



TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTOR STAFF REPORT

AGENDA TITLE: Financial Report, December 31, 2017

MEETING DATE: February 28, 2018

PREPARED BY: Sally Lyon, Director of Finance and Administration

This report covers the fifteenth month of our one-time fifteen-month year. The Income Statement included in this report is the budget comparison to actual. This is a draft in preparation for the annual audit. There may still be some adjustments prior to the audit in March.

Revenues:

For the fifteen months ended December 31, 2017, Airside Operating Revenue was 41%, \$1,098,500 over budget on a year to date basis. The Net Airside Revenue, \$2,181,300 (after deducting the Cost of Sales) was 37%, \$588,800 over budget. Hangar Revenues were 1%, \$20,300 over budget on a year-to-date basis, Other Business Leasing Revenues were .1%, \$600 over budget, and Warehouse Revenues are up 1%, \$3,800.

	Gallons sold 100LL	Gallons sold Jet A
10/1/16-12/31/17	106,887	577,387
10/1/15-12/31/16	103,369	463,722
Net Increase/(Decrease)	3,518	99,323
% Increase/(Decrease)	3%	25%
100LL	Revenue	Net Revenue
10/1/16-12/31/17	\$539,108	\$115,106
10/1/15-12/31/16	\$479,761	\$112,275

Jet A		
10/1/16-12/31/17	\$2,366,020	\$2,181,314
10/1/15-12/31/16	\$1,797,789	\$983,781

Cost of Goods Sold:

Fuel costs are up from budget by 47%, \$510,000 that is driven by 25% more gallons sold and increasing fuel costs per gallon. Gross profit on fuel is 45%. Net Airside Revenue is up from budget by \$588,800.

Payroll and Employee Benefits:

Total Payroll & Benefits are (\$160,300), (5%) over budget. The following contributes to this difference:

- Wages, Salaries and Other Compensation is (\$128,900), (6%) over budget. We are extending some of our seasonal staff longer than anticipated and have the new facility maintenance position.
- Payroll Taxes, Employee Benefit Insurance, Workers Compensation Insurance and Training and Other are over budget combined by (\$31,400), (3%).

Operating, General and Administrative Expenses are under budget \$677,400, 13% for the fifteen months ended December 31, 2017. Repair & Maintenance expenses were under budget by \$563,500, 20% for the same period.

Other Income and Expense is down (\$215,100), (2%) compared to budget.

Net Income is \$550,900. This is a negative variance of (\$1,077,200) from the budget. The Income Statement has depreciation expense (\$2.5 million); the budget does not.

The hangar waitlist as of 11/16/17 is:

- 40 people on the Executive Hangar waitlist made up of 25 new tenants and 15 transfer list tenants (Based on the pre-lease process seven of the 40 wait list individuals will occupy the new Executive hangars once they are constructed)
- 36 people on the T-Hangar waitlist (12 waiting for Super-T's with 44' doors or larger, 23 waiting for regular T-Hangars, 1 helicopter)
- 2 people on the non-aero End Cap waitlist

Operations continue to be strong. Jet A sales are up with an increase of 25% in gallons sold and 37% in net airside revenue over the previous year, as noted at the top of this report. The temporary tower is operational for the holiday season. Weather has been moderate so far this winter, especially compared to last year.

If you have any questions, please do not hesitate to call me (530) 587-7692.

Variance Analysis

The following variance analysis provides explanations for individual line items that have a difference of more than \$10,000 and more than 10% to the budgeted amount.

Detailed Income Statement Line Item	% Variance Favorable (Unfavorable) Budget	\$ Variance Favorable (Unfavorable) Budget	Explanation
ACAT	31%	\$26,862	ACAT has not had any major expenditures yet this year.
Access Control	(36%)	(\$11,060)	The expenditures are gate access upgrades.
Aviation Safety Initiatives	47%	\$51,657	Airspace study underway, under budget due to timing.
Credit Card Fees	(18%)	(\$16,564)	Over budget, reflecting the increase in sales.
Equipment Rental	53%	\$25,467	Under budget due to timing of expenses. The budget extension added rental of a new piece of equipment that was estimated too high.
Geographic Information System	33%	\$12,256	Tracking needs have been less this year.
Insurance	30%	\$25,832	Budget extension overestimated expense.
Office Equipment	23%	\$29,435	Under budget, less purchases based on need.
Operating Supplies, Small Tools & Janitorial	(37%)	(\$49,483)	Janitorial for the admin and Clear Capital building has been significantly higher this year.
Permits, Licenses & Fees	54%	\$14,189	Under budget, based on need.
Professional Services-Legal	17%	\$22,963	Lower expenditures this year.
Professional Services –Computer Support	44%	\$75,086	Under budget due to timing of expenses. The budget included \$50,000 for point of sale software upgrade that we do not plan to spend.
Fiscal Analyst – Sustainability	39%	\$14,800	Under budget, based on need.
Internet, Print, Broadcast & Mail	31%	\$47,176	Website coming in less than estimated.

