



Truckee Tahoe Airport District

Quarterly Operating Review

Quarter and Twelve Months Ended December 31, 2014



This Quarterly Operating 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 December 31, 2014. 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 Review 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.

'Top 5' for the quarter and calendar year ended December 31, 2014

- 5) Jet A Fuel Contribution – Jet A fuel sales represent 65.98% of total FBO revenue and 59.03% of total FBO gross margin for the calendar year 2014, up from 62.15% and 54.67%, respectively for the calendar year 2013.
- 4) Jet A Fuel Consumption – Jet A fuel consumption increased by 29,400 gallons or 10.41% from calendar year 2014 (312,100 gallons) to calendar year 2013 (282,700 gallons). Sales events increased by 6.04% and average uplift increased 4.13%.
- 3) Jet A Gross Margin – Jet A fuel gross margin increased by \$74,000 or 12.28% for calendar 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 \$44,000 or 1.76% from calendar 2013 (\$2,522,000) to calendar 2014 (\$2,567,000) primarily as a result of a \$125,600 increase in Jet A fuel revenue and a decrease of \$52,900 in 100LL revenue.
- 1) Total FBO – Gross Margin – Total FBO gross margin increased by \$44,000 or 3.98% from calendar 2013 (\$1,103,000) to calendar 2014 (\$1,147,000) primarily as a result of a \$74,000 increase in Jet A fuel gross margin and a \$31,800 decrease in Transient Use Fee revenue.

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. One potential idea was that of an 'Airport Concierge' who could focus on improving airport experience, developing relationships, noise abatement education and fuel sales/capture.

The Quarterly Operating Revenue Report for the quarter and twelve months ended March 31, 2014, will be provided for the May 2014 Regular Board Meeting.



