



# Truckee Tahoe Airport District

## Quarterly Operating Review

### Quarter and Twelve Months Ended September 30, 2014



This Quarterly Operating Revenue Review intends to provide quarter-over-quarter and twelve month-over-twelve month review of operating revenue and gross margin data, detail and analysis utilizing operations and other data as a metrics against which to capture and analyze FBO revenue and gross margin information. The attached report is for the quarter and twelve months ended September 30, 2014. Going forward, it is intended that this report will be provided at the regular board meeting of the second month of each calendar quarter.

You will notice that the attached Quarterly Operating Revenue Report has been updated and revised in format to be more graphical in nature and to gain consistency with the Quarterly Community Comments and Operations Report. We ask for your feedback on the revised format and presentation of both reports. While containing certain operations information, this Quarterly Operating Revenue Report is not the Quarterly Community Comments and Operations Report which is presented at the regular board meeting during the first month of each calendar quarter.

Please also note that this Quarterly Operating Revenue Report is not intended to be a full review of the financial statements and is not intended to be a budget to actual comparison.

#### **'Top 5' for the quarter and fiscal year ended September 30, 2014**

- 5) **Jet A Fuel Contribution** – Jet A fuel sales represent 65.26% of total FBO revenue and 58.93% of total FBO gross margin for the fiscal year 2014, up from 60.71% and 52.96%, respectively for the fiscal year 2013.
- 4) **Jet A Fuel Consumption** – Jet A fuel consumption increased by 61,600 gallons or 24.90% from fiscal year 2014 (309,000 gallons) to fiscal year 2013 (247,400 gallons). Sales events increased by 12.50% and average uplift increased 11.03%.
- 3) **Jet A Gross Margin** – Jet A fuel gross margin increased by \$132,000 or 24.53% for fiscal 2014 from a combination of greater volume (gallons), greater average uptake (gallons/sale), relatively flat gross margin per gallon
- 2) **Total FBO – Revenue** – Total FBO revenue increased by \$315,000 or 13.74% from fiscal 2013 (\$2,291,000) to fiscal 2014 (\$2,606,000) primarily as a result of a \$310,000 increase in Jet A Fuel Revenue.
- 1) **Total FBO – Gross Margin** – Total FBO gross margin increased by \$121,000 or 11.92% from fiscal 2013 (\$1,015,000) to fiscal 2014 (\$1,136,000) primarily as a result of \$132,000 increased in Jet A fuel gross margin.

#### **Things to Watch**

Staff and financial analyst have reviewed and discussed draft fuel margin sensitivity tables and believe further review and fuel pricing adjustments may assist in better maximizing fuel sale gross margins. However, lowering oil prices and the resulting lowering fuel cost may actually have a negative impact on FBO gross margin as lower cost create pressure on flat rate gross margins (i.e., difficult to maintain \$2.17 margin as fuel cost drops from \$3.34 to say \$2.00).

Staff and analyst have begun to look at the 'capture rate' (sales event/operation) as a potential area of emphasis and will look to focus on how to capture more sales events as a percentage of operations while maintaining and/or increasing revenue and gross margin per sales event as a way to maximize both gross revenue and gross margins from current operation levels.

The Quarterly Operating Revenue Report for the quarter and twelve months ended December 30, 2014, will be provided for the February 2014 Regular Board Meeting.



