

Duluth Airport Authority 2021 3rd Quarter Financial Update



Duluth Airport Authority
DAA Board Packet Budget vs. Actual Summary
From Jan 2021 to Sep 2021

Unaudited

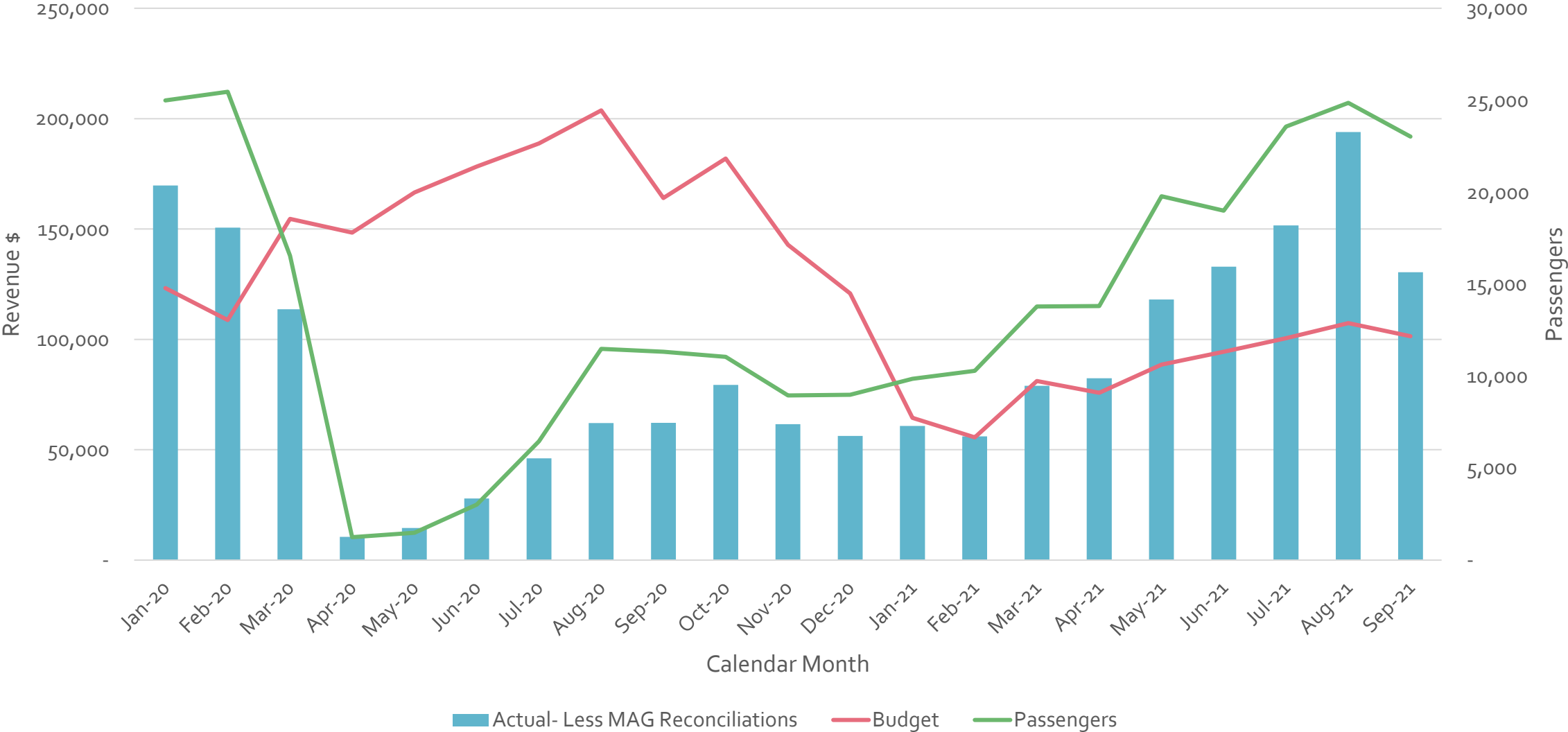
Financial Row	Prior Year Actual (Jan 2020 - Sep 2020)	Current Year Actual (Jan 2021 - Sep 2021)	Budget Amount (Jan 2021 - Sep 2021)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2021 - Adjust 2021)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,248,975	1,986,810	1,411,748	140.73%	737,835	575,061	1,865,240
Non-Passenger Aeronautical Revenue	1,076,611	1,100,802	1,095,105	100.52%	24,190	5,697	1,455,426
Passenger Airline Aeronautical Revenue	979,232	1,014,224	962,606	105.36%	34,992	51,618	1,281,878
Total - Income	3,304,818	4,101,835	3,469,459	118.23%	797,017	632,376	4,602,544
Gross Profit	3,304,818	4,101,835	3,469,459	118.23%	797,017	632,376	4,602,544
Expense							
Miscellaneous Expenses	35,342	40,085	23,563	170.12%	4,743	16,522	32,660
Personnel Compensation & Benefits	1,579,820	1,634,788	1,739,756	93.97%	54,968	(104,968)	2,460,392
Services and Charges	1,292,182	1,409,085	1,423,330	99.00%	116,903	(14,246)	1,877,099
Supplies	361,933	547,187	443,277	123.44%	185,254	103,910	574,230
Total - Expense	3,269,278	3,631,145	3,629,926	100.03%	361,867	1,218	4,944,381
Net Ordinary Income	35,540	470,690	(160,467)	-293.33%	435,150	631,158	(341,838)
Other Income and Expenses							
Other Income							
Capital Contributions	0	33,311	0	0.00%	33,311	33,311	0
Non-Operating Revenue	264,960	332,600	279,539	118.98%	67,640	53,061	365,939
Total - Other Income	264,960	365,911	279,539	130.90%	100,951	86,372	365,939
Other Expense							
Non-Operating Expense	205,841	186,483	246,483	75.66%	(19,358)	(60,000)	328,644
Total - Other Expense	205,841	186,483	246,483	75.66%	(19,358)	(60,000)	328,644
Net Other Income	59,119	179,428	33,056	542.80%	120,309	146,372	37,295
Net Income Exclusive of Project Expenses, Depreciation & Amortizati	94,659	650,118	(127,411)	-510.25%	555,459	777,530	(304,543)