Detailed Income Statement Line Item	% Variance Favorable (Unfavorable) Budget	\$ Variance Favorable (Unfavorable) Budget	Explanation
Community/Agency Partnerships	22%	\$161,378	Expenditures to date are for Boys and Girls Club \$90,000 (2 annual payments), Excellence in Education \$16,300 (2 annual payments), Tahoe City PUD-Ice Skating Rink \$150,000, TNT/TMA membership \$3,500, Bike Share Program \$29,000, Truckee Bike Park \$25,000, Truckee Thursdays and Holiday Shuttle \$40,000, Highway 267 Transit \$62,000, RASC membership \$10,000, RASC membership for TNT/TMA \$10,000, TTCF Housing \$50,000, Truckee Chamber of Commerce Truckee Tomorrow \$10,000, and Tahoe Area Mountain Bike Assoc \$85,000.
Pilot Outreach	28%	\$41,014	Under budget based on need. There was new programming this year and budget estimate was higher than actual.
Promotional Items	52%	\$12,931	Under budget, less purchases based on need.
Vehicle Expense	20%	\$16,799	Budget extension added more that expensed.
Airfield-Facility Maintenance	56%	\$150,603	Under budget due to timing of expenses. Obstruction Survey is in progress.
Hangar-Facility Maintenance	60%	\$265,913	Painting and repairs for Hangar 1 have been completed this year.
Other Business Buildings Maintenance	(132%)	(\$89,330)	Some Hangar 1 repairs are included in this account.
Terminal Building – Facility Maintenance	71%	\$100,350	Under budget due to timing of expenses.
Land Management	15%	\$107,202	Restoration project near the Regional Park on TTAD property came in \$100,000 less than budget.

If you have any questions, please do not hesitate to call me (530) 587-7692.

Truckee Tahoe Airport District
Balance Sheet
As of December 31, 2017 and September 30, 2016

	<u>December 31, 2017</u>	<u>September 30, 2016</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash & Cash Equivalents	\$ 5,647,717	\$ 7,974,793
Restricted Cash PCTIP	7,801,785	-
Investments	500,000	1,000,000
Accounts Receivable	113,423	36,418
Interest Receivable	26,164	15,509
Property Taxes Receivable	2,779,426	1,365,937
Grants Receivable	-	1,821,731
Inventories	83,019	58,765
Prepays and Deposits	141,961	166,200
Deferred outflows of resources relating to pensions	474,501	474,501
Total Current Assets	\$ 17,567,996	\$ 12,913,854
<u>Noncurrent Assets</u>		
Investments	1,000,000	500,000
Noncurrent Receivable	41,300	15,000
Property, Plant and Equipment	76,220,327	72,539,975
Less: Accumulated Depreciation	(29,358,430)	(27,365,273)
Net Property, Plant and Equipment	46,861,897	45,174,702
Total Noncurrent Assets	47,861,897	45,689,702
TOTAL ASSETS	\$ 65,429,893	\$ 58,603,556
<u>LIABILITIES</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 619,575	\$ 2,383,351
Accrued Expense	115,458	131,508
Deferred Revenue	346,766	278,786
Deposits	179,267	149,167
Interest Payable	106,209	-
Compensated Absences	329,774	278,821
Deferred inflows of resources relating to pensions	171,058	171,058
Total Current Liabilities	1,868,107	3,392,691
<u>Long Term Liabilities</u>		
Exec Hangar Loan	7,800,000	-
Net Pension Liabilities	1,706,562	1,706,562
TOTAL LIABILITIES	\$ 11,374,669	\$ 5,099,253
<u>Equity</u>		
Invested in Capital Assets	\$ 45,174,699	\$ 45,174,702
Unrestricted	8,329,604	3,049,456
Net Income (Loss)	550,922	5,280,145
Total Equity	\$ 54,055,224	\$ 53,504,303
Total Liabilities & Equity	\$ 65,429,893	\$ 58,603,556

Prepared for Management's Use and Information
Unaudited

Truckee Tahoe Airport District
Detailed Income Statement Budget Comparison
For the Fifteen Months Ended December 31, 2017

