

Duluth Airport Authority 2021 4th Quarter Financial Update Unaudited – adjustment expected



DULUTH INTERNATIONAL AIRPORT

Travel Globally. Fly Locally.

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

UNAUDITED - FINAL ADJUSTMENTS/AUDIT ADJUSTMENTS PENDING

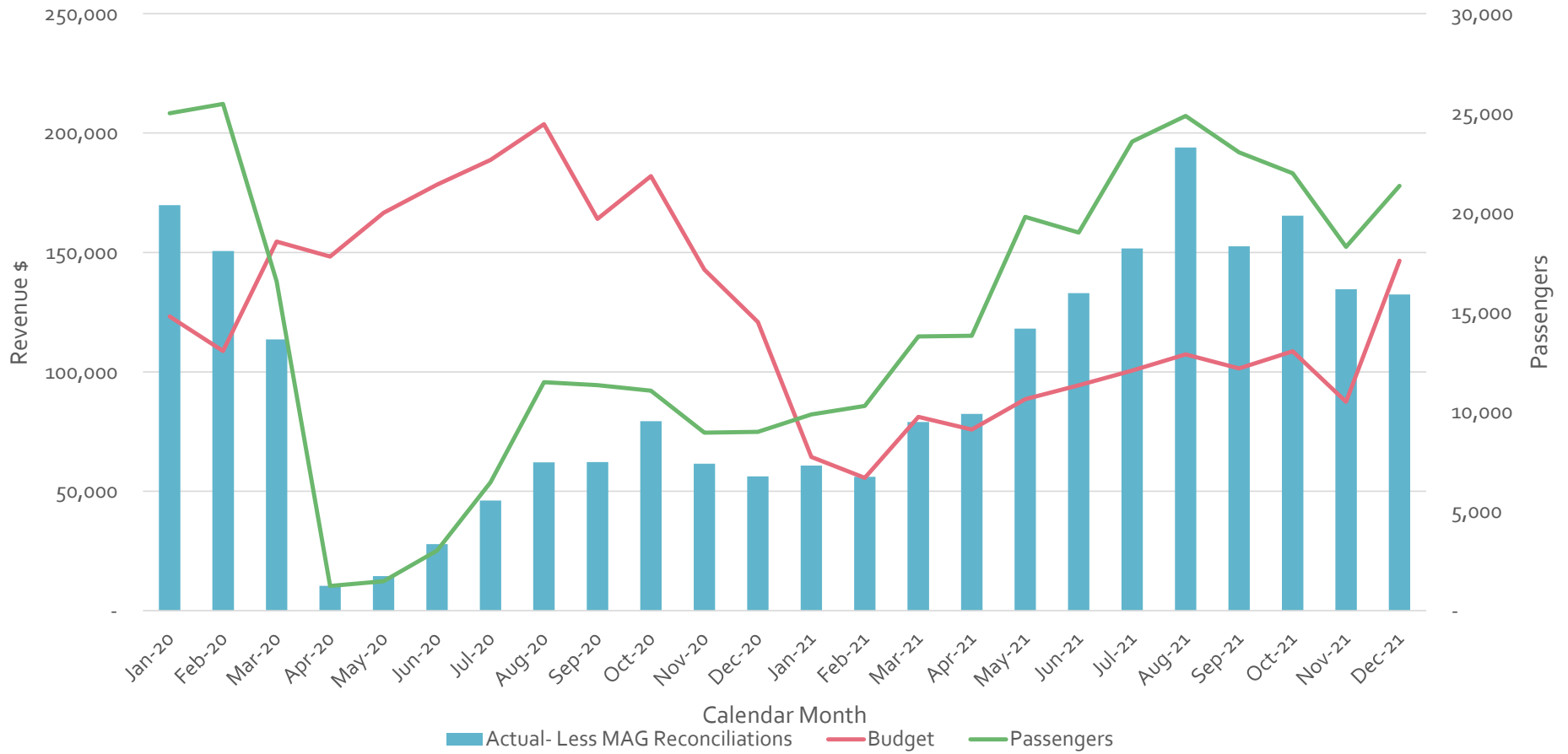
Financial Row	Prior Year Actual (Jan 2020 - Adjust 2020)	Current Year Actual (Jan 2021 - Adjust 2021)	Budget Amount (Jan 2021 - Adjust 2021)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2021 - Adjust 2021)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,925,842	2,576,662	1,865,240	138.14%	650,820	711,423	1,865,240
Non-Passenger Aeronautical Revenue	1,454,040	1,510,395	1,455,426	103.78%	56,355	54,969	1,455,426
Passenger Airline Aeronautical Revenue	1,321,809	1,380,962	1,281,878	107.73%	59,152	99,084	1,281,878
Total - Income	4,701,691	5,468,019	4,602,544	118.80%	766,328	865,475	4,602,544
Gross Profit	4,701,691	5,468,019	4,602,544	118.80%	766,328	865,475	4,602,544
Expense							
Miscellaneous Expenses	44,338	91,522	32,660	280.23%	47,184	58,862	32,660
Personnel Compensation & Benefits	2,238,775	2,241,054	2,460,392	91.09%	2,279	(219,338)	2,460,392
Services and Charges	1,682,643	1,908,332	1,877,099	101.66%	225,689	31,233	1,877,099
Supplies	503,695	831,037	574,230	144.72%	327,343	256,807	574,230
Total - Expense	4,469,451	5,071,946	4,944,381	102.58%	602,496	127,565	4,944,381
Net Ordinary Income	232,241	396,073	(341,838)	-115.87%	163,832	737,910	(341,838)
Other Income and Expenses							
Other Income							
Capital Contributions	0	33,311	0	0.00%	33,311	33,311	0
Non-Operating Revenue	325,183	487,974	365,939	133.35%	162,792	122,035	365,939
Total - Other Income	325,183	521,285	365,939	142.45%	196,103	155,346	365,939
Other Expense							
Non-Operating Expense	274,455	183,040	328,644	55.70%	(91,415)	(145,604)	328,644
Total - Other Expense	274,455	183,040	328,644	55.70%	(91,415)	(145,604)	328,644
Net Other Income	50,728	338,245	37,295	906.94%	287,518	300,950	37,295
Net Income Exclusive of Project Expenses, Depreciation & Amortization	282,968	734,318	(304,543)	-241.12%	451,350	1,038,860	(304,543)

