

LS Memorandum

City of Lee's Summit

To: BOAC

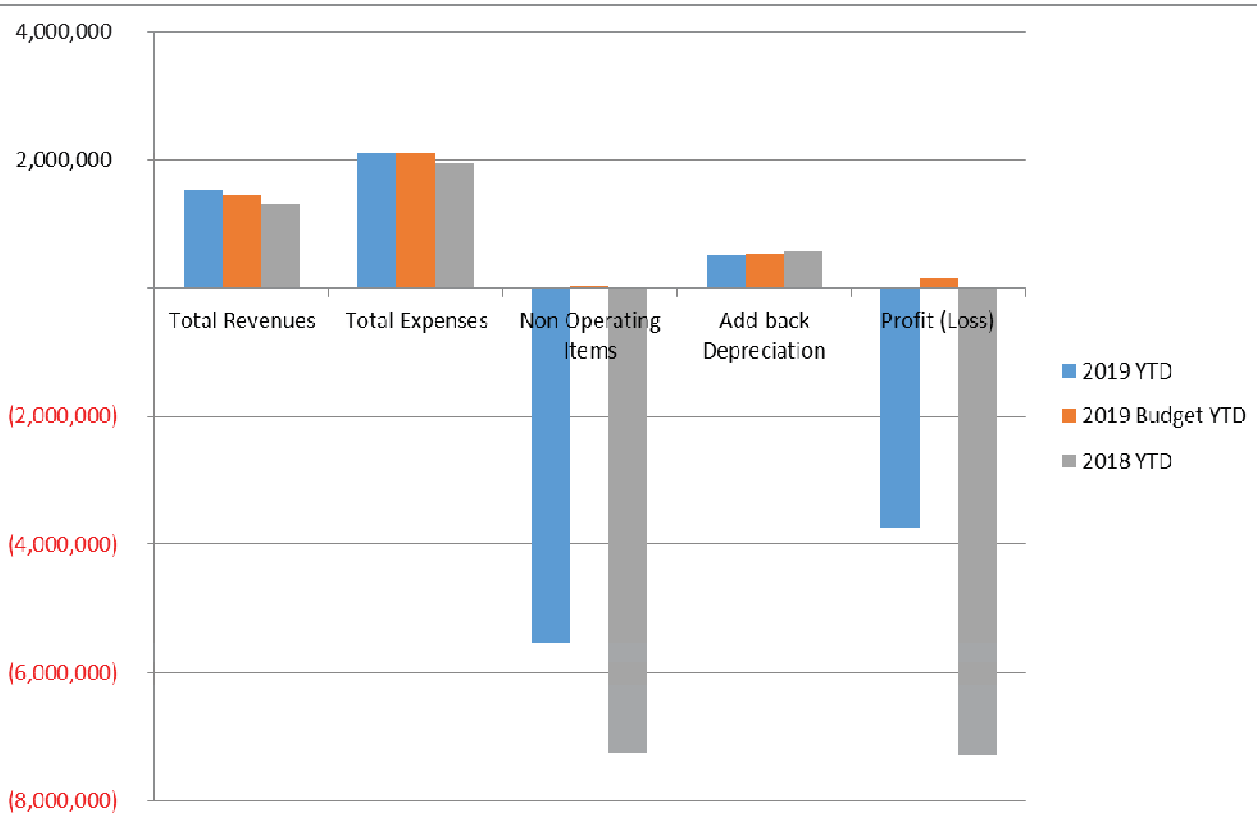
From: Darlene Pickett, Controller

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

Date: August 5, 2019

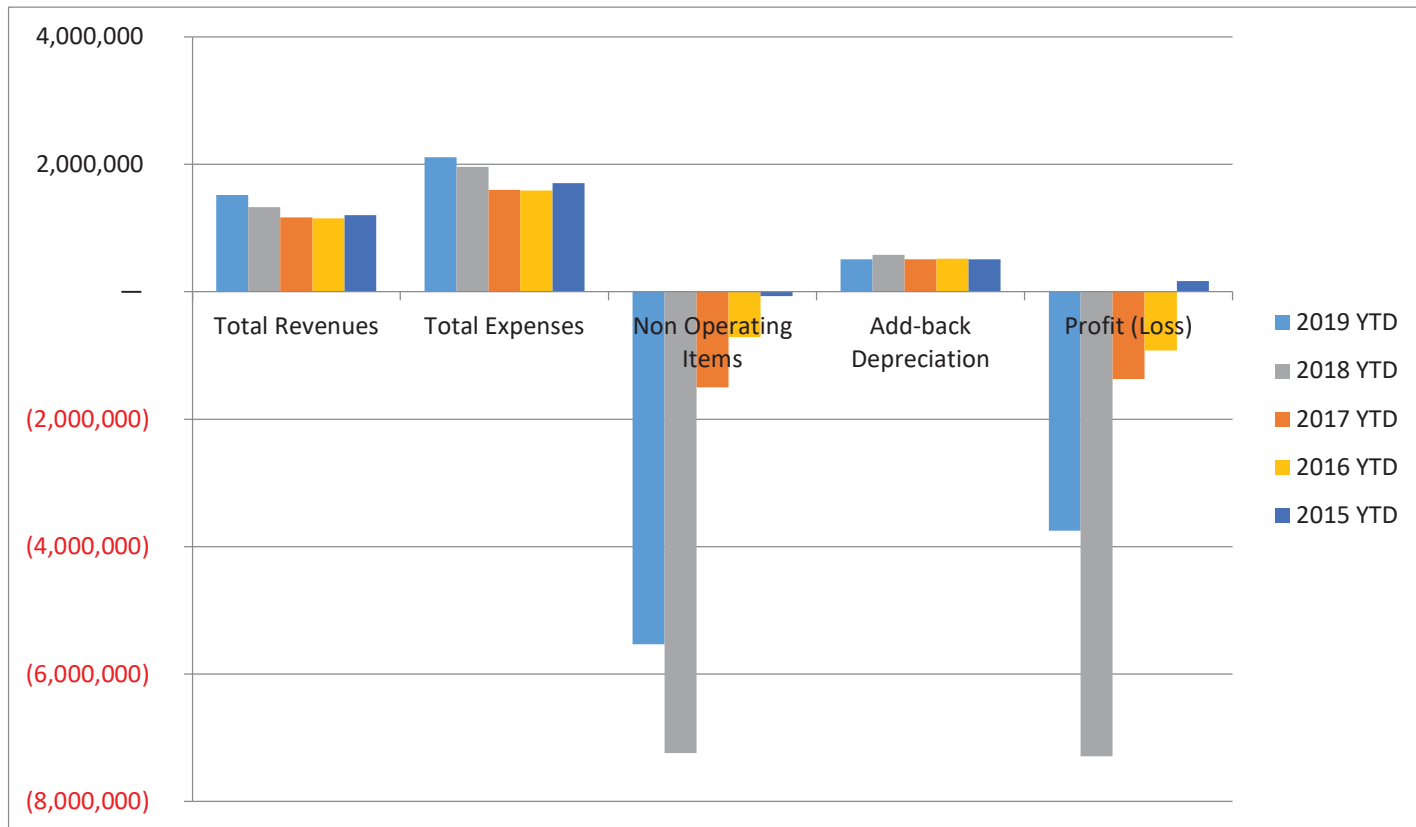
Re: Airport Financial Statements – May 31, 2019 – UNAUDITED

- Reports through May 2019 show the Airport fund with a net operating loss of \$591,773. The fund has operating revenues of \$1,518,690 against expenditures of \$2,110,464. Nonoperating items and transfers bring the fund to a year-to-date net loss of \$4,259,444. When depreciation expense of \$508,514 is excluded (added back), the net loss adjusted for depreciation is \$3,750,930. Pending grant reimbursements of \$5.6 million will offset this loss by fiscal year end.