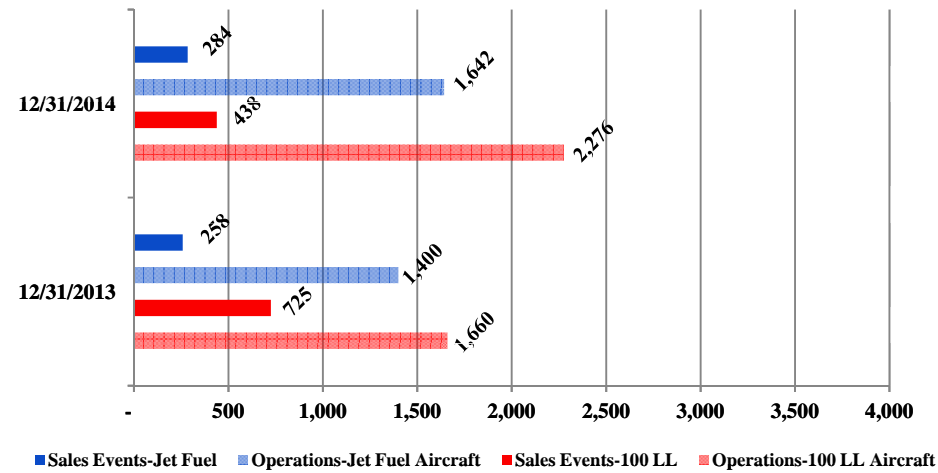
TRUCKEE TAHOE AIRPORT DISTRICT

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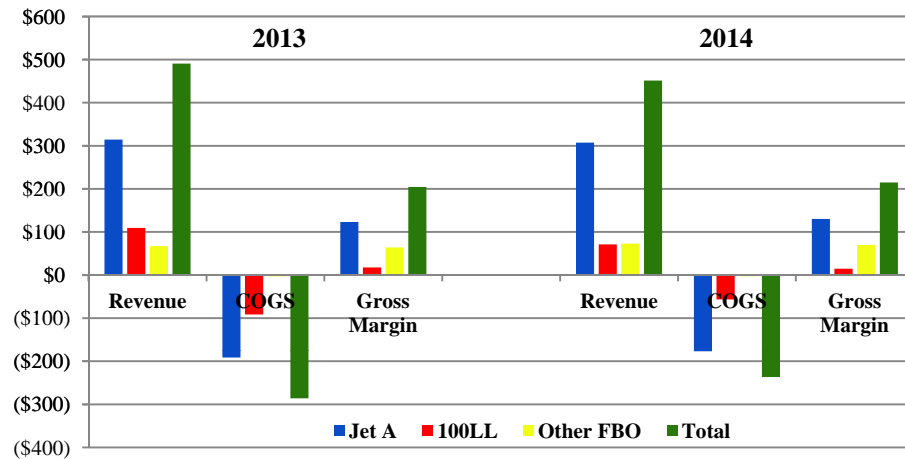
Quarter and Twelve Months ended December 31, 2014



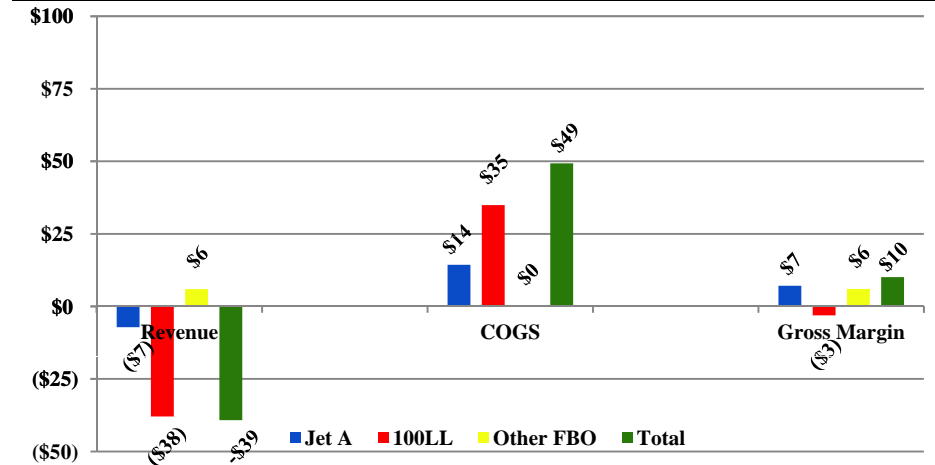
Quarter | Sales Events:Operations
For the Quarters Ended December 31, 2013 & 2014



Quarter | FBO - Results (in thousands)
For the Quarters Ended December 31, 2013 & 2014



Quarter | FBO Results - Variance (in thousands)
For the Quarters Ended December 31, 2013 & 2014

