



Agenda

Board of Directors Meeting

February 19, 2025

4:00 P.M.

- | | |
|--|-------------------------|
| 1. Minutes of January 15, 2025 | Attached |
| 2. Chairman's Report | Mr. Robert Reed |
| 3. Executive Director's Report | Mr. Tom Rafter |
| 4. Finance Committee Report | Ms. Serena Neal-Sanjuro |
| a. December 2024 Financials | Attached |
| 5. Airport Manager's Report – Airfield Operations | Mr. Jeremy Nielson |
| 6. Lessee's Report – The New HVN LLC | Mr. Jeremy Nielson |
| a. Community Engagement Report | Mr. Tom Cavaliere |
| 7. Reports and Action Items | |
| a. Resolution #619 Approval Of Final FY 2024 Audit Report and PFC Audits | |
| 8. Other Business | |
| 9. Public Comment | |
| 10. Adjournment | |



TWEED NEW HAVEN AIRPORT AUTHORITY
REGULAR MEETING - HYBRID
BOARD OF DIRECTORS
BOARD MINUTES OF JANUARY 15, 2025

BOARD MEMBERS IN ATTENDANCE

Robert Reed, John Picard, Linda Hennessey, Serena Neal-Sanjurjo, Carlos Eyzaguirre, Mark Sklarz, Ken Dagliere, David White, Richard Jacob, Michael Fimiani, Mark Scussel, Kevin Rocco, and Judy Mison.

BOARD MEMBERS ABSENT

Ray Pompano and Jesse Phillips.

OTHERS IN ATTENDANCE

Tom Rafter, Jeremy Nielson, Felipe Suriel, Malena Zanjani, Brian Courtney, Bryan Hoffman, Diane Proto, Gloria Bellacicco, Jeremiah Wilhite, Joe Giordano, Kayla Reasco, Melissa Ranalli, Sandra Reiners, NBC News Connecticut, Eliot Jameson, Peter Leonardi, Salvatore DeCola, William Clifford, Tim Sullivan, Kaity Arango, Jorge Roberts, John Montopoli, Toni Lorenti, and Eliot Jameson.

BOARD MINUTES OF JANUARY 15, 2025

Chairman Robert Reed opened the meeting at approximately 4:02 PM.

1. MINUTES OF DECEMBER 18, 2024

Mr. Reed moved to approve the minutes from the regular Board Meeting held on December 18, 2024. His motion was supported by Mr. White and seconded by Ms. Hennessey. With no further questions or comments, the minutes were unanimously approved.

2. CHAIRMAN'S REPORT

Chairman Robert Reed opened the Tweed New Haven Airport Authority Board meeting welcoming attendees and acknowledging returning Board member Ken Dagliere, who expressed gratitude for the Board's support during his recovery. Mr. Reed also introduced Judy Mison, appointed by East Haven to replace Joe Ginnetti.

Mr. Reed provided an update on a January 14 meeting with the Governor's Office, ConnDOT, and other stakeholders to address traffic concerns raised by East Haven. A detailed analysis by consultants, WSP, was presented. Mr. Reed confirmed that meeting materials would be shared with the Board.

→ **Action Item: Ms. Zanjani to provide Board Members with materials from the January 14, 2025, meeting with the Governor's Office.**

THNAA BOARD MINUTES

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Rafter provided the Executive Director's report, covering several key updates. The airport experienced challenges during the holiday season due to increased demand, with current monthly passenger volumes surpassing previous annual totals. Further details will be addressed in Mr. Nielson's report.

A resolution is on the agenda to approve an agreement with Jones Payne Group, Inc. for the next phase of the Residential Sound Insulation Program (RSIP). The draft agreement is under review to ensure compliance with FAA contract requirements. The FAA will fund 90% of the program.

Mr. Rafter and Mr. Reed have a scheduled meeting with Kevin Dillon, outgoing Executive Director of the Connecticut Airport Authority (CAA), and his successor.

Tweed was awarded over \$1M for the expansion of its Aircraft Rescue and Firefighting (ARFF) building, enhancing safety operations. Mr. Rafter acknowledged the legislative delegation's support in securing this funding.

BTS data from October 2024 indicates a 30% year-over-year increase in enplanements and a 15% increase year-to-date. Over the past 12 months, enplanements totaled 554,351.

In response to Mr. Scussel's questions, Mr. Rafter clarified the funding sources for the ARFF building and the noise program, explaining that they involve separate categories, including FAA grants, Passenger Facility Charges (PFC), and other funding sources. Mr. Rafter committed to providing a detailed Source and Use report to clarify the funding allocations.

- ➔ **Action Item: Mr. Rafter to confirm whether the noise program funding is included in the existing Passenger Facility Charge (PFC) application and provide clarification to Mr. Scussel.**
- ➔ **Action Item: Mr. Nielson to provide Mr. Scussel with a Source and Use Report outlining the funding allocations for the ARFF building expansion, noise program, and other projects.**

4. FINANCE COMMITTEE REPORT

NOVEMBER 2024 FINANCIALS

Prior to the meeting, Ms. Neal-Sanjurjo asked Mr. Rafter to present the Finance Committee Report for the period ending November 30, 2024.

Airfield: November revenues, excluding the Lessee subsidy of \$238,193.67, were \$26,784.48 above budget, and the subsidy was \$55,264.66 under budget. Year-to-date (YTD) revenues, excluding the \$746,302.78 subsidy, were \$304,456.71, exceeding budget by \$154,106.07. November expenses were \$28,480.18 under budget, with YTD expenses of \$1,237,505.67 below budget by \$86,678.29.