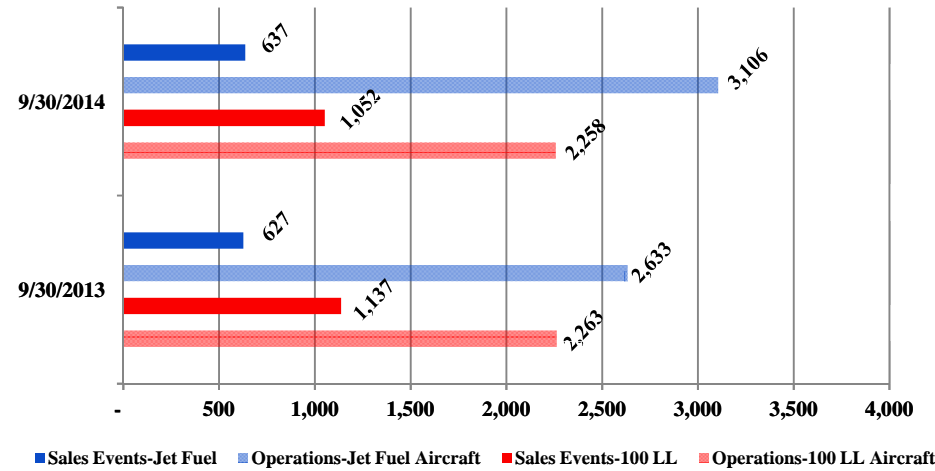
# TRUCKEE TAHOE AIRPORT DISTRICT

## Quarterly Operating Review

### Quarter and Twelve Months ended September 30, 2014

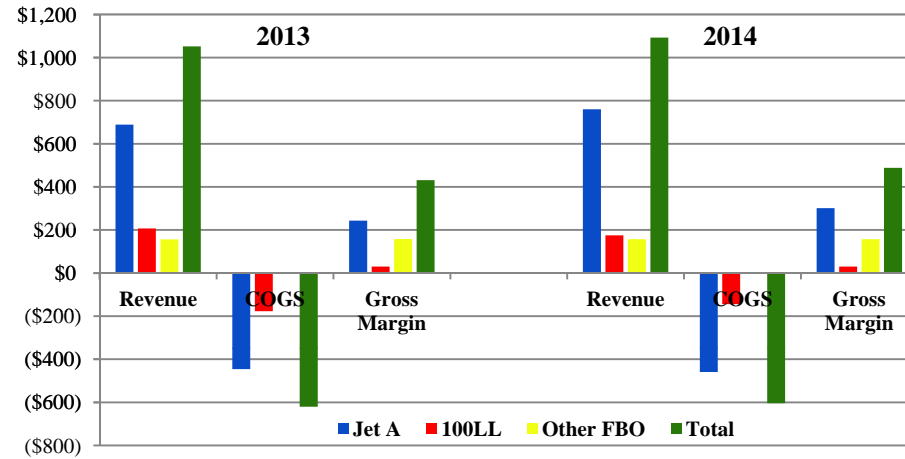


**Quarter | Sales Events:Operations**  
For the Quarters Ended September 30, 2013 & 2014



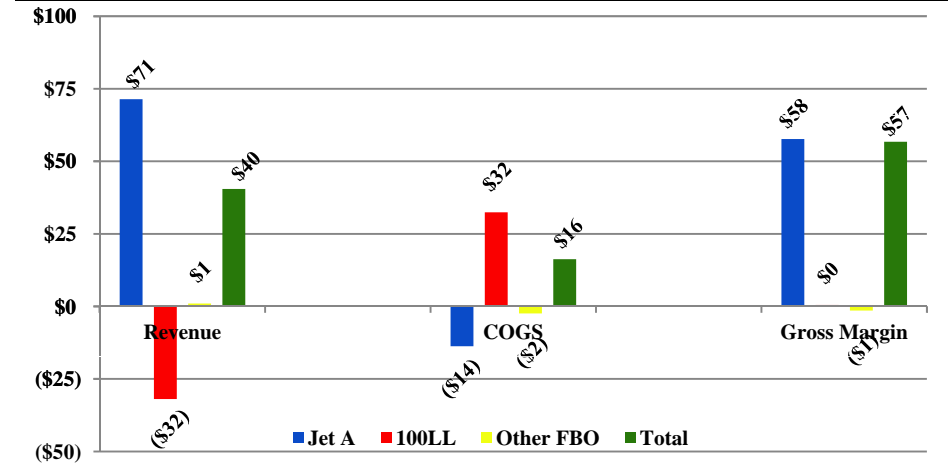
2013		2014	
Jet Fuel Capture	23.81%	Jet Fuel Capture	20.51%
100LL Capture	50.24%	100LL Capture	46.59%