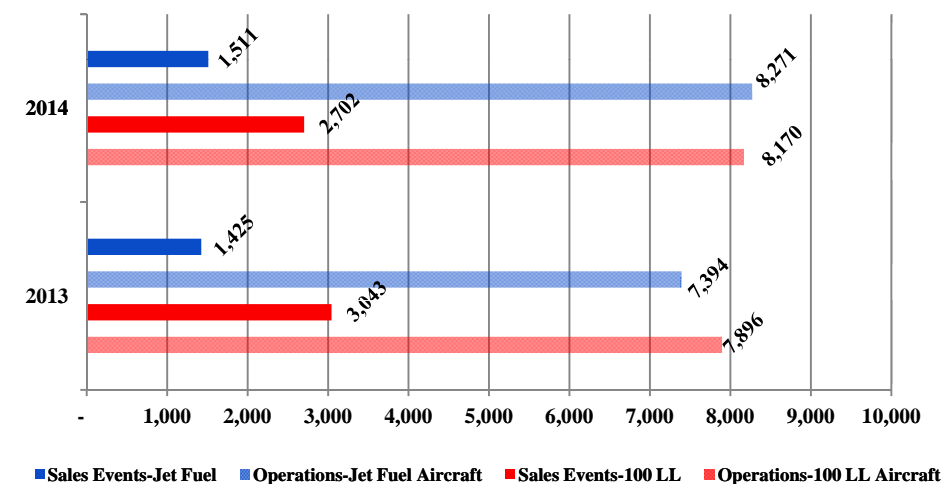


	2013	2014
Jet Fuel Capture	18.43%	17.30%
100LL Capture	43.67%	19.24%

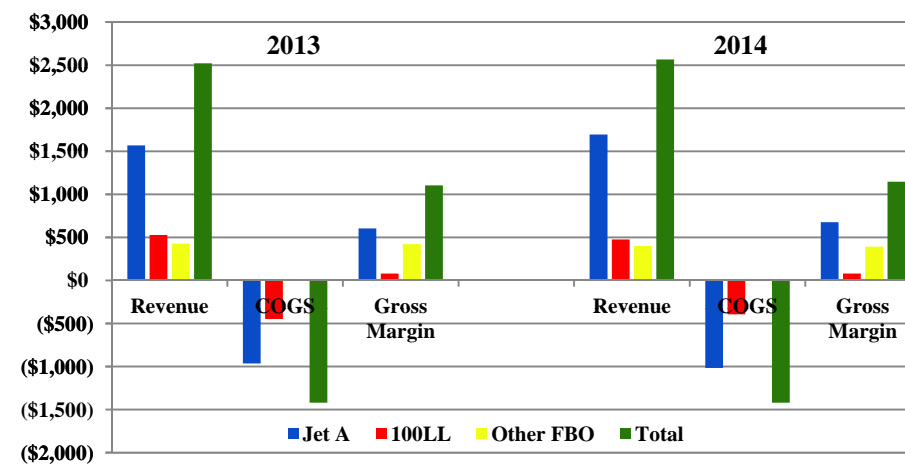
	2013	2014
Revenue	\$490,500	\$451,300
Margin	\$204,500	\$214,600

Revenue Variance	(\$39,200)	-7.99%
Margin Variance	\$10,100	4.94%

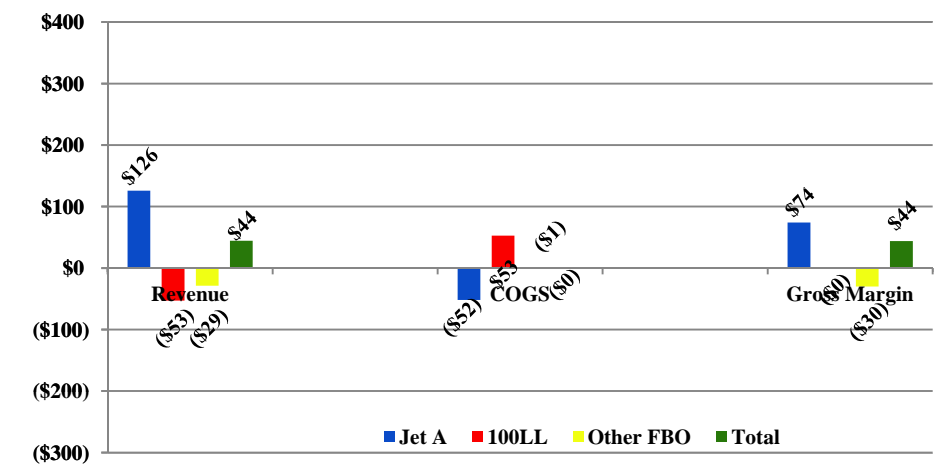
Fiscal Year | Sales Events:Operations
For the Calendar Years Ended December 31, 2013 & 2014



Fiscal Year | FBO - Results (in thousands)
For the Calendar Years Ended December 31, 2013 & 2014



Fiscal Year | FBO Results - Variance (in thousands)
For the Calendar Years Ended December 31, 2013 & 2014



