



TRUCKEE TAHOE AIRPORT DISTRICT
2023 ANNUAL REPORT

\$5.7 MILLION IN ASSET INVESTMENTS

Project include the Taxiway Alpha Reconstruction, Hangar 1 Door, Admin Building Generator, 5000 Gallon SAF Refueler and replaced 3 gas vehicles with electric.

**\$70 MILLION
TOTAL NET POSITION**

Up 13.3% to 2022

**\$80 MILLION
IN TOTAL ASSETS**

Up 10.7% to 2022

**\$8,628,580 IN
OPERATING REVENUES**

Down \$2.6M or 23.8% to budget

**\$15,542,381 IN OTHER REVENUES
INCLUDING PROPERTY TAXES AND FAA GRANTS**

Up \$1.6 Million or 12.2% to budget

**\$8,268,512
IN NET INCOME**

Up \$946,581 or 12.9% to budget

**\$13,280,982 IN
OPERATING EXPENSES**

Under \$2 Million or 13.5% to budget

2023 REVENUE HIGHLIGHTS

FBO (FIXED BASE OPERATOR-AIRSIDE OPS) REVENUES

- \$343,896 or 5.8% under 2022 due to decreased air traffic due to the second largest winter snowfall on record with over 700 inches of snow.
- \$639,957 or 16.1% decrease in Jet A/SAF Fuel Sales vs. 2022
- \$115,007 or 16.6% decrease in 100LL Fuel Sales vs. 2022
- \$585,400 over 2022 in Landing Fees

OTHER OPERATING REVENUES

- Hangar Lease Revenue up \$146,633 or 7.4% vs. 2022
- Other Business Lease Revenue down \$29,669 or 4.7% vs. 2022
- Warehouse Lease Revenue up \$22,745 or 8.1% vs. 2022

NON-OPERATING REVENUES

- Up \$5.7 Million or 58% vs. 2022

TOTAL REVENUES

- Up \$5.5 Million or 29.5% vs. 2022

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, 2023 and 2022 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, 2023 and 2022 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 and Government Auditing Standards 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 and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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.
- 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.

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 May 16, 2024 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.

James Marta & Company LLP Certified Public Accountants Sacramento, California, May 16, 2024

TRUCKEE TAHOE AIRPORT DISTRICT MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

The following discussion and analysis of the financial performance of the Truckee Tahoe Airport District (the "District" or the "Airport") provides an overview of the District's financial activities for the fiscal year (twelve months) ended December 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHT

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 decreased, based on annual actuarial reports, from \$3.05 million on December 31, 2022 to \$2.78 million on December 31, 2023.

In the calendar year ended December 31, 2023, the District's operating revenues increased \$197k (3.5%) over the prior fiscal year. This is primarily due to increased landing fees, ramp fees, hangar revenue, and warehouse rents.

The District received funding through the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants in the amount of \$5,890,479 to start AIP Project 046-Runway 2/20 Reconstruction and associated runway lighting. The project will be finalized in June 2024.

The District saw annualized property tax revenues increase 8.31%, in calendar year ended December 31, 2023.

The District's annualized personnel costs increased by 8.7% overall compared to 2022. Salaries and Wages increased by 12% due to annual Cost of Living Allowance (COLA) and Merit increases. There is a year-end adjustment relating to GASB 68 that decreases the PERS liability by \$270k based on the annual actuarial report and calculation and is further reduced by our annual ADP of \$500k.

Operating, general and administrative annualized expenses were up 4% over the prior year. The increase was primarily due to Agency Partnerships & Community Sponsorships, Airshow, Credit Card Fees, and Insurance.

Repair and maintenance annualized expenses were up from the prior fiscal year by 23%. In 2023, the District caught up on some needed hangar repairs, vehicle maintenance and lands management.

Due to long-term fiscal discipline, the Truckee Tahoe Airport District is in excellent financial condition. The District's net position is \$70 million. The District has designated the unrestricted net position for future capital projects and contingencies.



OPERATIONAL HIGHLIGHTS



During the twelve-month year ended December 31, 2023, Fixed Base Operations (FBO) revenues were down 6% compared to 2022. Jet A/SAF sales were down 35.1% over 2022 in gallons sold and down \$639k in revenue. 100LL sales were down 11.2% over 2022 in gallons sold and down \$115k in revenue. Net airside revenue was down 5.8% from the previous year primarily due to decreased Jet A/SAF and 100LL fuel sales. Overall decreases were primarily due to decreased air traffic during the second largest winter snowfall on record with over seven hundred inches of snow.

