

# LS Memorandum

## City of Lee's Summit

To: BOAC

From: Darlene Pickett, Assistant Finance Director

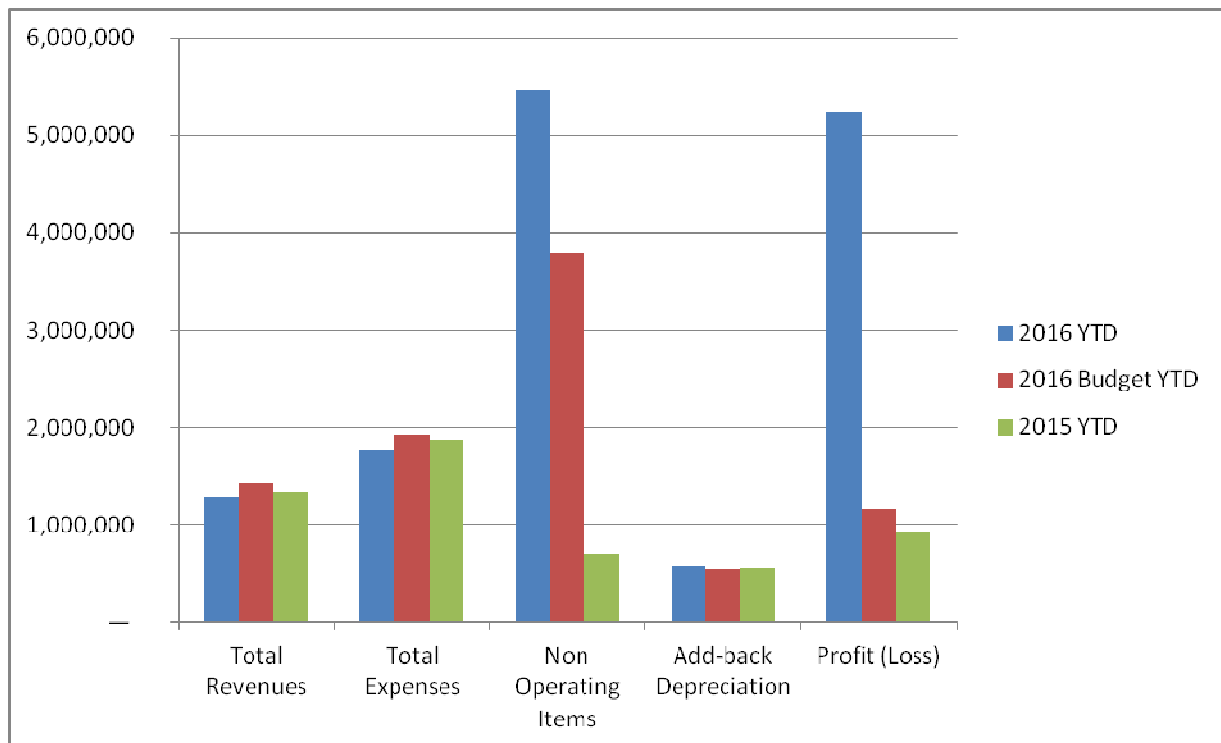
C: Conrad Lamb, Finance Director; Steve Arbo, City Manager

