



Ross Statham &lt;stathamross@gmail.com&gt;

## TCAA Board Meeting September 10th - Treasurer's Report

1 message

Jim Town &lt;jim\_bea@bellsouth.net&gt;

Sun, Sep 8, 2019 at 2:27 PM

To: Jack Locke <hjl64@embarqmail.com>, nichols400@bellsouth.net, Ross Statham <stathamross@gmail.com>, Jim Town <jim\_bea@bellsouth.net>, Norman Rich <norm.rich@rocketmail.com>, roybrooks.1955@yahoo.com, Alan Williams <awilliamsbluetuholer@gmail.com>, tiffany@jacksoncounty.com, Fred Provost <fredprovost@gmail.com>, cmcgowan\_only1@hotmail.com, Leuenberger@bellsouth.net, Chuck Aronhalt <chuck.aronhalt@yahoo.com>, RKerr@washingtonfl.com

Cc: Tri County Airport Office <tricountyairport@outlook.com>, "Brenda Wilson, TCAA" <TCAA\_AA32425@outlook.com>, "Lee Lewis, P.E." <vclewis@avconinc.com>, "Palmer, Calvin" <cpalmer@avconinc.com>, Susan Williams <swilliamscomb@embarqmail.com>, "Bryan Thompson, CPA" <btcpa@enter.twcbc.com>

Attached for your advanced review are the handouts for the Treasurer's Report. Please keep in-mind that the accounting statements are closed through July 31, 2019, and the operating reports are either through August 31<sup>st</sup> or a date close to the meeting date, so you cannot compare the bank balances on the July 31<sup>st</sup> accounting balance sheet to the bank balances reported on September 6<sup>th</sup> as we have accumulated considerable cash since the end of July and each report must be considered at face-value due to timing of the data.

**Cash Available Tracking spreadsheet.** As of the Board meeting in September 2018 TCAA had cash available of \$105,805.65 and as of 9/6 the cash balance is \$124,765.41, but we also have almost \$20,000 to be invoiced for about 7,500 gallons of Jet A delivered last week. The line of credit (LOC) balance is \$15,219.64, excluding construction funds pass-thru, and we will have fully paid the Rex settlement with the September payment of \$1,450 and then we will apply the monthly installments to the HVAC purchase and the annual insurance bill from Sims Insurance (Liability and casualty). At \$1,450/month payments it will take about 10 months and 15 days to pay the non-construction LOC balance; however, after the Operating Account builds-up a surplus of cash, it may be desirable just to pay the LOC.

**Budget Tracking Summary.** 10-months of actual costs are posted and we are showing an operating profit but we have two months remaining to yearend. You can also see on this sheet the current FY budget, 10-months actual, and the proposed budget commencing October 1<sup>st</sup>. Repairs and maintenance are well above budget as we have had costs not covered by insurance and upgrades to improve airport operations that may have been deferred from prior years.

**Accounting Operating Statement & Balance Sheet July 31, 2019.** The accounting statements include construction, which is a "non-budget" category for airport operations and the lines used for budget tracking have a "check" beside the numbers.

**Proposed Budget.** This sheet is the public notice posted on the TCAA Website that will be recommended for adoption during the meeting as an agenda item.

**A/R Aging Summary.** Excluding the construction related reimbursements receivable from grants, the late payments are the recurring hangar tenants (current or departed) and 98.6% of the 90-day balance in 3 accounts. Remember that the 1-30 day column is essentially current monthly billings not received as of the meeting date.

**Fuel Sales Activity Report.** To make the report easier to read, the report is only the past 5 months and YTD, but all the data remains in the FY file if needed. In July and August, Mark Wilson has been tracking fuel purchases and you can see that we had more tenant and transient fuel purchases in August compared to July. Also, we purchased about 7,500 gallons of Jet A in August at a price \$.155 less than the last purchase and the gross profit on Jet A will continue to

increase as the higher-cost fuel is sold. Since the retail pricing has generally remained the same in the surrounding area, TCAA is now making more profit per gallon of Jet A due to the quantity discount applied on the purchase.

**Retail Pricing Competitive Summary.** The Board consensus has been to be equal or below retail fuel postings at Calhoun County, DeFuniak Springs and Marianna and not apply the old "cost + \$1.00" retail pricing and over the 4 months of that program, fuel sales have increased and the number of transient sales has increased due to the pricing being reported on AirNav and other flight planning sites. With the competitive market pricing, we are actually making \$.28/gallon more on Jet A than the historic pricing model. On 100 LL the gross profit is \$.54/gallon less than the "cost + \$1.00" historic method at about \$.54/gallon. Jet A is about 73% of fuel sales and 100 LL is 27%. As more Jet A is sold at the higher gross profit, the lower gross profit on 100 LL will be offset; currently, the weighted average gross profit is \$.95/gallon with Jet A at \$1.13 with the latest purchase and 100 LL at \$.58/gallon. We had 27 transient fuel customers in July and 35 in August and transient aircraft do not receive the \$.20/gallon tenant discount, so it appears the retail market based pricing is attracting more people to the airfield.

**Fuel Price Report.** This report was extracted from AirNav, as was the nearby airport retail pricing sheet and it's interesting that TCAA Jet a pricing is \$.88/gallon below the southern states average and the 100 LL is \$.70 below the regional average. The averages in this report were based upon reports from 674 FBOs and a significant portion of those would be a major airport, so we may be starting to convey a competitive pricing image to people who fly larger aircraft from other regions into our area.

**New Hangar Leases.** Brenda and Mark can address progress renewing the hangar leases at the new rental rates, but my impression is that we are not losing tenants over the 3% rental increase.

TCAA is financially secure and meeting all financial obligations timely, but we need to rebuild the Operating Account balance to have a larger cushion for unexpected costs. I'll take any questions at the meeting, or you can email questions and I'll answer at the meeting.

*Jim*

James A. Town, Treasurer

Tri-County Airport Authority

P.O. Box 756, Bonifay, FL 32425-0756

[Jim\\_bea@bellsouth.net](mailto:Jim_bea@bellsouth.net)

(850) 773-8000



TCAA Treasurer's Report September 10, 2019.pdf

3314K