

Finance Department Update



Updates

- Stormwater Update: Surveyed a few airports around great lakes. Meeting this week with Kaplan and Kirsch to discuss next steps.
- Paid Leave Joint Powers Agreement: Working with City Attorney's office to get a joint powers agreement drafted to meet requirements of MN Paid Leave. Plan to have this at the board meeting in December.
- Collective Bargaining Agreement Negotiations: Agreement to come to the board in December.
 - 5% per year total wages adjustment (market adjustment plus CPI)
 - Add Juneteenth Holiday
 - Update to meal allowance
 - General Cleanup
- Line of credit update: Formal request was sent to the City and we are awaiting a formal response. Agreement expected at the December board meeting.
- Q3 2025 Financial Update

Duluth Airport Authority

2025 Q3 Unaudited Financial Update

Presented by:

Joelle Bodin, C.M.
Finance Director



Operating Policy #28: Minimum Cash Balance Policy

Reporting as of 11/10/2025

- Cash Required: \$3,103,668
- Cash Available: \$3,103,668 not including grants receivable
- Grants Receivable: \$4,938,387
 - \$2,131,351 – At withholding, awaiting closeout
 - \$196,507 – Awaiting Grant
 - \$2,610,528 – Current Grants Receivable
 - \$1.9M Received on 11/17
- Days Cash on Hand (Goal 180): 223 (43 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 with a new line expected as of January 1, 2026.

DAA Board Packet Budget vs. Actual Summary

From Jan 2025 to Sep 2025

UNAUDITED

Financial Row	Prior Year Actual (Jan 2024 - Sep 2024)	Current Year Actual (Jan 2025 - Sep 2025)	Budget Amount (Jan 2025 - Sep 2025)	% of Budget	Variance from Prior Year	Variance From Budget	Total Budget (FY 2025)
Ordinary Income/Expense							
Income							
Non-Aeronautical Revenue	2,955,007	3,287,753	3,039,778	108.16%	332,747	247,975	3,881,880
Non-Passenger Aeronautical Revenue	1,289,036	1,474,519	1,475,711	99.92%	185,483	(1,192)	1,954,234
Passenger Airline Aeronautical Revenue	1,250,996	1,393,647	1,358,394	102.60%	142,651	35,254	1,793,941
Total - Income	5,495,039	6,155,919	5,873,883	104.80%	660,881	282,037	7,630,056
Gross Profit	5,495,039	6,155,919	5,873,883	104.80%	660,881	282,037	7,630,056
Expense							
Miscellaneous Expenses	183,451	100,405	79,702	125.97%	(83,046)	20,703	106,140
Personnel Compensation & Benefits	2,003,156	2,149,163	2,371,223	90.64%	146,007	(222,060)	3,217,876
Services and Charges	1,960,216	2,065,062	2,029,919	101.73%	104,846	35,143	2,661,983
Supplies	472,683	434,616	512,454	84.81%	(38,067)	(77,837)	665,238
Total - Expense	4,619,506	4,749,246	4,993,299	95.11%	129,741	(244,052)	6,651,236
Net Ordinary Income	875,533	1,406,673	880,584	159.74%	531,140	526,089	978,819
Other Income and Expenses							
Other Income							
Non-Operating Revenue	524,672	584,309	533,331	109.56%	59,637	50,978	683,504
Total - Other Income	524,672	584,309	533,331	109.56%	59,637	50,978	683,504
Other Expense							
Non-Operating Expense	91,035	74,397	88,703	83.87%	(16,638)	(14,307)	118,271
Total - Other Expense	91,035	74,397	88,703	83.87%	(16,638)	(14,307)	118,271
Net Other Income	433,637	509,912	444,628	114.68%	76,275	65,284	565,232
Net Income Exclusive of Project Expenses, Depreciation & Amortization	1,309,170	1,916,585	1,325,212	144.62%	607,415	591,373	1,544,052
Projects/Grants	18,635,780	13,415,323	13,234,918	101.36%	(5,220,457)	180,406	17,646,557
Depreciation & Amortization	(9,382,694)	0	(8,534,408)	0.00%	9,382,694	8,534,408	(11,379,210)
Net Income	10,562,256	15,331,908	6,025,722	254.44%	4,769,652	9,306,186	7,811,399

