

MEMO:

To: Board of Directors and Staff
From: Jane E. Dykstra
Subject: Five Year Financial Forecast and Equipment Replacement Schedule
Date: August 31, 2011

This tab contains the Five-Year Financial Forecast and Equipment Replacement Schedule.

The Five-Year Financial Forecast is grouped by the parameters established by the Board of Directors. The parameters are stated as "up to" percentages of property tax revenues. These parameters are listed as "target goals" in the far right column. Note that the amount related to pavement maintenance has been broken out beginning in 2011, as the Board requested. The assumptions used in the preparation of the schedule are listed in the notes. The 2011 "Estimated" column is a quick estimate based on where the numbers stand as of the end of July 2011. The Equipment Replacement Schedule and, to a lesser extent, the ACIP have been integrated in the capital projects section of the forecast. The further into the future we attempt to forecast, the fewer actual projects we can list. A placeholder has been inserted in the Other Capital Projects section of \$200,000 per year to attempt to accommodate this situation. Pavement maintenance and striping have been included in the maintenance section in 2013 and 2014 at \$500,000; these amounts can be further refined when the Pavement Management Program is completed. Based on timing and FAA funding, some of those maintenance projects may be covered by grants, however, that is not assumed in the forecast.

Projects included in the AIP Eligible section are eligible for FAA grants, and **the forecast is prepared assuming that grants will be received for those projects**. Based on current grant practices, FAA grants have been shown with a 95% participation rate in all projects. Grant funding is not certain for any of the listed projects, and this fact must be taken into account when reviewing the schedule. The difference in 5% versus 100% of the cost being born by the District would have a great effect on the cash flow in any of the years shown.

A disclaimer is required regarding the some of the projects and programs shown: this forecast is a tool for the Board to use for planning. The projects shown are an accumulation of projects suggested by staff and members of various Board subcommittees. They have not been approved by the Board, and should by no means be taken as an indication of a direction in which the Board may be moving. This forecast is meant to give the Board members an idea of what may be possible.

Staff reviewed the estimated replacement dates in the Equipment Replacement Schedule, and the dates shown reflect the best estimate of when replacement will be required. All replacement is condition dependent and each item will be subject to a thorough review before being included in the capital portion of the budget in a specific year.

**TRUCKEE TAHOE AIRPORT DISTRICT
FIVE YEAR FORECAST**

2-Sep-11

	Year ending September 30,					Notes Target %
	2010 Actual	2011 Estimated	2012 Budget	2013	2014	
Operating Revenues						
Aviation operating revenues (net of COS)	734,130	739,806	703,957	718,036	732,397	A
Hangar rentals	1,251,776	1,257,273	1,303,799	1,329,875	1,356,472	A
Other rentals (incl. warehouse)	481,359	461,309	475,587	485,099	494,801	A
Total Operating Revenue	2,467,265	2,458,388	2,483,343	2,533,010	2,583,670	
Operating Expenses						
Salaries and Wages	(967,793)	(1,069,572)	(1,120,394)	(1,148,404)	(1,177,114)	B
Employee Benefits	(502,749)	(663,099)	(739,431)	(776,403)	(815,223)	C
General and Administrative	(958,541)	(813,213)	(1,318,133)	(1,070,116)	(1,091,518)	D
Repairs and Maintenance	(159,488)	(574,034)	(462,500)	(415,650)	(423,963)	E
Pavement Maintenance Expense (net)		(300,000)	(530,000)	(500,000)	(500,000)	F
Total Operating Expenses (excl. Depr'n)	(2,588,570)	(3,419,918)	(4,170,458)	(3,910,572)	(4,007,818)	
Earnings from Operations before Depr'n	(121,305)	(961,530)	(1,687,115)	(1,377,562)	(1,424,148)	
Percent of Property Taxes - Operations	-3%	-16%	-22%	-22%	-23%	-20%
Percent of Property Taxes - Pavement		-7%	-13%	-12%	-12%	
Percent of Property Taxes - Relocation			-7%			