John Ohrazda, Airport Manager; Dena Mezger, Public Works Director

Date: October 4, 2016

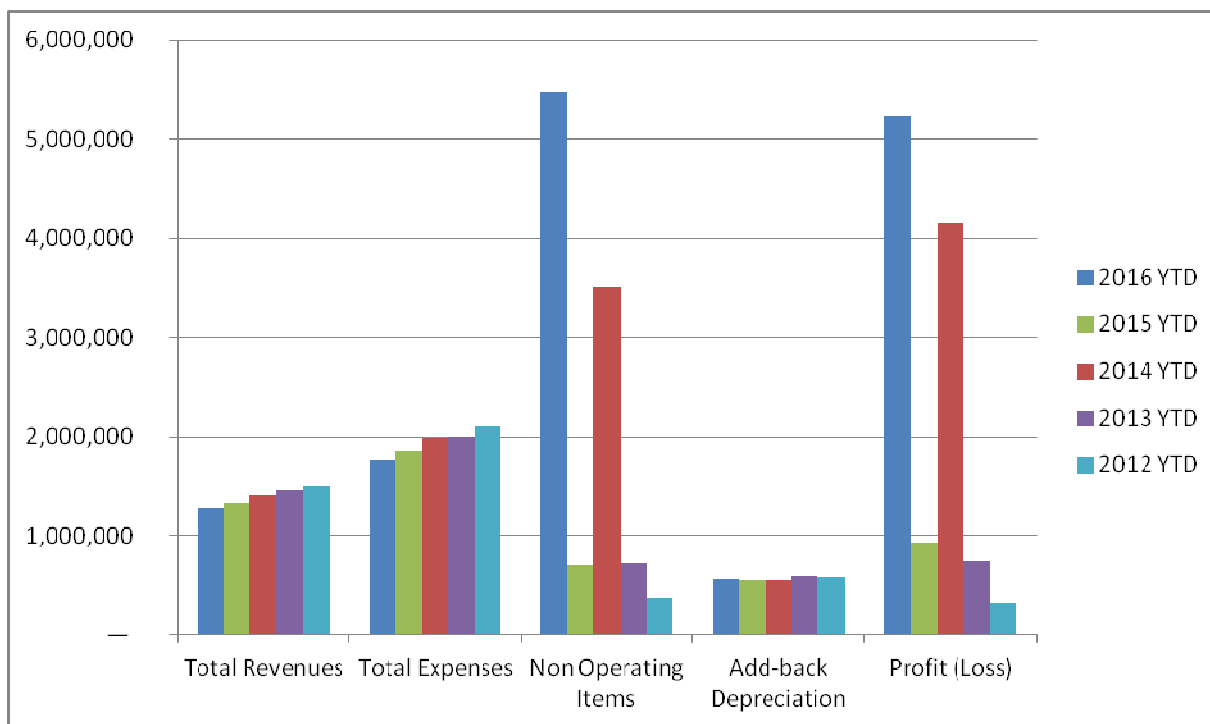
Re: Airport Financial Statements – June 30, 2016 – PRELIMINARY & UNAUDITED

- Reports through June 2016 show the Airport fund with a net operating loss of \$493,759. The fund has operating revenues of \$1,270,604 against expenditures of \$1,764,363. Nonoperating items and transfers bring the fund to a year-to-date net income of \$4,671,842. When depreciation expense of \$566,064 is excluded (added back), net income adjusted for depreciation is \$5,237,906.



# LS Memorandum

- Operating Revenues** ended the year below budget by \$156,091 or 11%, and below prior year, \$50,330 or 4%. Rental revenues exceeded budget by 6% for FY2016 and up 2% compared to last year. Fuel revenues were below budget \$167,277 (20%) and down \$56k (8%) compared to last year. Lower fuel prices are the primary driver for lower revenues compared to last year. Overall, sales in gallons are up 14,665 gallons or 10% compared to last year. Average prices at the pump are \$1.16/gallon (24%) lower than last year.
- Expenditures** ended the year under budget \$162,040 or 8%. Supplies for resale (fuel) are the main driver in the overall decrease coming in at \$175,546 or 28% under budget. OSS&C is under budget \$42k or 18%. Items included in this category include fuel used in airport vehicles/equipment and fuel discounts earned on purchases. Both of these are below budget due to lower costs. Also in the category are supplies such as asphalt, concrete and pavement marking. Maintenance and repairs ended the year \$21k or 36% over budget. This was due to expenditures to extend a drain pipe and fill to grade near a hangar, replace tractor tires and unanticipated tractor repairs. All other expense categories performed within 10% or \$10,000 of budget.
- The chart below compares year-to-date amounts for the last 5 years. The large fluctuations in the Non-Operating Items and P/L categories are due to grant reimbursements (pending and actually received). Grant funds vary based on capital project expenditures.