Q3 REVENUE UPDATES

- Operating revenue were up \$282k over budget in in Q2.
- Beginning 2024 CFCs were collected on each day of a car rental vs up to 4 days cap. Q3 2025 collections were \$86k over budget and \$29k over 2024.
- Non-Aeronautical Concessions \$23k over budget and \$11k over 2024.
- Parking Lot Revenue was \$94k over budget and \$338k over 2024.
- Increased Rents from CPI Adjustments and timing
- Aviation Gas sales down \$16k from budget at Sky Harbor.
- Increased Aeronautical Concessions: \$91k over budget, mostly fuel flowage and landing fees which were increased with the FBO agreement clean-up.
- Passenger Airline Revenue: Landing Fees Up \$25k over budget. Per use fees up as well as small increase in rents due to space adjustment.
- Non-Operating: PFC \$43k over budget and \$14k over 2024.
- Loss of TSA LEO Reimbursement for a total of \$75k under budget.
- Sponsorships down by \$21k, Advertising up \$21k
- Exciting things ahead:
 - Future land leases and rents for new development projects. Life Link III Rents in 2026.

Q3 EXPENSE UPDATES

- Operating Expenses overall: \$244k under budget
- Personnel Compensation and Benefits, Including Retiree Benefits: \$222k under budget due to some military deployments and significant admin reimbursements from grants.
- Services: \$35k over budget:
 - Communications/Technology: \$11k over budget (\$29k CBP)
 - Professional Services over budget by \$22k: Legal Fees, Economic Impact Study, etc.
 - Contractual Services: Contract costs have increased substantially except janitorial which went down.
 - Repairs/Maintenance: Over budget by \$66k. Parking equipment commercial vehicle lane included (\$22k), grading at building 311, etc. Pavement maintenance rental lot (CFC eligible)
 - Utilities: \$22k under budget due to electrical (interim rate refund)
- Supplies: \$77k under budget:
 - Fuel/Deice Fluid/Sand (\$85k)
 - Aviation Fuel for sales at DYT (\$23k)
 - Increase in light equipment
- Miscellaneous: \$23k over budget: Increased transactions fees for credit card processing, etc. with increased parking lot revenues.
- Capital: Hangar 103 Roof Repair had around a \$40k local share after insurance funds and grants are applied.

2025 Debt Service Schedule

Debt	City Loan 1 - GO Bonds Issued				City Loan 2 - GO Bonds Issued	City Loan 3 - GO Bonds Issued	DEDA MIF Loan	NCA Loan	Total of Annual Debt Service Payments
Purpose	Terminal & Parking Structure				Parking Structure	Hangar 103/LSC Rehabilitation	Soil Remediation	FBO Buyout	
Payment Source	CFC	PFC	Operating Revenues	Total	Operating Revenues - Parking	Operating Revenues - LSC Rent	Operating Revenues	Operating Revenues - Fuel Flowage	
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	242,752.33	26,666.64	75,000.00	1,305,971.51
2017	193,681.26	323,281.26	109,618.76	626,581.28	336,071.26	247,137.50	26,666.64	75,000.00	1,311,456.68
2018	190,681.26	323,281.26	107,918.76	621,881.28	335,446.26	247,337.50	26,666.64	75,000.00	1,306,331.68
2019	192,681.26	323,181.26	106,218.76	622,081.28	338,776.26	247,387.50	26,666.64	37,500.00	1,272,411.68
2020	194,193.76	322,331.26	109,306.26	625,831.28	336,336.26	247,287.50	26,666.64	-	1,236,121.68
2021	187,301.13	310,695.11	590,000.00	1,087,996.24	338,006.26	247,037.50	2,222.62	-	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

Duluth Airport Authority Board Meeting Action Items

Presented by:

Joelle Bodin, C.M.
Finance Director



Resolution to Approve the 2026 Rates and Charges Schedule for DLH.