The District saw an increase in hangar revenue of 7.39% compared to 2022 considering the annual CPI increase.

Other business leases were down 4.7% due to the lack of lease revenue from the Cessna 182 that was sold and CAM revenue from OBL Sublease is lower.

Truckee Tahoe Airport completed its transition to blended Sustainable Aviation Fuel (SAF) in July 2023. This multi-year initiative supported the reduction of Scope 3 Category 11 emissions (use of sold products) and is often recognized as one of the largest, most challenging, and costly targets for reducing emissions in the aviation industry. In 2023 they launched their fleet electrification initiative, purchasing two electric vehicles to support various airport operations, subsequently reducing their Scope 1 emissions. They transitioned from self-service fueling to full-service (at no additional cost to tenants), which provides fuel to the aircraft where they are parked, eliminating the need to spend fuel taxiing to and from the pumps.

A large aircraft is parked on a runway at sunset. The sky is filled with golden clouds, and the sun is low on the horizon. In the foreground, a ground support vehicle is visible. The aircraft is the central focus of the image, with its wings and tail visible. The overall scene is a mix of industrial and natural elements.

USE OF FINANCIAL STATEMENTS TO ANALYZE THE DISTRICT'S CONDITION

When financial statements are presented, the District is often asked, “Is the District better off or worse off as a result of this year’s activities?” The financial statements report information about the District’s activities in a way that helps answer this question. The statements are prepared on the accrual basis of accounting, which means that all of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. An explanation of each of the statements and the information they report follows.

STATEMENT OF NET POSITION

The District's net position on December 31, 2023 totaled \$70,469,337 compared with \$62,200,822 on December 31, 2022. 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, 2023	DEC 31, 2022	INCREASE (DECREASE)	PERCENT CHANGE	DEC 31, 2021
ASSETS					
Cash & Equivalents	\$10,449,151	\$8,724,327	\$1,724,824	19.8%	\$5,442,326
Other Current Assets	5,604,795	4,971,724	633,071	12.7%	4,674,163
Total Current Assets	16,053,946	13,696,051	2,357,895	17.2%	10,116,489
Investments	1,250,000	1,250,000	-	0.0%	1,000,000
Noncurrent Receivable	35,600	35,600	-	0.0%	35,600
Net Capital Assets	62,697,675	57,292,680	5,404,995	9.4%	58,934,576
Total Assets	80,037,221	72,274,331	7,762,890	10.7%	70,086,665
DEFERRED OUTFLOWS	918,761	1,542,936	(624,175)	-40.5%	878,727
Liabilities					
Current Liabilities	1,545,175	1,832,872	(287,697)	-15.7%	2,140,816
Long Term Liabilities	8,336,110	8,937,808	(601,698)	-6.7%	7,997,355
Total Liabilities	9,881,285	10,770,680	(889,395)	-8.3%	10,138,171
DEFERRED INFLOWS	948,122	845,765	102,357	12.1%	1,704,764
Net Position					
Invested in Capital Assets, Net	56,811,000	50,900,959	5,910,041	11.6%	52,149,647
Restricted	-	-	-	-	-
Unrestricted	13,658,337	11,299,863	2,358,474	20.9%	6,972,810
Total Net Position	\$70,469,337	\$62,200,822	\$8,268,515	13.29%	\$59,122,457

The December 31, 2023 cash and cash equivalents balance increased \$1,724,824 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 unrestricted portion of net position has been designated by the Board of Directors based on current capital projects, potential contingencies, and policy-based priorities. The Board approved allocation of \$13.6 million of unrestricted net assets is as follows: 22% Replacement Reserve Fund, 17% Property Tax Fund for Community Benefit, 26% Property Tax Fund for Airport Operations, and 35% Airport Operating Fund. These breakdowns are based on the board approved categories/percentages from the Q1 2024 Board workshop. Additional information on the designation of unrestricted net position can be found in the notes to the financial statements.



