



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

**AGENDA TITLE: Financial Report, September 30, 2018**  
**MEETING DATE: November 28, 2018**  
**PREPARED BY: Sally Lyon, Director of Finance and Administration**

**Revenues:**

For the nine months ended September 30, 2018, Airside Operating Revenue was 62%, \$1,269,300 over budget on a year to date basis as well as 21%, \$593,500 over the prior year. The Net Airside Revenue, \$1,868,200 (after deducting the Cost of Sales) was 66%, \$741,600 over budget. Hangar Revenues were on budget on a year-to-date basis, Other Business Leasing Revenues were under budget (3%), (\$11,300), and Warehouse Revenues are down (19%), (\$32,300) with vacancies and building upgrades currently underway.

|                         | <b>Gallons sold 100LL</b> | <b>Gallons sold Jet A</b> |
|-------------------------|---------------------------|---------------------------|
| 1/1/18-9/30/18          | 76,298                    | 457,004                   |
| 1/1/17-9/30/17          | 72,067                    | 427,534                   |
| Net Increase/(Decrease) | 4,231                     | 29,470                    |
| % Increase/(Decrease)   | 6%                        | 7%                        |
| <b>100LL</b>            | <b>Revenue</b>            | <b>Net Revenue</b>        |
| 1/1/18-9/30/18          | \$408,797                 | \$90,302                  |
| 1/1/17-9/30/17          | \$364,577                 | \$76,826                  |
| <b>Jet A</b>            |                           |                           |
| 1/1/18-9/30/18          | \$2,141,029               | \$997,651                 |
| 1/1/17-9/30/17          | \$1,755,820               | \$914,331                 |

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

Fuel costs are up from budget by 56%, \$526,200 that corresponds to 76% increased fuel cost compared to prior year. Gross profit on fuel is 49%. Net Airside Revenue is up from budget by \$195,000.

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

Total Payroll & Benefits are (\$161,700), (8%) over budget. The following contributes to this difference:

- Wages, Salaries and Other Compensation is (\$71,300), (8%) over budget. Three payrolls occurred in September, but only two budgeted, creating a timing difference that will correct in November.
- Payroll Taxes, Employee Benefit Insurance, Workers Compensation Insurance and Training and Other are over budget combined by (\$36,100), (5%). See timing issue noted above.

Operating, General and Administrative Expenses are under budget \$692,500, 18% for the nine months ended September 30, 2018. Major variance is in Other Professional, over budget (\$243,000) due to extending the Tower operations. Offsetting that is Community Partnerships, under budget \$862,300 with minimal expenditures so far this year.

Repair & Maintenance expenses were under budget by \$978,400, 68% for the same period. Major variance is in Pavement Maintenance, with a lack of projects, Hangar Maintenance and Land Management.

Other Income and Expense is over budget \$122,400, 2% compared to budget primarily due to operating grant revenue down offset by higher property tax revenue.

Net Income is \$2,794,500. This is a positive variance of \$2,334,900 from the budget, but tracks similar to prior year.

### **The hangar waitlist as of 08/10/18 is:**

- 42 on the executive hangar waitlist made up of 27 new tenants & 15 transfer list tenants looking for executive-size hangars.
- 51 on the T-Hangar waitlist, 21 for "super T's" (44' doors or larger), 30 for regular T-Hangars, 1 Helicopter.
- 4 non-aero end caps (we are no longer renting T-hangars for non-aero usage with 100% occupancy).

Sales and operations continue to be very strong through September. Construction on the executive hangars is nearly complete. In September, some special events brought in additional revenue.