**Quarter | FBO - Results (in thousands)**  
For the Quarters Ended September 30, 2013 & 2014



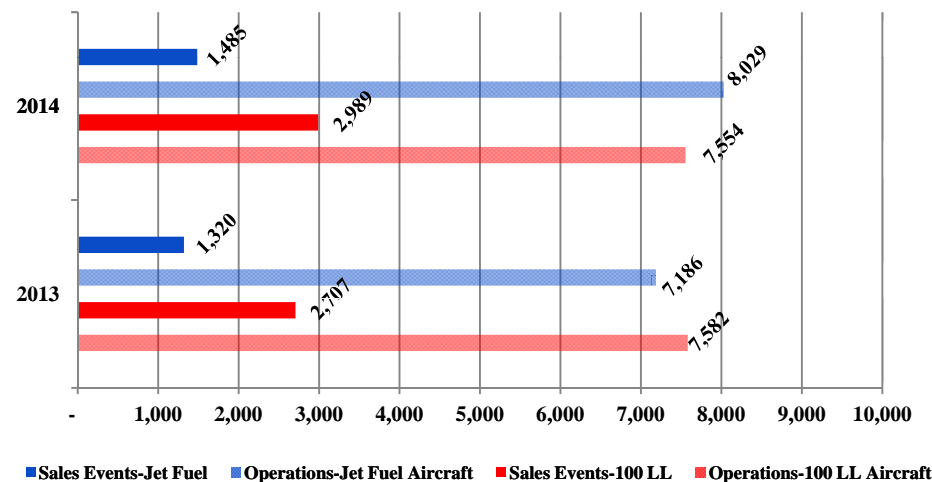
2013		2014	
Current Revenue	\$1,092,000	Current Margin	\$488,000
Prior Revenue	\$1,052,000	Prior Margin	\$431,000

**Quarter | FBO Results - Variance (in thousands)**  
For the Quarters Ended September 30, 2013 & 2014



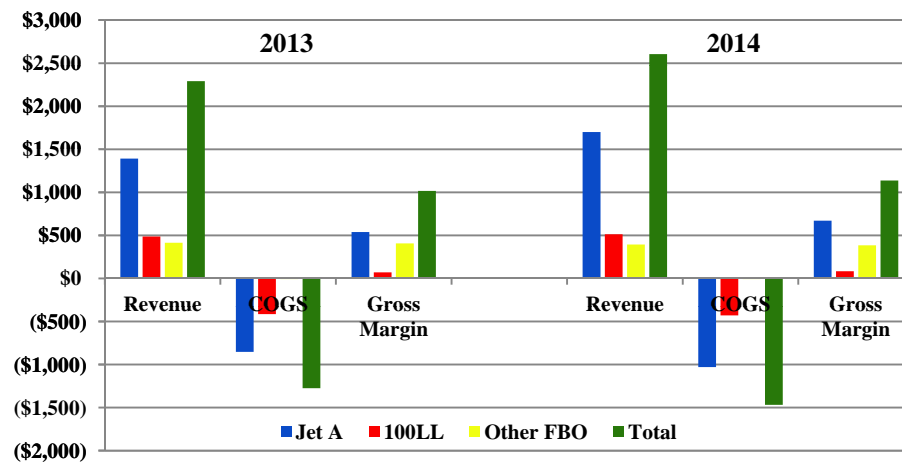
Revenue Variance	\$40,000	3.80%
Margin Variance	\$57,000	13.23%

**Fiscal Year | Sales Events:Operations**  
For the Fiscal Years Ended September 30, 2013 & 2014



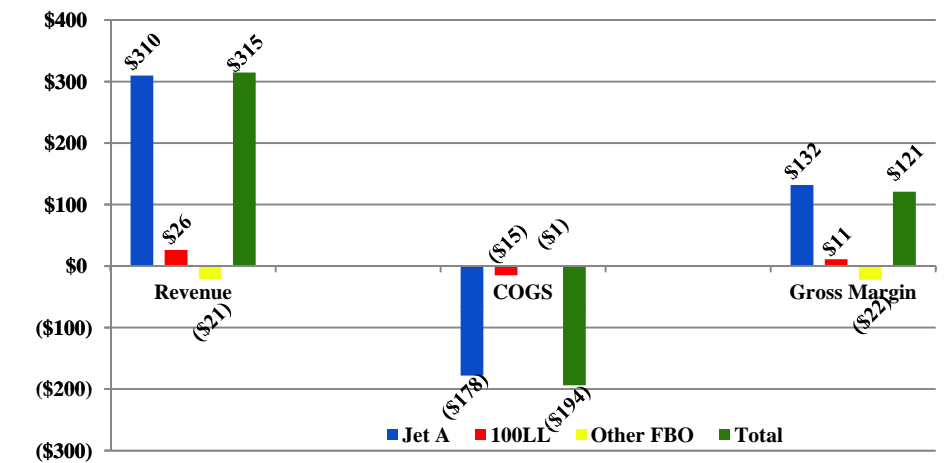
2013		2014	
Jet Fuel Capture	18.37%	Jet Fuel Capture	18.50%
100LL Capture	35.70%	100LL Capture	39.57%