- This report is still pending adjustments and audit adjustments. The results of this report are expected to change slightly with audit adjustments as well as delayed revenue and expense postings.
- At year-end the DAA is at a favorable variance budget vs actual of over \$1.03M. Expenses are also overstated by the \$110k boiler replacement. After removing this anomaly, the DAA is at a favorable variance of nearly \$1.15M.
- Final CARES expense reimbursements were requested as of December 2021.
- The largest variance from budget in revenues comes the parking concession up over \$200k and car rental concession which is up over \$220k, while other concessions are very close to budget. Non-passenger aeronautical revenue is 54k over budget and passenger airline aeronautical revenue is over budget due to increased landing fees of over 99k.
- 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 the final 2021 financial update. Removing the boiler costs expenses we would be 17k over 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 to budgeted line of credit interest which was not utilized for a total favorable variance vs budget of over \$300k.
- **OPERATING POLICY #28 MINIMUM CASH BALANCE REPORTING AS OF 2/8/22:**
 - Minimum Cash Balance Goal: \$2,204,103
 - Current Balance: \$3,041,393 - Exceeds goal
 - Days Cash on Hand: 248 days currently vs 180 day benchmark

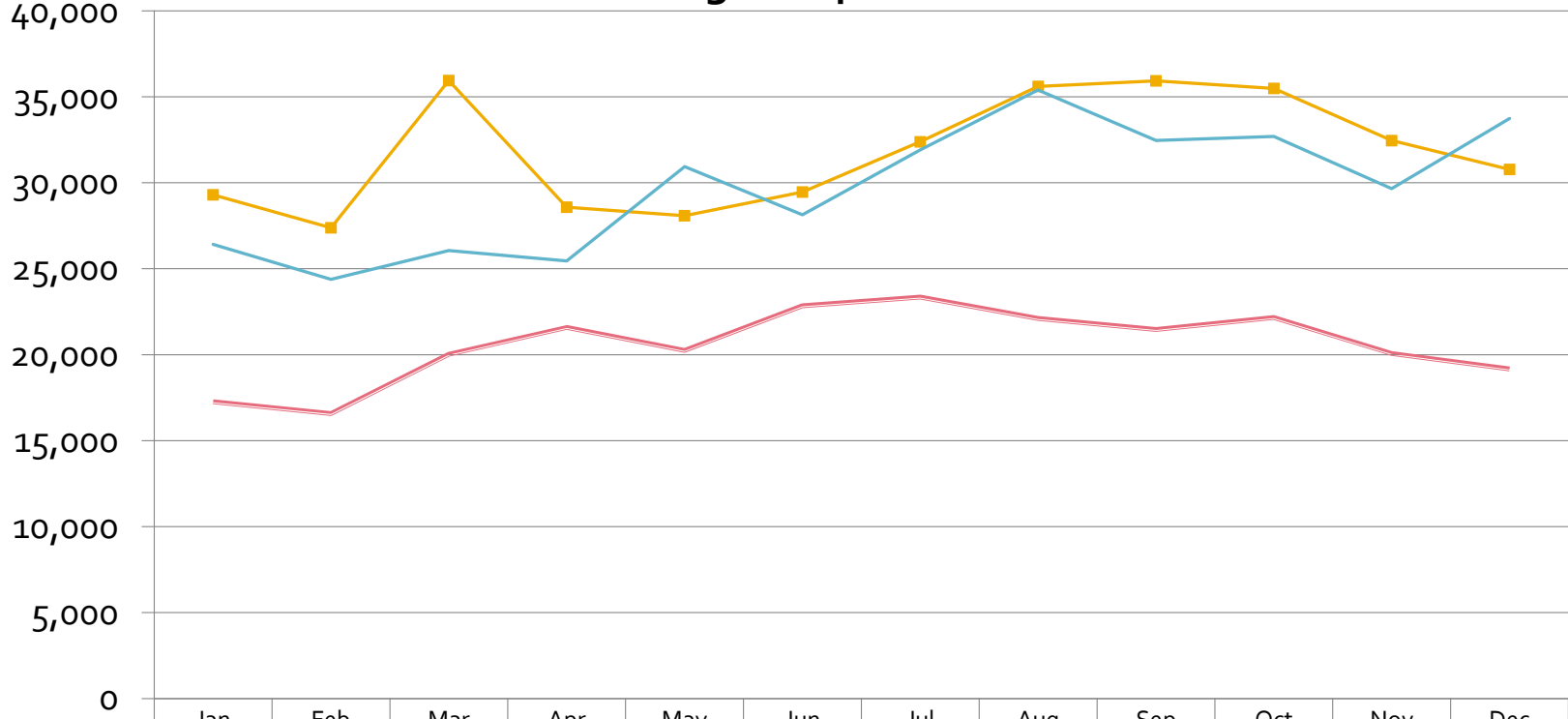
Revenues



Non-Aeronautical Revenue Concessions Excluding MAG Reconciliations & write-offs



Landing/Ramp Fees



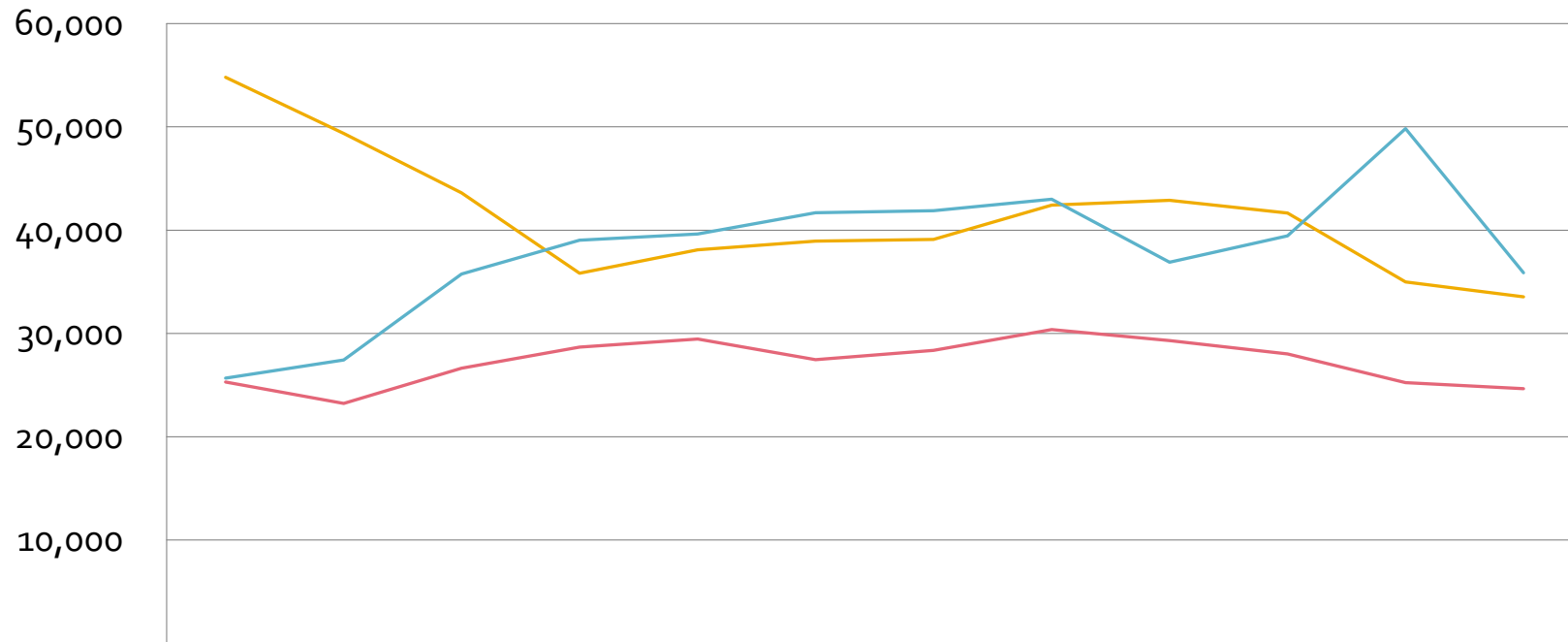
6% under the 3-yr average, 45% over budget, 25% over 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
2018-2020	29,301	27,383	35,948	28,578	28,083	29,464	32,385	35,609	35,929	35,488	32,457	30,777	381,403
2021	26,419	24,385	26,056	25,456	30,939	28,136	31,911	35,399	32,462	32,697	29,664	33,736	357,260
Budget	17,261	16,584	20,026	21,593	20,253	22,851	23,353	22,114	21,471	22,167	20,072	19,175	246,918

Passenger Facility Charge Collection \$4.50 per enplaning customer

8% under 3-
year
average,
40% over
budget and
60% over
2020.

Spike in
November
due to SY
bookings.

