

LS Memorandum

City of Lee's Summit

To: BOAC

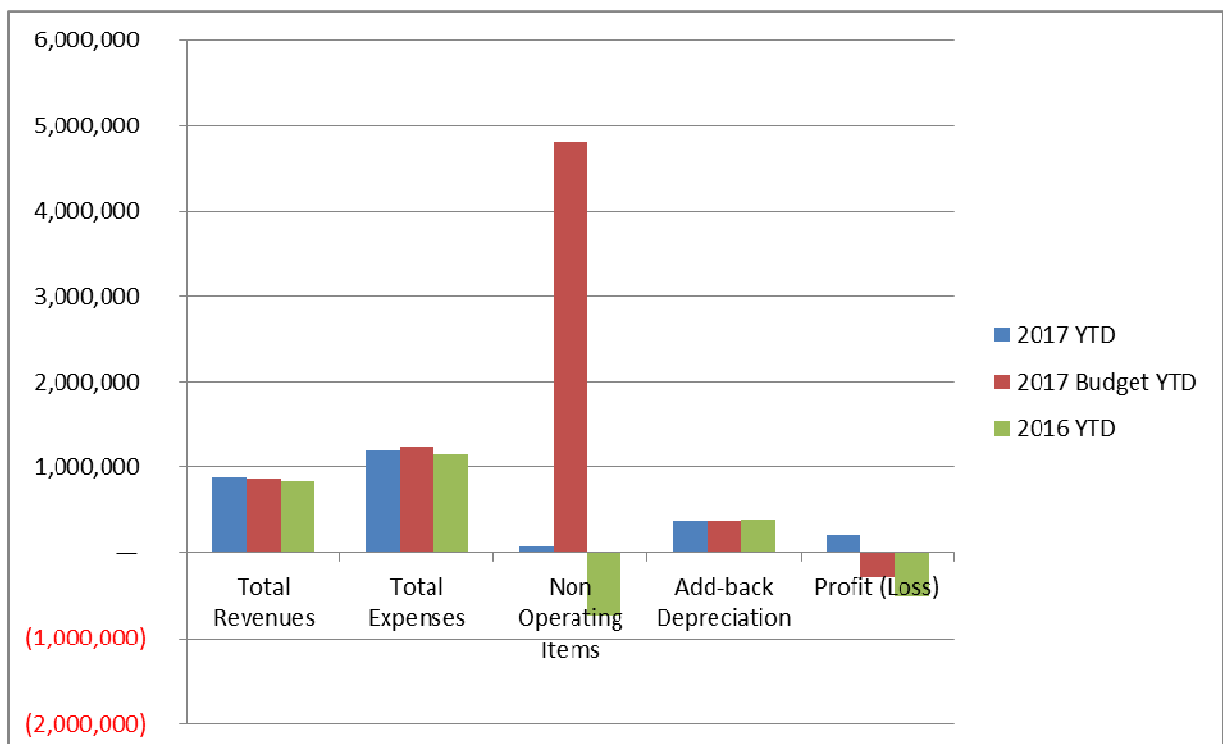
From: Darlene Pickett, Controller

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

Date: April 4, 2017

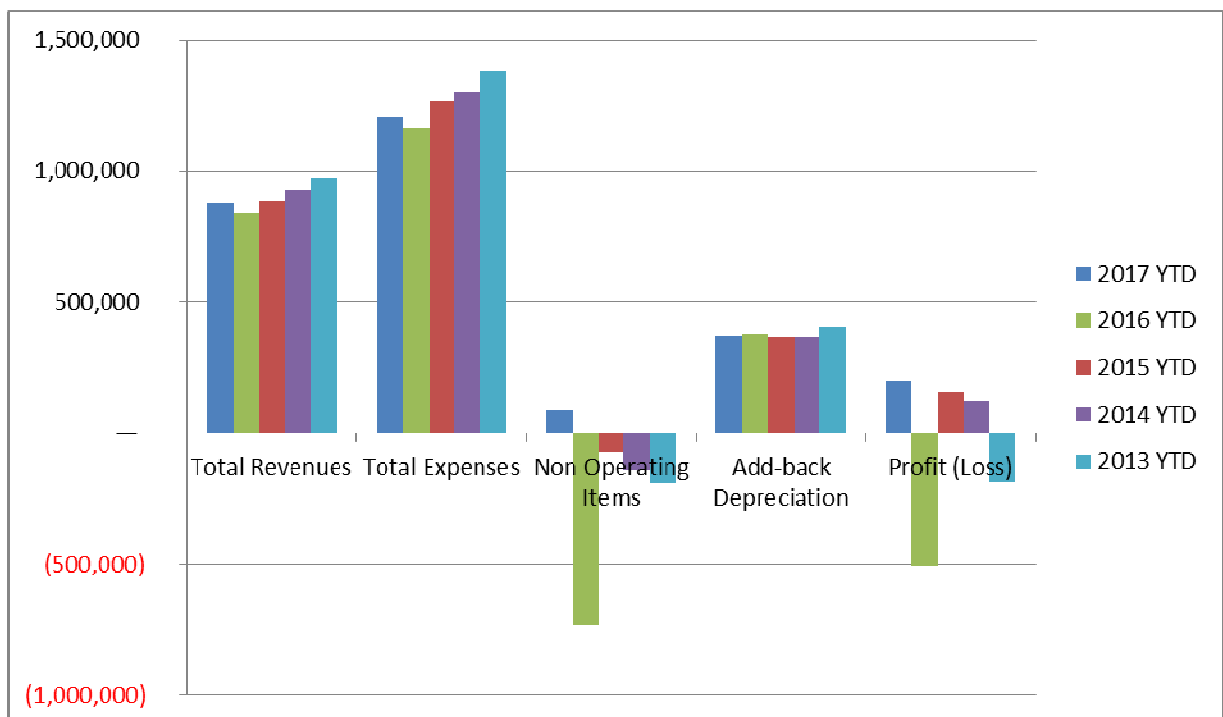
Re: Airport Financial Statements – February 28, 2017 – PRELIMINARY & UNAUDITED