Year to Date

	2017 YTD	2017	Budget	Variance	% Favorable (Unfavorable)	Annual Budget
Revenues						
Airside Operating Revenues						
1	Aviation Fuel Sales	\$ 539,108.36	\$ 445,000.00	\$ 94,108.36	21.1	\$ 445,000.00
3	Jet Fuel Sales	2,366,019.79	1,707,100.00	658,919.79	38.60	1,707,100.00
5	Auto Parking	91,200.91	65,900.00	25,300.91	38.39	65,900.00
6	Oil Sales	2,131.06	1,376.00	755.06	54.87	1,376.00
7	Tiedowns	113,196.19	106,400.00	6,796.19	6.39	106,400.00
8	Transient Use Fees	541,389.66	290,000.00	251,389.66	86.69	290,000.00
9	Merchandise	4,542.47	1,100.00	3,442.47	312.95	1,100.00
10	Services	111,663.55	54,100.00	57,563.55	106.40	54,100.00
11	Vending	1,339.26	800.00	539.26	67.41	800.00
12	Miscellaneous Revenue	6,142.90	6,500.00	(357.10)	(5.49)	6,500.00
	Total Airside Operating Revenue	\$ 3,776,734.15	\$ 2,678,276.00	\$ 1,098,458.15	41.0	\$ 2,678,276.00
Hangar Rental Income						
15	T-Hangar / Box Hangar Rental Income	\$ 1,710,993.99	\$ 1,690,800.00	\$ 20,193.99	1.2	\$ 1,690,800.00
16	T-Hangar / Box Hangar Electricity Surcharge	60,081.45	60,000.00	81.45	0.14	60,000.00
	Total Hangar	\$ 1,771,075.44	\$ 1,750,800.00	\$ 20,275.44	1.2	\$ 1,750,800.00
Other Business Income						
19	Other Business Leasing Income	\$ 361,633.48	\$ 376,100.00	\$ (14,466.52)	(3.8)	\$ 376,100.00
20	Concession Income	123,798.56	108,750.00	15,048.56	13.84	108,750.00
	Total Other Business Income	\$ 485,432.04	\$ 484,850.00	\$ 582.04	0.1	\$ 484,850.00
Warehouse Income						
23	Warehouse Space Rental Income	\$ 329,837.00	\$ 326,000.00	\$ 3,837.00	1.2	\$ 326,000.00
	Total Warehouse Income	\$ 329,837.00	\$ 326,000.00	\$ 3,837.00	1.18	\$ 326,000.00
	TOTAL REVENUES	\$ 6,363,078.63	\$ 5,239,926.00	\$ 1,123,152.63	21.4	\$ 5,239,926.00
Cost of Goods Sold						
28	Aviation Fuel Cost - 100 LL	\$ 424,001.38	\$ 336,750.00	\$ (87,251.38)	(25.9)	\$ 336,750.00
29	Jet Fuel & Prist Cost	1,163,964.16	741,200.00	(422,764.16)	(57.04)	741,200.00
30	Oil and Lubricant Cost	1,264.92	998.00	(266.92)	(26.75)	998.00
31	Merchandise Purchases	6,189.17	780.00	(5,409.17)	(693.48)	780.00
33	Inventory Shrinkage	-	6,000.00	6,000.00	100.00	6,000.00
	Total Cost of Goods Sold	\$ 1,595,419.63	\$ 1,085,728.00	\$ (509,691.63)	(46.9)	\$ 1,085,728.00
Payroll and Employee Benefits						
36	Salaries and Wages	\$ 2,374,923.90	\$ 2,245,999.00	\$ (128,924.90)	(5.7)	\$ 2,245,999.00
40	PERS Contributions	325,743.42	306,811.00	(18,932.42)	(6.17)	306,811.00
41	Medicare & FICA Expense	39,179.26	39,224.00	44.74	0.11	39,224.00
42	Unemployment Taxes	434.22	3,000.00	2,565.78	85.53	3,000.00
43	Employee Benefits (Insurance)	533,799.47	539,800.00	6,000.53	1.11	539,800.00
44	Workers' Compensation Insurance	69,054.19	68,800.00	(254.19)	(0.37)	68,800.00
45	Training, Education and Other	105,824.89	85,010.00	(20,814.89)	(24.49)	85,010.00
	Total Payroll and Employee Benefits	\$ 3,448,959.35	\$ 3,288,644.00	\$ (160,315.35)	(4.9)	\$ 3,288,644.00
	Allocated Wages and Benefits	\$ -	\$ -	\$ -	-	\$ -
	Total Payroll, Benefits and Allocation	\$ 3,448,959.35	\$ 3,288,644.00	\$ (160,315.35)	(4.9)	\$ 3,288,644.00
	Total Cost of Goods and Payroll	\$ 5,044,378.98	\$ 4,374,372.00	\$ (670,006.98)	(15.3)	\$ 4,374,372.00
	GROSS PROFIT (LOSS)	\$ 1,318,699.65	\$ 865,554.00	\$ 453,145.65	52.4	\$ 865,554.00

