #33 Perimeter Fence & Rehab Runway 9-27 | -261.12 | | -261.12 | |
| 6400 Capital Project | | | | |
| 6410 Bobcat w/Attachments | | 70,000.00 | -70,000.00 | |
| 6411 Runway Light Mats | | 11,000.00 | -11,000.00 | |
| Total 6400 Capital Project | | 81,000.00 | -81,000.00 | |
| Total Other Expenses | \$ -1,236.12 | \$1,461,000.00 | \$ -1,462,236.12 | -0.08 % |
| NET OTHER INCOME | \$1,236.12 | \$ -265,687.00 | \$266,923.12 | -0.47 % |
| NET INCOME | \$173,741.65 | \$ -28,747.00 | \$202,488.65 | -604.38 % |

Carson City Airport Authority-2

Profit and Loss

July - December, 2021

| | TOTAL | | |
|-----------------------------------|---------------------|----------------------|----------------|
| | JUL - DEC, 2021 | JUL - DEC, 2020 (PY) | % CHANGE |
| Income | | | |
| 5010 Real/Personal Property Tax | 187,845.97 | 127,900.56 | 46.87 % |
| 5050 AIRPORT LEASES | | | |
| 5050H Hanger Lease | 21,424.32 | 20,597.46 | 4.01 % |
| 5051 Land Leases | 93,466.26 | 68,618.65 | 36.21 % |
| 5052 Tower Leases | 21,312.62 | 24,069.69 | -11.45 % |
| 5053 Lease-Mayes | 3,120.00 | 3,120.00 | 0.00 % |
| Total 5050 AIRPORT LEASES | 139,323.20 | 116,405.80 | 19.69 % |
| 5150 Tie Down Fees | 4,217.90 | 4,808.57 | -12.28 % |
| 5151 Gate Card Fees | 522.51 | 1,314.93 | -60.26 % |
| 5155 Parking Fees | 679.67 | 605.52 | 12.25 % |
| 5200 Committed-Fuel Flowage Fees | 12,218.59 | 8,104.14 | 50.77 % |
| 5201 Committed-Jet Fuel Tax | 1,983.01 | 1,068.99 | 85.50 % |
| 5250 Through the Fence Fees | 6,849.90 | | |
| 5300 Class II FBO Fees | 6,563.30 | 4,300.00 | 52.63 % |
| 5400 Misc Income | | 2,083.80 | -100.00 % |
| 5404 Rock Materials Sales | 12,688.55 | 41,225.03 | -69.22 % |
| 5500 Interest Income | 667.91 | 669.14 | -0.18 % |
| 5915 Sales | | 320.00 | -100.00 % |
| Total Income | \$373,560.51 | \$308,806.48 | 20.97 % |
| Cost of Goods Sold | | | |
| 6000.1 Cost Of Goods Sold | 2,514.00 | | |
| Total Cost of Goods Sold | \$2,514.00 | \$0.00 | 0.00% |
| GROSS PROFIT | \$371,046.51 | \$308,806.48 | 20.16 % |
| Expenses | | | |
| 6000 Airport Engineering | 6,594.00 | | |
| 6130 Dues | 1,450.00 | | |
| 6135 Memberships | 825.00 | 1,145.00 | -27.95 % |
| 6136 Registration | | 100.00 | -100.00 % |
| 6137 Conferences | 455.00 | | |
| 6169 Taxes & Licenses | 250.00 | | |
| 6190 Office Expence-PC Software | 1,405.17 | 1,166.16 | 20.50 % |
| 6200 Office Expenses -PC Hardware | | 1,911.29 | -100.00 % |
| 6210 Mileage | | 684.37 | -100.00 % |
| 6211 Meals and Entertainment | | 254.45 | -100.00 % |
| 6218 Marketing and Website | 220.00 | 2,343.03 | -90.61 % |
| 6218A Legal Notices | | 382.47 | -100.00 % |
| 6268 Repairs & Maintenance | | 242.58 | -100.00 % |