Administration: November revenues were \$21,488.09 below budget, and YTD revenues of \$282,751.96 were \$149,448.04 below budget. Administrative expenses for November were \$29,291.22 under budget, with YTD expenses \$222,069.30 below budget. The Administrative Fund had a net positive result of \$5,417.13 in November and a YTD positive balance of \$18,889.26, compared to a budgeted negative \$53,732.00.

Balance Sheet: The fund balance as of November 30, 2024, was \$401,090.00, with total liabilities and fund balances of \$1,235,868.00.

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5. AIRPORT MANAGER'S REPORT

AIRFIELD OPERATIONS

Mr. Nielson provided the Airside Operations report, highlighting the following updates. Minor winter weather events over the past month required limited mechanical effort, such as runway sweeping and de-icing. Despite minor delays due to aircraft de-icing, operations continued without runway closures, offering the team valuable preparation for potential larger winter events.

Routine runway inspections have revealed accelerated wear on the 17-year-old runway as it approaches the end of its useful life. Maintenance efforts are underway to preserve the runway until reconstruction and lengthening can proceed in the near future.

On December 29, a fuel spill of approximately 30-50 gallons occurred due to an overfilled fuel truck valve. The spill was contained without environmental impact, and New Haven Fire Hazmat, DEEP, and Laden Industries provided cleanup support. Robinson Aviation has implemented procedural changes to prevent similar incidents.

The temporary fuel tanks are ready for delivery and installation. Perimeter fencing for the fuel farm is being installed, and Robinson Aviation is coordinating necessary steps to move the project forward. Previous administrative confusion related to applications has been resolved, and the project has received the necessary approvals.

6. LESSEE'S REPORT – THE NEW HVN LLC

THE NEW HVN LLC

Mr. Nielson presented the Lessee's Report, summarizing key updates and operational responses during the record-breaking December holiday travel season. Passenger volumes reached unprecedented levels, with monthly traffic equaling prior annual totals. This highlighted the need for expanded terminal and landside capacity. Despite challenges such as weather delays, 97% of scheduled flights were completed, with under 3% cancellations.

TSA experienced brief equipment downtime but restored operations quickly. Peak wait times reached 102 minutes during high demand, comparable to national averages during the holiday season. TSA partnered with the airport to open checkpoints earlier, now starting at 4:00 AM.

Single entrance/exit constraints caused traffic challenges. Collaborations with New Haven Police and adjustments in parking allocation, including opening 200 additional spaces, helped mitigate congestion. Partnerships with Hotel Marcel provided remote parking and waiting options during peak periods.

Daily calls with airlines and TSA, enhanced communication through SMS and emails, and coordination with local law enforcement supported improved traffic flow and passenger experience. A newly formed Terminal Operations Ramp Control team was created to manage ramp operations and deicing efficiently during delays.

Mr. Nielson then covered some future initiatives:

- A roundtable discussion with TSA executives, airline representatives, and other stakeholders is scheduled to address capacity, security, and passenger experience improvements.
- Planned road restriping and traffic flow updates will be implemented in the spring.

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- Discussions with New Haven PD are ongoing to increase law enforcement presence across landside areas and checkpoints.

Mr. Reed concluded by commending airport operations for their proactive planning and coordination during TSA's busiest travel season on record. He highlighted the significance of upcoming collaborative efforts involving federal and local stakeholders. Board members acknowledged the team's responsiveness and ongoing improvements in addressing challenges and lessons learned.

- **Action Item: Ms. Zanjani to share handout summarizing the December holiday travel season and operational updates with the Board.**

COMMUNITY ENGAGEMENT REPORT

Mr. Cavaliere highlighted several productive meetings and discussions over the past month. A partnership with East Haven's Hagaman Memorial Library was announced, where the airport will sponsor their monthly film nights and join the Friends of the Library as a Corporate Member to support its vital community programs.

Mr. Cavaliere shared updates on efforts to monitor and address noise concerns. These include the launch of WebTrak and the Airport Noise and Operations Monitoring System (ANOMS), which provide real-time data on local aircraft activity and noise levels. Portable noise monitors have been deployed to collect baseline data, essential for understanding community noise exposure. The data will inform the creation of an FAA Community Roundtable, where residents, leaders, and airport representatives will discuss noise-related issues.

A new "Noise" page on the airport's website includes links to the WebTrak dashboard, a new noise concern form, and a registration form for residents interested in hosting a noise monitor. Residents were asked to report noise issues through WebTrak rather than Veoci going forward.

In response to a question about permanent noise monitoring, Mr. Cavaliere confirmed that this is under consideration for a future phase, with the current focus on understanding noise concerns through the data being gathered. He also confirmed that the noise mitigation issue in relation to FEMA restrictions has not progressed.

The airport is working on a program for distributing HEPA filters to residents, with more information expected at the next board meeting. Mr. Cavaliere also noted that a table outlining the community concerns raised at last year's meetings and the actions taken in response is available on the website.

- **Action Item: Mr. Cavaliere will provide a more detailed update on the HEPA filter distribution program at the next board meeting.**

Mr. Scussel inquired about a full report of items collected through Veoci and their resolution, to which Mr. Cavaliere confirmed that this data would be shared more regularly at future Board meetings.