- Annually DAA staff reviews the referenced Rates and Charges Addendum to recommend rate adjustments where necessary and additional rates to be added.
- Price surveys are conducted to review rates and inform adjustments.
- Rate adjustments were made to move to market rate and were based on CPI. Typically, 3-6% depending on when rates were last updated.
- Airline rates were adjusted by 10% for space and 6% for landing fees.
- Sanction/Violations sections were updated and may continue to be updated as needed.
- Rental Car Ready Return fees adjusted to increase differential pricing for ramp vs non-ramp.



DULUTH INTERNATIONAL AIRPORT

2026 Rates and Charges Schedule

Effective January 1, 2026 - Adopted November 18th, 2025

Passenger Terminal Fees (Per Square Foot)	Airline Leased Premises	\$31.06	
	Airline Leased Premises - Non Signatory	\$38.83	
	Non-Airline Terminal Tenant Rate	\$46.46	
Aircraft Landing Fee (Per 1,000 lbs MGLW)	Signatory Carrier	\$2.60	
	Non-Signatory Carrier (125% more)	\$3.25	
	All Other Aircraft	\$3.25	
	Exemptions: Aircraft operated or chartered by the United States Federal Government or State of Minnesota and non-revenue generating aircraft under 12,500 lbs MGLW are exempt		
Terminal Per Use Fees	Non-Signatory Ticket Counter Per Use Fee	\$93.77	
Aircraft Definitions	<p>Signatory: Aircraft covered by an Airline Use and Lease Agreement with the DAA or by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement.</p> <p>Non-Signatory: Aircraft using the Airport facilities that are not covered by an Airline Use and Lease Agreement with the DAA and not covered by an agreement with the DAA containing terms and conditions similar with those contained in such an agreement; diverted Airline aircraft not using the Airport Terminal; and commercial air carrier aircraft making regularly scheduled flights to the Airport. Any Non-Signatory aircraft utilizing the terminal must be reported by the ground handler.</p>		
Terminal International Arrivals Facility Per Use Fee	Less than 50,000 lbs. MGLW	\$75.00	
	50,001-175,000 lbs. MGLW	\$175.00	
	175,001 lbs. MGLW and above	\$275.00	
Non-Terminal (FBO) International Arrivals Facility	US Customs Facility (GAF)	\$0.00	
Non-Terminal FBO & DAA Ad Hoc Charged Aircraft Parking (Per 1,000 lbs MGLW)	<u>Category by MGLW (lbs.)</u>	<u>Per Night (24 hour period)</u>	<u>Per Month (Calendar)</u>
	12,499 & Under	\$19.10	\$155.06
	12,500 - 49,999	\$80.90	\$651.69
	50,000 - 99,999	\$161.80	\$1,292.14
	100,000 & Over	\$331.46	\$2,646.08
Fuel Flowage Fee (Fee Per Gallon) <small>Must have agreement with DAA.</small>	FBO Charged In-to Plane Fee	\$0.090	
	FBO Charged Aviation, Heating & Auto Fuel Fee	\$0.090	
	Fee Per Gallon - Other Airport Operator	\$0.090	
Preferential Use Cargo Ramp Fee Per Aircraft	Per Calendar Month Preferential Use Cargo Ramp Fee	<u>Per Month (Calendar)</u> \$1,745.00	
Passenger Facility Charge (PFC)	Per Enplaned Commercial Passenger, Per FAA Approved PFC Application	\$4.50	
DAA Owned Hangar Rental Rates (Per Each) <small>*\$50 Discount if paid in full by January 31 of lease year.</small>	<u>Hangar Type</u>	<u>Per Month (Calendar)</u>	
	West T-Hangars*	\$230.00	
	East T-Hangars*	\$230.00	
	East Ranch Hangars*	\$295.00	
	4825 Airport Rd. Ranch Hangars (12ft high door)*	\$695.00	
	4825 Airport Rd. Ranch Hangars (14ft high door)*	\$721.00	
Other	Set by Lease Agreement		