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, 2023	YEAR ENDED DEC 31, 2022	INCREASE (DECREASE)	PERCENT CHANGE	YEAR ENDED DEC 31, 2021
Net Operating Revenues:	\$5,819,976	\$5,622,895	\$197,081	3.5%	\$5,010,962
Operating Expenses, Net of Depreciation	(10,257,216)	(3,891,068)	(546,172)	7.8%	(10,591,260)
Operating Loss before Depreciation	(4,437,240)	(2,635,954)	14,487	14.0%	(5,580,298)
Depreciation Expense	(2,621,467)	(6,527,022)	(531,685)	-0.5%	(2,357,692)
Net Operating Loss	(7,058,707)			8.1%	(7,937,990)
Nonoperating Income:		8,507,022	706,923		
Property Tax Revenue	9,213,945	272,375	(229,056)	8.3%	7,723,805
Gain (Loss) on Disposal of Assets	43,319	973,530	4,916,949	-84.1%	55,340
Grant Revenues-Capital/Operating	5,890,479	(230,991)	15,833	505.1%	3,981,442
Interest Expense	(215,158)	83,451	311,186	-6.9%	(244,130)
Interest and Other Nonoperating Income	394,637	9,605,387	5,721,835	372.9%	34,156
Total Non operating Income	15,327,222			59.6%	11,550,613
Extraordinary Item	-	-	-	0.0%	-
Change in Net Position	8,268,515	3,078,365	5,190,150	168.6%	3,612,623
Change in Accounting Principle	-	-	-	0.0%	-
Net Position, Beginning-Restated	62,200,822	59,122,457	3,078,365	5.2%	55,509,834
Net Position, Ending	\$70,469,337	\$62,200,822	\$8,268,515	13.3%	\$59,122,457



Operating expenses, net of depreciation, increased \$743,253 or 7.8%, 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 of maintaining the District's high value infrastructure. The three largest item increases referenced in the Financial Highlights on page 4 include Community/Agency partnerships, Airshow, and Insurance. The District continues to work with its pavement management program to keep the Airport's pavements in good condition. In 2023, with the aid of FAA AIP grants, the District expended approximately \$6,453,914 for the revitalization of runway 2/20. The related grant revenues are \$5,740,711. Additionally, the District received \$109k in grant funding from the previous year's AIP projects that are now closed out. Property tax revenues were up 8.31% from the prior fiscal year.

Analysis of the District's Overall Financial Position: The net position increased \$8,268,515 due to increases in federal grants and property taxes during the year.

CAPITAL ASSETS

On December 31, 2023, the District had over \$62 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, 2023	DEC 31, 2022	DEC 31, 2021
Land and Easements	\$14,966,105	\$14,966,105	\$14,966,105
Building and Building Improvements	\$20,509,600	\$21,925,023	\$23,517,000
Land Improvements	\$15,573,133	\$11,190,321	\$9,868,779
Equipment	\$4,129,328	\$3,955,474	\$4,725,271
Construction in Progress	\$7,519,509	\$5,255,757	\$5,857,421
	\$62,697,675	\$57,292,680	\$58,934,576

The net capital asset balance increased \$5.4 Million during the 2023 fiscal year. That amount includes net capital additions of \$8,144,619 offset by \$2,621,467 in depreciation expense and \$118,154 in asset deletions. \$4,521,297 of previous construction in progress have been capitalized during the year. The capital additions are detailed in the table below.

SUMMARY OF ADDITIONS TO CAPITAL ASSETS

Density Altitude Sign	\$20,275
UPS Backup Battery	10,938
Miller Trailblazer Welder	11,859
Electrick Motorsports E Golf Carts (4)	45,269
Metal Pless Plow Blade	1,898
2023 Ford Mustang Mach E	86,040
2023 Ford Transit E	63,503
2023 Ford F-350 & Acc	69,495
2023 Skymark Refueler 5000	293,850
Taxiway Alpha Reconstruction	4,428,318
Mower Blade	60,497
2 Sea Containers	19,702
2 New Fire Hydrants with Valves	41,619
5 Hangar Floor coatings	62,490
ParkMobile Long Term Parking App	7,093
Hangar Roof Snow Load Monitoring System	82,087
2 Snow Melting Mats terminal	13,739
Warehouse Sign	36,132
Hangar 1 Door	191,363
Hangar 1 Electrical Upgrade	43,711
Terminal Building Flooring	29,892
Admin Building Generator	142,942
Construction In Progress	\$2,381,906
Total	\$8,144,619

COMMUNITY BENEFIT AWARDS

- Placer County Dept of Public Works
- Town of Truckee
- North Tahoe Fire Protection District
- Truckee Tahoe Workforce Housing Agency
- Climate Transformation Alliance
- Nevada County Search and Rescue
- Boys & Girls Club North Lake Tahoe
- Aim High for High School
- Friends of the Truckee Library
- Sierra Watershed Education Partners
- Gateway Mountain Center
- Placer County Law Enforcement Chaplaincy
- Biking for a Better World
- Tahoe Truckee Community Foundation
- North Tahoe Fire Protection District





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