Truckee Tahoe Airport District
Detailed Income Statement Budget Comparison
For the Fifteen Months Ended December 31, 2017

Year to Date

2017 YTD		2017	Budget	Variance	% Favorable (Unfavorable)	Annual Budget
<u>Expenses</u>						
Operating, General & Administrative Expenses						
50	ACAT	\$ 59,388.47	\$ 86,250.00	\$ 26,861.53	31.1	\$ 86,250.00
51	Annoyance Reduction Programs:			-	-	-
52	Fly QT Program	158,816.82	162,000.00	3,183.18	1.96	162,000.00
56	Access Control	41,559.84	30,500.00	(11,059.84)	(36.26)	30,500.00
57	Airshow	235,889.30	226,000.00	(9,889.30)	(4.38)	226,000.00
58	Aviation Safety Initiatives	57,839.32	109,496.00	51,656.68	47.18	109,496.00
59	Cash (Over)/Short - Bad Debt Expense	65.02	115.00	49.98	43.46	115.00
60	Communications	55,342.87	60,000.00	4,657.13	7.76	60,000.00
61	Conventions, Conferences	47,401.98	55,900.00	8,498.02	15.20	55,900.00
62	County Support	116,895.92	118,000.00	1,104.08	0.94	118,000.00
63	Credit Card Fees & Finance Charges	108,439.18	91,875.00	(16,564.18)	(18.03)	91,875.00
64	Directors' Fees & Expenses	133,398.87	144,000.00	10,601.13	7.36	144,000.00
66	Dues & Subscriptions	27,662.87	22,500.00	(5,162.87)	(22.95)	22,500.00
67	Election Expense	21,688.59	25,000.00	3,311.41	13.25	25,000.00
68	Employee Relations Activities	32,388.52	25,000.00	(7,388.52)	(29.55)	25,000.00
69	Employment Expense	4,054.64	6,239.00	2,184.36	35.01	6,239.00
70	Equipment Rental	22,833.38	48,300.00	25,466.62	52.73	48,300.00
71	Geographic Information System	25,244.40	37,500.00	12,255.60	32.68	37,500.00
72	Grounds Maintenance/Landscaping	10,552.73	17,500.00	6,947.27	39.70	17,500.00
74	Homebasing Incentive	104,793.19	109,376.00	4,582.81	4.19	109,376.00
75	Insurance	101,293.40	127,125.00	25,831.60	20.32	127,125.00
76	Library & Reference Materials	82.14	1,100.00	1,017.86	92.53	1,100.00
77	Office Equipment	95,576.50	125,011.00	29,434.50	23.55	125,011.00
78	Office Supplies	23,184.30	29,000.00	5,815.70	20.05	29,000.00
79	Operating Supplies, Small Tools & Janitorial	183,971.53	134,489.00	(49,482.53)	(36.79)	134,489.00
80	Operations Monitoring Expenses	336,885.79	371,000.00	34,114.21	9.20	371,000.00
81	Permits, Licenses & Fees	12,061.36	26,250.00	14,188.64	54.05	26,250.00
82	Postage, Freight & Delivery	6,804.52	6,350.00	(454.52)	(7.16)	6,350.00
83	Printing, Copying, Publication of Legal Notices	3,224.34	7,500.00	4,275.66	57.01	7,500.00
84	Professional Services			-	-	-
85	Accounting & Auditing	20,431.00	30,000.00	9,569.00	31.90	30,000.00
86	Legal	108,302.94	131,266.00	22,963.06	17.49	131,266.00
87	Computer Support	93,913.79	169,000.00	75,086.21	44.43	169,000.00
88	Other Professional	1,132,411.57	1,233,000.00	100,588.43	8.16	1,233,000.00
89	Engineering	31,482.58	34,750.00	3,267.42	9.40	34,750.00
90	Fiscal Analyst - Sustainability	22,700.00	37,500.00	14,800.00	39.47	37,500.00
91	Public Relations - Outreach			-	-	-
92	Consulting	32,820.51	24,000.00	(8,820.51)	(36.75)	24,000.00
93	Internet, Print, Broadcast & Direct Mail	105,823.65	153,000.00	47,176.35	30.83	153,000.00
94	Events and Programs	30,897.07	29,000.00	(1,897.07)	(6.54)	29,000.00
95	Sponsorships	55,840.00	60,000.00	4,160.00	6.93	60,000.00
96	Community/Agency Partnerships	582,622.50	744,000.00	161,377.50	21.69	744,000.00
97	Pilot Outreach	106,986.05	148,000.00	41,013.95	27.71	148,000.00
98	Promotional Items	12,069.39	25,000.00	12,930.61	51.72	25,000.00
99	Travel	144.08	3,300.00	3,155.92	95.63	3,300.00
100	Utilities	264,908.91	289,450.00	24,541.09	8.48	289,450.00
101	Other (Income) Expense	2,880.89	-	(2,880.89)	-	-
Total Operating, General & Administrative		\$ 4,637,274.72	\$ 5,314,642.00	\$ 677,367.28	12.7	\$ 5,314,642.00