- Airline rates were increased by 6% for landing fees and 10% terminal fees
- Non-Signatory at 125% of Signatory
- Updated aircraft parking fees
- Increased FBO fuel flowage
- Increased hangar rates by 3%

Airport Car Rental Customer Facility Charge (CFC) (Full per day fee should be charged for each transaction day or any fraction thereof.)	Fee Per Car Rental Transaction Day "Transaction Day" means a 24-hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. If the same rental car is rented to more than one customer within such continuous 24-hour period, then each such rental shall be calculated as a Transaction Day, Except that a partial day that is a grace period of no more than 2 hours after the last 24-hour day booked shall not be considered a Transaction Day.	\$4.00	
Rental Car Ready Return & Overflow Fees (Per Each) (Tax Not Included)	Per Month, Per Space Fee	<u>Surface</u> \$19.77	<u>Ramp</u> \$20.94
Parking Lot Fees (Includes Tax)	Hourly Rate (Up to Daily Maximum) Daily Maximum Additional Drive-off Fee	<u>Surface</u> \$3.00 \$15.00 \$125.00	<u>Ramp</u> \$6.00 \$18.00 \$125.00
Parking Permits (Includes Tax) *DAA Employees and DAA Directors are exempt for airport business	Corporate Surface Permit (Annual) Corporate Garage Permit (Annual) Airport Tenant Employee Permit (Annual)* Airline Crew Overnight Permit (Monthly or Annual) Tenant Commercial Parking Agreement (Monthly or Annual)	<u>Per Month (Calendar)</u> \$51.00 \$250.00	<u>Annual</u> \$1,420.00 \$2,350.00 \$120.00 \$612.00 \$3,000.00
Ground Transportation Fees & Permits (Includes Tax) (Permit/Operator Agreements are required)	Taxi/Limo/Hotel Shuttle Permit (Annual) Taxi/Limo/Hotel Shuttle Permit Per Trip Fee Passenger Shuttle Service Permit (Annual) Transportation Network Company Permit (Annual) Transportation Network Company Per Trip Fee Peer-To-Peer Car Sharing Concession Fee	\$25.00 \$1.50 \$500.00 \$1,500.00 \$2.50 10% of Gross Revenue	Per Each Vehicle Per Pick-Up & Drop-Off Per Each Vehicle Per Company Per Pick-Up & Drop-Off Per Agreement
Ground Transportation & Vehicle Violations	Airport Crew/Tenant Employee Parking Violation Commercial Vehicle Violation Other	\$25 + parking fees owed Per Commercial Vehicle Policy - TBD Set by Agreement	

- Increased differential pricing for rental car surface vs ramp
- Parking lot fees remain the same as they were updated last year.
- Updated per trip fee to \$2.50 per pickup and drop off for TNCs.
- Commercial Vehicle Violation added, may be updated