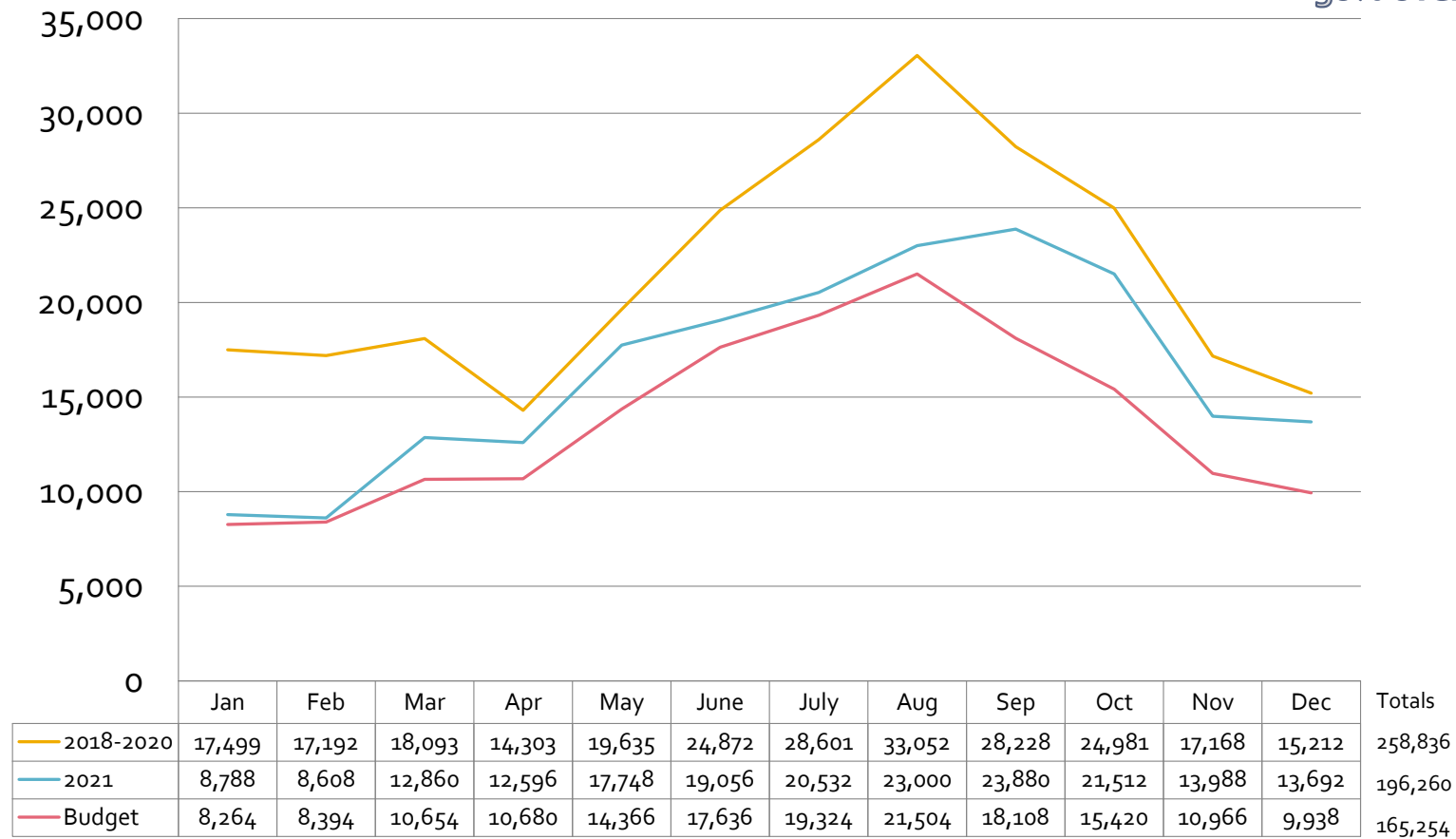


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2018-2020	54,806	49,365	43,608	35,836	38,099	38,940	39,112	42,432	42,891	41,660	35,000	33,545
2021	25,671	27,441	35,758	39,035	39,644	41,695	41,886	43,003	36,897	39,450	49,830	35,886
Budget	25,299	23,230	26,645	28,689	29,464	27,466	28,368	30,375	29,317	28,025	25,242	24,652

