

# MEMO:

To: Board of Directors and Staff  
From: Jane Dykstra  
Subject: Financial Report  
Date: October 18, 2012

The Financial Statements for the month of September 2012 will not be completed prior to the October meeting of the Board of Directors. The financial statements will be finalized during the week of October 29th, and the auditors will begin their field work the week of November 5<sup>th</sup>; they are planning to make a presentation on the results of the audit at the November 29, 2012 meeting.

For the fiscal year ended September 30, 2012 gallons sold of 100LL fuel were down 3.5% (6,763 gallons) from the prior year (upon which the budget was based). Despite that shortfall, the net revenues attributable to 100LL sales are slightly ahead of budget (\$6,852, or 14.5%) due to the change in the pricing structure related to full service fuel.

The District sold 42,095 fewer gallons of JetA than in the prior fiscal year – a 22% decrease. The decrease is related to the runway closure, which had been anticipated in the budget (through the end of June sales of JetA were ahead of budget). Staff estimated that during the time RWY10/28 was closed for reconstruction, JetA sales would be half of what they had been during the same timeframe in the prior fiscal year. The runway closed July 9th and remained closed until September 27<sup>th</sup> – approximately a twelve week period. During that timeframe in the prior fiscal year the District sold 96,702 gallons of JetA, compared to 50,856 in the current year (a decrease of 45,846 gallons or 47%) – so the runway closure's estimated effect on sales was accurate. At the time the FY2012 budget was prepared, staff was estimating the construction period to be 6.5 weeks – as opposed to the 12 the project actually took – and the budgeted impact on gallons sold was a decrease of 26,000 – as opposed to the actual decrease over that period of 45,846 gallons. For the fiscal year, JetA net revenues are below budget by approximately \$22,000, or 5%.

Other Airside Revenues (excluding fuel) exceed budgeted amounts by a net of \$38,000, or 15%. Hangar Revenues were below budget by \$17,500 (5%) due to both an increase in vacancies and the rental credits given to tenants who were impacted by the construction in Rows D, E, F, J and K. Other Business revenues were down by \$19,000, \$12,000 of which are related to Hangar 1 being vacant for five months and the balance due to lower concession revenues from Hertz. Warehouse revenues were \$3,217 (1%) above the amount budgeted.

A full variance analysis of fiscal 2012 amounts will be included in the package for the November 29, 2012 meeting.

I have completed the application for the District's airport liability insurance which is up for renewal on January 15, 2013. Proposals will be reviewed by staff and brought to the board at the November 29, 2012 meeting.

I have also attached an updated version of the top sales dates from May 1997 through the end of the fiscal year.

If you have any questions, please contact me.