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- Operating Revenues** overall are above budget (5%) and above prior year \$190,000 or 14%. Rental revenue is 4% below budget for FY19 and 13% (\$81,243) higher than to last year. The sharp increase over last year is due to hangar construction this time last year. Fuel revenues are above budget \$109,648 (16%) and up \$116,734 (17%) compared to last year. Overall, sales in gallons have increased 23,653 gallons or 15% compared to last year. Jet A is up 20,406 gallons for a 30% increase.
- Expenditures** are right on budget (\$80). Supplies for Resale (fuel is the primary item in this category) is \$112,985 or 25% over budget and up 26% over last year actual. This is due to increased gallons purchased (see revenues above) along with slightly higher costs.
- The chart below compares year-to-date amounts for the last 5 years. Operating revenues and expenditures have remained 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 May 31, 2019 (UNAUDITED)

	Fiscal Year 2019 (YTD)			Budget 2019 (YTD)			Last Fiscal Year-2018 (YTD)		
	510 Airport Operating	321 Construction Fund	Consolidated 2018	Budget 2019	Budget Remaining	% Used	PY Actual 2018	\$ Change	% Change
1 Operating revenues:									
2 Charges for services	\$ 698,571	\$ -	\$ 698,571	\$ 729,446	\$ 30,874	96%	\$ 617,328	\$ 81,243	13%
3 Fuel sales	803,794	0	803,794	694,146	(109,648)	116%	687,059	116,734	17%
4 Other	16,325	0	16,325	27,402	11,077	60%	24,235	(7,910)	-33%
5 Total operating revenues	1,518,690	0	1,518,690	1,450,994	(67,697)	105%	1,328,622	190,068	14%
6 Operating expenses:									
7 Salaries, wages, and employee 8 benefits	492,159	0	492,159	618,845	126,687	80%	430,754	61,405	14%
9 Supplies for resale	569,562	0	569,562	456,577	(112,985)	125%	452,284	117,278	26%
Maintenance and repairs	75,303	0	75,303	71,003	(4,300)	106%	105,721	(30,418)	-29%
11 Utilities	59,891	0	59,891	51,196	(8,696)	117%	63,194	(3,303)	-5%
12 Depreciation and amortization	508,514	0	508,514	530,593	22,080	96%	578,091	(69,577)	-12%
13 Interdepartment charges	105,221	0	105,221	105,221	0	100%	66,773	38,448	58%
14 Other supplies, services, & charges	299,815	0	299,815	276,948	(22,866)	108%	264,240	35,574	13%
15 Total operating expenses	2,110,464	0	2,110,464	2,110,383	(80)	100%	1,961,057	149,407	8%
16 Operating income (loss)	(591,773)	0	(591,773)	(659,390)			(632,434)		
17 Nonoperating revenues (expenses):									
18 Interest income	59,408	0	59,408	8,250	(51,158)	720%	14,046	45,362	323%
19 Interest expense	(301)	(124,343)	(124,644)	(1,558)	123,086	7998%	(1,374)	(123,270)	8971%
20 Gain (loss) on disposal of fixed assets	(2,551)	0	(2,551)	0	2,551	#DIV/0!	0	(2,551)	#DIV/0!
21 Capital outlay/Construction	0	(3,886,785)	(3,886,785)	0	3,886,785	#DIV/0!	(92,434)		
22 Grant reimbursements	(1,579,106)	0	(1,579,106)	0	1,579,106	#DIV/0!	(7,162,049)	5,582,943	-78%
23 Total nonoperating revenues (expenses)	(1,522,550)	(4,011,128)	(5,533,678)	6,692	5,540,370	-82696%	(7,241,811)	1,708,133	-24%
24 Net income (loss) before operating transfers	(2,114,323)	(4,011,128)	(6,125,451)	(652,698)	5,472,753	938%	(7,874,245)	1,748,794	-22%
25 Operating transfers in	377,312	1,559,000	1,936,312	345,869	(1,590,443)	560%	76,696	1,859,616	2425%
26 Operating transfers out(includes G&A)	(70,305)	0	(70,305)	(70,305)	0	100%	(70,305)	0	0%
27 Net income (loss)	(1,807,316)	(2,452,128)	(4,259,444)	(377,133)	3,882,311	1129%	(7,867,854)	3,608,410	-46%
28 Add back depreciation expense	508,514		508,514	530,593	22,080	96%	578,091	(69,577)	-12%
29 Net income (loss) adjusted for depreciation expense	(1,298,802)	(2,452,128)	(3,750,930)	153,460	3,904,390	-2444%	(7,289,763)	3,538,833	-49%
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	\$ 34,453,290	\$ (2,452,128)	\$ 32,001,162	\$ 35,905,552			\$ 24,394,422		