- **Action Item: Mr. Cavaliere will work on ways to best share data from Veoci.**

7. REPORTS AND ACTION ITEMS

RESOLUTION #618: APPROVAL OF MULTI-YEAR PROFESSIONAL SERVICES AGREEMENT WITH THE JONES PAYNE GROUP, INC. FOR THE RESIDENTIAL SOUND INSULATION PROGRAM

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Mr. Reed read Resolution #618 in its entirety and called for a motion. Mr. Picard moved to approve the resolution, and Ms. Neal-Sanjurjo seconded the motion. Mr. Reed opened the floor for comments or questions. Mr. Jacob inquired about the number of homes the program would cover. Mr. Nielson clarified that the original scope for this phase was up to 12 homes, although the final number would depend on the cost per home. Mr. Jacob requested a report on the total number of homes that will be soundproofed once the program is completed. Mr. Rafter agreed to provide the report.

→ **Action Item: Mr. Rafter will provide a report on the total number of homes that will be soundproofed.**

Mr. Rocco asked if homeowners are required to sign any agreements related to the airport or the program. Mr. Rafter explained there is a general agreement since the program involves FAA funding. Mr. Scussel requested a copy of the agreement.

→ **Action Item: Mr. Rafter will investigate providing a copy of the general agreement that homeowners sign for the RSIP, as requested by Mr. Scussel.**

The discussion then shifted to a question from Mr. Scussel regarding the Passenger Facility Charge (PFC) for noise in the original resolution. Mr. Rafter confirmed that it was likely included in the original resolution, not the amendment. With no further questions, Mr. Reed called for a vote. The motion was unanimously approved, and the resolution carried.

8. OTHER BUSINESS

Mr. Fimiani inquired about the protocol for Board members giving statements to the media. Mr. Reed suggested that all media contacts should be directed to him for Authority matters or to Andrew King, who represents Avports. He requested that Board members continue following this protocol in the future.

Mr. Picard shared positive feedback about the staff working during the busy holiday period, noting that his friends were impressed with the efficiency and politeness of the workers, despite the cold weather. Mr. Reed acknowledged the feedback and expressed appreciation for the staff's efforts, particularly during peak travel times.

Mr. Scussel raised a question regarding the Economic Impact Analysis. Mr. Reed apologized for the delay, clarifying that the initial draft did not meet expectations, and the consultants would start from scratch to ensure a more suitable outline for review.

Ms. Mison added she would arrange a meeting at the airport to better understand the airport's designs and plans.

9. PUBLIC COMMENT

Please note that the following comments reflect the speaker's personal opinions and concerns, not established facts. Public Comment is intended for remarks from the public, not for a question-and-answer session. For inquiries, members of the public are encouraged to reach out directly to the Tweed New Haven Airport Authority or Avports.

GLORIA BELLACICCO – NEW HAVEN, CT [VIRTUAL]

Ms. Bellacicco expressed appreciation for Tom Cavaliere's tour of the airport, highlighting positive communication between him, neighbors, and Andrew King. She added that the airport management could have anticipated potential issues during the holidays. Ms. Bellacicco noted the neighborhood experienced significant disruptions

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due to poor traffic management. She mentioned that while questions about airport capacity and noise monitoring were addressed, the handling of traffic and road management by Avports was inadequate. Additionally, Ms. Bellacicco expressed concerns over the addition of new destinations by Avelo and their criticisms of Breeze's arrival at Tweed. She proposed considering limitations on future arrivals until improvements are made.

MICHAEL GIORDANO – JUNO BEACH, FL [VIRTUAL]

Mr. Giordano, a long-time supporter of the airport, expressed disappointment regarding recent developments. He acknowledged the success of passenger growth, profits, but voiced concern over the condition of the terminal, which he described as inadequate for handling increased traffic. He claimed that the scheduling changes made by Avelo have led to delays and congestion, especially during the busy morning hours. Mr. Giordano reported personal experiences of long wait times and stated that many people he knows are reconsidering flying out of Tweed due to these issues. He urged the Board to address these problems quickly.

TONI LORENTI – MERIDEN, CT [IN-PERSON]

Captain Toni Lorenti, representing the Airline Pilots Association, shared their perspective on the challenges faced by Tweed New Haven Airport during the recent holiday season. They acknowledged the issues raised by Mr. Giordano and agreed that improvements were necessary, particularly considering the need for a new terminal, which they believe should be prioritized rather than opposed. Captain Toni shared personal experiences from their 16 days at the airport during the busy season, emphasizing that while there were challenges, such as delays and difficult weather conditions, the situation was not unique to Tweed and was part of the aviation industry's normal operations. They expressed appreciation for the efforts of airport staff, and noted the resilience of passengers, many of whom remained positive despite the circumstances. Captain Toni concluded by thanking the airport team for their work during trying conditions and reiterated the importance of advancing plans for improvement.

Mr. White also praised Captain Toni for their professionalism, recounting a recent flight where Toni safely brought them to their destination while maintaining a positive and cordial demeanor with passengers.

JOE GIORDANO – EAST HAVEN, CT [VIRTUAL]

Mr. Giordano, a long-time supporter of Tweed, shared his recent firsthand experiences as both a frequent traveler and a neighbor living close to the airport. He described a stressful situation during his flight on Avelo, citing long lines, confusion, and delays, which he believes were exacerbated by the airport's growing passenger volume. He claimed that the airport's current facilities, including TSA and the terminal, are struggling to accommodate the expanding service from Avelo and the addition of Breeze. Mr. Giordano suggested this increase is causing significant congestion both inside the terminal and in the surrounding neighborhood. He alleged that passengers are facing increased frustration, with some considering alternative airports due to the difficulties at Tweed. He argued that the current Avelo flight schedules are too tightly packed and are contributing to potential problems. Mr. Giordano emphasized that these issues need to be addressed promptly to avoid further dissatisfaction among passengers and the potential for greater opposition to the airport.