COMMUNITY OUTREACH/ANNOYANCE REDUCTION EXPENSES

Operations Monitoring Expenses	(15,256)	(79,903)	(59,000)	(118,231)	(102,826)	G
ACAT	(16,705)	(43,398)	(76,000)	(76,000)	(76,000)	H
Air Show	(3,008)		(25,000)	(25,000)	(25,000)	H
Public Relations / Newsletter etc.	(40,712)	(61,237)	(135,050)	(137,751)	(140,506)	I
Adming Building Allocation			(38,000)	(50,000)	(50,000)	J
Signatory Incentives - Fly QT Program	(131,756)	(132,495)	(124,500)	(124,500)	(124,500)	K
Noise Abatement Projects	(439)	(5,000)	(3,500)	(5,000)	(5,000)	
Miscellaneous	(8,143)	(10,300)	(22,800)	(20,000)	(200,000)	
Professional Services		(5,000)	(42,000)	(42,000)	(42,000)	L
Survey				(35,000)		
Payroll and Benefits	(151,047)	(175,389)	(259,777)	(266,271)	(272,928)	B
CASH REQUIRED FOR COMMUNITY OUTREACH PROJECTS	(367,066)	(512,722)	(785,627)	(899,753)	(1,038,760)	
Percent of Property Taxes	-8%	-12%	-19%	-22%	-25%	-25%

Non-operating Revenues

Property taxes	4,463,454	4,250,000	4,040,000	4,040,000	4,080,400	M
Interest income - Based on PY net asset balance	77,448	67,831	35,000	45,248	45,467	
Other non-operating revenues	5,976		500,000			
FAA Grants (Capital Portion)	286,493	618,259	3,245,752	1,142,850	1,672,000	
Earnings before Depreciation (EBD)	4,345,000	3,461,838	5,348,010	2,950,783	3,334,960	
Depreciation	(1,352,785)					
Gain(Loss) on disposal of assets	(18,405)					
Increase in Net Assets	2,973,810					

- Actuals agree to audited financial statements

**TRUCKEE TAHOE AIRPORT DISTRICT
FIVE YEAR FORECAST**

2-Sep-11

Year ending September 30,

2010 Actual	2011 Estimated	2012 Budget	2013	2014	Notes Target %
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CAPITAL PROJECTS

AIP ELIGIBLE

LIKELY PROJECTS

Pavement Reconstruction - Rwy 28 / Jet Ramp	(13,216)			(773,000)		N
J and K Row Pavement - eligible portion		(22,945)	(708,000)			
Snow Blower (AIP #24)	(4,235)	(481,020)				
Bidirectional tractor / Master Plan			(280,000)			
Rwy 01/19 testing / Reconstruction of RWY 10/28	(10,724)	(113,950)	(2,002,000)			O
Apron Lighting / Segmented Circle	(3,685)	(15,796)	(453,949)			P
Taxiway A Overlay					(1,000,000)	O
Snow Removal Equip - Plow Truck/Loader&Blower				(430,000)	(760,000)	
Replace Crack Sealer						
Vehicle Access Control Gates (AIP #20)	(281,964)					
TOTAL OF AIP ELIGIBLE PROJECTS	(313,824)	(633,711)	(3,443,949)	(1,203,000)	(1,760,000)	
GRANT FUNDING	285,783	618,259	3,245,752	1,142,850	1,672,000	
CASH REQUIRED FOR AIP PROJECTS	(28,041)	(15,452)	(198,197)	(60,150)	(88,000)	
Percent of Property Taxes	-0.63%	-0.36%	-4.91%	-1.49%	-2.16%	-10%