Business Services Club Pass (Sponsorship Agreement Passes will not be charged)	Per Pass Fee to Access Business Services Club Room	\$150 per pass	
Terminal Conference Room/Space Rates & Fees (20% Discount for Airport Tenants)	<u>Room/Space</u>	<u>0-4 Hours</u>	<u>4-8 Hours</u>
	1st Floor Baggage Claim - Wall Up	\$300.00	Per Agreement
	2nd Floor Secure Business Club Conference Room	\$40.00	\$80.00
	2nd Floor Mezzanine	\$250.00	\$350.00
	2nd Floor Conference Room - Room 250	\$100.00	\$150.00
	3rd Floor Conference Room - Amatuzio A	\$150.00	\$200.00
	3rd Floor Conference Room - Amatuzio B or C	\$100.00	\$200.00
	3rd Floor Conference Room - Amatuzio A+B	\$175.00	\$250.00
	3rd Floor Conference Room - Amatuzio B+C	\$175.00	\$250.00
	3rd Floor Conference Room - Amatuzio A+B+C	\$200.00	\$300.00
	2nd Floor Private Office (201 SF) - If vacant	\$50.00	\$75.00
	After Hours and Weekends Additional Fee (After 5pm and/or Sat. & Sun.)	\$50.00	\$100.00
Fiber Internet: (Contract required. Higher speeds available upon request with pricing established per contract)	<u>Internet Speed</u>	<u>Per Month (Calendar)</u>	
	100 MB Fiber Internet with 1 static IP address	\$120.00	
	200 MB Fiber Internet with 1 static IP address	\$180.00	
	Each Additional Static IP Address	\$24.95	
Badging Fees (DAA Employees, ARFF, CBP, Duluth PD, Fire & Public Works, USDA, & MN Air National Guard Badges are exempt)	SIDA & Sterile Badge	\$200.00	
	SIDA & Sterile Signatory Only	\$150.00	
	AOA Badge	\$125.00	
	AOA Signatory Only	\$65.00	
	Landside Badge	\$65.00	
	Incomplete	\$100.00	
	SIDA & Sterile Renewal	\$115.00	
	AOA Renewal	\$65.00	
	Emergency Renewal Additional Charge	\$60.00	
	Lost or Non-Returned Badge	\$125.00	
	Badge Handling Fee (ex: company change, access change, etc.)	\$65.00	
	Contractor Badge	\$175.00	
	Contractor Badge Handling Fee	\$150.00	
	Contractor Badge Late Fee	\$125.00	
Security Violation Sanction Fee	Sanction Fee issued to lessee, tenant, operator, or business which violates the Airport Security Plan (ASP) at the Executive Director's Discretion If at any point the DAA is issued a sanction or civil penalty, responsible tenants, operators or businesses responsible for violations will be required to reimburse the DAA for the amount of the sanction/fee or civil penalty imposed.	\$1,500.00 TBD based on imposed fee.	

- Added “after hours and weekend fee” to conference room rentals.
- Badging, added emergency renewal additional charge for expedited/immediate requests.
- Added security violations sanction section.

Resolution to Approve the 2026 Rates and Charges Schedule for DYT.

- Annually DAA staff reviews the referenced Rates and Charges Addendum to recommend rate adjustments where necessary and additional rates to be added.
- Survey data of surrounding airports is used to make comparisons.
- CPI adjustment to base Hangar 1 Storage Fee. Summer vs winter rates added for different sized aircraft.
- Increased the vehicle parking fee to equal tiedown fee.