- This report is based on an allocated budget, which is seasonally adjusted.
- At this time the DAA is at a favorable variance budget vs actual of over 777k. The favorable variance is inflated due to increased revenues from the MAG reconciliation for the parking lot of \$308,830.82. Expenses are also overstated by the \$110k boiler replacement. After removing these anomalies, the DAA is at a favorable variance of \$578k.
- CRRSA Concessionaire relief was applied to September financials and the parking relief approved in October will be reflected next month's financials.
- No CARES expense reimbursements have been requested in 2021.
- The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings.
- The largest variance from budget in revenues comes the parking concession MAG adjustment of \$308k and car rental concession which is up \$172k, while other concessions are very close to budget. Non-passenger aeronautical revenue is only \$5.6k off from budget and passenger airline aeronautical revenue is over budget due to increased landing fees of \$51k.
- The largest variance from budget in expenses come from the boiler replacement project of \$110k, this will be rectified when capitalized to be removed from operating expenses in future financial updates. Removing the boiler cost expenses we would be 108k under budget.
- Non-operating income is close to budget with PFCs coming in higher than expected and the recording of the CRRSA concessionaire relief, while expenses are down due budgeted line of credit interest which hasn't been utilized for a total favorable variance vs budget of over \$146k.

Revenues

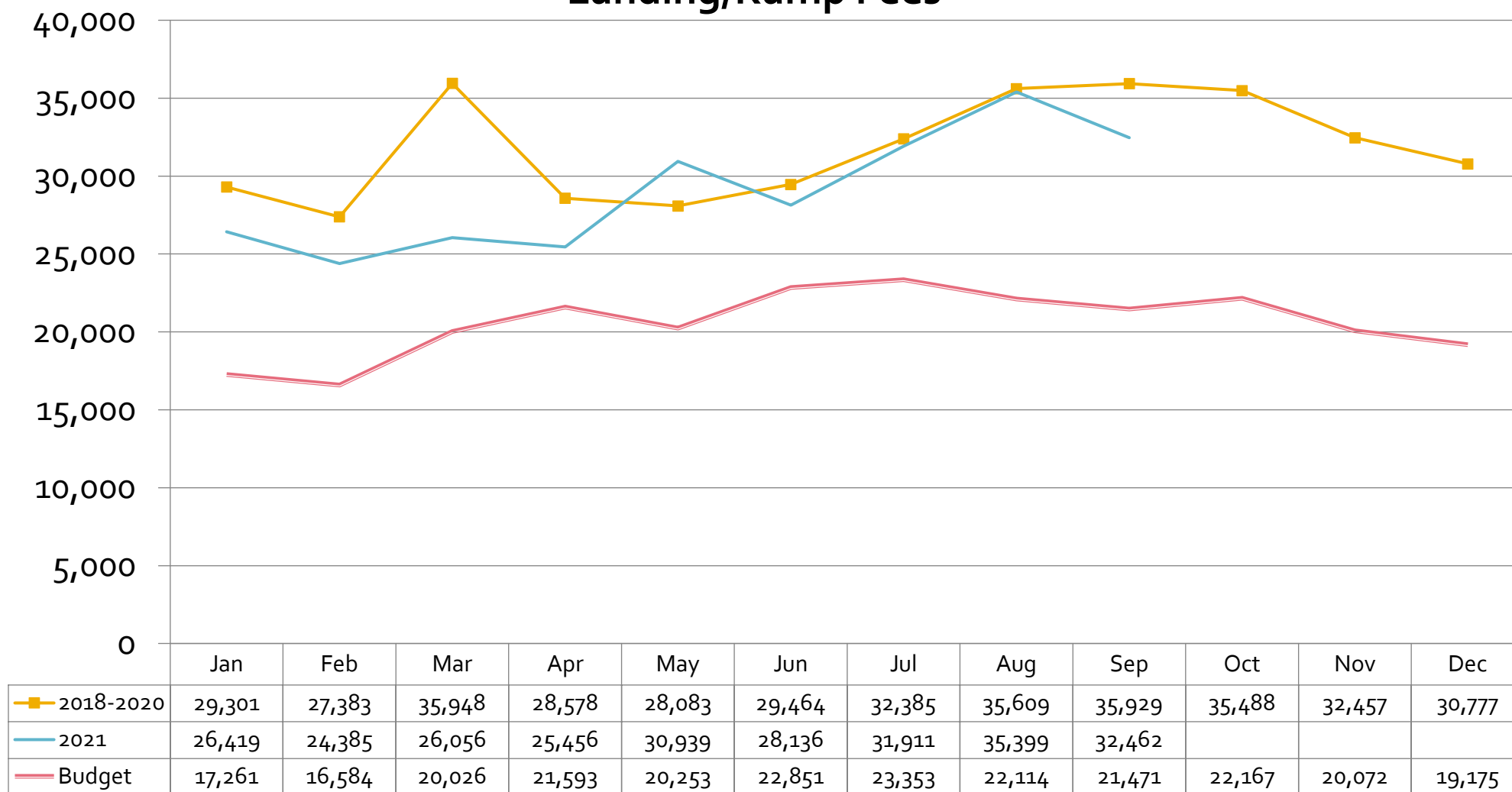


Non-Aeronautical Revenue Concessions Excluding MAG Reconciliations

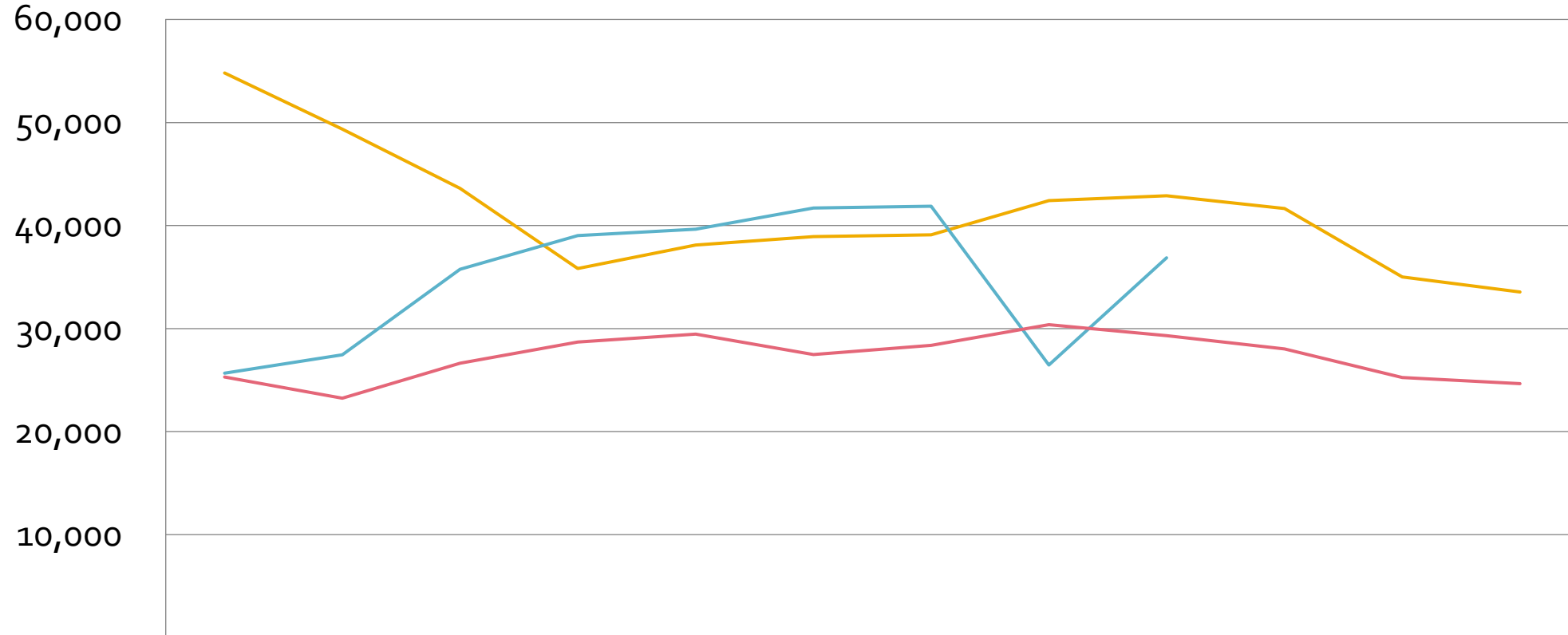


Landing/Ramp Fees

8% under the 3-yr
average, 40%
over budget, 30%
over 2020



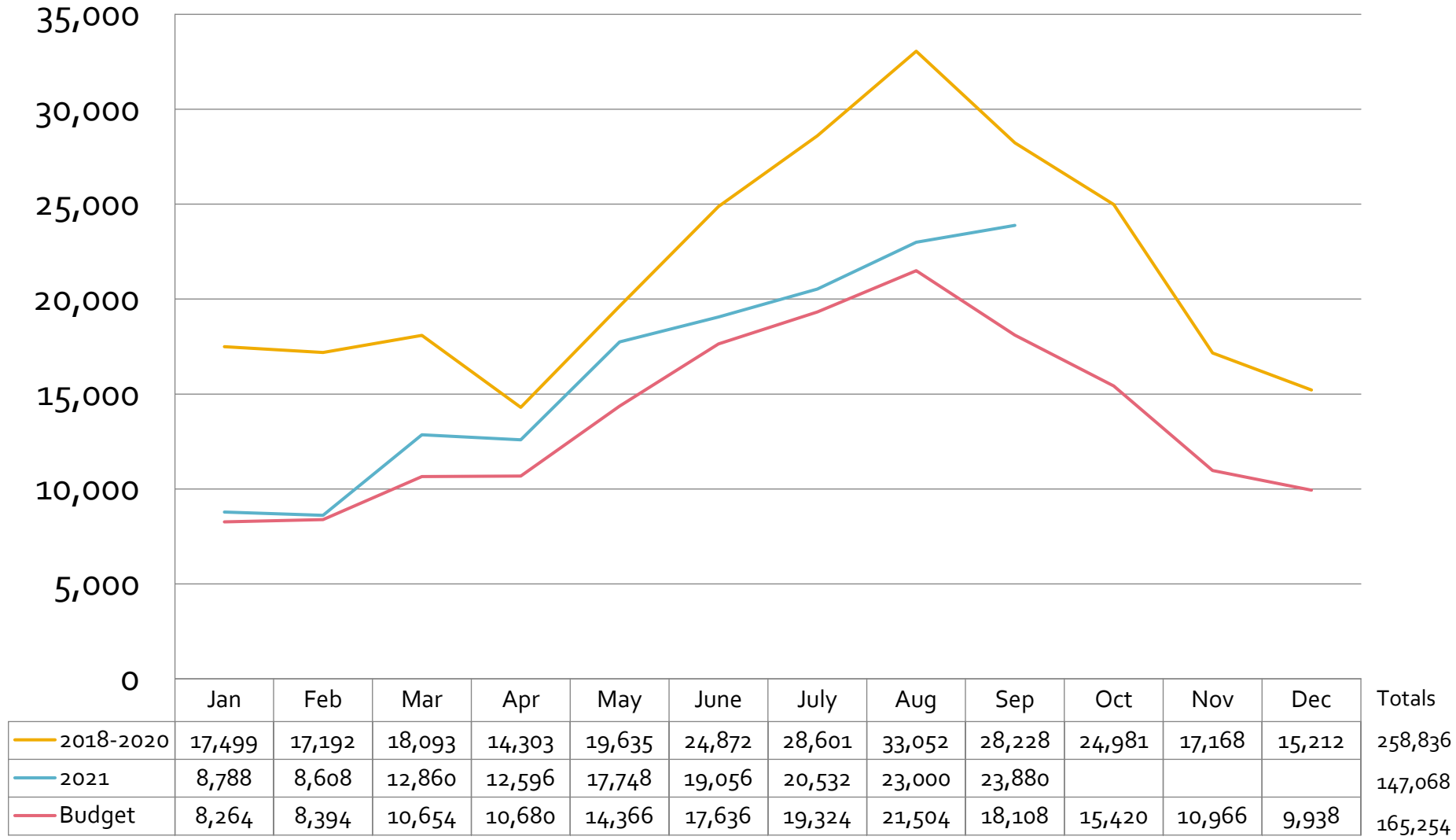
18% under
3-year
average,
26% over
budget and
35% over
2020



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2018-2020	54,806	49,365	43,608	35,836	38,099	38,940	39,112	42,432	42,891	41,660	35,000	33,545	495,293
2021	25,671	27,441	35,758	39,035	39,644	41,695	41,886	26,468	36,870				314,467
Budget	25,299	23,230	26,645	28,689	29,464	27,466	28,368	30,375	29,317	28,025	25,242	24,652	326,772

