



TRUCKEE TAHOE AIRPORT

TRUCKEE TAHOE AIRPORT DISTRICT
2022 ANNUAL REPORT

\$1.5 MILLION IN ASSET INVESTMENTS

Project includes the new ATIS Weather System, new paint for the Dry Lake Beacon, AIP Grant 042, Runway 2/20 Design work and completion of AIP Grant 038 for the new Wash Rack, Blast Pads and EMS Apron

\$62 MILLION
TOTAL NET POSITION
Up 5.2% in 2021

\$72 MILLION
IN TOTAL ASSETS
Up 3.1% in 2021

\$8,832,767
IN OPERATING REVENUES
Up \$760,950
or 9% to Budget

\$9,836,377
**IN OTHER REVENUES
INCLUDING PROPERTY
TAXES AND FAA GRANTS**
Up \$2 Million
or 26% to Budget

\$3,078,365
IN NET INCOME
Up \$3.9 Million
or 451% to Budget

\$12,954,826
IN OPERATING EXPENSES
Under \$1.3 Million
or 9% to Budget

2022 REVENUE HIGHLIGHTS

FBO (FIXED BASE OPERATOR-AIRSIDE OPS) REVENUES

\$851,151 or 16.7% over Budget

\$668,092 or 20% increase in Jet Fuel Sales vs. Budget

\$62,508 or 9.9% increase in 100LL Fuel Sales vs. Budget

\$105,299 new Landing Fee established 10/1/2022

OTHER OPERATING REVENUES

Hangar Lease Revenue down \$79k or 3.87% to Budget

Other Business Lease Revenue down \$5k or .79% to Budget

Warehouse Lease Revenue down \$5k or 1.87% to Budget

NON-OPERATING REVENUES

Up \$2 Million or 25% to Budget



TOTAL REVENUE

Up \$2.7 Million or
17% to budget

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of Truckee Tahoe Airport District, which comprise the statements of net position as of December 31, 2022 and 2021 and the related statements of revenues, expenses and the change in net position and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Truckee Tahoe Airport District as of December 31, 2022 and 2021 and the results of its operations in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS OF OUR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Truckee Tahoe Airport District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITY OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Truckee Tahoe Airport District's 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Truckee Tahoe Airport District's ability to continue as a going concern for one year after the date that the financial statements are issued.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Truckee Tahoe Airport District's ability to continue as a going concern for a reasonable period of time.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Truckee Tahoe Airport District's internal control. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTERS

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Truckee Tahoe Airport District. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis and is not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, we have also issued our report dated April 21, 2023 on our consideration of Truckee Tahoe Airport District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Truckee Tahoe Airport District's internal control over financial reporting and compliance.

TRUCKEE TAHOE AIRPORT DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

The District experienced two leadership role transitions in 2022, with the departure of both the General Manager and Director of Aviation. The District, like the nation, also experienced significant inflationary pressure from cost of living to commodity and services price increases.

FINANCIAL HIGHLIGHTS

The District continues to implement Governmental Accounting Standards Board (GASB) Statement 68-Accounting and Financial Reporting for Pensions. This accounting principle sets up a Net Pension Liability that has increased, based on annual actuarial reports, from \$1.60 million on December 31, 2021 to \$3.05 million on December 31, 2022.

In the calendar year ended December 31, 2022, the District's operating revenues increased \$1.4 million or 19.1% over the prior fiscal year. This is primarily due to increased fuel sales and FBO services, hangar revenue, and warehouse rents.

The District received funding through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants in the amount of \$973,530 to complete pavement rehabilitation and airfield infrastructure projects as well as reconstruction design work for runway 2/20.

The District saw annualized property tax revenues increase 10.1%, in the calendar year ended December 31, 2022.

The District's annualized personnel costs increased by 9% overall compared to 2021. Salaries and Wages increased by 4.5% due to annual COLA increases. There is a year-end adjustment relating to GASB 68 that increases the PERS liability by \$1.9 million based on the annual actuarial report and calculation but is reduced by our annual ADP of \$500k.

Operating, general and administrative annualized expenses were down 19% over the prior year. The decrease was primarily due to fewer eligible applications for Agency Partnerships & Community Sponsorships as well as a reduced focus on Engineering projects and Studies & Plans resulting from the leadership transition.