2026 Rates & Charges

Effective January 1st, 2026 - Adopted November 18, 2025

Fuel Price	To be determined by airport manager and published on the Duluth Sky Harbor website, ForeFlight, SkyVector, AirNav, GlobalAir and 100LL.com				
Fuel Discounts (Tenant Discount requires fuel card)	Sky Harbor Tenant with Lease Agreement or Commercial Operator Agreement	\$0.25	Per Gallon		
Tie-downs	Per Night (1-6 nights)	\$10.00	Per Night		
	Per Week (1-3 weeks)	\$30.00	Per Week		
	Per Month	\$90.00	Per Month		
	Six Month Season (Must be paid in advance)	\$450.00	Per Six Month Season		
Float Storage (Float storage location determine by airport manager)	Monthly Float Storage	\$20	Per Month		
	Seasonal / Winter Only	\$100	Per Winter Season		
	Annual / 12-Month	\$180	Per 12-Months		
Aircraft Parking & Float Storage Rules:					
Aircraft parking and tie-down spaces are non-reservable and shall be occupied on a first come, first served basis.					
A. No person shall park, store, tie down or leave an aircraft and/or floats on any area of the airport other than designated parking spaces or those designated by the Airport Manager.					
B. The pilot and owner of an aircraft and/or floats are solely responsible for storing floats, parking and tying down their aircraft and shall properly secure their aircraft and/or floats while it is parked or stored on the airport. Pilots and owners of aircraft and/or floats are solely responsible for securing aircraft and/or floats in a manner necessary to avoid damage to other aircraft, floats, or buildings on the airport in the event of wind or other severe weather conditions. The pilot and owner of an aircraft and/or floats shall be held responsible and liable for any damage or loss whatsoever resulting from failure to comply with this rule.					
C. With respect to aircraft parking, tie-down and float storage, the Airport Manager is authorized to control and direct activities that the Airport Manager					
Hangar 1 Aircraft Storage Fee (Summer months are May - October. Winter months are November - April.)		Per Month (Summer)	Per Month (Winter)	Per Night (Summer)	Per Night (Winter)
	Single Engine	\$300.00	\$325.00	\$75.00	\$85.00
	Twin Engine - Small	\$450.00	\$487.50	\$112.50	\$127.50
	Twin Engine - Medium	\$600.00	\$650.00	\$150.00	\$170.00
	Twin Engine - Large	\$900.00	\$975.00	\$225.00	\$255.00
	Piston Helicopter	\$300.00	\$325.00	\$75.00	\$85.00
	Turbine Helicopter	\$600.00	\$650.00	\$150.00	\$170.00
Conference Room Rental (DVT Tenants receive 20% discount)			0-4 Hours	\$40.00	
			4-8 Hours	\$75.00	
Overnight Vehicle Parking	Per Vehicle, Per Night				\$10
	Spaces are limited. Parking space to be determined by the manager and must be for aviation related purposes.				
Land Lease	Price per agreement with Duluth Airport Authority				
Operator Agreements	All individuals or businesses providing sales, service or commercial operations out of Sky Harbor must have an agreement with the Duluth Airport Authority.				

- CPI adjustment and seasonal rates based on size of aircraft added.
- Vehicle parking rate updates to match tie down rate.

Resolution to Approve the Duluth Airport Authority 2026 Annual Budget

- Annually DAA staff prepares the upcoming year's budget for approval by the DAA board.
- Once approved by the DAA board, the budget will go to the City Council for approval (Scheduled November 20th, 2025)
- DAA staff continues to budget to support master plan and strategic plan initiatives.
- For 2026 many rate adjustments were considered to overcome the loss of the TSA LEO award as well as increased expenses.
- There are no changes from the draft budget in October.
- Conversations with airlines and FBO may impact budget assumptions.
- Additional budget assumptions were included in board packet for more in depth review.

