

# LS Memorandum

## City of Lee's Summit

To: BOAC

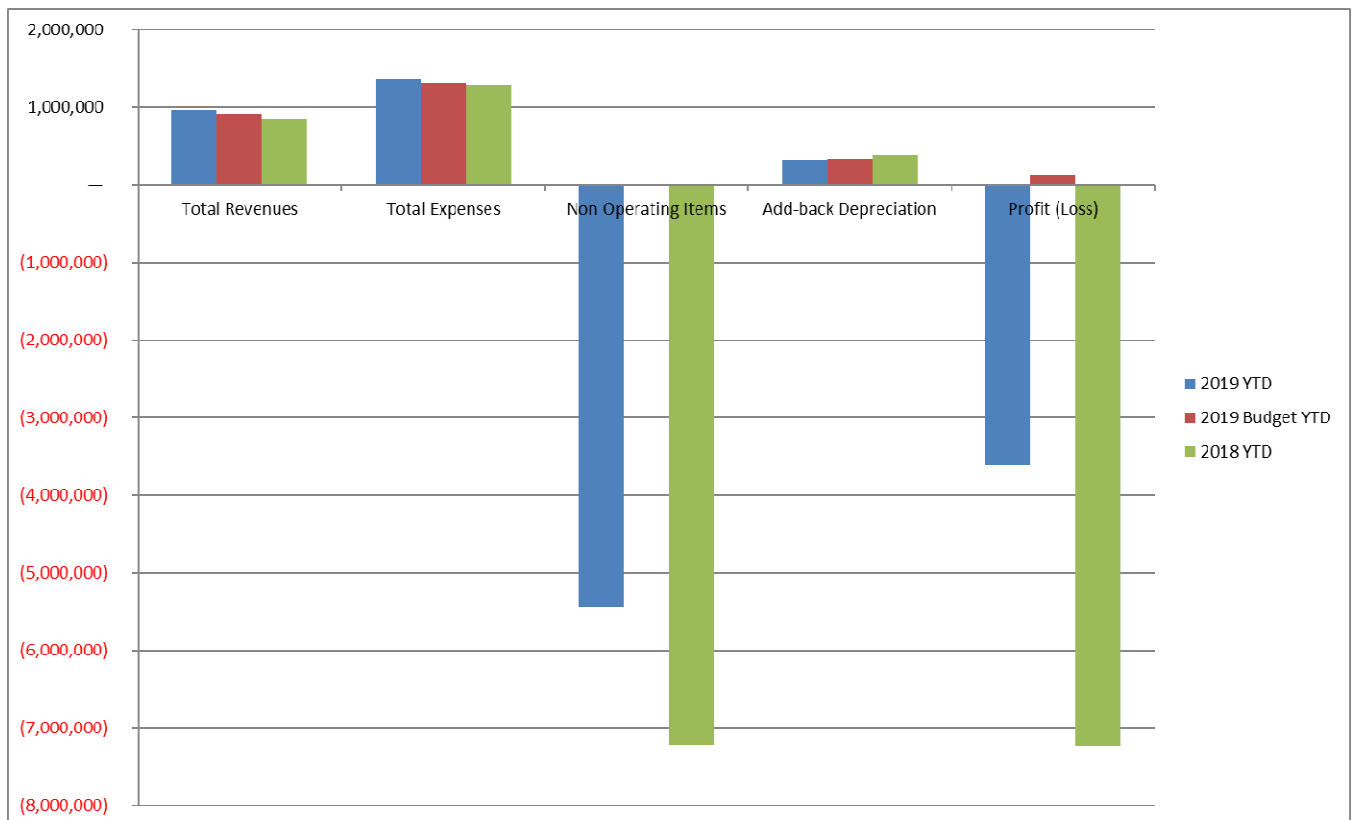
From: Darlene Pickett, Controller

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

Date: March 28, 2019

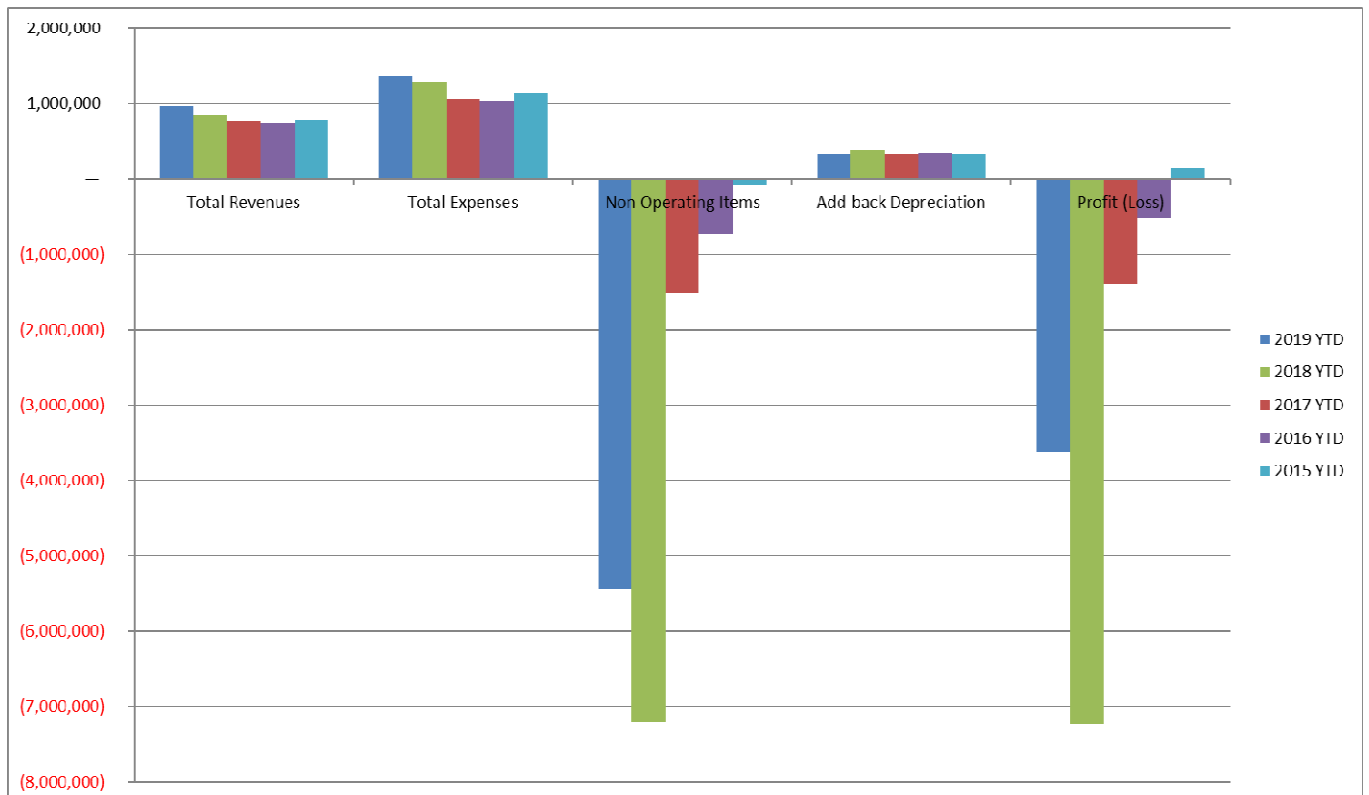
Re: Airport Financial Statements – March 31, 2019 – UNAUDITED

- Reports through March 2019 show the Airport fund with a net operating loss of \$387,262. The fund has operating revenues of \$967,690 against expenditures of \$1,354,952. Nonoperating items and transfers bring the fund to a year-to-date net loss of \$3,938,297. When depreciation expense of \$326,207 is eliminated, the net loss without depreciation is \$3,612,090. Pending grant reimbursements make up \$1,579,106 of this loss.