Totals
495,293
456,195
326,772

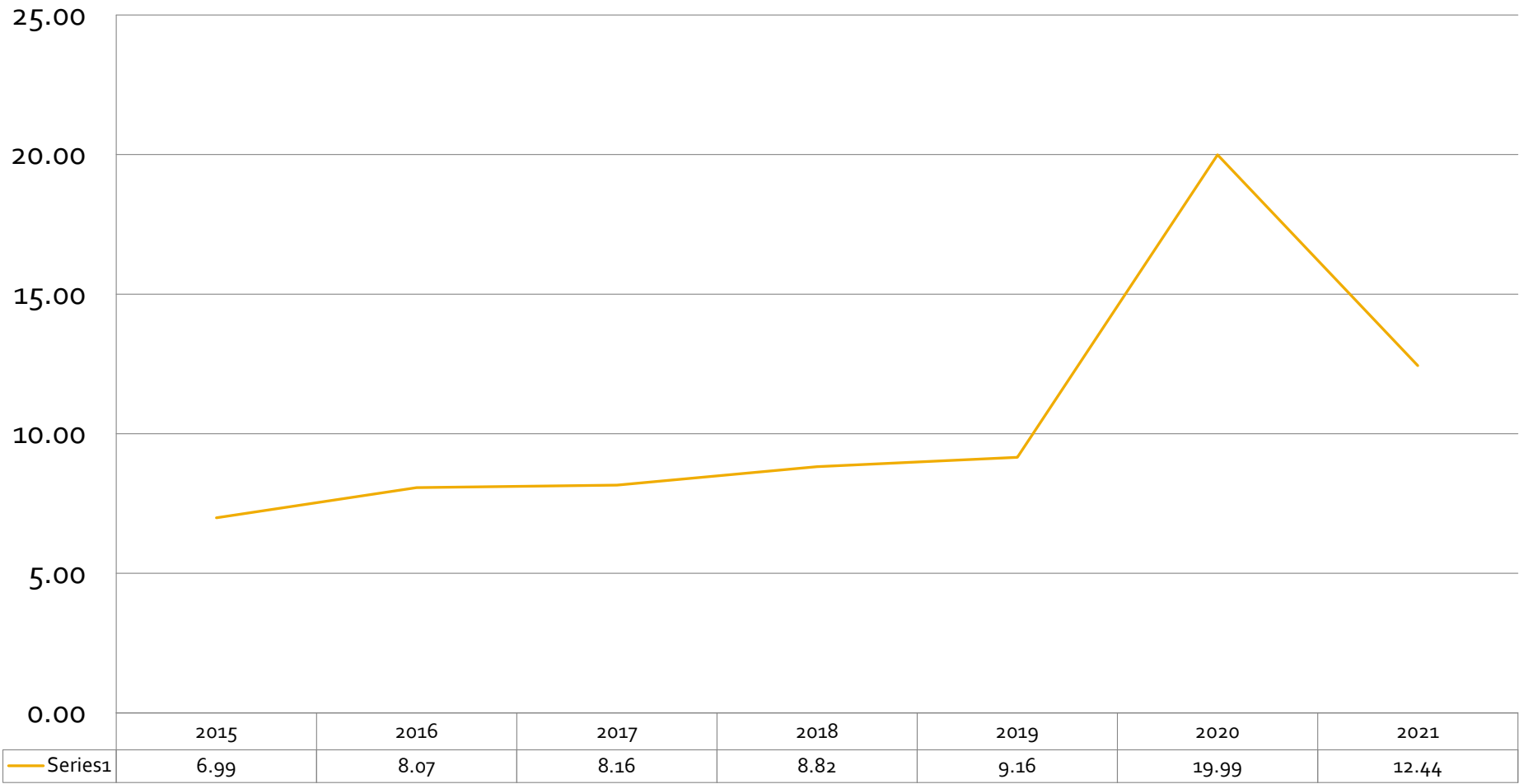
Customer Facility Charge Collection \$4/day up to 4 days on Auto Rental

24% under the 3yr avg.,
19% over budget and
30% over 2020



DLH CPE History

Goal had been to remain under \$10.

