

MEMO:

To: Board of Directors and Staff
From: Jane Dykstra
Subject: Financial Report
Date: August 14, 2013

Fiscal year-to-date fuel sales, in gallons, through August 13, 2013 versus the prior year are as follows (remember that RWY 11-29 was closed beginning July 9th in the prior year, and that affected fuel sales):

		Gallons Sold		Increase (Decrease)
		10/1/12 - 8/13/13	10/1/11 - 8/13/12	
Fuel Sales	100LL	68,872	70,664	(1,792)
	JetA	186,844	130,293	56,551

As the District budgeted selling 199,000 gallons of Jet A for the entire fiscal year, and that number appears to be achievable based on current sales, Management decided to experiment with the margin charged per gallon of JetA in an attempt to determine the effect of sales price on sales volume. Effective August 2, 2013, the margin on JetA was dropped to allow us to offer a regionally competitive JetA price, in lieu of always being the region high. The timing of this information is key, in that the District is contemplating selling contract fuel when the new contract with Avfuel begins October 2, 2013. Data gathered will be used to set margins (which can be different) for both contract fuel customers and regular JetA customers.

We received the final property tax payment from Placer County for the 2012-2013 property tax year on August 9th in the amount of \$138,723 – making the total current taxes received from Placer County \$2,829,577. The original amount estimated by Placer County was \$2,843,833 and the District accrued revenues throughout the year based on the County’s estimate less an allowance of 1% (total amount accrued was \$2,815,395). In the July 2013 general ledger there will be an adjustment to bring the Placer County property taxes recorded up to the actual amount received – an additional \$14,182 in revenues.

In addition to current taxes, the District received RDA trust funds and other RDA pass-throughs (from both Counties) related to the dissolution of the RDAs amounting to \$202,012. This is not a recurring funding source, and will not be treated as such in the upcoming FY2014 budget. The budget will include only the property tax proceeds based on the valuations of property within the District – as reported by each of the Counties. The total current property taxes from the two counties for the tax year July 2012 – June 2013 amounted to \$4,324,953, net of RDA funds (versus the \$4,218,692 for the prior tax year, an increase of 2.5%). Nevada County made up 35% and Placer County 65% of the total (representing a 1% movement towards Nevada County).

	2012-2013 Tax Year				Estimate for 2013-2014
	Estimated Revenues by the County	Actual Tax Receipts	Percentage Received	Percentage of Total	
Nevada County	\$ 1,468,848	\$ 1,495,376	101.81%	35%	\$ 1,500,000
Placer County	\$ 2,843,833	\$ 2,829,577	99.50%	65%	\$ 2,860,000
Total	\$ 4,312,681	\$ 4,324,953	100.28%	100%	\$ 4,360,000

Beginning with July 2013, property taxes are being accrued based on as estimate of \$1,500,000 (Nevada) and \$2,860,000 (Placer) for the 2013-14 tax year. That equates to a 1.0% increase from the actual amount received (in total) and includes an allowance of 1.0% for both counties. The estimates were based on the Assessed Valuations from both counties, and the detail is summarized below.

	Placer County	Nevada County	Total
2013/2014 Valuation	\$ 10,295,476,992	\$ 5,404,355,170	\$ 15,699,832,162
2012/2013 Valuation	\$ 9,938,395,315	\$ 5,326,453,257	\$ 15,264,848,572
Increase (Decrease) from Prior Year	\$ 357,081,677	\$ 77,901,913	\$ 434,983,590
As a Percentage	3.5%	1.4%	2.85%

Detail history of the valuations is provided in the attached chart.

There has been some realignment of the duties related to the District Clerk and Accounting Clerk positions. With the Accounting Clerk out since early January on a leave of absence, the traditional duties have been completed by the District Clerk and the Director of Finance, with an Administrative Clerk from a temporary agency filling in to complete many of the District Clerk's duties. As the new arrangement has worked well, and as the timing of the Accounting Clerk's return-to-work date and possible restrictions are unknown, Management has elected to bring to the Board in September a change to the District's organizational structure that will solidify the new arrangement. The District Clerk, with the newly assigned accounting duties and board meeting management, will report directly to the Director of Finance and Administration. The Accounting Clerk position (currently a 32 hour a week position) will be replaced by an Administrative Clerk – also at 32 hours per week. When the current Accounting Clerk returns from her leave of absence, she will have the option to fill the Administrative Clerk position. The duties assigned to the Administrative Clerk are much more flexible in nature and more suited to a 32 hour work week. The Administrative Clerk will also report to the Director of Finance, but will be available to help the District Clerk as needed.

The Public Officials and Employment Practices Liability coverage has been renewed for the period from August 15, 2013 – August 15, 2014. The premium increase over the prior year amounted to \$1,550 – related to the District's increased revenues.

In the August 1st billing T-hangar tenants were noticed that the Board had voted to suspend the CPI adjustment allowed by the hangar lease contract. At the same time, box hangar tenants were informed of their new CPI adjusted rates which become effective September 1, 2013. The box hangar tenants were also informed of a \$2 per month decrease to their electricity surcharge. The new rates will be used in the upcoming budget.

The Budget Workshop will be held on Monday, September 16th at 1:00 PM. My goal is to have the draft of the budget prepared by Friday, September 6, 2013.

If you have any questions, you can contact me on my direct line 530-587-7692.

Truckee Tahoe Airport District
Finance Report
August 22, 2013 Meeting

