

# LS Memorandum

## City of Lee's Summit

To: BOAC

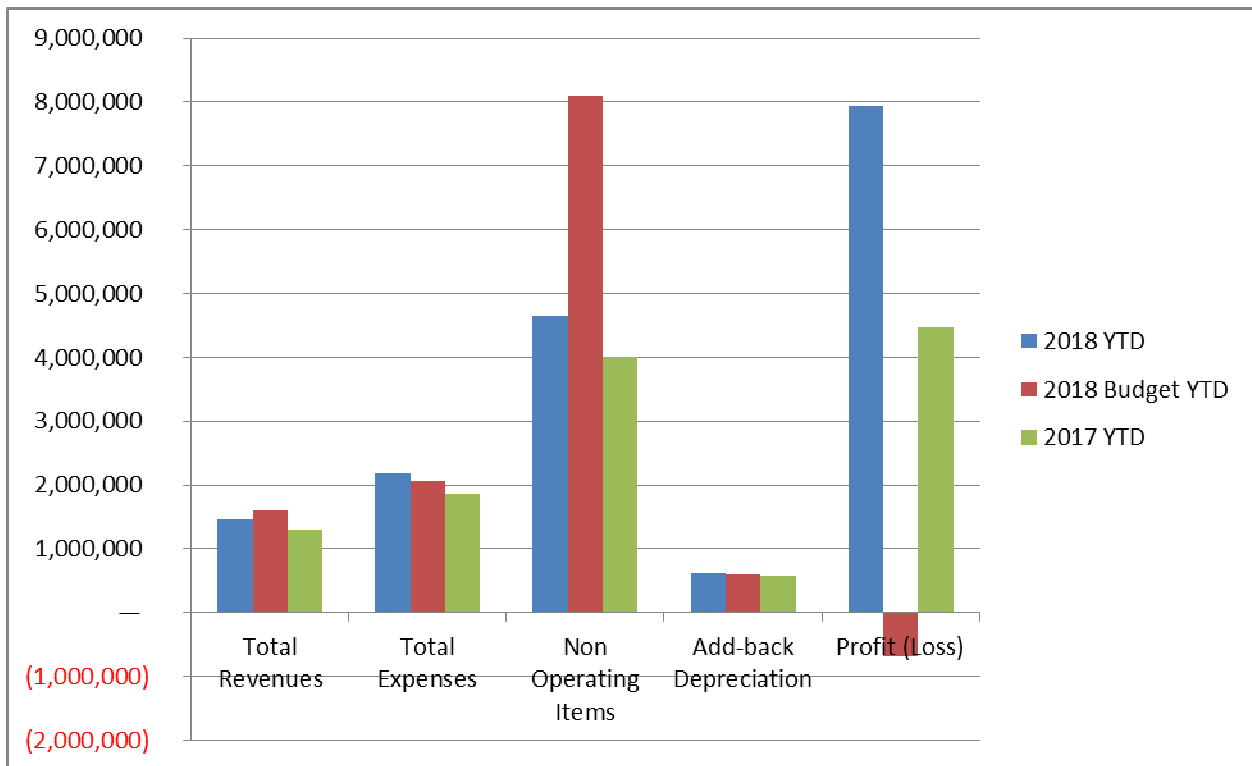
From: Darlene Pickett, Controller

C: Conrad Lamb, Finance Director; Steve Arbo, City Manager  
John Ohrazda, Airport Manager; Dena Mezger, Public Works Director