JUDY MISON – EAST HAVEN, CT [VIRTUAL]

Ms. Mison, a new Board Member for East Haven, shared her personal experience with travel challenges, including a delay at JFK. She acknowledged that delays and issues can happen at any airport, suggesting that such problems should be expected by travelers. Ms. Mison also mentioned her daughter's frequent travel from Tweed, noting a recent experience. Ms. Mison expressed her intention to continue learning about Tweed from a different perspective and emphasized her interest in listening to others' views.

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10. ADJOURNMENT

With no further business to discuss, Mr. Reed called for a motion to adjourn the meeting. Mr. Fimiani proposed the motion, and Mr. White seconded it. The meeting was adjourned at approximately 5:29 PM. The next meeting will be held on February 19, 2025 at 4:00 PM.

ACTION ITEM SUMMARY

- **Action Item: Ms. Zanjani to provide Board Members with materials from the January 14, 2025, meeting with the Governor's Office.**
- **Action Item: Mr. Rafter to confirm whether the noise program funding is included in the existing Passenger Facility Charge (PFC) application and provide clarification to Mr. Scussel.**
- **Action Item: Mr. Nielson to provide Mr. Scussel with a Source and Use Report outlining the funding allocations for the ARFF building expansion, noise program, and other projects.**
- **Action Item: Ms. Zanjani to share handout summarizing the December holiday travel season and operational updates with the Board.**
- **Action Item: Mr. Cavaliere will provide a more detailed update on the HEPA filter distribution program at the next board meeting.**
- **Action Item: Mr. Cavaliere will work on ways to best share data from Veoci.**
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- **Action Item: Mr. Rafter will investigate providing a copy of the general agreement that homeowners sign for the RSIP, as requested by Mr. Scussel.**

MINUTES PREPARED AND SUBMITTED BY

Malena Zanjani
1/21/25

TWEED-NEW HAVEN AIRPORT AUTHORITY
AIRFIELD ACCOUNT
Income Statement December 31, 2024

| | December | | Year to Date | | Budget |
|-------------------------------|-------------------|-------------------|---------------------|---------------------|----------------------------|
| | Actual | Budget | Actual | Budget | Board Approved (Annual) |
| Revenues | | | | | |
| AIR CARRIER FUEL FLOWAGE FEES | 28,154.87 | 21,588.58 | 177,777.62 | 129,531.48 | 259,063.00 |
| FBO FUEL FLOWAGE FEES | 5,945.40 | 2,791.50 | 34,390.32 | 16,749.00 | 33,498.00 |
| GA LANDNG FEES | 39,836.28 | 13,207.58 | 119,076.78 | 79,245.48 | 158,491.00 |
| FUEL REIMBURSEMENT & OTHER | 7,769.35 | - | 51,771.16 | - | - |
| LESSEE AIRFIELD REIMBURSEMENT | 266,859.81 | 293,458.33 | 1,203,055.50 | 1,760,749.98 | 3,521,500.00 |
| Total Revenues | 348,565.71 | 331,045.99 | 1,586,071.38 | 1,986,275.94 | 3,972,552.00 |
| Expenses | | | | | |
| AIRFIELD PERSONNAL COSTS | 174,560.52 | 177,297.33 | 964,967.92 | 1,063,783.98 | 2,127,568.00 |
| ADMINISTRATION | 48,666.20 | 54,723.58 | 247,710.46 | 328,341.48 | 656,683.00 |
| FACILITY | 95,146.12 | 38,346.67 | 289,942.01 | 230,080.02 | 460,160.00 |
| MAINTENANCE | 30,192.87 | 30,583.33 | 83,450.99 | 183,499.98 | 367,000.00 |
| CONTINGENCY | - | 30,095.08 | - | 180,570.48 | 361,141.00 |
| Total Expenses | 348,565.71 | 331,045.99 | 1,586,071.38 | 1,986,275.94 | 3,972,552.00 |
| Net Income(Loss) | - | - | - | - | - |

TWEED-NEW HAVEN AIRPORT AUTHORITY
AUTHORITY ADMIN ACCOUNT
Income Statement December 31, 2024

| | December | | Year to Date | | Budget |
|---|-------------------|-------------------|-------------------|--------------------|----------------------------|
| | Actual | Budget | Actual | Budget | Board Approved (Annual) |
| Revenues | | | | | |
| BASE RENT - LESSEE ** | 48,459.76 | 47,750.00 | 290,758.56 | 286,500.00 | 573,000.00 |
| REVENUE SHARE - LESSEE | 10,137.03 | 6,500.00 | 50,590.19 | 39,000.00 | 78,000.00 |
| REIMBURSABLE EXPENSES & OTHER | - | 23,950.00 | - | 184,900.00 | 283,800.00 |
| Total Revenues | 58,596.79 | 78,200.00 | 341,348.75 | 510,400.00 | 934,800.00 |
| Expenses | | | | | |
| EXECUTIVE DIRECTOR SALARY | 17,692.30 | 18,596.00 | 114,999.95 | 120,874.00 | 241,750.00 |
| EXECUTIVE DIRECTOR TAXES AND BENEFITS | 1,582.43 | 2,232.00 | 13,158.12 | 14,507.00 | 29,010.00 |
| ADMINISTRATIVE STAFF | 3,530.92 | 3,608.00 | 22,910.64 | 23,452.00 | 46,904.00 |
| ECONOMIC IMPACT STUDY | - | - | - | 57,585.00 | 57,585.00 |
| LEGAL, AUDIT, ACCOUNTING & OTHER SERVICES | 33,171.51 | 30,325.00 | 125,089.84 | 125,825.00 | 208,025.00 |
| REIMBURSABLE LEGAL, AUDIT & OTHER COSTS | 10,103.42 | 2,700.00 | 41,236.41 | 72,400.00 | 58,800.00 |
| CONSULTANT FOR CAPITAL PROJECTS | - | 6,250.00 | - | 37,500.00 | 75,000.00 |
| BOND ISSUANCE COSTS | - | 15,000.00 | 5,609.52 | 75,000.00 | 150,000.00 |
| OTHER ADMIN COSTS | 929.02 | 1,250.00 | 7,867.82 | 7,500.00 | 15,000.00 |
| CONTINGENCY | - | 6,250.00 | - | 37,500.00 | 75,000.00 |
| Total Expenses | 67,009.60 | 86,211.00 | 330,872.30 | 572,143.00 | 957,074.00 |
| Net Income(Loss) | (8,412.81) | (8,011.00) | 10,476.45 | (61,743.00) | (22,274.00) |

