



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

**AGENDA TITLE: Annual Financial Report for Year End December 31, 2018**

**MEETING DATE: March 27, 2019**

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

Last month staff presented the draft year-end financial statements. As the Audit field work is complete and final entries made, staff would like to present an updated December 31, 2018 year-end financial statements in the standard monthly format.

**Revenues:**

For the twelve months ended December 31, 2018, Airside Operating Revenue was 57%, \$1,467,200 over budget on a year to date basis as well as 20%, \$668,400 over the prior year. The Net Airside Revenue, \$2,226,200 (after deducting the Cost of Sales) was 61%, \$847,000 over budget. Hangar Revenues were on budget on a year-to-date basis, Other Business Leasing Revenues were under budget (6%), (\$35,800), and Warehouse Revenues are down (18%), (\$40,700) with vacancies.

	<b>Gallons sold 100LL</b>	<b>Gallons sold Jet A</b>
1/1/18-12/31/18	99,812	554,756
1/1/17-12/31/17	91,020	516,465
Net Increase/(Decrease)	8,792	38,291
% Increase/(Decrease)	10%	7%
<b>100LL</b>	<b>Revenue</b>	<b>Net Revenue</b>
1/1/18-12/31/18	\$520,303	\$113,799
1/1/17-12/31/17	\$465,516	\$98,684
<b>Jet A</b>		
1/1/18-12/31/18	\$2,593,020	\$1,196,976
1/1/17-12/31/17	\$2,131,333	\$1,076,440

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

Fuel costs are up from budget by 52%, \$618,900 that corresponds to higher fuel costs during the busy summer months compared to prior year. Gross profit on fuel is 52%. Net Airside Revenue is up from budget by \$288,200.

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

Total Payroll & Benefits are (\$229,559), (8%) over budget. The following contributes to this difference:

- Wages, Salaries and Other Compensation is (\$84,800), (4%) over budget.
- Payroll Taxes, Employee Benefit Insurance, Workers Compensation Insurance and Training and Other are over budget combined by (\$229,600), (8%). The year-end adjustment for GASB 68 for CalPERS liability has increased the PERS contribution expense.

Operating, General and Administrative Expenses are under budget \$696,600, 13% for the twelve months ended December 31, 2018. Major variance is in Other Professional, over budget (\$398,500) due to extending the Tower operations. Offsetting that is Community Partnerships, under budget \$1,178,600.

Repair & Maintenance expenses were under budget by \$884,300, 46% for the same period. Major variance is in Pavement Maintenance, with a lack of FAA projects for 2018, Hangar Maintenance and Land Management.

Other Income and Expense is over budget \$70,200, 1% compared to budget primarily due to operating grant revenue down and loss on disposal of equipment offset by higher property tax revenue.

Net Income is \$286,300. This is a negative variance of (\$70,200) from the budget, but is a positive variance of \$554,400 to prior year.

### **The hangar waitlist as of 02/20/19 is:**

- 36 on the executive hangar waitlist made up of 23 new tenants & 13 transfer list tenants looking for executive-size hangars. This is a decrease in the waitlist as TTAD finalizes leases and new tenants occupy the new Executive Hangars.
- 56 on the T-Hangar waitlist, 24 for “super T’s” (44’ doors or larger), 32 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).

## 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	41%	\$34,116	ACAT has had one major program expenditures assisting in the purchase of 50% towards a glider for Soar Truckee.
Access Control	48%	\$14,490	Minimal expenditures thus far.
Airshow	(17%)	(\$38,872)	Included in the Airshow expenses are some permanent airfield improvements that could be reclassified to maintenance.
Aviation Safety Initiatives	16%	\$17,736	The main expenditure is the airspace study, currently in process.
Conventions, Conferences	(39%)	(\$17,731)	More expenditure than anticipated.
County Support	15%	\$17,605	This is total fees for the year.
Credit Card Fees	(17%)	(\$15,202)	This corresponds to increased airside sales.
Directors' Fees and Expenses	20%	\$21,612	Timing differences of expenditures.
Election Expense	(100%)	(\$11,968)	Oversight on adding this expense to the budget.
Operating Supplies	(63%)	(\$75,575)	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	(23%)	(\$51,742)	There was some additional expenditure for site and design of ADS-B.
Professional-Accounting	36%	\$11,350	Less expenditures than anticipated, Single Audit not needed.
Professional-Legal	25%	\$26,681	Less expenditures than anticipated.

Detailed Income Statement Line Item	% Variance Favorable (Unfavorable) Budget	\$ Variance Favorable (Unfavorable) Budget	Explanation
Other Professional	(50%)	(\$398,491)	Over budget due to extending tower operations. Included year to date: Airport Artwork \$7,500, Non-Aero Land Use \$1,400, Economic Impact Study \$39,800 (this expense is a carryover from prior year), Tower staffing and upgrades \$856,000, Lobbying \$48,000, Airspace Study \$18,000, GHG reduction \$22,000, Admin building study \$8,000, Hangar 2 design \$169,000, ADS-B site and design \$24,000, and other \$28,000.
Engineering	(122%)	(\$42,629)	Higher than anticipated costs.
Public Relations-Outreach	(105%)	(\$23,023)	There is overlap on these items and coding to the line items is easily mis-classed in these Public Relations categories. We are working on a better method to code these for CY2019
Internet, Print, Broadcast & Direct Mail	37%	\$45,633	
Events and Programs	(66%)	(\$16,436)	
Community/Agency Partnerships	67%	\$1,179,550	Included year to date: Gateway Mountain Center \$125,000, Hwy 267 TART services \$62,000, Zagster \$20,000, 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, Westshoe Tahoe 24 mile trail environmental study \$30,000, RASC membership TNT/TMA \$10,000.
Promotional Items	70%	\$13,893	Less expenditures than anticipated.
Utilities	13%	\$29,957	Less expenditures than anticipated.

Aviation Equipment	(96%)	(\$24,090)	Higher than anticipated cost on fuel farm.
Pavement Maintenance	69%	\$586,636	Some engineering work last fall on ACIP projects for 2019 and crack fill project or several hangar rows.
Hangar-Facility Maintenance	61%	\$204,594	Minor hangar repairs this year. Some door repair was completed. Roof repairs were anticipated and have been deferred to 2019.
OBL-Facility Maintenance	(249%)	(\$19,902)	Expenditures for WOB maintenance, higher than anticipated. WOB cam has been increased by \$.04 per square ft.
Warehouse-Facility Maintenance	(43%)	(\$54,054)	Warehouse upgrades are higher than anticipated.
Land Management	55%	\$202,005	Expenditures for land management less than anticipated.

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