MEMO:

To: Board of Directors and Staff
From: Jane Dykstra
Subject: Financial Report
Date: March 13, 2012

The following is a summary of fuel sales for the month of February:

Fuel Sales

	February 2012	February 2011	FYTD 11-12	FYTD 10-11	FYTD 11-12 Budget
100 LL - Gallons	5,733	5,684	28,213	29,723	
100 LL – Revenues	$30,281	$27,466	$150,709	$133,300	$130,921
100LL – Net Revenues	$3,628	$2,713	$15,861	$13,772	$12,200
Gross Margin Percentage			10.5%	10.3%	9.3%
JET A - Gallons	11,982	11,907	48,310	49,574	
JET A - Revenues	$70,266	$65,511	$286,188	$259,781	$234,736
JET A – Net Revenues	$29,865	$29,858	$121,324	$122,269	$98,543
Gross Margin Percentage			42.4%	47.1%	42.0%

Gallons of fuel sold in February 2012 approximated those of February 2011. On a year-to-date basis, gallons of 100LL sold are 5% below the prior year and gallons of JetA are 2.5% below the prior year.

Total Revenues are 7% ahead of budget ($78,053) for the first five months of the fiscal year. Operating, General and Administrative Expenses are 22% below budget, and Repair and Maintenance Expenses are 40% below budget on a year-to-date basis. Detail of significant variances to budgeted expense amounts will be reviewed by staff and presented to the board in conjunction with the March 2012 financial statements at the April meeting.

The changes to the fee schedule went into effect January 16, 2012. In the period from January 16 – March 12, the District had 52 100LL truck rolls – with only two of them being charged the (newly reduced) $15 fee. The other fifty were waived as the customer purchased at least the minimum 20 gallons required to waive the fee. Those “full service” purchases were at a markup of $0.55 more than the self serve price. The 2,283 gallons of “full serve” 100LL fuel sold (average of 44 gallons per roll) resulted in an additional $1,257 in fuel revenues due to the markup differential, which would be offset by a decrease of $1,000 in roll revenues (the old roll rate of $20 x the 50 events).

I am in the process of separating the costs of the administration building into various fixed assets. I will be working with Peter and management as the final invoices for the building come through to determine proper asset classifications and useful lives. A review of the fixed asset records shows that the old building had a capitalized cost of $535,071 – including the various improvements over the years. The largest remodel of the building occurred in 1998 at a cost of $219,523 – as that remodel work was given a 20 year life, there is a net book value of $64,609 that will be written off in conjunction with the retirement of the asset – all other costs were fully depreciated. The modular office space still has a book value of $38,523 – but as that is to be repurposed by the District, it will not be written off at this time. Dependent on the new use found for the building the net book value and useful life may be adjusted.

If you have any questions, please contact me at 587-7692.