** Base Rent calculation in the approved budget based on the latest CPI data available at the time. Budget projected a CPI increase of 4.25%.

Actual CPI from commencement of the Lease and Development Agreement in August 2022 through May of 2024 was 5.73%. Revised estimate of Base Rent now \$581,500.

Admin budget indicates that the budget shows a deficit but is in accordance with the advice of consultants and financial experts.

TWEED-NEW HAVEN AIRPORT AUTHORITY
Income Statement December 31, 2024

| | December | | Year to Date | | |
|---|-------------------|-------------------|---------------------|-------------------|---------------------|
| | Airfield Account | Auth. Admin Acc. | Airfield Account | Auth. Admin Acc. | Authority Total |
| Revenues | | | | | |
| AIRPORT REVENUE | 73,936.55 | - | 334,391.45 | - | 334,391.45 |
| FUEL REIMBURSEMENT | 7,769.35 | - | 51,771.16 | - | 51,771.16 |
| BASE RENT LESSEE | - | 48,459.76 | - | 290,758.56 | 290,758.56 |
| REVENUE SHARE LESSEE | - | 10,137.03 | - | 50,590.19 | 50,590.19 |
| LESSEE AIRFIELD REIMBURSEMENT | 266,859.81 | - | 1,199,908.77 | - | 1,199,908.77 |
| OTHER | - | - | - | - | - |
| Total Revenues | 348,565.71 | 58,596.79 | 1,586,071.38 | 341,348.75 | 1,927,420.13 |
| Expenses | | | | | |
| AIRPORT EXPENSES | 162,338.52 | 929.02 | 551,103.44 | 7,867.82 | 558,971.26 |
| AIRPORT PAYROLL & BENEFITS | 174,560.52 | - | 964,967.92 | - | 964,967.92 |
| AUTHORITY MANAGEMENT | - | 22,805.65 | - | 151,068.71 | 151,068.71 |
| LEGAL, AUDIT & ACCOUNTING | - | 33,171.51 | - | 125,089.84 | 125,089.84 |
| REIMBURSABLE LEGAL, AUDIT & OTHER COSTS | - | 10,103.42 | - | 41,236.41 | 41,236.41 |
| CONSULTANT FOR CAPITAL PROJECTS | - | - | - | - | - |
| BOND ISSUANCE COSTS | - | - | - | 5,609.52 | 5,609.52 |
| AVPORTS - MGT FEES | 11,666.67 | - | 70,000.02 | - | 70,000.02 |
| Total Expenses | 348,565.71 | 67,009.60 | 1,586,071.38 | 330,872.30 | 1,916,943.68 |
| Net Income(Loss) | - | (8,412.81) | - | 10,476.45 | 10,476.45 |

TWEED-NEW HAVEN AIRPORT AUTHORITY
Balance Sheet-Governmental Fund Type and Account Groups

December 31, 2024
DRAFT - UNAUDITED

Assets

| | |
|-----------------------------------|-----------------------------------|
| Cash and equivalents | \$ 436,848 |
| Account receivable, net | 994,410 |
| Due from (to) Capital Fund | 160,765 |
| Prepaid expenses and other assets | <u>5,100</u> |
| Total assets | <u><u>\$ 1,597,123</u></u> |

Liabilities and Fund Balances

| | |
|--|-----------------------------------|
| Accounts payable | \$ 68,484 |
| Accrued Expenses and other current liabilities | 1,135,940 |
| Fund Balance | <u>392,700</u> |
| Total liabilities and fund balances | <u><u>\$ 1,597,123</u></u> |



TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

DRAFT

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

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Report on Compliance for the Passenger Facility Charge Program, Report on Internal Control over Compliance, and Report on the Schedule of Passenger Facility Charges Collected and Expended

Independent Auditor's Report

To the Board of Directors
Tweed-New Haven Airport Authority

Report on Compliance for Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited the Tweed-New Haven Airport Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on the Authority's Passenger Facility Charge Program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program for the year ended June 30, 2024.

Basis for Opinion on Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's Passenger Facility Charge Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the “Auditor’s Responsibilities for the Audit of Compliance” section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements. We issued our report thereon dated February 19, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Passenger Facility Charges Collected and Expended is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.