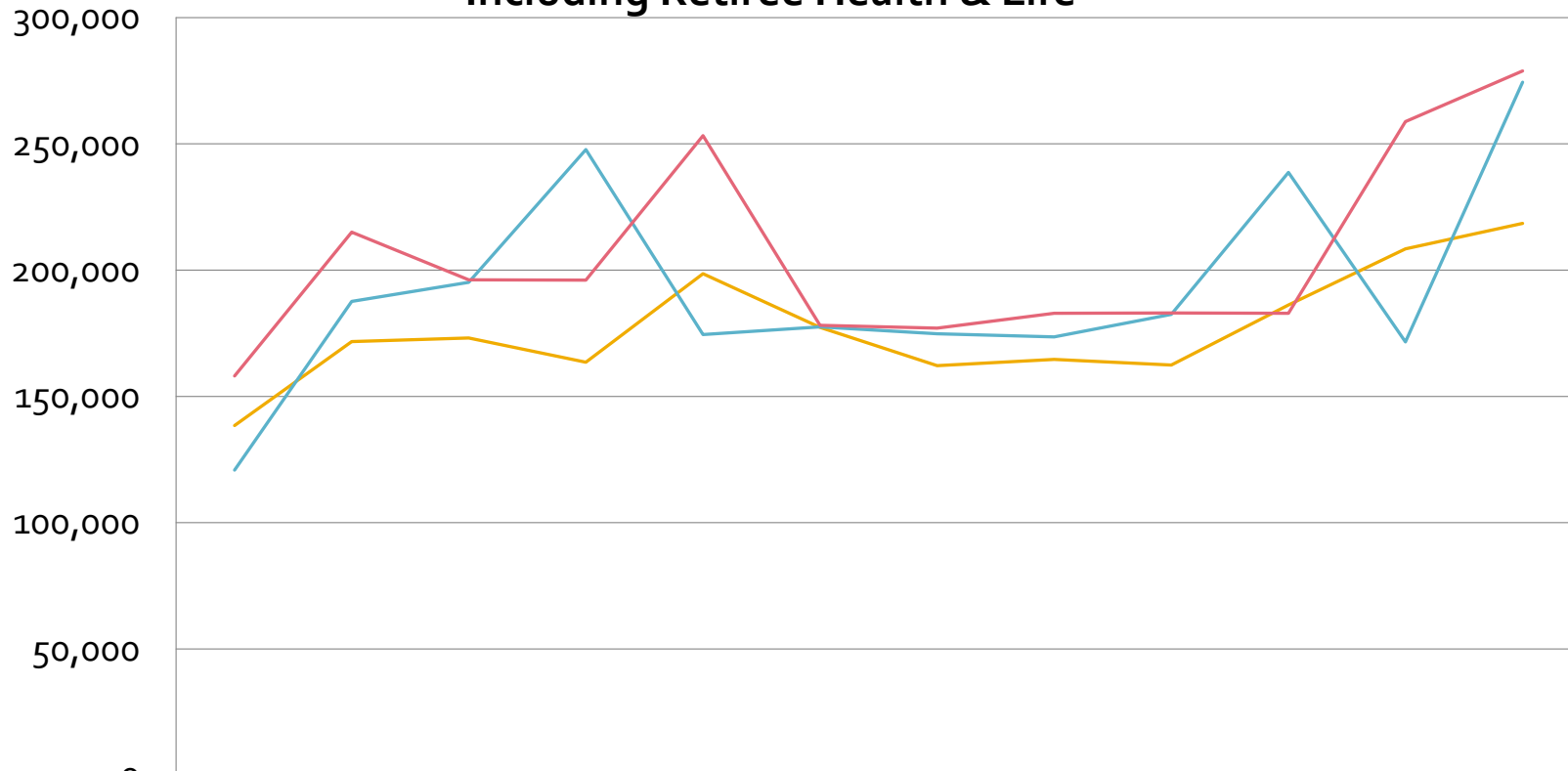




Operating Expenditures

Personnel Compensation & Benefits Including Retiree Health & Life

9% over 3-year
average,
6% under
budget and 5%
over 2020

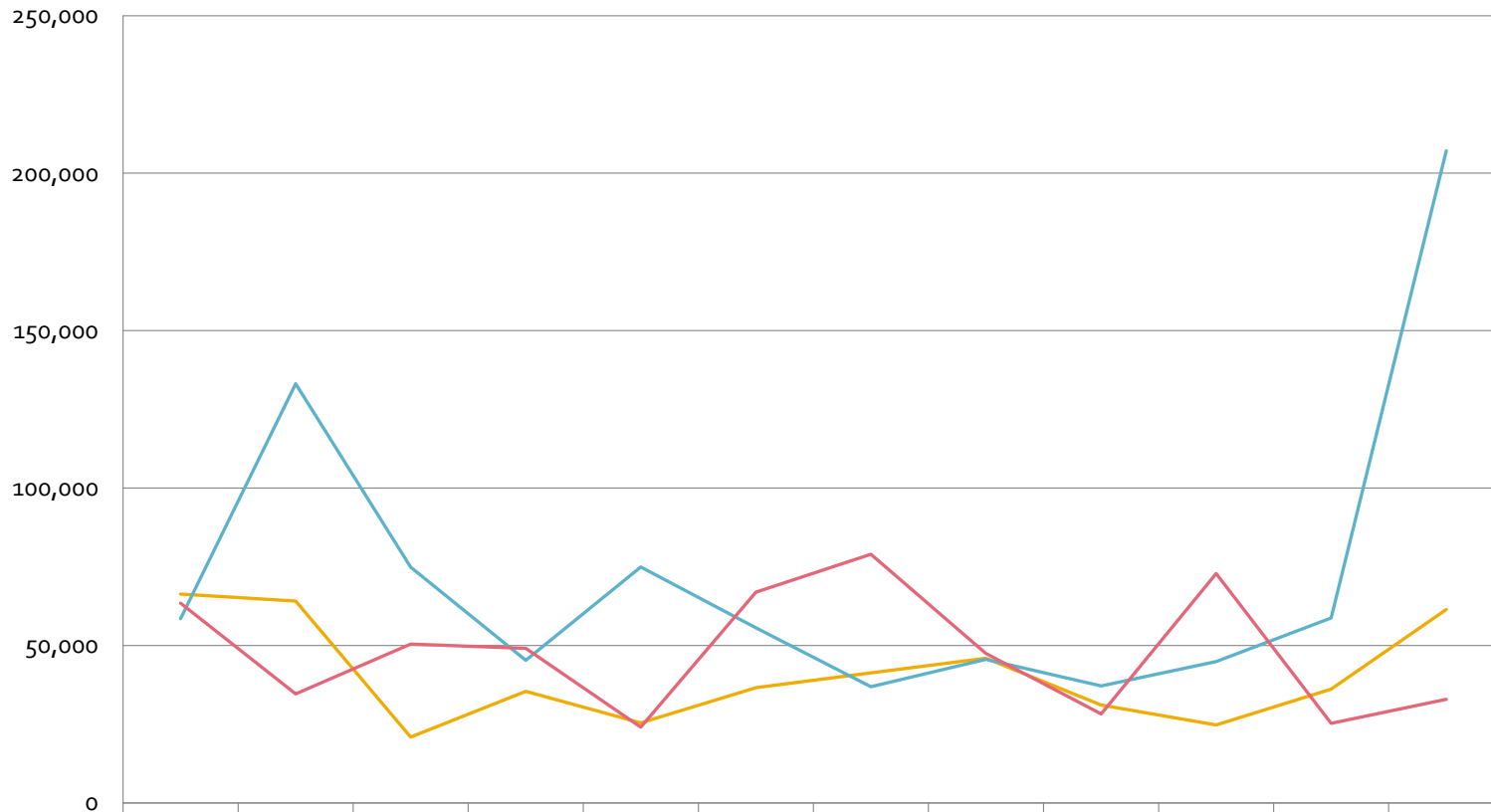


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2018-2020	138,486	171,753	173,136	163,536	198,529	177,380	162,207	164,678	162,448	186,240	208,388	218,537