**Fiscal Year | FBO - Results (in thousands)**  
For the Fiscal Years Ended September 30, 2013 & 2014



2013		2014	
Current Revenue	\$2,606,000	Current Margin	\$1,136,000
Prior Revenue	\$2,291,000	Prior Margin	\$1,015,000

**Fiscal Year | FBO Results - Variance (in thousands)**  
For the Fiscal Years Ended September 30, 2013 & 2014



Revenue Variance	\$315,000	13.75%
Margin Variance	\$121,000	11.92%



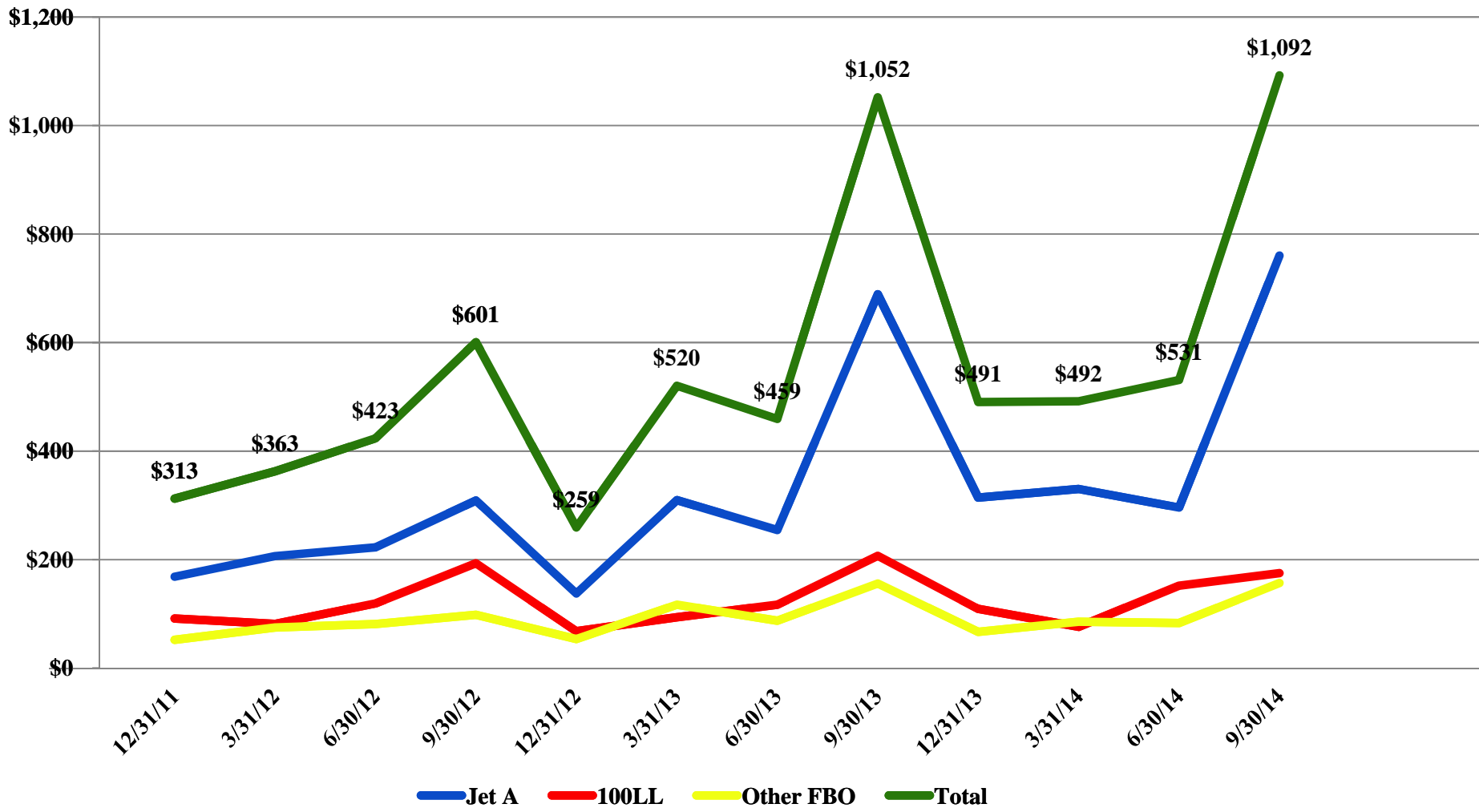
# TRUCKEE TAHOE AIRPORT DISTRICT

## Quarterly Operating Review

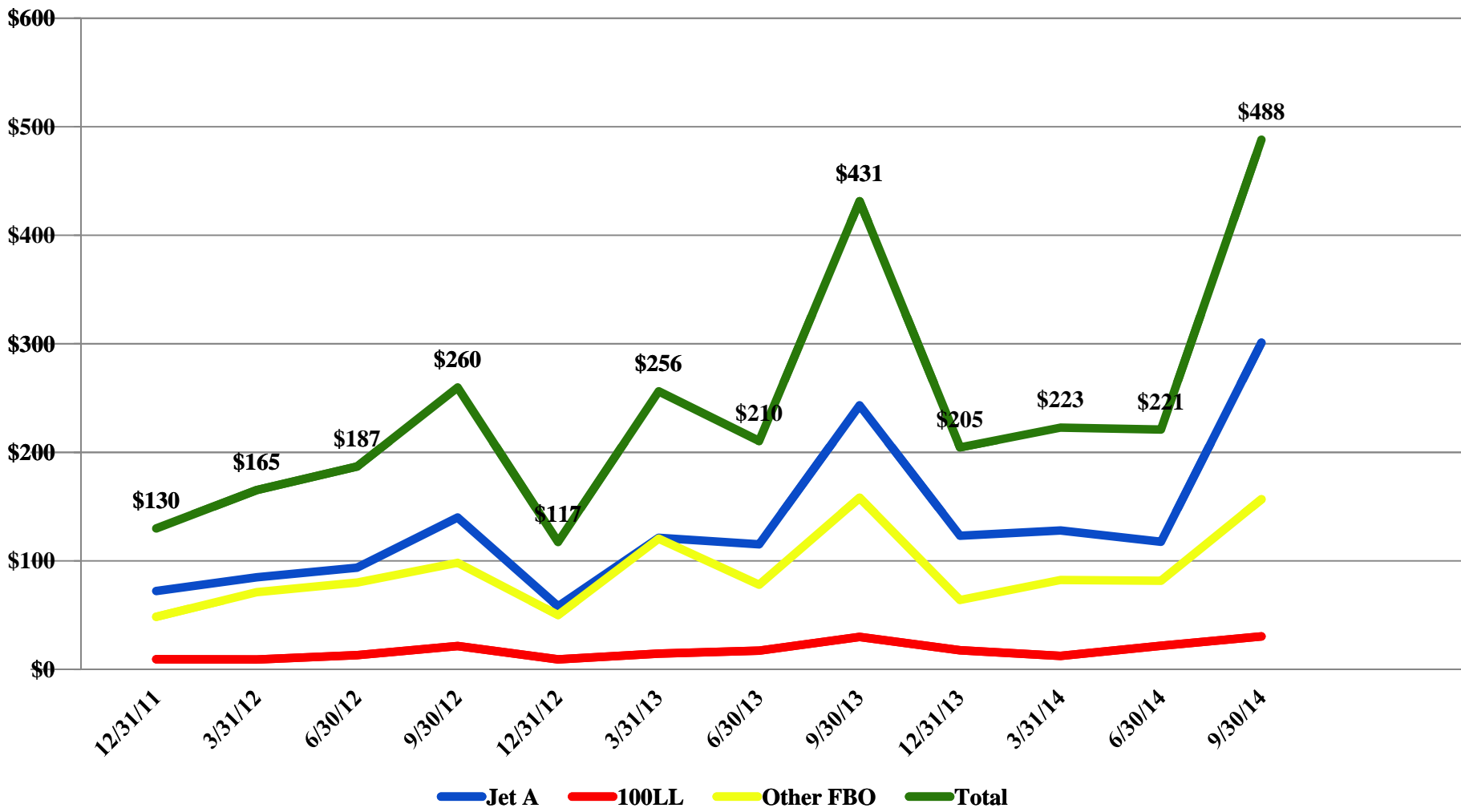
### Quarter and Twelve Months ended September 30, 2014