	2013	2014
Jet Fuel Capture	19.27%	18.27%
100LL Capture	38.54%	33.07%

	2013	2014
Revenue	\$2,522,200	\$2,566,600
Margin	\$1,102,600	\$1,146,500

Revenue Variance	\$44,400	1.76%
Margin Variance	\$43,900	3.98%



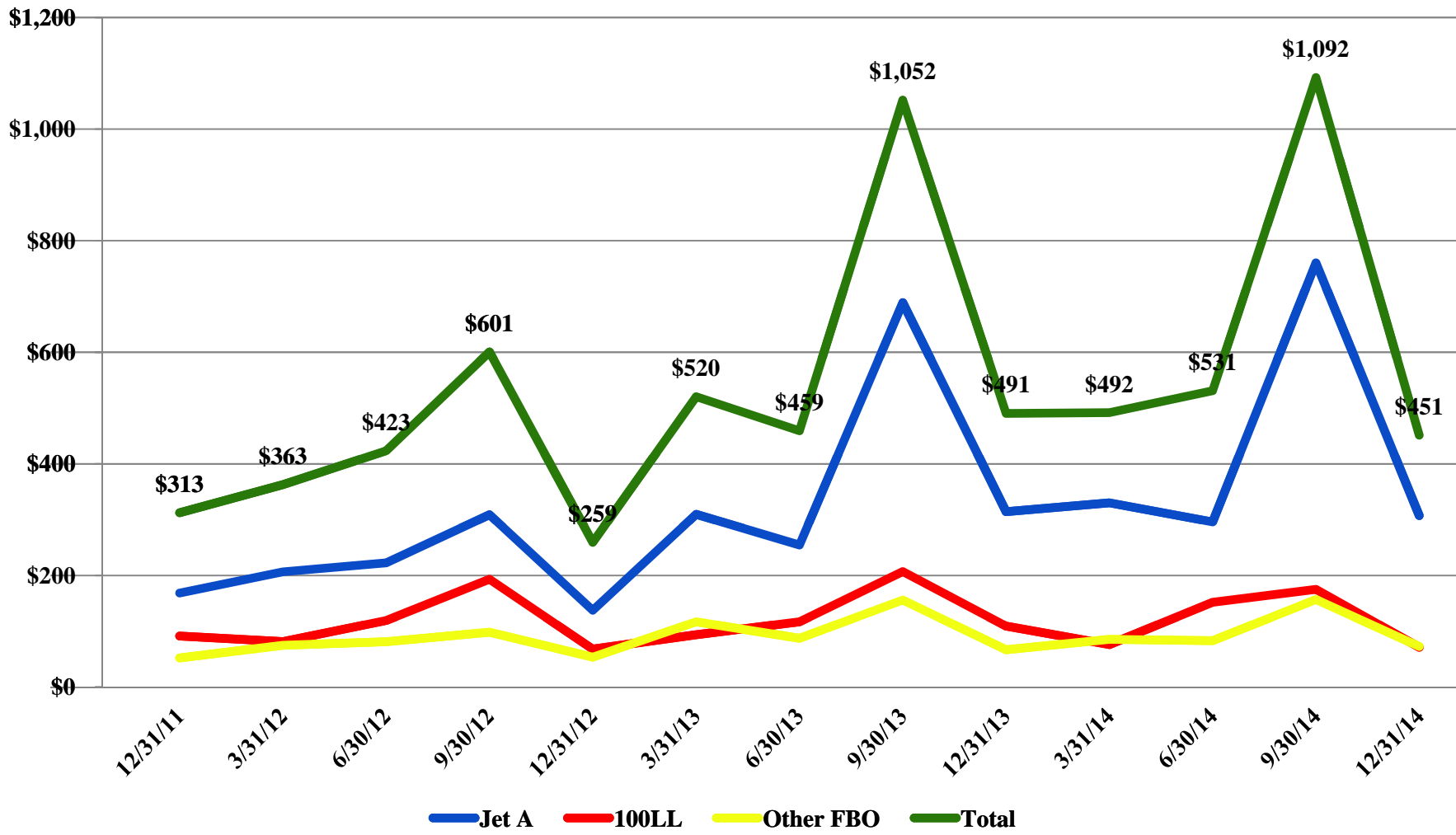
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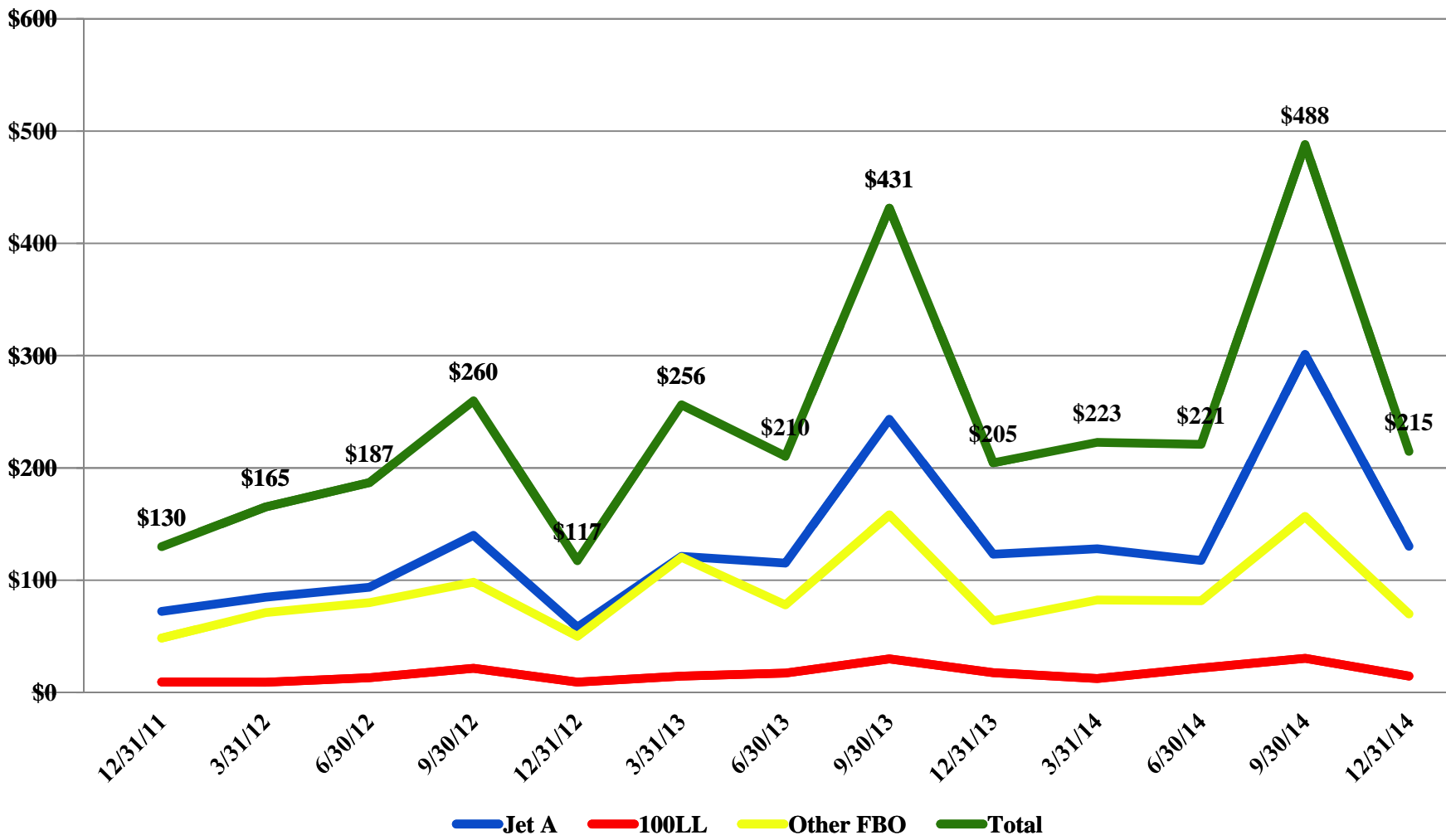
Quarter and Twelve Months ended December 31, 2014