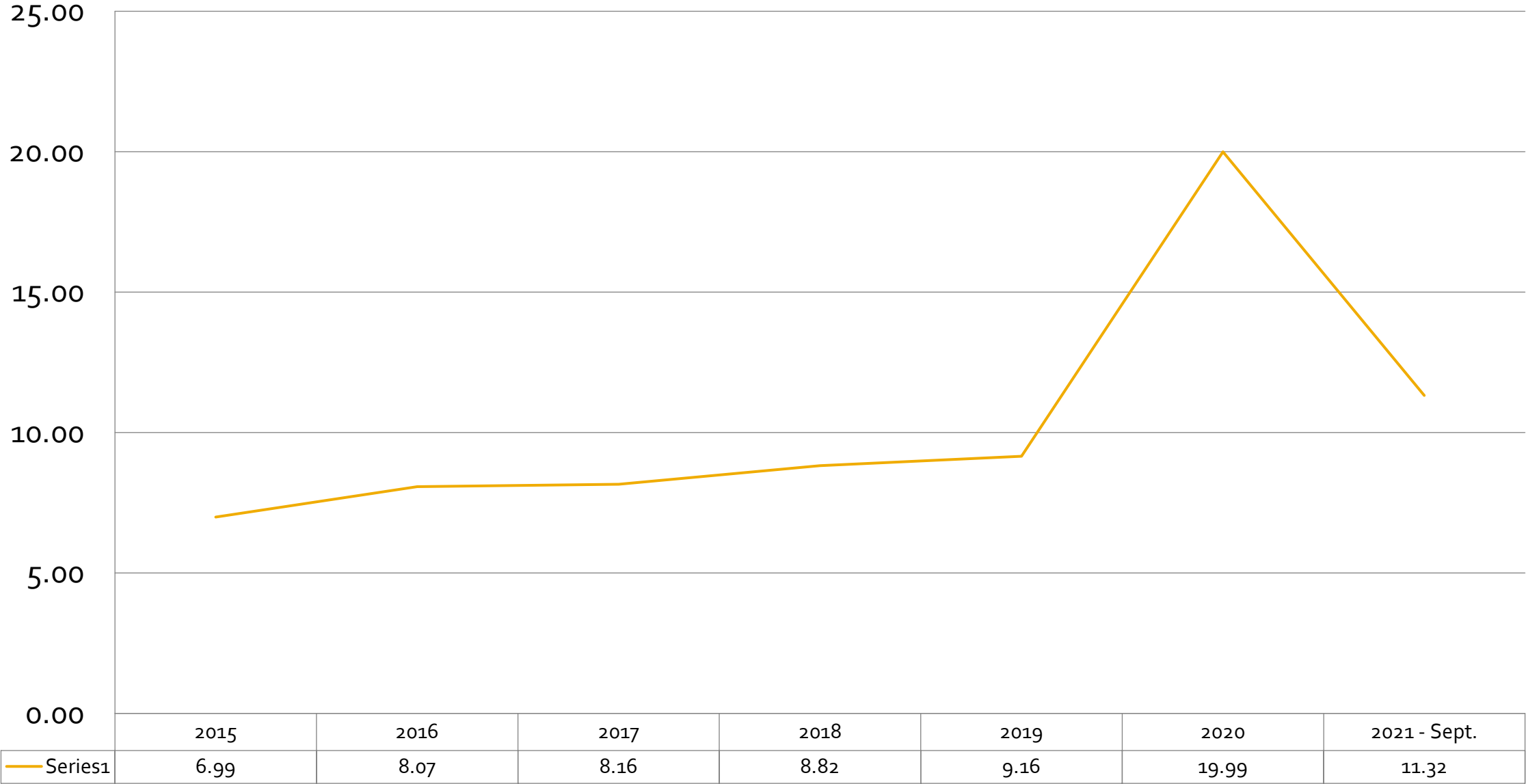
Customer Facility Charge Collection \$4/day up to 4 days on Auto Rental