Quarterly History - FBO Revenue (in thousands)  
From October 1, 2011 through September 30, 2014



Quarterly History - FBO Gross Margin (in thousands)  
From October 1, 2011 through September 30, 2014



**Truckee Tahoe Airport District  
Operating Results w/Event Detail  
as of 9/30/2014**

	2013				2014				Favorable/ (Unfavorable)		Fiscal Year to Date				Notes
	Jul	Aug	Sep	Total	Jul	Aug	Sep	Total			2013	2014	difference	%	
<b>Operating Results</b>															
<b>Total FBO</b>															
Revenue - Fuel	334,511	365,528	195,944	895,983	353,112	375,228	207,115	935,455	39,472	4.41%	1,877,005	2,212,978	335,972	17.90%	
Revenue - Other	64,881	56,430	34,695	156,007	60,817	55,241	40,933	156,992	985	0.63%	413,989	392,808	(21,181)	-5.12%	
Total FBO - Revenue	399,393	421,958	230,639	1,051,989	413,929	430,469	248,048	1,092,446	40,457	3.85%	2,290,995	2,605,786	314,791	13.74%	
Cost of Goods Sold - Fuel	(211,071)	(267,256)	(144,447)	(622,774)	(226,574)	(240,196)	(137,288)	(604,058)	18,716	-3.01%	(1,268,279)	(1,461,182)	(192,903)	15.21%	
Cost of Goods Sold - Other	1,775	714	(344)	2,144	(1,076)	573	227	(276)	(2,421)	-112.88%	(7,320)	(8,192)	(872)	11.92%	
Total FBO - COGS	(209,296)	(266,542)	(144,792)	(620,629)	(227,650)	(239,623)	(137,061)	(604,334)	16,295	-2.63%	(1,275,599)	(1,469,374)	(193,775)	15.19%	
Total FBO - Gross Margin	190,097	155,416	85,847	431,360	186,279	190,846	110,987	488,112	56,752	13.16%	1,015,395	1,136,411	121,016	11.92%	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>FBO - Detail</b>															
<b>Jet A</b>															
Sales Revenue	259,864	292,730	136,322	688,916	291,405	308,913	159,988	760,306	71,390	10.36%	1,390,854	1,700,642	309,788	22.27%	
Cost of Good Sold	(147,610)	(203,477)	(94,548)	(445,635)	(175,912)	(184,737)	(98,686)	(459,335)	(13,701)	-3.07%	(853,069)	(1,030,966)	(177,897)	-20.85%	
Net Revenue	112,255	89,253	41,774	243,282	115,493	124,176	61,302	300,971	57,689	23.71%	537,785	669,677	131,892	24.53%	
<b>100 LL</b>															
Sales Revenue	74,647	72,798	59,622	207,067	61,707	66,315	47,126	175,148	(31,918)	-15.41%	486,151	512,335	26,184	5.39%	
Cost of Good Sold	(63,461)	(63,779)	(49,899)	(177,139)	(50,662)	(55,459)	(38,601)	(144,722)	32,417	18.30%	(415,210)	(430,216)	(15,006)	-3.61%	
Net Revenue	11,186	9,019	9,723	29,927	11,045	10,856	8,525	30,426	499	1.67%	70,941	82,119	11,178	15.76%	
Total Fuel Net Revenue	123,440	98,272	51,497	273,209	126,538	135,032	69,827	331,397	58,188	21.30%	608,726	751,796	143,070	23.50%	
<b>Other FBO Revenue</b>															
Transient Use Fee (TUF) Revenue	36,577	31,778	18,027	86,382	33,552	36,277	20,452	90,281	3,899	4.51%	223,664	196,790	(26,874)	-12.02%	
Tiedown Revenue	14,193	15,452	9,347	38,992	15,165	11,900	8,257	35,322	(3,670)	-9.41%	90,613	95,097	4,484	4.95%	
Overnight Hangar Revenues	3,900	780	740	5,420	1,060	780	840	2,680	(2,740)	-50.55%	21,035	11,380	(9,655)	-45.90%	
Auto Parking Revenues	5,027	4,015	3,996	13,038	5,606	2,357	8,435	16,398	3,361	25.78%	51,450	53,069	1,619	3.15%	
Other FBO Revenues	5,185	4,406	2,585	12,176	5,434	3,927	2,949	12,310	135	1.11%	27,228	36,473	9,245	33.95%	
Total Other FBO Revenue	64,881	56,430	34,695	156,007	60,817	55,241	40,933	156,992	985	0.63%	413,989	392,808	(21,181)	-5.12%	
<b>Other FBO COGS</b>															
Other COGS	1,775	714	(344)	2,144	(1,076)	573	227	(276)	(2,421)	-112.88%	(7,320)	(8,192)	(872)	11.92%	
Total Other FBO COGS	1,775	714	(344)	2,144	(1,076)	573	227	(276)	(2,421)	-112.88%	(7,320)	(8,192)	(872)	11.92%	
Total FBO - Gross Margin	190,097	155,416	85,847	431,360	186,279	190,846	110,987	488,112	56,752	13.16%	1,015,395	1,136,411	121,016	11.92%	