Date: October 1, 2018

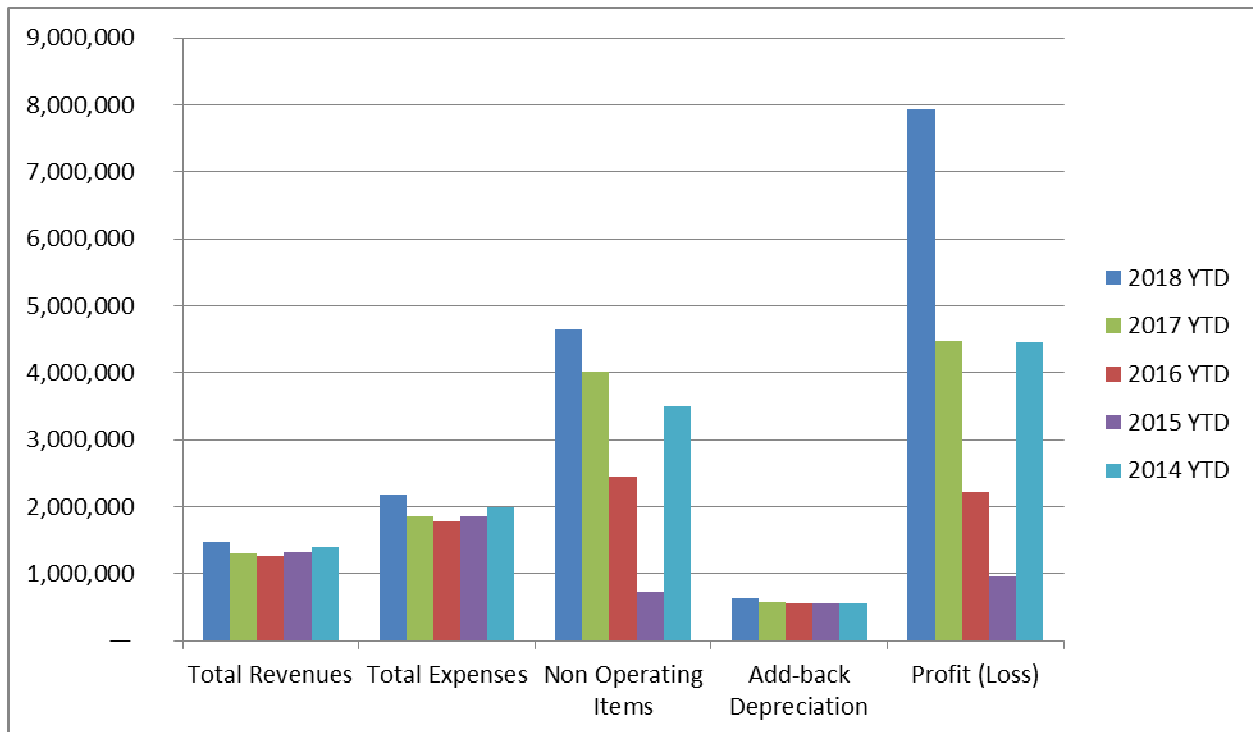
Re: Airport Financial Statements – June 30, 2018 – UNAUDITED

- Reports through June 2018 show the Airport fund with a net operating loss of \$708,882. The fund has operating revenues of \$1,466,315 against expenditures of \$2,175,197. Nonoperating items and transfers bring the fund to a year-to-date net income of \$7,311,912. When depreciation expense of \$628,316 is excluded (added back), net income adjusted for depreciation is \$7,940,228. Grant reimbursements make up \$5,627,702 of this income amount.



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- Operating Revenues** are below budget (8%) and above prior year \$172,830 or 13%. Rental revenues are below budget by 15% for FY18 and flat (\$2,745) compared to last year. This drop below budget is due to tenants leaving the open T-hangars and the S&L hangars prior to their demolition in March. When the budget was prepared last year, it was anticipated that the units were not going to be removed until later in the year. Fuel revenues are above budget \$12,857 (2%) and up \$179,843 (31%) compared to last year. Overall, sales in gallons increased 27,437 gallons or 18% compared to last year. In gallons sold, MOGas is up 3,667 gallons or 68% and JetA is up 21,038 gallons for a 36% increase. Note, the airport was closed last year to take offs and landings from 4/17/17-5/9/17 and Runway 18/36 was closed until the end of September 2017.
- Expenditures** are over budget \$116,629 or 6%. Maintenance & Repairs is \$58,847 or 102% over budget. Large expenditures in this category include roof repairs, carpet, and painting for Hangar 1 totaling \$22,000 along with boiler and siding repairs totaling \$25,000. Supplies for Resale (fuel is the primary item in this category) is \$64,951 or 14% over budget and up 30% over last year. This is due to increased gallons purchased (see revenues above) along with rising costs.
- The chart below compares year-to-date amounts for the last 5 years. Operating revenues and expenditures have remained fairly constant. The spikes in nonoperating items and profit (loss) are both in direct relation to grant revenues.