27% under the 3yr avg.,
14% over budget and
26% over 2020



DLH CPE History

Goal has been to remain under \$10

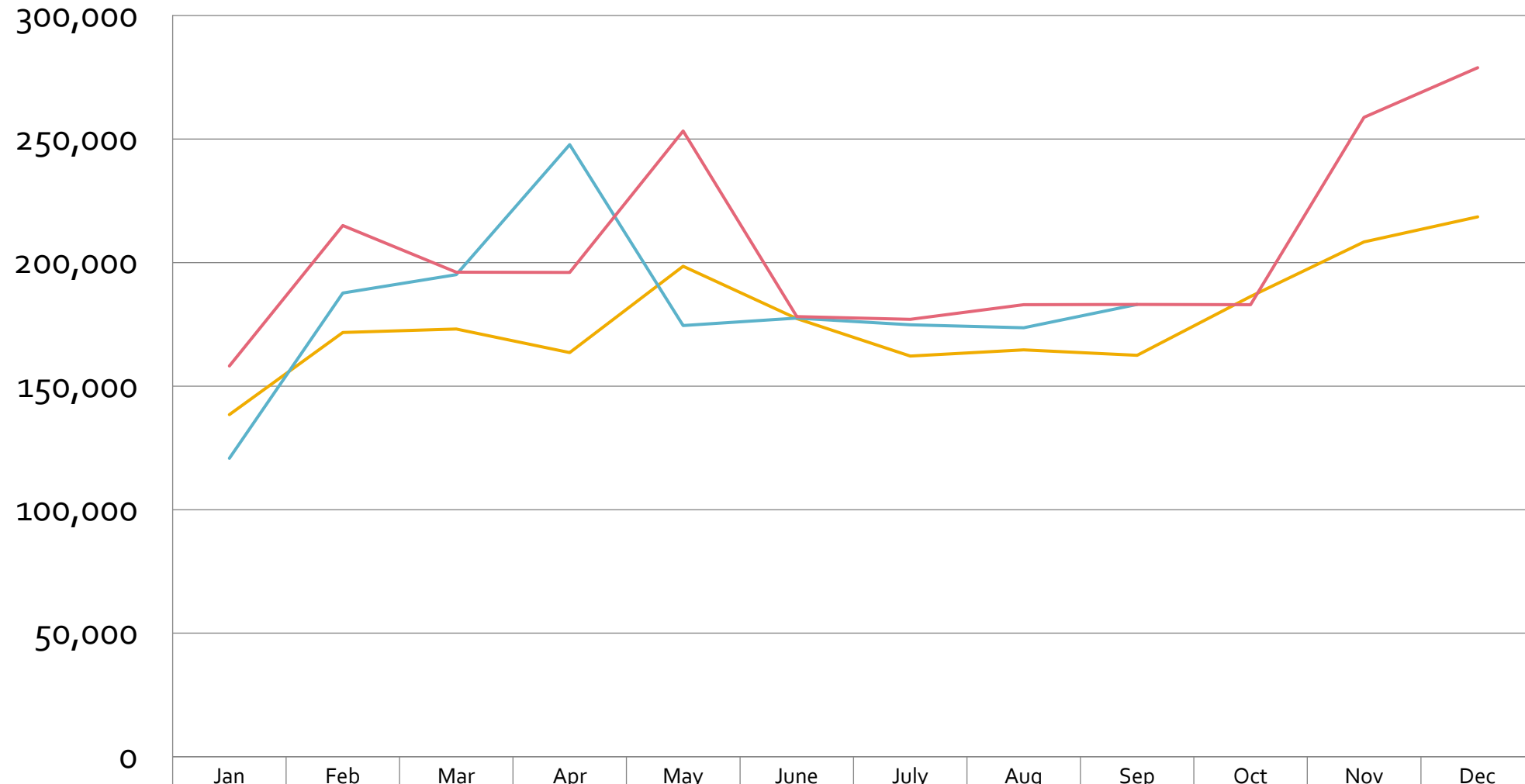




Operating Expenditures

Personnel Compensation & Benefits

8% over 3-year
average,
6% under
budget and 3%
over 2020



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2018-2020	138,486	171,753	173,136	163,536	198,529	177,380	162,207	164,678	162,448	186,240	208,388	218,537
2021	120,816	187,627	195,151	247,737	174,501	177,531	174,839	173,569	183,018			
Budget	158,104	214,997	196,132	196,032	253,251	178,168	177,068	182,952	183,052	182,952	258,810	278,874