Repair and maintenance annualized expenses were down from the prior fiscal year by 30%. In 2022, the District had minimal expenditures related to airfield pavement maintenance, land management and facilities maintenance.

Due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. The District's net position is \$62 million. The District has designated the unrestricted net position for future capital projects and contingencies.





OPERATIONAL HIGHLIGHTS

During the twelve-month year ended 12/31/22, FBO revenues were up 27% compared to 2021. JetA fuel sales were down 6.1% over 2021 in gallons sold but up \$795k in revenue due to increased raw fuel pricing (switch to 50% Sustainable Aviation Fuel) and increased district pricing. 100LL fuel sales were up 2.9% over 2021 in gallons sold and up \$142k in revenue. Net airside revenue was up 18.7% from the previous year primarily due to increased jet fuel sales, introduction of a first-time landing fee (which replaces transient use fees of the past) and ramp fees.

The District saw an increase in hangar revenue of 7.14% compared to 2021 considering the annual CPI increase.

Other business leases were down 1.4% due to the lack of lease revenue from the Cessna 182 that was sold.

STATEMENT OF NET POSITION

The District's net position on December 31, 2022 totaled \$62,200,822 compared with \$59,122,457 on December 31, 2021. As noted in the Financial Highlights, due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. A summary of the District's asset, liability, and net position balances at the end of the current and prior two fiscal years appears on the following chart.

	DEC 31, 2022	DEC 31, 2021	INCREASE (DECREASE)	PERCENT CHANGE	DEC 31, 2020
ASSETS					
Cash & Equivalents	8,724,327	5,442,326	3,282,001	60.3%	5,852,550
Other Current Assets	4,971,724	4,674,163	297,561	6.4%	4,450,228
Total Current Assets	13,696,051	10,116,489	3,579,562	35.4%	10,302,778
Investments	1,250,000	1,000,000	250,000	25.0%	1,000,000
Noncurrent Receivable	35,600	35,600	-	0.0%	35,600
Net Capital Assets	57,292,680	58,934,576	(1,641,896)	-2.8%	56,134,787
Total Assets	72,274,331	70,086,665	2,187,666	3.1%	67,473,165
DEFERRED OUTFLOWS	1,542,936	878,727	664,209	75.6%	440,064
LIABILITIES					
Current Liabilities	1,832,872	2,140,816	(307,944)	-14.4%	2,383,986
Long Term Liabilities	8,937,808	7,997,355	940,453	11.8%	9,722,916
Total Liabilities	10,770,680	10,138,171	632,509	6.2%	12,106,902
DEFERRED INFLOWS	845,765	1,704,764	(858,999)	-50.4%	296,493
NET POSITION					
Invested in Capital Assets, Net	50,900,959	52,149,647	(1,248,688)	-2.4%	48,969,634
Restricted	-	-	-	-	-
Unrestricted	11,299,863	6,972,810	4,327,053	62.1%	6,540,200
Total Net Position	62,200,822	59,122,457	3,078,365	5.21%	55,509,834

The December 31, 2022 cash and cash equivalents balance increased \$3,282,001 from the balance at the end of the prior year. The District invests surplus cash in the Local Agency Investment Fund, a governmental investment pool managed and directed by the California State Treasurer. The Investment line shows the Certificates of Deposit held by the District.

The increase in net property, plant and equipment is due to the completion of various capital projects and additions that are offset by depreciation of District's assets.



THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Net operating revenues were greater than the prior calendar year, due to FBO services, hangar rentals, and warehouse leases.

The following table summarizes the District's Statement of Revenues, Expenses and Changes in Net Position for the current and prior two fiscal years:

