

MEMO:

To: Board of Directors and Staff
From: Jane Dykstra
Subject: Financial Report
Date: September 20, 2013

The revision to the employee handbook through the Paychex HR services department is complete and awaiting printing. Having the handbook in their format, it will be updated each year to reflect any required legal modifications. The District has the ability to make any changes as needed.

The new fuel provider contract is set to start October 1. I have been dealing with their business services office regarding insurance, banking and credit information. We have not yet tested the ability of our current point of sale system to process sales through their system; however, the Avfuel rep has assured us the process will proceed smoothly. I will update you next month.

The Airside Revenues through August (the first eleven months of the fiscal year), exceed the budgeted amount by \$274,926, or 16%. When the cost of the products is deducted, the actual gross margin exceeds the budgeted amount by \$129,458 - which also equals 16%. The "experimental" pricing of JetA has been in effect since August 2nd. When the September operations results are analyzed, there will be discussion of the effect the lower JetA price had on sales.

Operating, General and Administrative Expenses are 9% (\$183,354) below the amount budgeted for the first eleven months of the fiscal year. The largest *over* budget variances are in the ACAT and Other Professional Fees lines – both areas that the Board approved additional funding. The ACAT overage represents the additional consultant work and the overage in Other Professional Fees represents the increase in outreach related to the master plan meetings and the lease management software demo. The amounts over budget to date are \$25,050 and \$37,285, respectively. Note that the cost of the transponders installed in the Soar Truckee gliders was reclassified as an "Aviation Safety Initiative," and the financials now show that line item at \$19,290 out of the \$25,000 budgeted.

The largest variances in Operating, General and Administrative Expenses on the other side (line items under-spent) are:

- The Directors' Fees and Board Meeting Expenses (\$32,164) – primarily related to the cost of broadcasting the meetings not being as high as expected, but also due to the lack of an offsite meeting and Directors' insurance being slightly under budget;
- Operations Monitoring Expenses (\$37,055) – due to budgeting for Air Traffic Control Certification (which has not occurred) and the FAA Facility Transmitting Authorization Process (which has only had slight expenditures to date – more included for the next fiscal year);

- Public Relations Outreach (\$93,487) – due to the timing of the website and “app” development - work currently in process.
- Utilities (\$26,858) – estimating of utilities was difficult due to the short amount of time in the new building at the time the prior year budget was prepared.

Repair and Maintenance Expenses are under the budgeted amount for the first eleven months of the year by a substantial amount (\$649,667), but that is due to the timing of the pavement maintenance project. The District has made the first payment to Sierra Nevada Construction for the pavement maintenance work. If the project is not completed by the end of the fiscal year, the expenses will be reflected in the next year's numbers.

The grant documents for the pavement work were signed and submitted, and I am working with the FAA to make the first draw down on the grant.

The September financial statements will not be prepared for the October meeting, as I will await the completion of the audit to perform the detail analysis and publish the numbers. The auditors are scheduled to be here the 13th and 14th of November. If you have any questions on how we are doing compared to the budget in a specific area, do not hesitate to contact me.