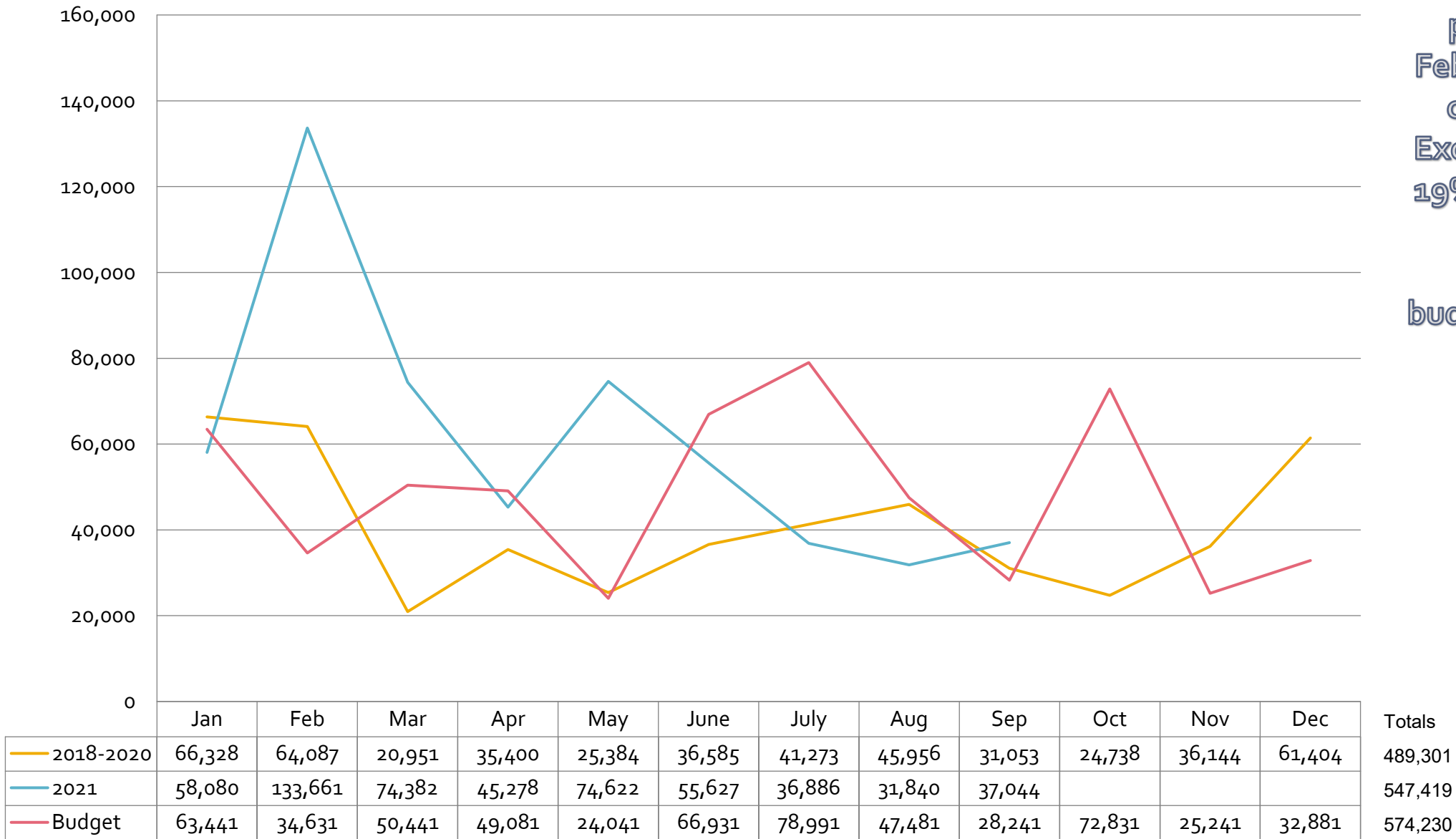
Totals
2,125,319
1,634,788
2,460,392



**DULUTH
INTERNATIONAL
AIRPORT**

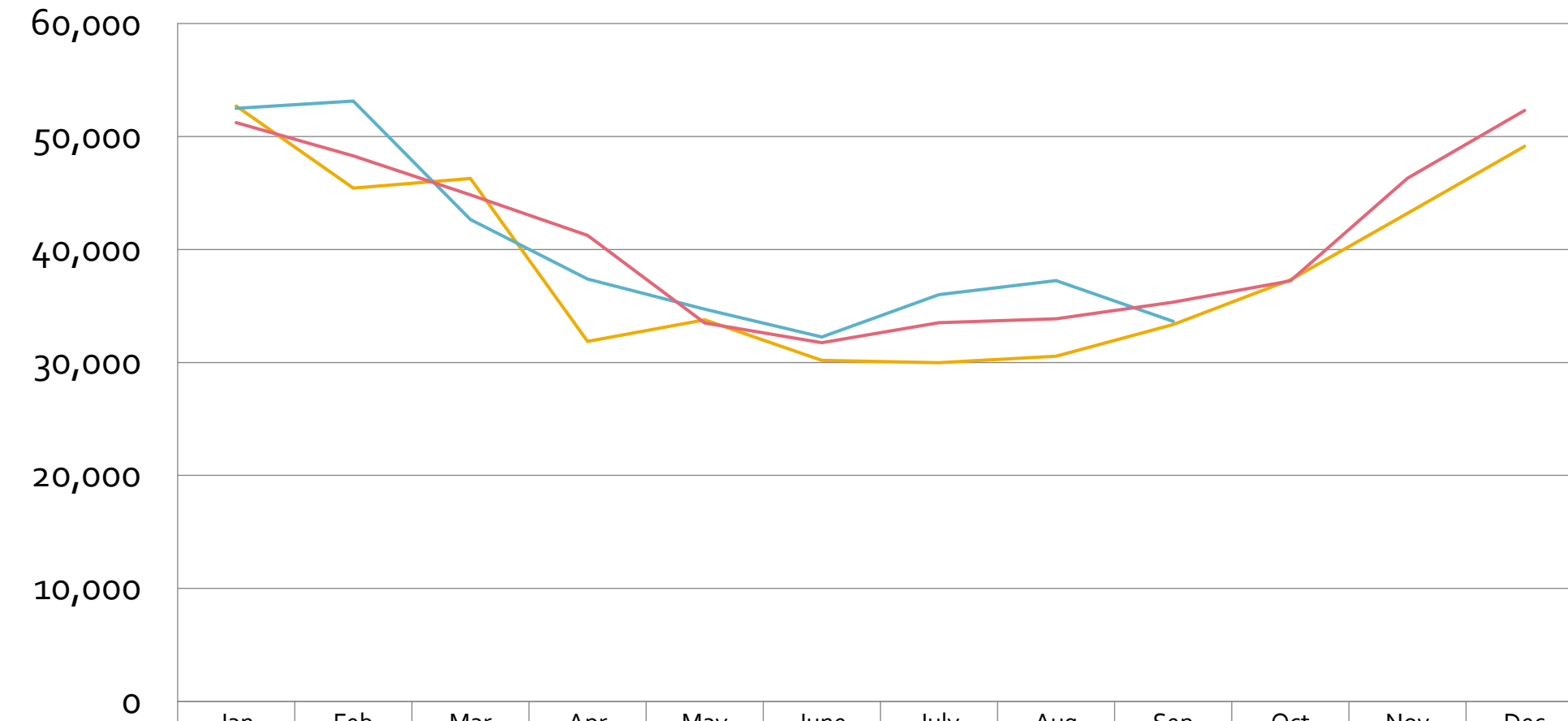
Supplies

\$110k boiler purchase in February will be capitalized. Excluding boiler 19% over 3-year average, 1% under budget, and 21% over 2020



Utilities

7% under 3-
year average,
1.7% over
budget and 6%
over 2020



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2018-2020	52,709	45,435	46,292	31,854	33,773	30,177	29,984	30,548	33,351	37,317	43,206	49,142	463,786
2021	52,500	53,133	42,649	37,378	34,718	32,244	35,994	37,255	33,637				359,508
Budget	51,233	48,285	44,825	41,258	33,506	31,743	33,523	33,862	35,343	37,222	46,296	52,315	489,411

Executive Summary Jan-Sept

- Revenues: 109% Less Parking MAG Reconciliation (330,923.82)
 - Non-Aero Rev: 118% less MAG Recon
 - Concessions: 133% less MAG Recon
 - Non-Passenger Rev: 100% of budget
 - Concessions: 150% of budget
 - Passenger Airline Revenue: 107% of budget
 - Landing Fees: 149% of budget
- Expenses (less boiler exp \$110k): 97% of budget (100% of budget if we include boiler)
 - Personnel Comp & Ben (including retirees): 94% of budget
 - Communications and Technology: 158% of budget
 - Repairs & Maint: 106% of budget
 - Supplies: 98%
- Non-Operating:
 - PFCs are 126% of budget
 - Interest Expense is 75% of budget
- Cash Flow:
 - DAA staff had reserved CARES funds for reimbursement until CRRSA/ARPA grants were received to determine best use of funds. Staff will begin making final CARES requests and M&O requests this month.

