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TO: Operations, Finance and Administration Committee

FROM: Kathy Fisher, Manager - Budget (612-726-8158)

SUBJECT: **Budget Variance Report – January 2022**

DATE: March 2, 2022

**FOR ACTION**

**Summary**

The Metropolitan Airports Commission (MAC) Commission Bylaws and Rules of Procedure indicate that staff would provide monthly Variance Reports to the Operations, Finance and Administration Committee for review/ratification.

**Action Requested**

Recommend that the full Commission accept the Budget Variance Report and authorize expenditures in these categories up to the budgeted or forecasted budget amounts.

**Report**

The January 2022 Operating Budget Variance Report is attached which summarizes year-to-date revenue and expenses and variances from budgeted amounts.





**OPERATING REVENUE**

Total operating revenue for January year-to-date is over budget $832,730 or 3.3%. Revenue from Concessions is the main source of this positive variance.

***Concessions***

Concessions revenue is $649,254 or 5.7% higher than budget. Terminal concessions are slightly higher than budget $86,724 or 2.9% and Ground Transportation, mainly Parking, is greater than budget $582,821 or 7.1%. These above budget variances are due to the continued recovery from the pandemic and increased passengers.

**OPERATING EXPENSES**

Total operating expenses for January year-to-date are under budget $71,944 or 0.6%. There are no major variances in any of the expense categories for January.

**NON-OPERATING REVENUE (EXPENSE)**

Non-Operating Expense is higher than budget $350,385 or 31.7%. The below budget Interest Income is due to a decrease in the market value of existing investments from the current rising interest rate environment. The decrease in market value exceeded interest income earned during the period. Since the MAC typically holds investments to maturity, these fluctuations in value are temporary unless the investment is sold. The stated coupon rate is still received.