OTHER CAPITAL PROJECTS

Pavement Work (J & K rows)			(103,000)			
Flight Tracking System	(437,048)	(165,001)				Q
Purchase Snowmobiles and Trailer			(26,000)			S
Reconstruct Chandelle Way / Vacuum Excavator		(315,000)	(15,000)			
Emergency Services Crew Facilities		(25,000)	(50,000)			
New Roof for Transportation Center / GIS System		(21,000)	(50,000)			
Replace Operations Vehicles		(34,906)		(35,000)	(30,000)	
Replace Phone System / Lav Cart & Dump Station		(7,000)	(10,000)			
Playground Structure			(30,000)			
Design/Construction of New Terminal Bldg	(1,171,383)	(3,431,057)	(2,250,000)			R
Jib Boom for 950 Loader / GPU	(6,879)		(60,000)			
100LL Self Serve Facility - Relocation	(257,652)	(201,262)				
Runway 10/28 Design - not AIP funded	(21,773)					
Ramp Lighting - not AIP funded / A09/10 Roof	(5,250)	(35,600)				
Refurbish Jiffy Wash			(50,000)			
Replace Utility Vehicles			(11,000)	(20,000)		
Replace 100LL Refueler				(120,000)		
Replace Backhoe				(115,000)		
Replace Tug				(64,000)		
Other 2013 Budget				(200,000)		S
Replace Fuel Cart					(10,000)	
Replace JetA Refueler					(155,000)	
Other 2014 Budget					(200,000)	S
TOTAL OF OTHER PROJECTS	(1,899,985)	(4,235,826)	(2,655,000)	(554,000)	(395,000)	
Percent of Property Taxes	-43%	-100%	-66%	-14%	-10%	-15%
Land Purchases / Development		(1,814,276)	(750,000)	(1,000,000)	(1,000,000)	T
Land Management Expenses	(288,223)	(50,000)	(129,334)	(150,000)	(150,000)	T
TOTAL OF LAND PURCHASES / DEVELOPMENT	(288,223)	(1,864,276)	(879,334)	(1,150,000)	(1,150,000)	
Percent of Property Taxes	-6%	-44%	-22%	-28%	-28%	-30%

Proceeds from sale of equipment	0				
Increase (Decrease) in Unrestricted Net Assets	1,842,968	(3,271,976)	(1,630,274)	43,782	29,959
Unrestricted Net Assets - estimated balance	14,051,942	10,779,966	9,149,692	9,193,474	9,223,433

Notes:

- A Aviation revenues decrease in 2012 related to the RWY 10/28 project. They are assumed to increase at 2% per year beginning in 2013. Both Hangar rents and Other rental revenues are forecasted to increase by 2% in 2013 and 2014.
- B Years 2013 and beyond show increases of 2.5% to cover COLA and merit increases. This line is shown net of Personnel costs related to Community Outreach and Land Management, which are included elsewhere in the schedule.
- C Increase of 5% shown in each year to cover effect of salary related benefits (i.e. pension, medicare), employee medical insurance and training.
- D The General and Administrative expense budgeted in 2012 includes \$269,000 related to the relocation to the new admin building. That amount is backed out and then the net amount is calculated to increase by 2% per year in 2013 and beyond.
- E The repair and maintenance expenses are shown net of the outlay related to land management, which is captured as land management expense in the Land Purchase/Development section, in order to facilitate the calculation of the corresponding percentage of Property Tax Revenues. The amount estimated in the 2012 budget includes \$55,000 for taxiway lights. That amount is backed out in 2013 and then an increase of 2% per year is assumed.
- F The 2012 budget includes \$530,000 for pavement maintenance and striping. In 2013 and beyond, the pavement maintenance projects proposed by the Pavement Management Program will be used once available.
- G Flight tracking system operating expenses shown in 2010. In 2011 the expenses related to the WASP system are included (including the upgrade to the system), as the caption is renamed "Operations Monitoring Expenses." Beginning in 2013, the expenses include the maintenance and support contract; amounts are from staff's ten year cost analysis.
- H ACAT and Airshow funding are assumed to be constant at 2012 budgeted levels.
- I Assumed increase of 2% per year beginning in 2013.
- J Admin Building Allocation is an estimate to allocate some of the operational expenses related to the administrative building to Community Outreach, as constructing a building that provided benefit to more than just the aviation community was integral to the design and purpose of the project.
- K Signatory Incentives program - Fly QT Discounts. The amount is assumed to be constant.
- L Placeholder for aviation law expenses and other professional expenses related to the District's outreach efforts.
- M Property tax revenues are assumed to be flat through 2013 and then show a 1% increase in 2014.
- N Reconstruction of 10-28 Touchdown Area is shown in 2009 and 2010. Project in 2013 is the mill and fill of the Jet Ramp and Airshow Way.
- O The work in 2011 is the engineering and design of the project; the actual runway work is shown in 2012 and the work on taxiway A is shown below in 2014.
- P Engineering/Design of the ramp lighting/segmented circle project is covered under AIP #21. The projects are designed and awaiting funding.
- Q Flight Tracking System is shown in this section as it is a capital project. It is related to the District's annoyance reduction efforts and could be considered a part of that allocation of property tax revenues. The annual operating costs for the Flight Tracking System are estimated to begin in 2013 - and they are included in Community Outreach and Annoyance Reduction Expenses above.
- R The planning and construction of the New Admin building has been spread over three years and is shown in accordance with the Project Manager's projected cash flow.
- S These are placeholders in the out years for capital projects.
- T Land Management Expenses are combined with Land Purchase and Development. Each year funds are allocated to land purchase to estimate the desired percentage of property tax revenues assigned to this category. Land Management Expenses have been estimated at \$150,000 in years 2013 and beyond.