Questions ...



Finance Department Board Items





2022 Rates & Charges

Effective January 1st, 2022 - **To Be** Adopted November 16th, 2021

Fuel Price	To be determined by airport manager based on per load cost and published on the airport website, airnav website, and 100LL.com		
Fuel Discounts	Sky Harbor Tenant with lease agreement	5%	
Discounts may not be stacked	Tenant with Commercial Operator Agreement (350 + gallons per month)	2%	Additional
Tenant Discount requires fuel card			
Tie-down	Per Night (1-6 nights)	\$5.00	per night
	Per Week (1-3 weeks)	\$30.00	per week
	Per Month	\$90.00	per month
	For a six month season	\$450.00	per six month season
	If tie downs fees are not paid, no longer allowed to park at Sky Harbor.		
Hangar 1 Aircraft Storage Fee	Per hangar space	\$275.00	per month
Float Storage	Contact Jonathan Aero for float storage pricing		
Overnight Vehicle Parking	See airport manager for parking costs and details		
Space Limited			
Land Lease	Price per agreement with Airport		

Additional Information

Payment Instructions	<ul style="list-style-type: none"> - Payments can be made online at: https://duluthairport.com/online-payment/ - Make checks payable to Duluth Airport Authority - Place payment in bin on airport manager's office door (envelopes provided in bin) - Payments may also be sent to: 4701 Grinden Drive, Duluth, MN 55811 		
Contacts for Questions	Airport Manager - Ken Timm	218-733-0078	ktimm@duluthairport.com
	Maintenance Parking/Float Storage - Jonathan Aero	218-269-2433	jonathanaero4@gmail.com