2021	120,816	187,627	195,151	247,737	174,501	177,531	174,839	173,569	182,480	238,646	171,638	274,376
Budget	158,104	214,997	196,132	196,032	253,251	178,168	177,068	182,952	183,052	182,952	258,810	278,874

Totals
2,125,319
2,318,910
2,460,392

Supplies

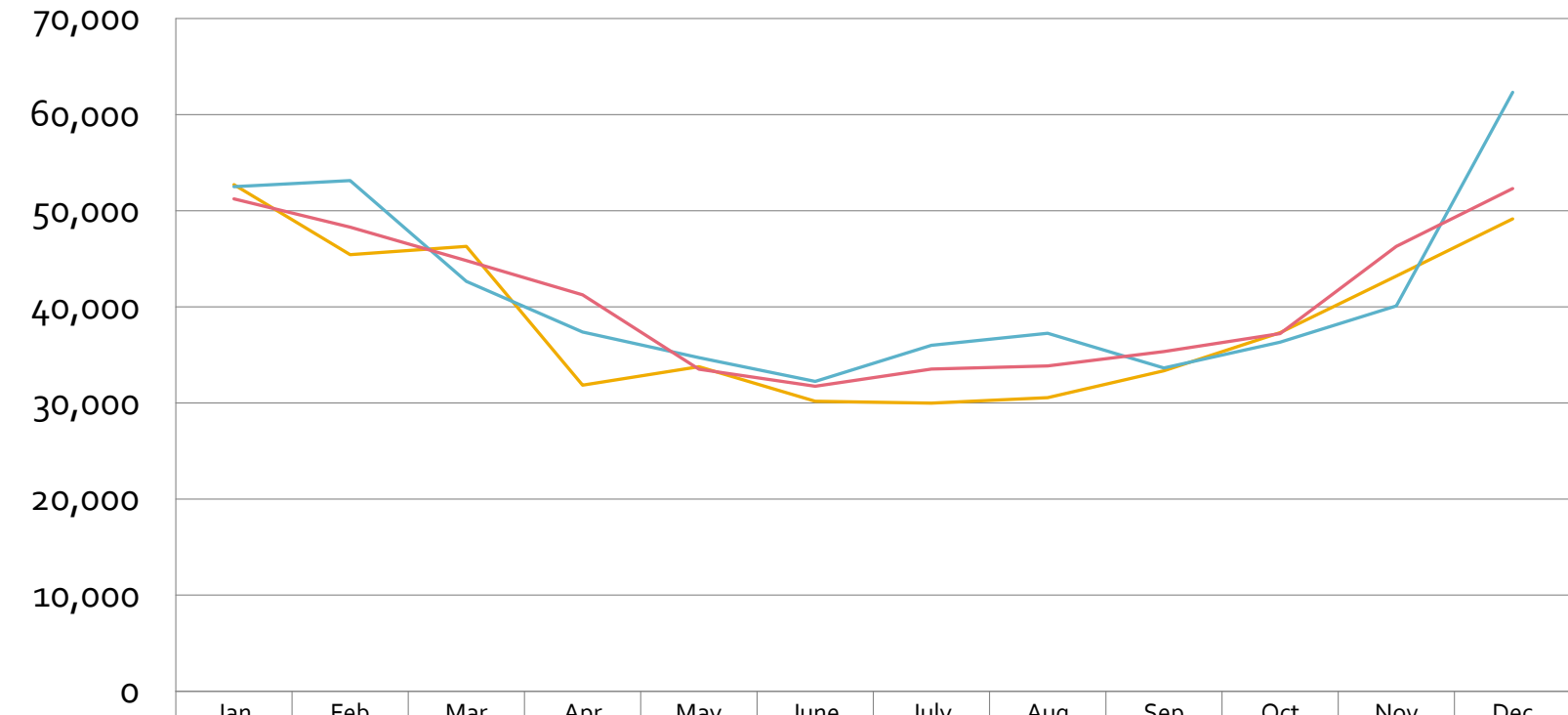
\$110k boiler (Feb) & 77k skid steer (Dec.) will still be capitalized. Excluding these purchases, 40% over 3-year average, 19% over budget, and 36% over 2020