Quarterly History - FBO Revenue (in thousands)
From October 1, 2011 through December 31, 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 12/31/2014

	2013				2014				Favorable/ (Unfavorable)		Calendar Year to Date				Notes
	Oct	Nov	Dec	Total	Oct	Nov	Dec	Total			2013	2014	difference	%	
Operating Results															
Total FBO															
Revenue - Fuel	122,508	107,146	193,967	423,621	146,449	112,608	119,422	378,480	(45,142)	-10.66%	2,094,890	2,167,836	72,946	3.48%	
Revenue - Other	17,148	19,053	30,717	66,918	23,950	19,303	29,599	72,852	5,934	8.87%	427,348	398,742	(28,607)	-6.69%	
Total FBO - Revenue	139,656	126,199	224,685	490,539	170,398	131,911	149,022	451,331	(39,208)	-7.99%	2,522,238	2,566,578	44,340	1.76%	
Cost of Goods Sold - Fuel	(88,415)	(73,132)	(121,398)	(282,945)	(95,700)	(67,025)	(71,004)	(233,729)	49,216	-17.39%	(1,412,798)	(1,411,966)	832	-0.06%	
Cost of Goods Sold - Other	(557)	(835)	(1,634)	(3,026)	289	(2,107)	(1,104)	(2,922)	104	-3.43%	(6,845)	(8,089)	(1,243)	18.16%	
Total FBO - COGS	(88,972)	(73,967)	(123,032)	(285,971)	(95,411)	(69,132)	(72,108)	(236,651)	49,320	-17.25%	(1,419,643)	(1,420,055)	(412)	0.03%	
Total FBO - Gross Margin	50,684	52,232	101,653	204,569	74,988	62,779	76,914	214,681	10,112	4.94%	1,102,595	1,146,523	43,928	3.98%	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
FBO - Detail															
Jet A															
Sales Revenue	78,271	77,052	159,066	314,389	114,380	86,275	106,555	307,210	(7,179)	-2.28%	1,567,592	1,693,463	125,871	8.03%	
Cost of Good Sold	(51,077)	(47,022)	(93,170)	(191,269)	(69,835)	(46,228)	(60,893)	(176,956)	14,313	7.48%	(964,825)	(1,016,652)	(51,827)	-5.37%	
Net Revenue	27,194	30,030	65,896	123,120	44,545	40,048	45,662	130,255	7,134	5.79%	602,767	676,811	74,044	12.28%	
100 LL															
Sales Revenue	44,237	30,094	34,901	109,232	32,069	26,333	12,868	71,269	(37,963)	-34.75%	527,298	474,373	(52,925)	-10.04%	
Cost of Good Sold	(37,339)	(26,110)	(28,228)	(91,676)	(25,865)	(20,797)	(10,111)	(56,773)	34,903	38.07%	(447,972)	(395,313)	52,659	11.75%	
Net Revenue	6,898	3,984	6,673	17,556	6,203	5,536	2,757	14,496	(3,060)	-17.43%	79,325	79,059	(266)	-0.34%	
Total Fuel Net Revenue	34,092	34,014	72,570	140,676	50,749	45,583	48,419	144,751	4,075	2.90%	682,092	755,870	73,778	10.82%	
Other FBO Revenue															
Transient Use Fee (TUF) Revenue	6,876	9,801	18,551	35,228	13,100	7,325	18,500	38,925	3,697	10.50%	232,215	200,487	(31,728)	-13.66%	
Tiedown Revenue	3,360	4,075	3,555	10,990	4,120	6,340	3,960	14,420	3,431	31.22%	92,186	98,527	6,341	6.88%	
Overnight Hangar Revenues	640	160	440	1,240	1,120	850	1,700	3,670	2,430	195.97%	17,435	13,810	(3,625)	-20.79%	
Auto Parking Revenues	3,652	3,276	3,663	10,592	3,795	3,086	2,713	9,594	(998)	-9.42%	50,404	52,072	1,668	3.31%	
Other FBO Revenues	2,620	1,741	4,507	8,869	1,814	1,702	2,726	6,242	(2,627)	-29.62%	35,108	33,846	(1,262)	-3.60%	
Total Other FBO Revenue	17,148	19,053	30,717	66,918	23,950	19,303	29,599	72,852	5,934	8.87%	427,348	398,742	(28,607)	-6.69%	
Other FBO COGS															
Other COGS	(557)	(835)	(1,634)	(3,026)	289	(2,107)	(1,104)	(2,922)	104	-3.43%	(6,845)	(8,089)	(1,243)	18.16%	
Total Other FBO COGS	(557)	(835)	(1,634)	(3,026)	289	(2,107)	(1,104)	(2,922)	104	-3.43%	(6,845)	(8,089)	(1,243)	18.16%	
Total FBO - Gross Margin	50,684	52,232	101,653	204,569	74,988	62,779	76,914	214,681	10,112	4.94%	1,102,595	1,146,523	43,928	3.98%	