2026 ANNUAL BUDGET

Financial Row	Amount (FY 2023)	Amount (FY 2024)	Projected 2025	
			Amount (Sep 2024-Aug 2025)	Proposed 2026 Annual Budget
Ordinary Income/Expense				
Income				
Total - Non-Aeronautical Revenue	\$3,485,019	\$3,876,056	\$4,261,939	\$4,052,006
Total - Non-Passenger Aeronautical Revenue	\$1,707,084	\$1,684,499	\$1,894,471	\$1,989,471
Total - Passenger Airline Aeronautical Revenue	\$1,445,449	\$1,668,890	\$1,798,062	\$1,974,428
Total - Income	\$6,637,553	\$7,229,446	\$7,954,472	\$8,015,905
Gross Profit	\$6,637,553	\$7,229,446	\$7,954,472	\$8,015,905
Expense				
Miscellaneous Expenses	\$97,797	\$215,430	\$134,582	\$134,740
Total - Personnel Compensation & Benefits	\$2,717,791	\$2,876,039	\$3,006,195	\$3,285,034
Total - Services and Charges	\$2,412,735	\$2,615,862	\$2,695,654	\$2,696,134
Total - Supplies	\$714,908	\$586,217	\$557,030	\$675,445
Total - Expense	\$5,943,231	\$6,293,548	\$6,393,461	\$6,791,353
Net Ordinary Income	\$694,322	\$935,897	\$1,561,011	\$1,224,551
Other Income and Expenses				
Other Income				
Capital Contributions	\$2,400,321	\$0	\$0	\$0
Non-Operating Revenue				
Total - Non-Operating Revenue	\$879,477	\$809,201	\$775,947	\$702,418
Total - Other Income	\$3,279,798	\$809,201	\$775,947	\$702,418
Other Expense				
Non-Operating Expense				
Interest Expense	\$141,964	\$121,328	\$106,599	\$173,181
Total - Non-Operating Expense	\$141,964	\$121,328	\$106,599	\$173,181
Total - Other Expense	\$141,964	\$121,328	\$106,599	\$173,181
Net Other Income	\$3,137,835	\$687,872	\$669,348	\$529,237
Net Income Exclusive of Project Expenses, Depreciation & Amortization	\$3,832,157	\$1,623,770	\$2,230,359	\$1,753,788
Projects/Grants				
Capital Contributions				
Contributed Capital				
Other	\$0	\$0	\$0	\$1,512,719
Total - Contributed Capital	\$0	\$0	\$0	\$1,512,719
Grants				
Federal Grants	\$13,900,106	\$18,021,818	\$15,533,513	\$26,023,540
Other Grants	\$752,186	\$1,341,706	\$1,394,483	\$0
State Grant	\$1,933,131	\$1,923,301	\$2,511,190	\$7,235,678
Total - Grants	\$16,585,423	\$21,286,825	\$19,439,186	\$33,259,219
Total - Capital Contributions	\$16,585,423	\$21,286,825	\$19,439,186	\$34,771,938
Total - Projects/Grants	\$16,585,423	\$21,286,825	\$19,439,186	\$34,771,938
Capital Improvement Costs				\$37,596,642
Loan Principal				\$1,005,000
CFC's Reserved for Approved Projects				\$269,601
Amortization of Capital Projects/LSC				\$708,964
PCFs To be Collected In the Future				\$835,359
Future Development Rents				\$306,944
Positive (Negative) Budget Variance				\$44,952
Depreciation & Amortization	(\$11,379,210)	(\$12,510,211)	-\$4,171,447.46	(\$12,510,211)
Net Income	\$9,038,370	\$10,400,384	\$17,498,096.96	\$24,015,514

MAJOR TAKE AWAYS:

- DAA staff budgeted for nearly a \$45k budget surplus in 2026.
- Operating revenues are budgeted to be an all-time high. This is a 5% increase over the 2025 budget.
- Passenger related concession revenue was estimated based on similar activity to 2025 making considerations for loss of Sun Country passenger concession revenue. Other revenues were determined based on current activity and contracted rates.
- Removed TSA LEO reimbursement from budget and will consider this a positive variance if return to the program is achieved.
- Non-Aeronautical revenue increases are expected to continue due to rate adjustments to landing fee and fuel flowage fees.
- A 10% rate increase to the Signatory Airline rental rate has been proposed as well as 6% to the landing fee rate.
- Operating expenses are budgeted at 2% over the 2025 budget.
- DAA staff worked diligently to achieve a relatively flat budget by considering deferred maintenance, etc. where possible and increasing rates where necessary to overcome the \$100k TSA LEO award loss for 2026 as well as additional \$140k in increased costs and significant local shares for grants in 2026.
- DAA staff continues to work to support the master plan as well as our strategic plan initiatives.
- Our annual debt service in 2026 for all long-term debt is \$1,078,181.
- Airline negotiations with a new rate structure are anticipated and incorporated with more conversations to follow.