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Totals
2018-2020	66,328	64,087	20,951	35,400	25,384	36,585	41,273	45,956	31,053	24,738	36,144	61,404	489,301
2021	58,464	133,156	74,866	45,278	74,913	55,627	36,886	45,590	37,159	44,872	58,734	207,104	872,648
Budget	63,441	34,631	50,441	49,081	24,041	66,931	78,991	47,481	28,241	72,831	25,241	32,881	574,230

Utilities

7% under 3-year average,
2% over budget
(less than 9k)
and 4% 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	36,328	40,108	62,318	498,261
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-Dec. (Pending Adjustments)

- Revenues: 118% of budget
 - Non-Aero Rev: 118% less MAG Recon
 - Concessions: 138%
 - Non-Passenger Rev: 103% of budget
 - Concessions: 163% of budget
 - Passenger Airline Revenue: 108% of budget
 - Landing Fees: 153% of budget
- Expenses (less boiler & Skid Steer): 101% of budget (100% of budget if we include boiler)
 - Personnel Comp & Ben (including retirees): 94% of budget
 - Communications and Technology: 157% of budget
 - Repairs & Maint Contractual: 105% of budget
 - Supplies: 119% of budget excluding boiler & skid steer
- Non-Operating:
 - PFCs are 140% of budget
 - Interest Expense is 56% of budget
- COVID Relief Grants:
 - DAA fully utilized CARES as well as CRRSA Concessionaire Relief Grants
 - ARPA Concessionaire Grant Reimbursement Requested
 - CRRSA Relief and ARPA Relief to be used for operating and debt service costs during recovery and to offset other development costs.
- Minimum Cash Balance Policy:
 - Cash Required: \$2,204,113
 - Current Cash Available: \$3,041,393
 - Grants Receivable Balance: \$3,135,992
 - Days Cash on Hand (Goal 180): 248

2022 Long-Term Liability Analysis

Debt	City Loan 1 - GO Bonds Issued				City Loan 2 - GO Bonds Issued	DEDA MIF Loan	NCA Loan	City Loan 3 - GO Bonds Issued	Total of Annual Debt Service Payments
Purpose	Terminal & Parking Structure				Parking Structure	Soil Remediation	FBO Buyout	Hangar 103/LSC Rehabilitation	
Payment Source	CFC	PFC	Operating Revenues	Total	Operating Revenues - Parking	Operating Revenues	Operating Revenues - Fuel Flowage	Operating Revenues - LSC Rent	
2012	192,681.26	321,781.26	107,518.76	621,981.28	-	26,666.64	75,000.00		723,647.92
2013	189,981.26	322,281.26	111,018.76	623,281.28	-	26,666.64	75,000.00		724,947.92
2014	192,281.26	322,681.26	109,418.76	624,381.28	115,718.04	26,666.64	75,000.00		841,765.96
2015	194,481.26	322,981.26	107,818.76	625,281.28	338,981.26	26,666.64	75,000.00		1,065,929.18
2016	191,581.26	323,181.26	106,218.76	620,981.28	340,571.26	26,666.64	75,000.00	242,752.33	1,305,971.51
2017	193,681.26	323,281.26	109,618.76	626,581.28	336,071.26	26,666.64	75,000.00	247,137.50	1,311,456.68
2018	190,681.26	323,281.26	107,918.76	621,881.28	335,446.26	26,666.64	75,000.00	247,337.50	1,306,331.68
2019	192,681.26	323,181.26	106,218.76	622,081.28	338,776.26	26,666.64	37,500.00	247,387.50	1,272,411.68
2020	194,193.76	322,331.26	109,306.26	625,831.28	336,336.26	26,666.64	-	247,287.50	1,236,121.68
2021	187,301.13	310,695.11	590,000.00	1,087,996.24	338,006.26	2,222.62	-	247,037.50	1,675,262.62
2022	184,447.50	310,905.00		495,352.50	338,443.76	-	-	246,637.50	1,080,433.76
2023	178,485.00	309,282.50		487,767.50	338,108.76	-	-	246,087.50	1,071,963.76
2024	182,040.00	311,775.00		493,815.00	336,971.26	-	-	245,387.50	1,076,173.76
2025	185,115.00	308,475.00		493,590.00	340,143.76	-	-	244,537.50	1,078,271.26
2026	187,775.00	309,575.00		497,350.00	337,393.76	-	-	243,437.50	1,078,181.26
2027	-	-	-	-	339,218.76	-	-	246,877.50	586,096.26
2028								244,675.00	244,675.00
2029								246,975.00	246,975.00
2030								243,695.00	243,695.00

**City GO Bonds are not eligible for refinancing until 8 years after the origination date.

Series 2012B GO Tax Exempt - \$7,655,000. First call date February 1, 2022. - Bond refinance completed in 2021 to utilize relief funds and pay off operating share of debt.

Series 2013B GO Tax Exempt - \$3,400,000. First call date February 1, 2024

Series 2015C GO Taxable - \$2,855,000. First call date February 1, 2026

Questions ...