**CITY OF LEE'S SUMMIT, MISSOURI**

Combining Statement of Revenues, Expenses, and  
Changes in Retained Earnings – Airport Funds

Year to Date thru June 30, 2018 (UNAUDITED)

	Fiscal Year 2018 (YTD)			Budget 2018 (YTD)			Last Fiscal Year-2017 (YTD)		
	510 Airport Operating	321 Construction Fund	Consolidated 2018	Budget 2018	Budget Remaining	% Used	PY Actual 2017	\$ Change	% Change
1 Operating revenues:									
2 Charges for services	\$ 675,281	\$ -	\$ 675,281	\$ 798,946	\$ 123,665	85%	\$ 678,025	\$ (2,745)	0%
3 Fuel sales	764,967	0	764,967	752,110	(12,857)	102%	585,124	179,843	31%
4 Other	26,068	0	26,068	44,052	17,984	59%	30,335	(4,268)	-14%
5 Total operating revenues	1,466,315	0	1,466,315	1,595,108	128,793	92%	1,293,485	172,830	13%
6 Operating expenses:									
7 Salaries, wages, and employee									
8 benefits	485,134	0	485,134	532,267	47,132	91%	407,579	77,555	19%
9 Supplies for resale	518,686	0	518,686	453,735	(64,951)	114%	398,707	119,979	30%
Maintenance and repairs	116,342	0	116,342	57,495	(58,847)	202%	137,584	(21,243)	-15%
11 Utilities	71,438	0	71,438	46,050	(25,388)	155%	57,083	14,355	25%
12 Depreciation and amortization	628,316	0	628,316	593,113	(35,203)	106%	574,903	53,413	9%
13 Interdepartment charges	67,762	0	67,762	72,843	5,081	93%	77,004	(9,242)	-12%
14 Other supplies, services, & charges	287,519	0	287,519	303,065	15,546	95%	203,904	83,615	41%
15 Total operating expenses	2,175,197	0	2,175,197	2,058,568	(116,629)	106%	1,856,765	318,432	17%
16 Operating income (loss)	(708,882)	0	(708,882)	(463,460)			(563,280)		
17 Nonoperating revenues (expenses):									
18 Interest income	15,861	0	15,861	39,000	23,139	41%	9,063	6,798	75%
19 Interest expense	(1,449)	(165,671)	(167,120)	(237,652)	(70,532)	70%	(2,636)	(164,484)	6240%
20 Gain (loss) on disposal of fixed assets	(826,591)	0	(826,591)	0	826,591	#DIV/0!	0	(826,591)	#DIV/0!
21 Capital outlay/Construction	3,942		3,942	(172,810)	(176,752)	-2%	0		
22 Grant reimbursements	(5,582,943)	11,210,645	5,627,702	8,474,950	2,847,248	66%	4,008,446	1,619,256	40%
23 Total nonoperating revenues (expenses)	(6,391,180)	11,044,974	4,653,794	8,103,488	3,449,694	57%	4,014,873	638,921	16%
24 Net income (loss) before operating transfers	(7,100,062)	11,044,974	3,944,912	7,640,028	3,695,116	52%	3,451,592	493,320	14%
25 Operating transfers in	76,696	3,367,000	3,443,696	76,696	(3,367,000)	4490%	523,735	2,919,961	558%
26 Operating transfers out(includes G&A)	(76,696)	0	(76,696)	(8,997,696)	(8,921,000)	1%	(76,696)	0	0%
27 Net income (loss)	(7,100,062)	14,411,974	7,311,912	(1,280,972)	(8,592,884)	-571%	3,898,631	3,413,281	88%
28 Add back depreciation expense	628,316		628,316	593,113	(35,203)	106%	574,903	53,413	9%
29 Net income (loss) adjusted for depreciation expense	(6,471,746)	14,411,974	7,940,228	(687,859)	(8,628,087)	-1154%	4,473,535	3,466,693	77%
30 Net position beginning of year	35,752,092	0	35,752,092	35,752,092			31,684,185		
31 Net position end of year	\$ 29,280,346	\$ 14,411,974	\$ 43,692,320	\$ 35,064,233			\$ 36,157,720		