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- Operating Revenues** overall are above budget (5%) and above prior year \$117,659 or 15%. Rental revenue is below budget by 7% for FY19 and down 7% (\$27,671) compared to last year. This drop is due hangar demolition and construction of replacement hangars further from the runway. Fuel revenues are above budget \$94,613 (19%) and up \$91,060 (21%) compared to last year. Overall, sales in gallons increased 15,934 gallons or 16% compared to last year. Jet A is up 14,575 gallons for a 38% increase. Note, Runway 18/36 was closed until the end of September 2017 (1<sup>st</sup> quarter of FY18) when comparing current year to prior year.
- Expenditures** are 4% over budget (\$46,765). Supplies for Resale (fuel is the primary item in this category) is \$88,043 or 30% over budget and up 35% over last year actual. This is due to increased gallons purchased (see revenues above) along with rising costs. In addition, there are some unposted adjustments that will make fuel costs decrease. Other supplies, services, and charges is \$24,999 or 14% over budget. This is due to a timing difference in insurance expenses due to a full payment made in the beginning of the fiscal year as compared to the budget was allocated evenly. This gap will narrow monthly as we progress through the fiscal year.
- 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 January 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	\$ 430,495	\$ -	\$ 430,495	\$ 464,193	\$ 33,698	93%	\$ 402,824	\$ 27,671	7%
3 Fuel sales	525,618	0	525,618	441,729	(83,889)	119%	434,558	91,060	21%
4 Other	11,577	0	11,577	17,438	5,861	66%	12,649	(1,072)	-8%
5 Total operating revenues	967,690	0	967,690	923,360	(44,330)	105%	850,031	117,659	14%
6 Operating expenses:									
7 Salaries, wages, and employee									
8 benefits	303,278	0	303,278	359,027	55,749	84%	267,364	35,914	13%
9 Supplies for resale	378,592	0	378,592	290,549	(88,043)	130%	281,432	97,161	35%
Maintenance and repairs	45,049	0	45,049	45,184	135	100%	84,109	(39,060)	-46%
11 Utilities	33,628	0	33,628	32,579	(1,049)	103%	32,132	1,496	5%
12 Depreciation and amortization	326,207	0	326,207	337,650	11,443	97%	380,361	(54,153)	-14%
13 Interdepartment charges	66,959	0	66,959	66,959	0	100%	42,492	24,467	58%
14 Other supplies, services, & charges	201,239	0	201,239	176,240	(24,999)	114%	200,195	1,044	1%
15 Total operating expenses	1,354,952	0	1,354,952	1,308,188	(46,765)	104%	1,288,084	66,868	5%
16 Operating income (loss)	(387,262)	0	(387,262)	(384,828)			(438,053)		
17 Nonoperating revenues (expenses):									
18 Interest income	29,559	0	29,559	5,250	(24,309)	563%	7,860	21,699	276%
19 Interest expense	(293)	(70,588)	(70,881)	(992)	69,889	7147%	(990)	(69,890)	7057%
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	(3,819,629)	(3,819,629)	0	3,819,629	#DIV/0!	(51,534)		
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)	(1,552,391)	(3,890,217)	(5,442,608)	4,258	5,446,866	-127811%	(7,206,713)	1,764,106	-24%
24 Net income (loss) before operating transfers	(1,939,653)	(3,890,217)	(5,829,870)	(380,570)	5,449,300	1532%	(7,644,767)	1,814,896	-24%
25 Operating transfers in	377,312	1,559,000	1,936,312	220,099	(1,716,213)	880%	76,696	1,859,616	2425%
26 Operating transfers out(includes G&A)	(44,739)	0	(44,739)	(44,739)	0	100%	(44,739)	0	0%
27 Net income (loss)	(1,607,080)	(2,331,217)	(3,938,297)	(205,210)	3,733,087	1919%	(7,612,810)	3,674,512	-48%
28 Add back depreciation expense	326,207		326,207	337,650	11,443	97%	380,361	(54,153)	-14%
29 Net income (loss) adjusted for depreciation expense	(1,280,873)	(2,331,217)	(3,612,090)	132,440	3,744,530	-2727%	(7,232,449)	3,620,359	-50%
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	\$ 34,471,219	\$ (2,331,217)	\$ 32,140,002	\$ 35,884,532			\$ 24,451,736		