



**TRUCKEE TAHOE AIRPORT DISTRICT  
BOARD OF DIRECTOR STAFF REPORT**

**AGENDA TITLE: Financial Report, June 30, 2016**

**MEETING DATE: August 24, 2016**

**PREPARED BY: Sally Lyon, Director of Finance and Administration**

**Revenues:**

For the nine months ended June 30, 2016, Airside Operating Revenue was 3%, \$35,900 over budget on a year to date basis as well as \$4,500 over the prior year. The Net Airside Revenue, \$795,900 (after deducting the Cost of Sales) was 9%, \$65,200 over budget. Hangar Revenues were (0%), (\$1,800) under budget on a year-to-date basis, and Other Business Leasing Revenues were 21%, \$29,300 over budget, with the start-up of the seasonal operators, Skydive Truckee, new this year, and Soar Truckee. Warehouse Revenues are up 1.5% or \$3,200.

	<b>Gallons sold 100LL</b>	<b>Gallons sold Jet A</b>
10/1/15-6/30/16	46,728	216,741
10/1/14-6/30/15	47,216	176,216
Net Increase/(Decrease)	(488)	40,525
% Increase/(Decrease)	(1%)	23%
<b>100LL</b>	<b>Revenue</b>	<b>Net Revenue</b>
10/1/15-6/30/16	\$214,506	\$61,066
10/1/14-6/30/15	\$240,542	\$59,530

## Jet A

10/1/15-6/30/16	\$836,772	\$465,573
10/1/14-6/30/15	\$833,553	\$397,966

### **Cost of Goods Sold:**

Fuel costs are down from budget by 7%, \$41,500 which corresponds to the decrease in fuel cost per gallon. Gross profit on fuel is 60%. Net Airside Revenue is up from budget by \$65,200.

### **Payroll and Employee Benefits:**

Total Payroll & Benefits are \$9,200 .5% under budget. The following contributes to this difference:

- Wages, Salaries and Other Compensation is \$700, 0% under budget.
- Payroll Taxes, Employee Benefit Insurance, Workers Compensation Insurance and Training and Other are under budget combined by \$8,400 or 2% under budget.

Operating, General and Administrative Expenses are under budget \$752,700, 28% for the nine months ended June 30, 2016. Repair & Maintenance expenses were under budget by \$4,413,100, 88% for the same period. The pavement maintenance is under budget \$3.6 million for year to date, but will catch up as projects are completed in 2016.

Other Income and Expense is down (\$2,858,500), (40%). The following contributes to this difference:

- Property Tax revenue up \$146,300 from budget.
- FAA Grants under budget (\$3,011,300). All of this revenue comes at the end of the summer season.

Net Income is \$1,918,700. This is a positive variance of \$2,092,500 from the budget.

### **The hangar waitlist as of 08/10/16 is:**

- 30 on the executive hangar waitlist made up of 17 new tenants & 13 transfer list tenants looking for executive-size hangars.
- 2 "super T's" (44' doors or larger).
- 5 non-aero end caps (we are no longer renting T-hangars for non-aero usage with 100% occupancy).

Fuel reduction on Waddle Ranch is underway for the budgeted 2015 summer projects totaling \$168,000 that TTAD was unable to complete last year. Those budgeted amounts were rolled forward into the current year budget. Makerspace is underway with completion soon. Year to date \$3.1 million has been expended for the Warehouse Office Building. The Tahoe City Helipad is slowly progressing forward. G and H row taxiway reconstruction is complete.

## Variance Analysis

The following variance analysis provides explanations for individual line items that have a difference of more than \$5,000 and more than 5% to the budgeted amount.

Detailed Income Statement Line Item	% Variance Over (Under) Budget	\$ Variance Over (Under) Budget	Explanation
ACAT	(59%)	(\$51,020)	ACAT has not had any major expenditures yet this year.
Airshow	(35%)	(\$41,349)	Expense is spread evenly over the year.
Access Control	(73%)	(\$7,338)	Minimal expenditures so far this year.
Aviation Safety Initiatives	(61%)	(\$127,816)	Airspace study underway, Unicom enhancements happening this summer.
Communications	(33%)	(\$16,982)	Radio replacement is half of this line item, not expended to date.
Conventions, Conferences	87%	\$14,346	There has been considerable travel and conferences this year. More than anticipated.
County Support	52%	\$37,597	County Support are fees charged by each county for management and oversight of property taxes.
Credit Card Fees	(29%)	(\$16,713)	Corresponds to lower fuel sales dollars and lower rates for hangar billing.
Directors' Fees & Expenses	(34%)	(\$40,639)	There have been no significant additional expenses.
Dues & Subscriptions	(45%)	(\$8,774)	Lower expenditures in the 1 <sup>st</sup> part of the year.
Geographic Information System	(43%)	(\$14,415)	This should be expended by the end of the year.
Grounds Maintenance/Landscaping	(61%)	(\$6,143)	Summer expenditures are planned.