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

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

Year to Date thru June 30, 2016 (UNAUDITED)

	Fiscal Year 2016 (YTD)			Budget 2016 (YTD)			Last Fiscal Year-2015 (YTD)		
	510 Airport Operating	321 Construction Fund	Consolidated 2015	Budget 2016	Budget Remaining	% Used	PY Actual 2015	\$ Change	% Change
1 Operating revenues:									
2 Charges for services	\$ 574,883	\$ -	\$ 574,883	\$ 541,016	\$ (33,867)	106%	\$ 565,810	\$ 9,073	2%
3 Fuel sales	672,008	0	672,008	839,285	167,277	80%	728,383	(56,375)	-8%
4 Other	23,714	0	23,714	46,394	22,681	51%	26,742	(3,029)	-11%
5 Total operating revenues	1,270,604	0	1,270,604	1,426,695	156,091	89%	1,320,935	(50,330)	-4%
6 Operating expenses:									
7 Salaries, wages, and employee									
8 benefits	365,748	0	365,748	354,753	(10,995)	103%	348,469	17,279	5%
9 Supplies for resale	445,304	0	445,304	620,851	175,546	72%	530,852	(85,547)	-16%
10 Maintenance and repairs	81,457	0	81,457	60,110	(21,348)	136%	72,204	9,253	13%
11 Utilities	46,743	0	46,743	39,320	(7,423)	119%	57,195	(10,453)	-18%
12 Depreciation and amortization	566,064	0	566,064	546,169	(19,895)	104%	553,591	12,474	2%
13 Interdepartment charges	68,482	0	68,482	72,849	4,367	94%	83,507	(15,025)	-18%
14 Other supplies, services, & charges	190,564	0	190,564	232,351	41,787	82%	217,086	(26,523)	-12%
15 Total operating expenses	1,764,363	0	1,764,363	1,926,403	162,040	92%	1,862,904	(98,541)	-5%
16 Operating income (loss)	(493,759)	0	(493,759)	(499,708)			(541,970)		
17 Nonoperating revenues (expenses):									
18 Interest income	41,458	0	41,458	0	(41,458)	#DIV/0!	19,105	22,353	117%
19 Interest expense	(769)	(51,758)	(52,527)	(120,753)	(68,226)	43%	(37,274)	(15,253)	41%
20 Gain (loss) on disposal of fixed assets	0	0	0	0	0	#DIV/0!	0	0	#DIV/0!
21 Grant reimbursements	2,414,497	3,065,588	5,480,085	3,905,382	(1,574,703)	140%	718,401	4,761,684	663%
22 Total nonoperating revenues (expenses)	2,455,186	3,013,830	5,469,016	3,784,629	(1,684,387)	145%	700,232	4,768,784	681%
23 Net income (loss) before operating transfers	1,961,428	3,013,830	4,975,258	3,284,922	(1,690,336)	151%	158,263	4,816,995	3044%
24 Operating transfers in	220,753	0	220,753	220,753	0	100%	297,449	(76,696)	-26%
25 Operating transfers out (includes G&A)	(524,169)	0	(524,169)	(2,887,696)	(2,363,527)	18%	(76,696)	(447,473)	583%
26 Net income (loss)	1,658,012	3,013,830	4,671,842	617,979	(4,053,863)	756%	379,016	4,292,826	1133%
27 Add back depreciation expense	566,064		566,064	546,169	(19,895)	104%	553,591	12,474	2%
28 Net income (loss) adjusted for depreciation expense	2,224,076	3,013,830	5,237,906	1,164,148	(4,073,758)	450%	932,606	4,305,299	462%
29 Net position beginning of year	35,752,092	0	35,752,092	35,752,092			31,684,185		
30 Net position end of year	\$ 37,976,168	\$ 3,013,830	\$ 40,989,998	\$ 36,916,240			\$ 32,616,791		