Truckee Tahoe Airport District
Operating Results w/Event Detail
as of 12/31/2014

	2013				2014				Favorable/ (Unfavorable)	Calendar Year to Date				Notes
	Oct	Nov	Dec	Total	Oct	Nov	Dec	Total		2013	2014	difference	%	
Event Detail														
Operations Detail														
Operations - Jet Fuel Aircraft	434	372	594	1,400	572	450	620	1,642	242	17.29%	7,394	8,271	877	11.86%
Operations - 100 LL Aircraft	606	478	576	1,660	1,001	757	518	2,276	616	37.11%	7,896	8,170	274	3.47%
Total Operations	1,040	850	1,170	3,060	1,573	1,207	1,138	3,918	858	28.04%	15,290	16,441	1,151	7.53%
Sales Events/Operation - Jet Fuel Aircraft	17.74%	16.94%	19.87%	18.43%	18.18%	16.44%	17.10%	17.30%	-1.13%	-6.15%	19.27%	18.27%	-1.00%	-5.21%
Sales Events/Operation - 100 LL Aircraft	42.57%	43.72%	44.79%	43.67%	19.18%	20.87%	16.99%	19.24%	-24.43%	-55.94%	38.54%	33.07%	-5.47%	-14.18%
Gross Margin/Operation - Jet Fuel Aircraft	62.66	80.73	110.94	87.94	77.88	88.99	73.65	79.33	(8.62)	-9.80%	81.52	81.83	0.31	0.38%
Gross Margin/Operation - 100 LL Aircraft	11.38	8.34	11.59	10.58	6.20	7.31	5.32	6.37	(4.21)	-39.78%	10.05	9.68	(0.37)	-3.68%
Jet A - Detail														
Gallons	14,422	14,053	28,967	57,442	21,715	16,504	22,280	60,499	3,057	5.32%	282,635	312,071	29,436	10.41%
Sales Events	77	63	118	258	104	74	106	284	26	10.08%	1,425	1,511	86	6.04%
Average Uplift	187	223	245	222.64	209	223	210	213.0	(9.62)	-4.32%	198	207	8	4.13%
Price/Gallon	5.43	5.48	5.49	5.47	5.27	5.23	4.78	5.08	(0.40)	-7.22%	5.55	5.43	(0.12)	-2.16%
Cost/Gallon	(3.54)	(3.35)	(3.22)	(3.33)	(3.22)	(2.80)	(2.73)	(2.92)	0.40	12.16%	(3.41)	(3.26)	0.16	4.57%
Gross Margin/Gallon	1.89	2.14	2.27	2.14	2.05	2.43	2.05	2.15	0.01	0.45%	2.13	2.17	0.04	1.69%
Gross Margin %	34.74%	38.97%	41.43%	39.16%	38.94%	46.42%	42.85%	42.40%	3.24%	8.27%	38.45%	39.97%	1.51%	3.94%
Sales Revenue/Event	1,017	1,223	1,348	1,219	1,100	1,166	1,005	1,082	(137)	-11.23%	1,100	1,121	21	1.88%
COGS/Event	(663)	(746)	(790)	(741)	(671)	(625)	(574)	(623)	118	15.95%	(677)	(673)	4	0.63%