Truckee Tahoe Airport District
Detailed Income Statement Budget Comparison
For the Fifteen Months Ended December 31, 2017

Year to Date

2017 YTD		2017	Budget	Variance	% Favorable (Unfavorable)	Annual Budget
Repairs and Maintenance						
104	Vehicles Expense	\$ 66,201.50	\$ 83,000.00	\$ 16,798.50	20.2	\$ 83,000.00
105	Equipment Expense	83,448.82	83,000.00	(448.82)	(0.54)	83,000.00
106	Airfield Equipment, Lights & Signs	27,826.36	34,300.00	6,473.64	18.87	34,300.00
107	Aviation Safety Equipment	198.95	10,000.00	9,801.05	98.01	10,000.00
108	Unicom Enhancement	-	-	-	-	-
109	Pavement Maintenance	708,486.05	699,999.00	(8,487.05)	(1.21)	699,999.00
110	Airfield - Facility Maintenance	118,398.03	269,001.00	150,602.97	55.99	269,001.00
111	Hangars - Facility Maintenance	180,350.20	446,263.00	265,912.80	59.59	446,263.00
112	Other Business Buildings - Facility Maintenance	156,929.52	67,600.00	(89,329.52)	(132.14)	67,600.00
113	Warehouse - Facility Maintenance	192,650.70	197,200.00	4,549.30	2.31	197,200.00
114	Firefighting & Haz Mat. Response	16,891.94	9,800.00	(7,091.94)	(72.37)	9,800.00
115	Terminal Building - Facility Maintenance	40,150.42	140,500.00	100,349.58	71.42	140,500.00
116	Maintenance Buildings - Facility Maintenance	21,613.04	28,800.00	7,186.96	24.95	28,800.00
117	Land Management	584,098.42	691,300.00	107,201.58	15.51	691,300.00
Total Repairs & Maintenance		\$ 2,197,243.95	\$ 2,760,763.00	\$ 563,519.05	20.4	\$ 2,760,763.00
Net Operating Income (Loss) Before Depreciation						
		\$ (5,515,819.02)	\$ (7,209,851.00)	\$ (787,740.68)	10.9	\$ (7,209,851.00)
119	Depreciation Expense	\$ 2,556,124.21	\$ -	\$ 2,556,124.21	-	\$ -
NET OPERATING INCOME (LOSS)		\$ (8,071,943.23)	\$ (7,209,851.00)	\$ (3,343,864.89)	46.4	\$ (7,209,851.00)
Other Income and (Expense)						
123	Property Tax Revenue	\$ 7,357,834.91	\$ 7,174,000.00	\$ 183,834.91	2.6	\$ 7,174,000.00
124	Other Non-Operating Revenues	1.00	5,000.00	(4,999.00)	(99.98)	5,000.00
125	Operating Grants	615,466.23	1,590,790.00	(975,323.77)	(61.31)	1,590,790.00
126	Gain on Sale/Disposal of equipment	493,873.17	-	493,873.17	-	-
127	Interest Income	111,213.34	68,200.00	43,013.34	63.07	68,200.00
128	Interest Income - Restricted	44,476.28	-	44,476.28	-	-
Total Other Income and (Expense)		\$ 8,622,864.93	\$ 8,837,990.00	\$ (215,125.07)	(2.4)	\$ 8,837,990.00
NET INCOME (LOSS)		\$ 550,921.70	\$ 1,628,139.00	\$ (1,077,217.30)	(66.2)	\$ 1,628,139.00