

Finance Department Update



Updates

- Concessionaire Audit: Complete! A summary report of the audit will go into the next board packet.
- Stormwater Update: Appeal hearing this evening at 5:15pm at the City Council. City staff submitted a recommendation to deny our request. Peter from Kaplan and Kirsch will be presenting on the DAA's behalf.
- Conciliation Court Summons: Hearing moved to September 15th as the original judge recused himself. Legal is hoping to settle prior to the hearing.
- Q2 2025 Financial Update

Duluth Airport Authority 2025 Q2 Unaudited Financial Update

Presented by:

Joelle Bodin, C.M.
Finance Director



Operating Policy #28: Minimum Cash Balance Policy

Reporting as of 8/13/2025

- Cash Required: \$3,103,668
- Cash Available: \$4,295,396 not including grants receivable
- Grants Receivable: \$4,368,962
 - \$2,247,701 – At withholding, awaiting closeout
 - \$1,222,631 – Awaiting Grant
 - \$898,529 – Current Grants Receivable
- Days Cash on Hand (Goal 180): 249 (69 days OVER goal)
- We continue to have a very aggressive construction schedule which will heavily utilize cash as our grants are on a reimbursement basis
- Cash supports 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. We will request a new line of credit based on needs in 2026.

DAA Board Packet Budget vs. Actual Summary From Jan 2025 to Jun 2025

UNAUDITED

Financial Row	Prior Year Actual (Jan 2024 - Jun 2024)	Current Year Actual (Jan 2025 - Jun 2025)	Budget Amount (Jan 2025 - Jun 2025)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (Jan 2025 - Adjust 2025)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	1,946,666	2,124,464	1,819,340	116.77%	177,798	305,124	3,881,880
Non-Passenger Aeronautical Revenue	853,944	906,588	922,848	98.24%	52,644	(16,260)	1,954,234
Passenger Airline Aeronautical Revenue	808,785	924,514	897,273	103.04%	115,730	27,242	1,793,941
Total - Income	3,609,395	3,955,566	3,639,461	108.69%	346,172	316,106	7,630,056
Gross Profit	3,609,395	3,955,566	3,639,461	108.69%	346,172	316,106	7,630,056
Expense							
Miscellaneous Expenses	157,477	74,523	57,360	129.92%	(82,954)	17,163	106,140
Personnel Compensation & Benefits	1,295,785	1,401,259	1,472,722	95.15%	105,474	(71,463)	3,217,876
Services and Charges	1,306,285	1,421,449	1,393,776	101.99%	115,163	27,673	2,661,983
Supplies	361,883	301,499	388,053	77.70%	(60,383)	(86,554)	665,238
Total - Expense	3,121,429	3,198,730	3,311,911	96.58%	77,300	(113,181)	6,651,236
Net Ordinary Income	487,965	756,837	327,550	231.06%	268,871	429,287	978,819
Other Income and Expenses							
Other Income							
Non-Operating Revenue	384,050	386,346	357,727	108.00%	2,296	28,620	683,504
Total - Other Income	384,050	386,346	357,727	108.00%	2,296	28,620	683,504
Other Expense							
Non-Operating Expense	60,660	49,829	59,136	84.26%	(10,831)	(9,307)	118,271
Total - Other Expense	60,660	49,829	59,136	84.26%	(10,831)	(9,307)	118,271
Net Other Income	323,390	336,517	298,591	112.70%	13,127	37,926	565,232
Net Income Exclusive of Project Expenses, Depreciation & Amortization	811,355	1,093,354	626,141	174.62%	281,999	467,213	1,544,052
Projects/Grants	6,532,375	4,684,015	8,823,279	53.09%	(1,848,360)	(4,139,263)	17,646,557
Depreciation & Amortization	(6,251,300)	0	(5,689,605)	0.00%	6,251,300	5,689,605	(11,379,210)
Net Income	1,092,431	5,777,369	3,759,814	153.66%	4,684,939	2,017,555	7,811,399

Q2 REVENUE UPDATES

- Operating revenue were up \$316k over budget in in Q2.
- Beginning 2024 CFCs were collected on each day of a car rental vs up to 4 days cap. Q2 2025 collections were \$51k over budget and \$20k over 2024.
- Non-Aeronautical Concessions \$28k over budget and \$28k over 2024.
- Parking Lot Revenue was \$106k over budget and \$283k over 2024.
- Increased Rents from CPI Adjustments and timing
- Reimbursed Expenses up due to insurance payment for hangar 103 roof of \$107k.
- Increased Aeronautical Concessions: \$37k 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 paid full fees for second year. Landing Fees Up \$20k over budget.
- Non-Operating: PFC \$31k over budget and \$31k over 2024.
- Loss of TSA LEO Reimbursement for a total of \$50k under budget.
- Sponsorships down by \$21k, Loss of sponsorship of business club of \$10k – Advertising is going up
- Exciting things ahead:
 - Future land leases and rents for new development projects. Life Link III Rents in 2026.
 - New Concession agreement for vending is in place with increased sales. First month was double budget.

Q2 EXPENSE UPDATES

- Operating Expenses overall: \$113k under budget
- Personnel Compensation and Benefits, Including Retiree Benefits: \$71k under budget.
- Services: \$27k over budget:
 - Communications/Technology: \$26k over budget (\$25k CBP)
 - Professional Services over budget by \$21k: Legal Fees, Economic Impact Study, etc.
 - Contractual Services: Contract costs have increased substantially except janitorial which went down.
 - Repairs/Maintenance: Over budget by \$30k. Parking equipment commercial vehicle lane included (\$22k).
 - Utilities: \$20k under budget due to electrical (interim rate refund)
- Supplies: \$86k under budget:
 - Fuel/Deice Fluid (\$72k)
 - Aviation Fuel for sales at DYT (\$5k)
- Miscellaneous: \$17k over budget: Increased transactions fees for credit card processing, etc. with increased parking lot revenues.

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