Gross Margin/Event	353	477	558	477	428	541	431	458.64	(19)	-3.89%	423	448	25	5.89%
100LL - Detail														
Gallons	7,761	5,306	6,143	19,210	5,714	4,700	2,475	12,889	(6,321)	-32.91%	93,737	85,351	(8,386)	-8.95%
Waived Truck Roll Events	57	37	44	138	40	30	25	95	(43)	-31.16%	498	555	57	11.45%
Number of Truck Roll Fees charged	-	-	-	-	-	-	-	-	-	#DIV/0!	5	-	(5)	-100.00%
Number of Self-serve transactions	201	172	214	587	152	128	63	343	(244)	-41.57%	2,540	2,147	(393)	-15.47%
Sales Events	258	209	258	725	192	158	88	438	(287)	-39.59%	3,043	2,702	(341)	-11.21%
Average Uplift	30	25	24	26	30	30	28	29	3	11.06%	31	32	1	2.55%
Price/Gallon	5.70	5.67	5.68	5.69	5.61	5.60	5.20	5.53	(0.16)	-2.75%	5.63	5.56	(0.07)	-1.20%
Cost/Gallon	(4.81)	(4.92)	(4.60)	(4.77)	(4.53)	(4.43)	(4.09)	(4.40)	0.37	7.70%	(4.78)	(4.63)	0.15	3.08%
Gross Margin/Gallon	0.89	0.75	1.09	0.91	1.09	1.18	1.11	1.12	0.21	23.07%	0.85	0.93	0.08	9.46%
Gross Margin %	15.59%	13.24%	19.12%	16.07%	19.34%	21.02%	21.42%	20.34%	4.27%	26.55%	15.04%	16.67%	1.62%	10.78%
Sales Revenue/Event	171	144	135	151	167	167	146	163	12	8.00%	173	176	2	1.32%
COGS/Event	(145)	(125)	(109)	(126)	(135)	(132)	(115)	(130)	(3)	-2.51%	(147)	(146)	1	0.62%
Gross Margin/Event	27	19	26	24	32	35	31	33	9	36.68%	26	29	3	12.24%
Transient Use Fees - Detail														
TUF's - Full Fee	52	55	102	209	74	41	89	204	(5)	-2.39%	1,307	1,140	(167)	-12.78%
TUFs - Discounted/Waived	39	32	67	138	42	25	61	128	(10)	-7.25%	754	771	17	2.25%
Quantity (including discounted)	91	87	169	347	116	66	150	332	(15)	-4.32%	2,061	1,911	(150)	-7.28%
Average TUF	76	113	110	102	113	111	123	117	16	15.49%	113	105	(8)	-6.89%
Discounted (Foregone)TUF Revenues	5,375	4,875	11,100	21,350	7,550	4,025	10,800	22,375	1,025	4.80%	127,125	128,625	1,500	1.18%
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%	316,954	345,105	28,150	8.88%
Tiedown - Detail														
Nightly Tiedowns - Qty	170	89	147	406	150	95	53	298	(108)	-26.60%	2,856	2,656	(200)	-7.00%
Average Tiedown	20	46	24	27	27	67	75	48	21	78.77%	32	37	5	14.93%