Vehicle	Model	Year	Date Acquired	Cost	Hours as of 5/23/2011	Mileage	Summer Usage	Winter Usage	Depreciation Schedule	Net Book Value (@7/31/11)	Replacement Schedule	Estimated Replacement Cost
GMC	3500 FB	2000	8/25/2000	\$26,997		60,262	Y	Y	5 yrs.	\$0	Condition Dependent	\$33,000
Chewy	2500 FB	2003	4/30/2003	\$25,036		37,831	Y	Y	7 yrs.	\$0	2013	\$35,000
GMC	Savana Van	2002	3/1/2002	\$21,465		24,878	Y	Y	10 yrs.	\$1,424	2012	\$35,000
GMC	Sierra P-U	2007	12/28/2006	\$29,782		48,085	Y	Y	7 yrs.	\$9,927	2014	\$30,000
Chewy	K3500 FB	2009	3/18/2009	\$31,747		10,105	Y	Y	7 yrs.	\$21,543	2016	\$35,000
Ford	F150	2010	10/18/2010	\$34,906		4,474	Y	Y	7 yrs.	\$30,751	2017	\$35,000
Equipment												
Cat Loader	950 B	1985	8/31/1985	\$138,612	8,244		slight	Y	10 yrs.	\$0	2014	\$300,000 *
- Transmission Rebuild			3/6/1997	\$13,971					10 yrs.	\$0		
- Couplers & Paint			9/29/2000	\$8,800					10 yrs.	\$0		
- Material Handling Arm			5/25/2010	\$6,879					7 yrs.	\$5,650		
Ford F-700	Jet Refueler	1986	7/31/1986	\$59,156		9,163	Y	Y	20 yrs.	\$0	N/A	\$140,000
Oshkosh Plow Truck	"P" Series	1990	1/1/1990	\$148,622	3,461	21,072	slight	Y	10 yrs.	\$0	2013	\$430,000 *
Toyota Forklift	L-5FGC25	1990	4/1/1990	\$15,094	4,321		Y	Y	10 yrs.	\$0	2015	\$35,000
Oshkosh Blower	"H" Series	1993	11/1/1993	\$228,149	2,842	5,445	N	Y	10 yrs.	\$0	2014	\$460,000 *
Ford F-350	100LL Refueler		3/1/1993	\$37,950		7,834	Y	Y	20 yrs.	\$0	2013	\$120,000
Sweepster Lighted X's	LX D04	1994	6/16/1995	\$0	1,792 avg		Y	Y	5 yrs.	\$0	2015	\$80,000 *
Cat Loader	950 F	1996	12/30/1995	\$173,542	4,795		slight	Y	10 yrs.	\$0	2016	\$300,000 *
Cat Grader	143H	1996	2/5/1996	\$227,370	3,706		slight	Y	10 yrs.	\$0	2017	\$300,000 *
Cat Backhoe	IT 416C	1997	12/17/1999	\$57,445	3,518		Y	Y	10 yrs.	\$0	2013	\$115,000
- Thumb for Backhoe		2009	3/6/2009	\$7,770			Y	Y	7 yrs.	\$5,088	Delete	
Graco Paint Striper	LineLazer II	2001	7/18/2001	\$13,126	n/a		Y	N	5 yrs.	\$0	2015	\$17,000 *
JLG Hi-Lift	450 AJ	2001	5/6/2006	\$36,670	2,245		Y	Y	10 yrs.	\$0	2015	\$40,000
Lekro Tug	AP 8800 SDA	2002	2/18/2002	\$66,203	127		Y	Y	10 yrs.	\$3,298	2013	\$64,000
Kawasaki (3)	Mule	2002	10/8/2002	\$25,294	518 avg		Y	slight	10 yrs.	\$2,941	2012	\$30,000
International	Jet Refueler	2002	11/1/2001	\$133,994	4,255	7,480	Y	Y	10 yrs.	\$2,245	2016	\$150,000
Fuel Cart		2003	5/15/2004	\$4,150			Y	Y	10 yrs.	\$1,164	2014	\$10,000
Crafco Crack Sealer	Supershot 125	2004	12/6/2004	\$33,578	924		Y	N	10 yrs.	\$10,629	2015	\$50,000 *
International	100LL Refueler	2004	8/28/2003	\$109,975	3,627	9,145	Y	Y	10 yrs.	\$23,764	2016	\$155,000
Tiger Flail Mower	TRF-96C	2004	12/27/2004	\$9,730	n/a		Y	N	7 yrs.	\$884	2011	\$15,000
F.O.D. Boss	Boss-8	2005	3/18/2005	\$7,500	n/a		Y	N	5 yrs.	\$0	Delete	
Water Trailer (500 gallon)		2008	3/31/2008	\$8,039			Y	slight	10 yrs.	\$5,359	TBD	
New Holland Tractor	TV6070	2008	2/5/2009	\$99,155	808		Y	Y	10 yrs.	\$74,366	2019	\$120,000 *
- Broom Attachment		2008	12/30/2008	\$18,721			Y	Y	7 yrs.	\$11,812	TBD	
- Blower Attachment	P-980	2008	2/24/2009	\$18,829			N	Y	7 yrs.	\$12,104	TBD	
LaRue	T85	2010	2/28/2011	\$492,822	181		N	Y	25 yrs.	\$482,966	2036	\$550,000 *
Notes:	A) Replacement will be based on condition and anticipated need. Replacement is not anticipated in the 2011-2012 fiscal year. B) The District does not anticipate replacing the older JetA refueler at the current sales level. C) Included in current ACIP as a project in the year indicated. D) Dependent on replacement of 950B in 2013. E) One of the three units will be replaced with an electric model. After testing, it will be determined whether additional units are purchased. F) Increased cost for replacement due to necessity of spill containment measures. G) Van has been multi-purposed as an outreach vehicle. Replacement will be dependent upon the program, but is not foreseen in the 2011-12 fiscal year. * Potentially AIP eligible item.											