February 19, 2025

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

| | <u>PFC</u> <u>Collections</u> | <u>Interest</u> <u>Income</u> | <u>Total</u> <u>Receipts</u> | <u>Expenditures</u> | <u>Cash Balance</u> |
|--|----------------------------------|----------------------------------|---------------------------------|---------------------|---------------------|
| Cumulative total per SOAR as of July 1, 2023 | \$ 6,644,592 | 191,113 | 6,835,705 | 5,007,122 | 1,828,583 |
| July 2023 | 161,153 | 247 | 161,400 | - | 1,989,983 |
| August 2023 | 163,556 | 2,694 | 166,250 | - | 2,156,233 |
| September 2023 | 197,015 | 4,672 | 201,687 | - | 2,357,920 |
| First Quarter Subtotal | <u>521,724</u> | <u>7,613</u> | <u>529,337</u> | <u>-</u> | |
| October 2023 | 176,289 | 5,192 | 181,481 | - | 2,539,401 |
| November 2023 | 169,931 | 4,898 | 174,829 | - | 2,714,230 |
| December 2023 | 164,360 | 4,764 | 169,124 | - | 2,883,354 |
| Second Quarter Subtotal | <u>510,580</u> | <u>14,854</u> | <u>525,434</u> | <u>-</u> | |
| January 2024 | - | 5,427 | 5,427 | - | 2,888,781 |
| February 2024 | 251,023 | 4,807 | 255,830 | - | 3,144,611 |
| March 2024 | 202,427 | 5,697 | 208,124 | - | 3,352,735 |
| Third Quarter Subtotal | <u>453,450</u> | <u>15,931</u> | <u>469,381</u> | <u>-</u> | |
| April 2024 | 210,369 | 7,876 | 218,245 | - | 3,570,980 |
| May 2024 | 206,692 | 7,680 | 214,372 | - | 3,785,352 |
| June 2024 | 184,562 | 6,974 | 191,536 | - | 3,976,888 |
| Fourth Quarter Subtotal | <u>601,623</u> | <u>22,530</u> | <u>624,153</u> | <u>-</u> | |
| Total for year ended June 30, 2024 | \$ <u>2,087,377</u> | <u>60,928</u> | <u>2,148,305</u> | <u>-</u> | |
| Cumulative total per SOAR as of June 30, 2024 | \$ <u>8,731,969</u> | <u>252,041</u> | <u>8,984,010</u> | <u>5,007,122</u> | |

PFCs are remitted to the Authority by airlines via Airlines Clearing House. Depending on the day of the week, bank holidays, and other factors, some months may not show any remittances, while others may show two. The Authority reports PFC revenues in the month deposits are received.

See accompanying notes to these schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

| | <u>Cumulative Total as of July 1, 2023</u> | <u>Year Ended June 30, 2024</u> | <u>Cumulative Total as of June 30, 2024</u> |
|----------------------------|--|-------------------------------------|---|
| PFC Collections | \$ 6,644,592 | 2,087,377 | 8,731,969 |
| Interest Received | <u>191,113</u> | <u>60,928</u> | <u>252,041</u> |
| Total Collections | <u><u>6,835,705</u></u> | <u><u>2,148,305</u></u> | <u><u>8,984,010</u></u> |
| Disbursements | | | |
| App. No. 93-01 | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 |
| App. No. 13-06 | 1,240,855 | - | 1,240,855 |
| App. No. 20-07 | 758,430 | - | 758,430 |
| App. No. 22-08 | <u>89,478</u> | <u>-</u> | <u>89,478</u> |
| Total Disbursements | <u><u>\$ 5,007,122</u></u> | <u><u>-</u></u> | <u><u>5,007,122</u></u> |

See accompanying notes to this Schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

(1) **Background**

The City of New Haven, Connecticut operated Tweed-New Haven Airport (Airport) until July 1, 1997 when the Tweed-New Haven Airport Authority (Authority) was created under Connecticut General Statutes. The Authority now handles all management of the Airport's operations, including complying with all Federal Aviation Administration (FAA) reporting requirements.

In 1990, the United States Congress enacted the Aviation Safety and Capacity Expansion Act (ASCEA) of 1990, which allows public agencies controlling commercial service airports to charge eligible enplaning passengers at the airport a \$1, \$2 or \$3 passenger facility charge, or PFC. In 2000, the U.S. Congress passed the Aviation Investment and Reform Act for the 21st Century (AIR-21), which allowed airports to levy a PFC of \$4.00 or \$4.50 per eligible enplaned passenger. The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

The Authority previously had approval from the FAA to collect and disburse a total of \$4,957,187 from applications PFC #1 - #7. Due to lower than projected PFC collections in prior years, the Authority filed a Change to Charge Effective and Expiration Dates (43C) to extend the collection period for PFC #7 through January 1, 2023.

On November 2, 2022, the Authority received FAA approval for PFC #8 to collect an additional \$5,221,900 through November 1, 2024. On June 3, 2024, the Authority received FAA approval to amend the charge expiration date through January 1, 2025.

(2) **Basis of Accounting**

The Statement of Passenger Facility Charges Collected and Expended is presented on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. The opening cumulative totals represent the balances as reported in the FAA Systems of Airports Reporting (SOAR).

The information in the attached schedule is presented in accordance with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*. Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements of Tweed-New Haven Airport.

PFCs collected represent cash collected for the year ended June 30, 2024 as reported to the FAA. The interest earned represents the actual interest collected on the unexpended PFC balance throughout the year. Expenditures represent quarterly disbursements on FAA-approved projects. Disbursements can be for current period invoices or contractor payments, or reimbursement of prior payments made by or on behalf of the Authority for eligible projects.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2024

(3) **Subsequent Events**

On November 15, 2024, the FAA approved an amendment to PFC #8 that increased the impose and use Authority by \$3,050,825, and extended the charge expiration date to March 1, 2026.

On December 10, 2024, Breeze Airlines commenced operations at the Airport, making this the second airline to offer flights from New Haven in addition to Avelo Airlines who have been serving the Airport since November 2021.

