

Finance Department Update



Updates

- Audit Update: Audit complete! Received audited financial report last Friday. Clean audit opinion.
- Stormwater Update: City Administration has received our stormwater request. City staff has received the same request as well as the formal “Fee Adjustment” request per city code. We are awaiting a response which we were to receive by the end of this week.
- Concessionaire Audit: Financials were received and will begin review of the information through remainder of May/June.
- Q1 2025 Financial Update

Duluth Airport Authority 2025 Q1 Unaudited Financial Update

Presented by:

Joelle Bodin, C.M.
Finance Director



Operating Policy #28: Minimum Cash Balance Policy

Reporting as of 5/12/2025

- Cash Required: \$2,930,308
- Cash Available: \$3,614,629 not including grants receivable
- Grants Receivable: \$3,595,573
- Days Cash on Hand (Goal 180): 222 (42 days OVER goal)
- We continue to have a very aggressive construction schedule throughout summers, which will heavily utilize cash as our grants are on a reimbursement basis
- Cash will support local share of grants which do not have other sources of local reimbursement.
- DAA has a \$2M line of credit with the City of Duluth which can be utilized to support operations or construction while awaiting grant reimbursement. The line of credit authorization expires December of 2025.

Jan 2025 - Mar 2025

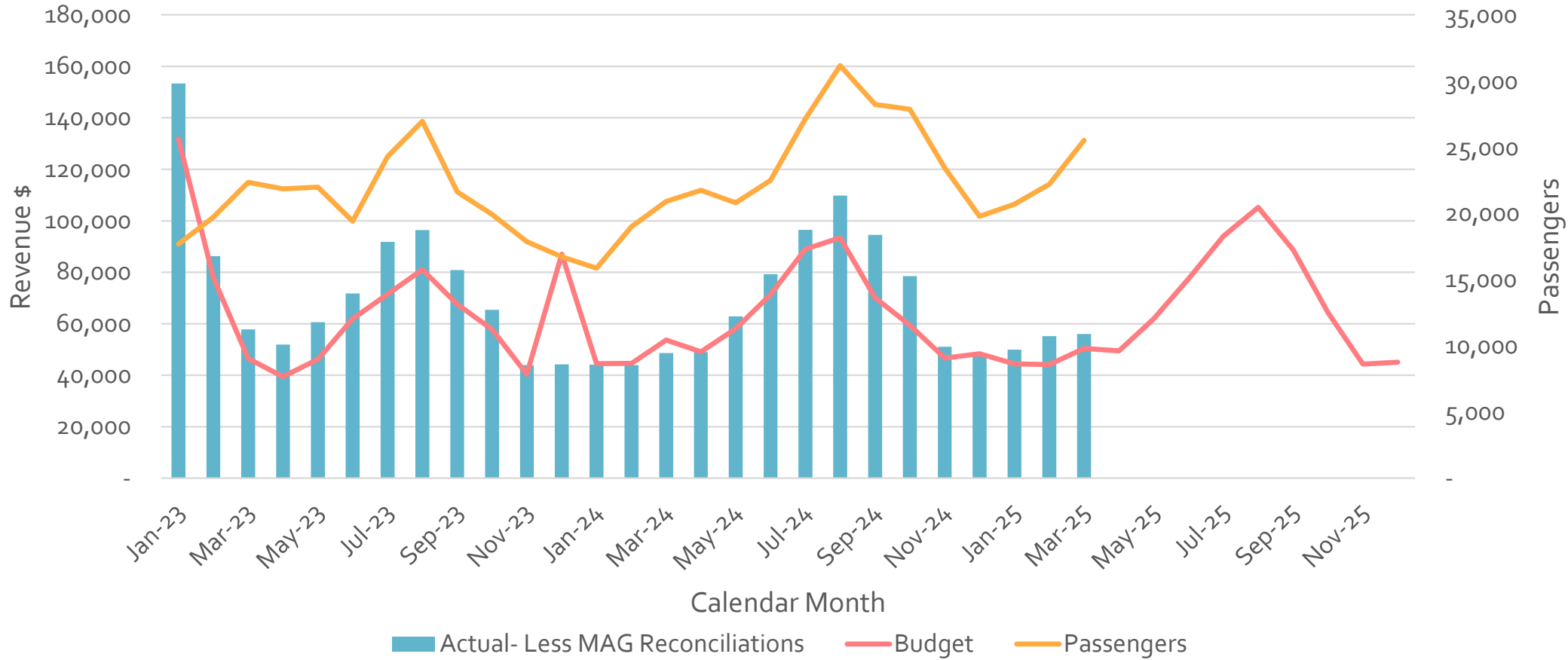
UNAUDITED

Financial Row	Prior Year Actual (Jan 2024 - Mar 2024)	Current Year Actual (Jan 2025 - Mar 2025)	Budget Amount (Jan 2025 - Mar 2025)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2025 - Adjust 2025)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	872,786	1,042,616	903,700	115.37%	169,830	138,916	3,881,880
Non-Passenger Aeronautical Revenue	436,518	486,227	477,575	101.81%	49,709	8,651	1,954,234
Passenger Airline Aeronautical Revenue	397,065	459,409	443,342	103.62%	62,344	16,067	1,793,941
Total - Income	1,706,369	1,988,252	1,824,617	108.97%	281,883	163,635	7,630,056
Gross Profit	1,706,369	1,988,252	1,824,617	108.97%	281,883	163,635	7,630,056
Expense							
Miscellaneous Expenses	134,780	47,926	29,807	160.79%	(86,854)	18,118	106,140
Personnel Compensation & Benefits	618,833	696,214	701,204	99.29%	77,382	(4,990)	3,217,876
Services and Charges	664,577	761,683	715,119	106.51%	97,106	46,564	2,661,983
Supplies	206,641	151,156	243,682	62.03%	(55,485)	(92,527)	665,238
Total - Expense	1,624,830	1,656,979	1,689,813	98.06%	32,149	(32,834)	6,651,236
Net Ordinary Income	81,539	331,273	134,805	245.74%	249,734	196,468	978,819
Other Income and Expenses							
Other Income							
