

LS Memorandum

City of Lee's Summit

To: BOAC

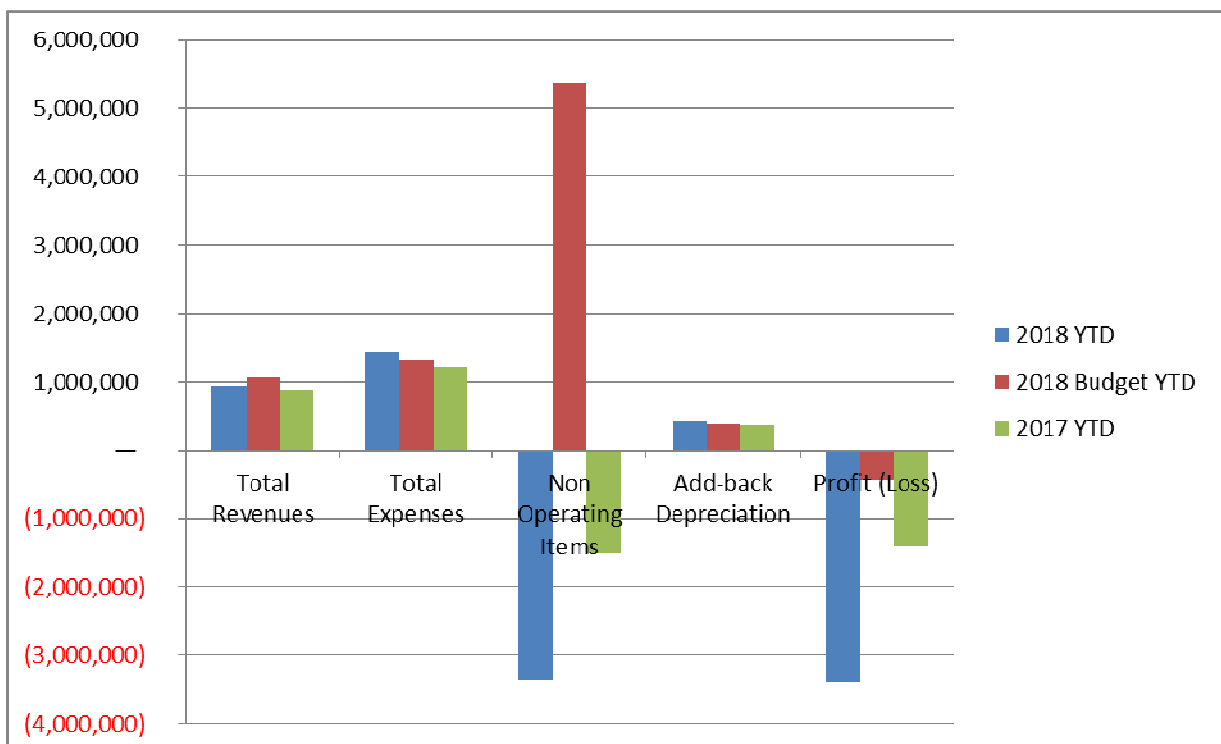
From: Darlene Pickett, Controller

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

Date: April 2, 2018

Re: Airport Financial Statements – February 28, 2018 – PRELIMINARY & UNAUDITED

- Reports through February 2018 show the Airport fund with a net operating loss of \$474,849. The fund has operating revenues of \$941,764 against expenditures of \$1,416,613. Nonoperating items and transfers bring the fund to a year-to-date net loss of \$3,792,153. When depreciation expense of \$429,793 is excluded (added back), net losses adjusted for depreciation are \$3,362,360. Pending grant reimbursements make up \$5,561,100 of this loss amount.



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- **Operating Revenues** are below budget (11%) and above prior year \$65,063 or 7%. Rental revenues are below budget by 15% for FY18 and up 1% compared to last year. This drop below budget is due to the 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 April or May. Fuel revenues are below budget \$31,385 (6%) and up \$58,826 (14%) compared to last year. Overall, sales in gallons increased 4,621 gallons or 4% compared to last year. In gallons sold, AvFuel is down 1,408 gallons or 2% and JetA is up 3,407 gallons for a 9% increase. Note that Runway 18/36 was closed until the end of September 2017.
- **Expenditures** are over budget \$83,261 or 6%. Maintenance & Repairs is \$47,034 or 120% over budget. Large expenditures in this category include roof repairs, carpet, and painting for Hangar 1 totaling \$22,000. Boiler and siding repairs totaled \$25,000. Supplies for Resale (fuel is the primary item in this category) is \$24,713 or 9% over budget and up 1% over last year. This is due to increased gallons purchased (see revenues above) while costs have remained fairly steady.
- 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.