## 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                                | 74%                                       | \$46,380                                   | ACAT has not had any major expenditures yet this year.  |
| Access Control                      | 72%                                       | \$16,439                                   | Minimal expenditures thus far.  |
| Airshow                             | (76%)                                     | (\$113,392)                                | Included in the Airshow expenses are some permanent airfield improvements that could be reclassified to maintenance.  |
| Aviation Safety Initiatives         | 44%                                       | \$35,942                                   | The main expenditure is the airspace study, currently in process.   |
| Conventions, Conferences            | (35%)                                     | (\$11,942)                                 | More expenditure than anticipated.  |
| County Support                      | 15%                                       | \$17,605                                   | This is total fees for the year.  |
| Credit Card Fees                    | (31%)                                     | (\$19,852)                                 | This corresponds to increased airside sales.  |
| Directors' Fees and Expenses        | 22%                                       | \$18,338                                   | Timing differences of expenditures.   |
| Office Equipment                    | 54%                                       | \$32,533                                   | Timing differences of expenditures. Server purchase in October.   |
| Operating Supplies                  | (51%)                                     | (\$45,703)                                 | Over budget due to WOB CAM expenditures. There is a CAM reimbursement coming from Clear Capital and the CAM rate has been increased this year to make up the shortfall. |
| Operations Monitoring Expenses      | 22%                                       | \$36,143                                   | Timing differences of expenditures. Vector expenditure in October.  |
| Professional-Accounting             | 36%                                       | \$11,350                                   | Less expenditures than anticipated, Single Audit not needed.  |
| Professional-Legal                  | 29%                                       | \$22,456                                   | Less expenditures than anticipated.   |

| <b>Detailed Income Statement Line Item</b> | <b>% Variance Favorable (Unfavorable) Budget</b> | <b>\$ Variance Favorable (Unfavorable) Budget</b> | <b>Explanation</b>   |
|--|--|---|--|
| Other Professional                         | (41%)  | (\$242,956)                                       | Over budget due to extending tower operations. Included year to date: Airport Artwork \$6,000, Non-Aero Land Use \$1,400, Economic Impact Study \$39,800 (this expense is a carryover from prior year), Tower staffing and upgrades \$720,900, Lobbying \$30,700, Airspace Study \$18,000, GHG reduction \$14,600, Admin building study \$6,500 various other \$1,000.                       |
| Engineering                                | (73%)  | (\$19,272)  | Higher than anticipated costs.   |
| Fiscal Analyst-Sustainability              | (55%)  | (\$12,384)  | This includes expenditures of \$17,000 that will be reimbursed by the Town of Truckee before year-end on site planning.  |
| Internet, Print, Broadcast & Direct Mail   | 23%  | \$21,540  | Timing differences on expenditures.  |
| Community/Agency Partnerships              | 66%  | \$862,304   | Included year to date: Gateway Mountain Center \$75,000, Hwy 267 TART services \$62,000, Zagster \$29,200 (\$9,000 to reimbursed from Tahoe Forest Hosp.), TTCF Housing Council \$50,000, North Tahoe PUD trail project \$160,000, Lazzando Housing \$60,000, Truckee Chamber of Commerce-Truckee Tomorrow \$10,000, Boys and Girls Club \$40,000, TNT-TMA North Lake Tahoe Express \$3,600. |
| Utilities                                  | 10%  | \$11,771  | Timing differences of expenditures.  |
| Equipment Expense                          | 53%  | \$19,875  | Timing differences of expenditures.  |
| Pavement Maintenance                       | 95%  | \$604,529   | Minimal expenditures thus far, more to come as construction begins in October on ACIP projects.  |

|                                |        |            |  |
|--------------------------------|--------|------------|--|
| Hangar-Facility Maintenance    | 83%    | \$210,393  | Minor hangar repairs so far this year. Some door repair is currently occurring. Roof repairs were anticipated to have been deferred to 2019. |
| OBL-Facility Maintenance       | (299%) | (\$17,925) | Expenditures for WOB maintenance, higher than anticipated. WOB cam has been increased by \$.04 per square ft.                                |
| Warehouse-Facility Maintenance | 52%    | \$48,290   | Timing differences of expenditures, warehouse upgrades underway.   |
| Land Management                | 50%    | \$139,317  | Timing differences of expenditures, land management expenses underway.   |

If you have any questions, please don't hesitate to call me (530) 587-7692.