Non-Operating Revenue	194,051	197,989	173,074	114.40%	3,938	24,915	683,504
Total - Other Income	194,051	197,989	173,074	114.40%	3,938	24,915	683,504
Other Expense							
Non-Operating Expense	30,293	25,114	29,568	84.94%	(5,180)	(4,454)	118,271
Total - Other Expense	30,293	25,114	29,568	84.94%	(5,180)	(4,454)	118,271
Net Other Income	163,757	172,875	143,506	120.47%	9,118	29,369	565,232
Net Income Exclusive of Project Expenses, Depreciation & Amortization	245,296	504,148	278,311	181.15%	258,852	225,838	1,544,052
Projects/Grants	2,170,843	1,650,271	4,411,639	37.41%	(520,572)	(2,761,368)	17,646,557
Depreciation & Amortization	(3,121,220)	0	(2,844,803)	0.00%	3,121,220	2,844,803	(11,379,210)
Net Income	(705,081)	2,154,420	1,845,147	116.76%	2,859,501	309,273	7,811,399

Q1 REVENUE UPDATES

- Operating revenue were up \$163k over budget in in Q1.
- Beginning 2024 CFCs were collected on each day of a car rental vs up to 4 days cap. Q1 2025 collections were \$26k over budget and \$20k over 2024.
- Non-Aeronautical Concessions \$22k over budget and \$24k over 2024.
- Parking Lot Revenue was \$78k over budget and \$156k over 2024.
- Increased Rents from CPI Adjustments
- Increased Aeronautical Concessions: \$26k over budget, mostly fuel flowage and landing fees which were increased with the FBO agreement clean-up.
- Passenger Airline Revenue: Sun Country out of incentive period and paying full fees for second year. Landing Fees Up \$13k over budget.
- Non-Operating: PFC \$21k over budget and \$29k over 2024.
- Loss of TSA LEO Reimbursement for a total of \$25k under budget.
- Loss of sponsorship of business club of \$10k.
- Exciting things ahead:
 - Future land leases and rents for new development projects. Life Link III Rents in 2026.
 - New Concession agreement for vending.

Non-Aeronautical Revenue Concessions



Q1 EXPENSE UPDATES

- Operating Expenses overall: \$32k under budget
- Personnel Compensation and Benefits, Including Retiree Benefits: \$4k under budget.
- Services: \$46k over budget:
 - Communications/Technology: \$25k over budget
 - Professional Services over budget by \$35k: Legal Fees, Contract Security, Economic Impact Study, etc.
 - Contractual Services: Contract costs have increased substantially except janitorial which went down.
 - Repairs/Maintenance: Under budget by \$8k
 - Utilities: Just over \$500 over budget
- Supplies: \$92k under budget:
 - Fuel/Deice Fluid
 - Heavy Equipment Repair Supplies
- Miscellaneous: \$18k over budget: Increased transactions fees and taxes.

2025 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
	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 2015C GO Taxable - \$2,855,000. First call date February 1, 2026

QUESTIONS