- Reports through February 2017 show the Airport fund with a net operating loss of \$326,813. The fund has operating revenues of \$876,701 against expenditures of \$1,203,514. Nonoperating items and transfers bring the fund to a year-to-date net loss of \$167,059. When depreciation expense of \$370,851 is excluded (added back), net income adjusted for depreciation is \$203,851. Grant reimbursements make up \$147,818 of this income amount.



LS Memorandum

- **Operating Revenues** are right at budget (100%) and above prior year \$35,646 or 4%. Rental revenues are exceeding budget by 9% for FY2017 and up 17% compared to last year. Fuel revenues are below budget \$30,784 (7%) and down \$34k (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 1,800 gallons or 2% compared to last year. Prices on average are \$.82/gallon lower than last year. Staff noted January had 14 IFR days.
- **Expenditures** are under budget \$41,590 or 3%. Salaries and wages are the main driver in the overall decrease coming in at \$31,328 (11%) under budget. OSS&C is under budget \$29k or 17%. 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. Maintenance and repairs are \$18k (50%) over budget. This is expected to level out as the year continues. All other expense categories are performing within 10% or \$10,000 of budget.
- The chart below compares year-to-date amounts for the last 5 years. The large dip in FY16 is due to pending grant reimbursements. The change in FY13 expenses is due to depreciation expenses and the change in Non-operating items and resulting P&L in 2013 is also due to pending grant reimbursements.



CITY OF LEE'S SUMMIT, MISSOURI

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

Year to Date thru February 28, 2017 (UNAUDITED)

Fiscal Year 2017 (YTD)					Budget 2017 (YTD)			Last Fiscal Year-2016 (YTD)		
510 Airport Operating					321 Construction Fund			PY Actual 2016		
1	Operating revenues:									
2	Charges for services	\$		\$	450,299		\$	383,523	\$	66,776
3	Fuel sales	411,196	0	411,196	411,196		411,196	444,761	(33,565)	17%
4	Other	15,206	0	15,206	15,206		16,697	12,771	2,435	-8%
5	Total operating revenues	876,701	0	876,701	876,701		872,755	841,055	35,646	19%
6	Operating expenses:									4%
7	Salaries, wages, and employee									
8	benefits	259,281	0	259,281	259,281		290,609	232,998	26,283	11%
9	Supplies for resale	288,244	0	288,244	288,244		293,631	297,169	(8,925)	-3%
10	Maintenance and repairs	53,899	0	53,899	53,899		36,033	47,974	5,925	12%
11	Utilities	31,046	0	31,046	31,046		24,897	30,207	839	3%
12	Depreciation and amortization	370,910	0	370,910	370,910		370,743	379,248	(8,337)	-2%
13	Interdepartment charges	52,324	0	52,324	52,324		52,160	48,566	3,758	8%
14	Other supplies, services, & charges	147,810	0	147,810	147,810		177,031	126,504	21,306	17%
15	Total operating expenses	1,203,514	0	1,203,514	1,203,514		1,245,104	1,162,666	40,848	4%
16	Operating income (loss)	(326,813)	0	(326,813)	(326,813)		(372,349)	(321,611)		
17	Nonoperating revenues (expenses):									
18	Interest income	(1,234)	0	(1,234)	(1,234)		15,085	7,594	(8,828)	-116%
19	Interest expense	(1,888)	(58,365)	(60,253)	(60,253)		(80,502)	(2,697)	(57,557)	2134%
20	Gain (loss) on disposal of fixed assets	0	0	0	0		0	0	0	#DIV/0!
21	Grant reimbursements	0	147,818	147,818	147,818		4,876,667	(739,106)	886,924	-120%
22	Total nonoperating revenues (expenses)	(3,122)	89,453	86,331	86,331		4,811,250	(734,209)	820,539	-112%
23	Net income (loss) before operating transfers	(329,936)	89,453	(240,483)	(240,483)		4,438,900	(1,055,820)	815,337	-77%
24	Operating transfers in	124,554	0	124,554	124,554		83,036	220,753	(96,199)	-44%
25	Operating transfers out (includes G&A)	(51,131)	0	(51,131)	(51,131)		(5,184,464)	(51,131)	0	0%
26	Net income (loss)	(256,512)	89,453	(167,059)	(167,059)		(662,528)	(886,197)	719,138	-81%
27	Add back depreciation expense	370,910		370,910	370,910		370,743	379,248	(8,337)	-2%
28	Net income (loss) adjusted for depreciation expense	114,398	89,453	203,851	203,851		(291,785)	(506,950)	710,801	-140%
29	Net position beginning of year	35,752,092	0	35,752,092	35,752,092		35,752,092	31,684,185		
30	Net position end of year	\$ 35,866,490	\$ 89,453	\$ 35,955,943	\$ 35,955,943		\$ 35,460,307	\$ 31,177,235		