Carson City Airport Authority-2

Profit and Loss

July - December, 2021

| | TOTAL | | |
|--------------------------------------|------------------|----------------------|-----------------|
| | JUL - DEC, 2021 | JUL - DEC, 2020 (PY) | % CHANGE |
| 6300 Operating Expenses | | | |
| 6301 Utilities | | | |
| 6302 Phone & Internet | 1,890.34 | 1,860.81 | 1.59 % |
| 6303 Electric | 4,246.74 | 3,925.39 | 8.19 % |
| 6304 Gas | 221.05 | 227.76 | -2.95 % |
| 6305 Water | 1,033.29 | 606.13 | 70.47 % |
| 6306 Carson City Landfill | 40.25 | 640.00 | -93.71 % |
| Total 6301 Utilities | 7,431.67 | 7,260.09 | 2.36 % |
| Total 6300 Operating Expenses | 7,431.67 | 7,260.09 | 2.36 % |
| 6308 Office Expenses and Supplies | 508.49 | 608.04 | -16.37 % |
| 6309 Legal | 32,940.00 | 16,170.00 | 103.71 % |
| 6310 Security | 2,524.95 | 1,949.94 | 29.49 % |
| 6311 CCAA printing | | 145.02 | -100.00 % |
| 6312 Data Storage | 195.36 | 215.88 | -9.51 % |
| 6313 Insurance | 5,326.53 | 9,208.00 | -42.15 % |
| 6314 Auditing | 33,000.00 | 15,000.00 | 120.00 % |
| 6314A Accounting/Bullis | 13,625.00 | 2,380.00 | 472.48 % |
| 6315 Contract Services/Appraisals | 3,000.00 | 5,250.00 | -42.86 % |
| 6316 Bank Charges/Square Chgs | 34.13 | 217.20 | -84.29 % |
| 6317 Airport Equipment Maintenance | 6,536.24 | 1,800.27 | 263.07 % |
| 6317.5 AWOS III Service Charges | 5,550.00 | 3,097.09 | 79.20 % |
| 6318 Terminal Building Maint | 964.12 | 4,003.38 | -75.92 % |
| 6319 Airfield Maintenance | 15,841.76 | 4,636.79 | 241.65 % |
| 6319.5 Gate Maintenance | 0.00 | 250.00 | -100.00 % |
| 6350 Labor Expense | | | |
| 6351 Salaries | 61,275.56 | 80,271.33 | -23.66 % |
| 6352 Healthcare | 13,803.16 | 8,143.48 | 69.50 % |
| 6353 PERS Retirement Contribution | 18,122.05 | 13,475.35 | 34.48 % |
| 6354 Nevada Payroll | 1,567.92 | 565.00 | 177.51 % |
| 6355 Workers Compensation | | 1,908.64 | -100.00 % |
| 6356 State Unemployment Contrn | 49.68 | 156.50 | -68.26 % |
| 6357 Federal Quarterly Tax | 0.00 | 0.00 | |
| 6358 Medicare Expense | 80.04 | 1,163.94 | -93.12 % |
| 6360 Managers Medical Expense | | 3,548.31 | -100.00 % |
| 6363 Voya/Deferred Comp | | -500.00 | 100.00 % |
| 6476 Uniforms | 935.00 | 1,135.93 | -17.69 % |
| Total 6350 Labor Expense | 95,833.41 | 109,868.48 | -12.77 % |
| 6369 Travel | 5,300.94 | | |
| 6444 Advertising & Marketing | 149.00 | | |
| 6999 Uncategorized Expense | | 0.00 | |

Carson City Airport Authority-2

Profit and Loss

July - December, 2021

| | TOTAL | | |
|---|---------------------|----------------------|------------------|
| | JUL - DEC, 2021 | JUL - DEC, 2020 (PY) | % CHANGE |
| 9100 Interest Expense | | 1,995.00 | -100.00 % |
| Total Expenses | \$239,960.77 | \$192,284.53 | 24.79 % |
| NET OPERATING INCOME | \$131,085.74 | \$116,521.95 | 12.50 % |
| Other Expenses | | | |
| 6032 AIP 34 SRE RWY rehab Catexes | | 8,932.00 | -100.00 % |
| 6032.1 AIP #34 SRE RWY Rehab Catexes Revenue | | -60,922.00 | 100.00 % |
| 6032.2 AIP#34 SRE RWY Rehab Catexes Expenses | | 59,217.00 | -100.00 % |
| Total 6032 AIP 34 SRE RWY rehab Catexes | | 7,227.00 | -100.00 % |
| 6033 AIP 35 FAA CARES Act Grant | | -65,059.02 | 100.00 % |
| 6034 AIP #36 Relocate AWOS | 0.00 | | |
| 6036 AIP #37 Acquire Snow Removal Equipment | 1,125.00 | | |
| 6037 AIP #38 Install Approach Lighting Phase I | -2,100.00 | | |
| 6039 AIP #40 Airport Rescue Grant | 0.00 | | |
| 6060 AIP 31- Master Plan Update | | | |
| 6060.1 AIP 31- Master Plan Update Revenue | | -20,663.00 | 100.00 % |
| Total 6060 AIP 31- Master Plan Update | | -20,663.00 | 100.00 % |
| 6061 AIP #32 Rehab taxiways | | | |
| 6061.2 AIP #32 Rehab Taxiways Expenses | | 360.00 | -100.00 % |
| Total 6061 AIP #32 Rehab taxiways | | 360.00 | -100.00 % |
| 6062 AIP #33 Perimeter Fence & Rehab Runway 9-27 | -261.12 | 1,135.50 | -123.00 % |
| 6062.1 AIP #33 Perimeter Fence Design Revenue | | -565,345.63 | 100.00 % |
| 6062.2 AIP #33 Perimeter Fence Design Expense | | 540,527.45 | -100.00 % |
| Total 6062 AIP #33 Perimeter Fence & Rehab Runway 9-27 | -261.12 | -23,682.68 | 98.90 % |
| 6400 Capital Project | | | |
| 6400.1 Paving | | 24,348.00 | -100.00 % |
| 6400.2 Landscape & Design | | 950.00 | -100.00 % |
| 6400.3 Gate Access | | 19,466.64 | -100.00 % |
| 6400.4 Fuel Tank | | 1,339.99 | -100.00 % |
| Total 6400 Capital Project | | 46,104.63 | -100.00 % |
| Total Other Expenses | \$ -1,236.12 | \$ -55,713.07 | 97.78 % |
| NET OTHER INCOME | \$1,236.12 | \$55,713.07 | -97.78 % |
| NET INCOME | \$132,321.86 | \$172,235.02 | -23.17 % |