**Truckee Tahoe Airport District**  
**Operating Results w/Event Detail**  
**as of 9/30/2014**

	2013				2014				Favorable/ (Unfavorable)	Fiscal Year to Date				Notes
	Jul	Aug	Sep	Total	Jul	Aug	Sep	Total		2013	2014	difference	%	
<b>Event Detail</b>														
<b>Operations Detail</b>														
Operations - Jet Fuel Aircraft	1,032	979	622	2,633	1,230	1,148	728	3,106	473	17.96%	7,186	8,029	843	11.73%
Operations - 100 LL Aircraft	833	807	623	2,263	884	786	588	2,258	(5)	-0.22%	7,582	7,554	(28)	-0.37%
Total Operations	1,865	1,786	1,245	4,896	2,114	1,934	1,316	5,364	468	9.56%	14,768	15,583	815	5.52%
Sales Events/Operation - Jet Fuel Aircraft	22.00%	26.56%	22.51%	23.81%	19.19%	21.86%	20.60%	20.51%	-3.30%	-13.88%	18.37%	18.50%	0.13%	0.69%
Sales Events/Operation - 100 LL Aircraft	47.90%	47.21%	57.30%	50.24%	42.53%	49.36%	48.98%	46.59%	-3.65%	-7.27%	35.70%	39.57%	3.87%	10.83%
Gross Margin/Operation - Jet Fuel Aircraft	108.77	91.17	67.16	92.40	93.90	108.17	84.21	96.90	4.50	4.87%	74.84	83.41	8.57	11.45%
Gross Margin/Operation - 100 LL Aircraft	13.43	11.18	15.61	13.22	12.49	13.81	14.50	13.47	0.25	1.89%	9.36	10.87	1.51	16.19%
<b>Jet A - Detail</b>														
Gallons	44,838	59,368	26,674	130,880	52,224	56,084	29,349	137,657	6,777	5.18%	247,400	309,014	61,614	24.90%
Sales Events	227	260	140	627	236	251	150	637	10	1.59%	1,320	1,485	165	12.50%
Average Uplift	198	228	191	208.74	221	223	196	216.1	7.36	3.53%	187	208	21	11.03%
Price/Gallon	5.80	4.93	5.11	5.26	5.58	5.51	5.45	5.52	0.26	4.93%	5.62	5.50	(0.12)	-2.11%
Cost/Gallon	(3.29)	(3.43)	(3.54)	(3.40)	(3.37)	(3.29)	(3.36)	(3.34)	0.07	2.00%	(3.45)	(3.34)	0.11	3.24%
Gross Margin/Gallon	2.50	1.50	1.57	1.86	2.21	2.21	2.09	2.19	0.33	17.62%	2.17	2.17	(0.01)	-0.30%
Gross Margin %	43.20%	30.49%	30.64%	35.31%	39.63%	40.20%	38.32%	39.59%	4.27%	12.10%	38.67%	39.38%	0.71%	1.84%
Sales Revenue/Event	1,145	1,126	974	1,099	1,235	1,231	1,067	1,194	95	8.63%	1,054	1,145	92	8.69%
COGS/Event	(650)	(783)	(675)	(711)	(745)	(736)	(658)	(721)	(10)	-1.46%	(646)	(694)	(48)	-7.43%
Gross Margin/Event	495	343	298	388	489	495	409	472.48	84	21.77%	407	451	44	10.69%