Although the Authority made no PFC disbursements in FY2024, a number of projects in PFC# 8 were advanced. The runway snowplow and sweeper were ordered, planning and design of the ARFF station extension commenced, and a number of properties were completed as part of Residential Sound Mitigation Phase 6. Design and construction of the West Apron Rehabilitation was completed by the end of the calendar year. Disbursements are expected to be made on these projects in fiscal year 2025.

(4) **Date through Which Subsequent Events Have Been Evaluated**

Management has evaluated subsequent events through February 19, 2025, the date the schedule was available to be issued. Other than the above, Management is not aware of any events subsequent to the schedule date which would require additional adjustment to, or disclosure in, the accompanying schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

- | | | |
|--|--|------------------------------------|
| 1. Type of report issued on schedule of passenger facility charges collected and expended. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 2. Type of report on PFC compliance. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 3. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. The Public Agency maintains a separate financial accounting record for each application. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Funds disbursed were for PFC-eligible items as identified in the FAA decision to pay only for the allowable costs of the project. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Monthly carrier receipts were reconciled with quarterly carrier reports. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Quarterly Revenues and Disbursements reported in SOAR reconcile with PFC fund deposits and withdrawals. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Unliquidated PFC revenues reported in SOAR reconcile to PFC bank accounts and the Authority’s general ledger. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. The Public Agency is in compliance with assurances 5, 6, 7 and 8. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2024

Section I – Summary of Auditor’s Results (continued)

- | | | | |
|---|---|-----------------------------|---|
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 13. Program administration is carried out in accordance with Assurance 10. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |

Section II – Findings and Questioned Costs Passenger Facility Charge Program

No findings or questioned costs are reported relating to the Passenger Facility Charge Program.



TWEED-NEW HAVEN AIRPORT AUTHORITY

Government-wide Financial Statements and Single Audit Reports

Year ended June 30, 2024

Draft

TWEED-NEW HAVEN AIRPORT AUTHORITY

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Year ended June 30, 2024

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Independent Auditor's Report

To the Board of Directors of
Tweed-New Haven Airport Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of *Tweed-New Haven Airport Authority* (Authority) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-15 and 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2025, on our consideration of Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Authority's internal control over financial reporting and compliance.

Solution + Company, LLC

February 19, 2025

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

The Tweed New Haven Airport Authority (the "Authority") offers readers the following overview and analysis of the financial activities at the Tweed-New Haven Airport ("HVN" or the "Airport") for the fiscal year ended June 30, 2024 ("FY24"). Complete financial information begins on page 16.

The Authority continued to experience record traffic in FY24 from the continued growth of Avelo Airlines ("Avelo"). During the twelve-month period from July 2023 through June 2024 HVN enplaned 511,188 passengers, a 10% increase over FY23. Avelo currently serves more than 30 non-stop destinations from New Haven and has about 300 based employees.

In June 2021, the Authority, Avelo, and Avports, as manager of the Airport, entered into a Three-Party Agreement that led to significant upgrades to the existing westside terminal, traffic circulation, and parking. The Three-Party Agreement was followed by a 43-year Lease and Development Agreement (the "Lease") with The New HVN, LLC (the "Lessee") (an Avports affiliate company) that included plans for future airfield enhancements and a new eastside terminal. That agreement was executed on August 19, 2022, followed by an extension of the Management Agreement with Avports operating under the new name of Avports HVN, LLC (the "Manager").

The starting point for these agreements was an Amended and Restated Lease and Operating Agreement between the City of New Haven (the "City") and the Authority, extending the existing Airport lease through 2064. This agreement no longer anticipates the City providing subsidies for Airport operations or financial assistance for Airport capital projects.

The changes to the Authority's operating and financial structure necessitated by these agreements were first reflected in the FY23 financial statements and this structure is continued for FY24. Under the Lease, in return for the Lessee agreeing to fund certain expenses and the local share of required Airport capital projects, the Lessee retains the rights to terminal related revenues such as car parking revenues, rental car concessions, and other rents and fees related to certain Airport property. Therefore, after August 19, 2022, these revenues, along with terminal related operating expenses, are no longer recorded by the Authority.

The Authority's financial statements are comprised of five different funds. Two accounts were created in FY23 as required under the Lease, an Administration Fund and an Airfield Fund, in addition to the previously presented General Fund, Passenger Facility Charge ("PFC") Fund, and Capital Fund. The Airfield Fund account is used to record revenues and expenses associated with the airfield. The Lessee is required to subsidize any deficits in the Airfield account. The Authority uses the Administration ("Admin") Fund to receive lease revenue from the Lessee and from which it pays administrative costs such as Authority staff salaries and benefits, and legal, accounting, audit, and consulting services. Should there be any surplus in the Admin fund at the end of the fiscal year, this is to be transferred to an Airport Reserve Fund (ARF). There was a small surplus in FY24 which was transferred to the ARF then used to pay Authority expenses that were outstanding at year end.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

On December 22, 2023, the Authority received a Finding of No Significant Impact ("FONSI") from the Federal Aviation Administration ("FAA") on an Environmental Assessment ("EA") that analyzed the impacts of projects identified in the recent Master Plan, including an extension of Runway 2-20 and construction of a new eastside terminal and supporting infrastructure. This decision allows the Authority and the Lessee to begin implementation of the proposed projects. On February 6, 2024 the Town of East Haven announced their intent to appeal the FAA's decision and on February 14, 2024 filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit. Although the appeal is continuing, work has continued on design and permitting for the runway extension and new terminal building.