Detailed Income Statement Line Item	% Variance Over (Under) Budget	\$ Variance Over (Under) Budget	Explanation
Homebasing Incentive	(8%)	(\$5,531)	Under budget because of rent reduction with G & H taxiway reconstruction.
Office Equipment	(50%)	(\$40,628)	Lower expenditures in the 1 <sup>st</sup> part of the year. Firewall replacement of \$16,000 is main expenditure. Workstation furnishings and computers to be spent in last quarter of the year.
Operations Monitoring Expense	(33%)	(\$16,425)	This quarter included \$15,000 for flight tracking. Additional expenses anticipated by year end.
Professional Services-Accounting & Auditing	87%	\$14,270	Additional expense from CalPERS for GASB 68, and preliminary audit testing for FY 2016 this summer.
Professional Services-Legal	(26%)	(\$20,246)	Lower expenditures in the 1 <sup>st</sup> part of the year.
Professional Services – Computer Support	(37%)	(\$14,838)	Only routine IT maintenance so for this fiscal year. There are software enhancements budgeted that may not happen this year.
Professional Services – Other Professional	(39%)	(\$208,189)	Actual amounts incurred through June for anticipated projects were: Master Plan \$72,000, Hangar 3 \$41,000, Trails Masterplan \$5,000, Demand Drivers \$54,000, Minimum Standards \$70,000, Executive Hangars \$28,000, Fiscal Analysis \$8,000, Art in the Airport \$4,000, Salary Survey \$6,000, Airspace \$7,000 and Other \$32,000.
Professional Services – Engineering	(84%)	(\$22,129)	Lower expenditures in the 1 <sup>st</sup> part of the year.

<b>Detailed Income Statement Line Item</b>	<b>% Variance Over (Under) Budget</b>	<b>\$ Variance Over (Under) Budget</b>	<b>Explanation</b>
Professional Services – Sustainability	(100%)	(\$17,988)	No expenditures in the 1 <sup>st</sup> part of the year.
Public Relations-Outreach Consulting	114%	\$15,349	Budget is for Fresh Tracks and there have been additional expenditures for the year.
Internet, Print, Broadcast & Direct Mail	(23%)	(\$18,977)	Expenditures under budget.
Community/Agency Partnerships	(42%)	(\$67,553)	Expenditures to date are budgeted for Boys and Girls Club \$45,000, regional transit highway 267 \$39,450, Excellence in Education \$7,500 and TNT/TMA membership \$1,750.
Pilot Outreach	269%	\$11,678	Higher expenditures in the 1 <sup>st</sup> nine months of the year.
Promotional Items	(70%)	(\$13,060)	Lower expenditures in the 1 <sup>st</sup> nine months of the year.
Utilities	6%	\$8,981	Additional expense for TTSA for expanded outdoor seating for Red Truck \$6,000, higher utility use in winter.
Equipment Expense	(70%)	(\$68,374)	Routine expenditures in the 1 <sup>st</sup> nine months of the year, budget includes \$110K for a fuel cart for Medevac. This will be carried forward.
Airfield Equipment, Lights and Signs	(80%)	(\$112,505)	Expenditures of \$12,000 for runway lights with no other budgeted expenditures in the first part of the year. Budget included heaters for A9, but project more complex than anticipated.
Aviation Safety Equipment	(73%)	(\$5,455)	Expenditures under budget.

<b>Detailed Income Statement Line Item</b>	<b>% Variance Over (Under) Budget</b>	<b>\$ Variance Over (Under) Budget</b>	<b>Explanation</b>
Pavement Maintenance	(93%)	(\$3,610,081)	Expenditures for initial engineering in the first part of the fiscal year. The last quarter of the year will have most of the expenditure.
Hangar-Facility Maintenance	(42%)	(\$85,674)	Some roof repair was completed this spring. Very difficult to find contractors.
Other Business Buildings Maintenance	(86%)	(\$20,532)	Very difficult to find contractors.
Warehouse Facility Maintenance	(90%)	(\$76,302)	Very difficult to find contractors.
Terminal Building – Facility Maintenance	(70%)	(\$38,164)	Playground expansion hopefully this summer.
Maintenance Building-Facility Maintenance	148%	\$14,789	Expenditures for engineering and architectural and upgrading of lighting to LED.
Land Management	(89%)	(\$417,114)	Lower expenditures in the 1 <sup>st</sup> part of the year. Waddle Ranch fuel reduction underway.