<b>100LL - Detail</b>														
Gallons	13,507	13,205	10,703	37,415	11,007	11,867	8,764	31,638	(5,777)	-15.44%	86,154	91,673	5,519	6.41%
Waived Truck Roll Events	79	57	56	192	78	86	64	228	36	18.75%	419	598	179	42.72%
Number of Truck Roll Fees charged	-	-	-	-	-	-	-	-	-	#DIV/0!	10	-	(10)	-100.00%
Number of Self-serve transactions	320	324	301	945	298	302	224	824	(121)	-12.80%	2,278	2,391	113	4.96%
Sales Events	399	381	357	1,137	376	388	288	1,052	(85)	-7.48%	2,707	2,989	282	10.42%
Average Uplift	34	35	30	33	29	31	30	30	(3)	-8.61%	32	31	(1)	-3.63%
Price/Gallon	5.53	5.51	5.57	5.53	5.61	5.59	5.38	5.54	0.00	0.03%	5.64	5.59	(0.05)	-0.96%
Cost/Gallon	(4.70)	(4.83)	(4.66)	(4.73)	(4.60)	(4.67)	(4.40)	(4.57)	0.16	3.38%	(4.82)	(4.69)	0.13	2.62%
Gross Margin/Gallon	0.83	0.68	0.91	0.80	1.00	0.91	0.97	0.96	0.16	20.23%	0.82	0.90	0.07	8.79%
Gross Margin %	14.99%	12.39%	16.31%	14.45%	17.90%	16.37%	18.09%	17.37%	2.92%	20.19%	14.59%	16.03%	1.44%	9.84%
Sales Revenue/Event	187	191	167	182	164	171	164	166	(16)	-8.58%	180	171	(8)	-4.56%
COGS/Event	(159)	(167)	(140)	(156)	(135)	(143)	(134)	(138)	18	11.70%	(153)	(144)	9	6.16%
Gross Margin/Event	28	24	27	26	29	28	30	29	3	9.88%	26	27	1	4.84%
<b>Transient Use Fees - Detail</b>														
TUF's - Full Fee	186	193	110	489	206	225	123	554	65	13.29%	1,255	1,145	(110)	-8.76%
TUFs - Discounted/Waived	96	156	77	329	115	124	74	313	(16)	-4.86%	689	781	92	13.35%
Quantity (including discounted)	282	349	187	818	321	349	197	867	49	5.99%	1,944	1,926	(18)	-0.93%
Average TUF	130	91	96	106	105	104	104	104	(1)	-1.39%	115	102	(13)	-11.19%
Discounted (Foregone)TUF Revenues	18,150	29,025	12,500	59,675	24,950	23,425	12,375	60,750	1,075	1.80%	115,000	127,600	12,600	10.96%
Estimated Gross Margin on Foregone TUF	27,319	72,770	53,741	153,830	66,443	79,297	60,145	205,885	52,054	33.84%	277,831	353,751	75,920	27.33%
<b>Tiedown - Detail</b>														
Nightly Tiedowns - Qty	599	482	457	1,538	474	525	430	1,429	(109)	-7.09%	2,657	2,764	107	4.03%
Average Tiedown	24	32	20	25	32	23	19	25	(1)	-2.50%	34	34	0	0.89%