	YEAR ENDED DEC 31, 2022	YEAR ENDED DEC 31, 2021	INCREASE (DECREASE)	PERCENT CHANGE	YEAR ENDED DEC 31, 2020
NET OPERATING REVENUES	5,622,895	5,010,962	611,933	12.2%	4,578,894
Operating Expenses, Net of Depreciation	(9,513,963)	(10,591,260)	1,077,297	-10.2%	(8,752,808)
Operating Loss before Depreciation	(3,891,068)	(5,580,298)	1,689,230	-30.3%	(4,173,914)
Depreciation Expense	(2,635,954)	(2,357,692)	(278,262)	11.8%	(2,500,403)
Net Operating Loss	(6,527,022)	(7,937,990)	1,410,968	-17.8%	(6,674,317)
NONOPERATING INCOME					
Property Tax Revenue	8,507,022	7,723,805	783,217	10.1%	7,283,915
Gain (Loss) on Disposal of Assets	272,375	55,340	217,035	392.2%	6,568
Grant Revenues-Capital/Operating	973,530	3,981,442	(3,007,912)	-75.5%	1,297,045
Interest Expense	(230,991)	(244,130)	13,139	-5.4%	(255,456)
Interest and Other Nonoperating Income	83,451	34,156	49,295	144.3%	90,711
Total Nonoperating Income	9,605,387	11,550,613	(1,945,226)	-16.8%	8,422,783
EXTRAORDINARY ITEM	-	-	-	0%	-
CHANGE IN NET POSITION	3,078,365	3,612,623	(534,258)	-14.8%	1,748,466
NET POSITION, BEGINNING-RESTATED	59,122,457	55,509,834	3,612,623	6.5%	53,761,368
NET POSITION ENDING	62,200,822	59,122,457	3,078,365	5.2%	55,509,834

2022 Operating expenses, net of depreciation, decreased \$1,077,297 or 10.2%, from the prior fiscal year. This category includes all costs related to payroll and employee benefits, general and administrative expenses, as well as the cost to maintain the District's high value infrastructure. The three largest item decreased referenced in the Financial Highlights on page 4 include Community/Agency partnerships, Engineering and Studies & Plans. The District continues to work with its pavement management program to keep the Airport's pavements in good condition. In 2022, with the aid of FAA AIP grants, the District expended approximately \$274k for the engineering work to redesign runway 2/20. The related grant revenues are \$274k. Additionally, the District received \$699k in grant funding from prior year AIP projects that are now closed out. Property tax revenues were up 10% from the prior fiscal year.

ASSETS

On December 31, 2022, the District had over \$57 million invested in a broad range of capital assets. The amounts invested in capital assets, net of related accumulated depreciation, are shown in the table below.

CAPITAL ASSETS - NET OF DEPRECIATION

	DEC 31, 2022	DEC 31, 2021	DEC 31, 2020
Land and Easements	14,966,105	14,966,105	14,966,105
Building and Building Improvements	21,925,023	23,517,000	22,116,586
Land Improvements	11,190,321	9,868,779	8,845,605
Equipment	3,955,474	4,725,271	3,617,722
Construction in Progress	5,255,757	5,857,421	6,588,769
	\$57,292,680	\$58,935,576	\$56,134,787

The net capital asset balance decreased \$1.6 Million during the 2022 fiscal year. That amount includes net capital additions of \$1,533,761 offset by \$2,635,954 in depreciation expense and \$539,703 in asset deletions. The capital additions are detailed in the table below.

SUMMARY OF ADDITIONS TO CAPITAL ASSETS

WOB HVAC Controls	17,637.02
Terminal Building Flooring	11,572.13
Ransomware Prevention Software	21,010.00
Dry Lake Beacon Paint	57,578.10
UPS Backup Power Remote Office	6,403.00
ATIS Weather System	65,725.17
AIP 038 Wash Rack/Blast Pads/EMS Apron	1,415,796.65
Construction in Progress	(61,960.93)
Total	\$1,533,761.14

COMMUNITY BENEFITS

DIRECT AGENCY/ COMMUNITY PARTNERSHIPS

- Truckee Tahoe Community Foundation Partnerships
- Truckee Airshow and Family Festival
- Individual Community Sponsorships (below \$5,000)
- Multi Year Boys and Girls Club (Science, Technology, Engineering, and Mathematics – Programs)
- Climate Transformation Alliance



MULTI-YEAR TRANSPORTATION PARTNERSHIPS

- Tahoe Area Rapid Transit (TART) Connect
- Route 267 Bus Service
- TART Free Fares



SPONSORED HOUSING PROGRAMS

- Mountain Housing Council
- Workforce Housing JPA



LANDS MANAGEMENT/LAND USE AGREEMENTS

- Fuels Reduction on Waddle Ranch & 40 acre L Shaped Property
- Truckee Donner Recreation & Parks District
 - Ponderosa Golf Course
 - Truckee Bike Park
- Truckee Fire / CAL Fire Airport Fire Station





TRUCKEE
TAHOE
AIRPORT