The long-term agreements with the Lessee and the Manager transfer significant financial risks from the Authority and eliminate reliance on State of Connecticut (the "State") and City subsidies to fund operating and capital costs. Significant steps remain with regards to governmental permitting and securing the necessary public and private financing of the airfield and eastside terminal improvements. However, the Lessee has elected to begin the design phase of the runway extension project and terminal development at their risk, anticipating future reimbursements. This financial flexibility is a benefit to the airport from the public-private partnership ("P3").

Financial Highlights

- Total net position was \$43,931,779 at the close of the fiscal year. Of this amount, \$381,394 represents unrestricted net position. Net position restricted for Capital Projects amounted to \$39,150,025 and the net position restricted in the PFC account totaled \$4,400,360.
- General Fund revenues for FY24 were \$486, a decrease of \$3,253,253 from FY23. The decrease was due to the execution of the Lease. Revenues, including parking and sublease rental income, previously recognized in the General Fund were assigned to the Lessee as of August 19, 2022. FY23 General Fund revenues included revenues earned during the period from the beginning of FY23 through the signing of the Lease. FY23 revenues also included the recognition of CARES Act operating grants and certain professional fee reimbursements from the Lessee. Lease revenue from the new Lease is recognized in the Admin Fund.
- Total assets of the Authority were \$65,377,468 on June 30, 2024, an increase of \$3,899,620 from FY23. Of this increase, \$2,256,419 is directly related to the collection of PFC revenues and related interest income. The Authority also recognized approximately \$2,100,000 in grant income capitalized as capital improvements at the Airport.
- No operating subsidy was received from the City in FY24. The Authority received its final operating subsidy from the City in FY23 in the amount of \$162,500. No operating subsidy from the State was received in FY24 or FY23. City and State subsidies represented 16% of Airport General Fund revenues in FY22, 5% in FY23, and 0% in FY24. There are no anticipated City or State operating subsidies in future years.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Financial Highlights (continued)

- There were no General Fund expenses for FY24. General Fund expenses for FY23 were \$1,588,933. Under the Lease, the Lessee assumed responsibility for terminal expenses and Airport facilities. General Fund expenses for FY23 represented Authority obligations through August 19, 2022
- Admin Fund revenues for FY24 were \$662,751 and consisted of lease and related interest income, revenue sharing from the Lessee, and certain expense reimbursements. This was an increase of \$74,237 from FY23. Part of the increase can be attributed to timing differences based on the effective date of the Lease. FY23 Admin Fund revenues covered a ten and one-half month period which began at the signing of the Lease.
- Admin Fund expenses were \$636,123 for FY24 and are comprised of Authority management costs and professional fees. Admin Fund expenses were \$79,537 lower than budget, due primarily to lower than expected administration, office and marketing expenses including contingency expenses. Admin Fund expenses were \$19,874 or 3% lower than the \$655,997 incurred during FY23.
- Authority management expenses represent Executive Director payroll and related benefits as well as other administrative costs such as dues and memberships. The Executive Director is an employee of the Greater New Haven Chamber of Commerce and payroll costs are reimbursed by the Authority. The Executive Director manages non-aviation Authority functions including government affairs, community relations, and oversight of Authority agreements. Authority management expenses incurred by the Admin Fund was \$306,451. This amount was \$5,149 lower than the budgeted amount but higher than the amount recognized by the General and Admin Funds of \$168,910 in FY23. The increase in expense results from a brief vacancy in the executive director position during FY23 and the addition of an administrative position in FY24.
- Professional fees include legal, accounting, consulting expenses, and the services of the independent auditor. Total expenses for these services incurred by the Admin Fund during FY24 was \$313,947, a decrease of \$751,337 when total expenses for these services incurred by the General and Admin Funds during FY23 were \$1,065,284. A majority of the FY23 professional fee expense were directly attributable to fees incurred during the negotiation of the Lease. Professional fees for FY24 were less than the budgeted of \$324,060.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Financial Highlights (continued)

- A total of \$1,600,000 of professional fees incurred during the negotiation and development of the new agreements were reimbursed by the Manager following execution of the documents, and the Authority is entitled to other reimbursements under the Lease. The Authority recognized \$566,342 in reimbursements in FY23 and the balance in FY22. The Authority also recognized another \$51,205 in other professional fee reimbursements in FY23 for certain professional fees incurred after the effective date of the new Lease. For FY24, the Authority's Admin Fund recognized \$26,806 in professional fee reimbursements.
- Under the agreements entered into in August 2022, the Manager will manage the airfield as agent for the Authority. The Authority will continue to collect fuel flowage and landing fees and reimburse the Manager for airfield related expenses. If airfield expenses exceed revenues, any deficit is paid by the Lessee. It is expected that there will be an airfield deficit for at least the next several years due to current activity levels and the nature of agreements with airfield users.
- Airfield related revenues and expenses are accounted for in the Airfield Fund.
- Airfield expenses were \$2,915,469 in FY24, which included \$1,860,028 in payroll related expenses. Total expenses were \$1,158,280 or 28% lower than the budgeted amount of \$4,073,749. Payroll expenses accounted for \$854,311 of the budget variance. Total Airfield expenses were \$487,332 higher than FY23, in part due to the Airfield Fund not being established until August 2022. Airfield expenses reported in FY23 represented expenses incurred from August 19, 2022 through June 30, 2023.
- Airfield revenues in FY24 were \$526,093, prior to the reimbursement of the operating deficit. This amount exceeded the budgeted amount by \$136,442 or 35%. FY24 Airfield Fund revenues exceeded the FY23 revenues by \$138,212. Total Airfield Fund expenses exceeded revenues by \$2,389,376. This deficit was reimbursed by the Lessee under the terms of the Lease.
- The balance sheet reflects that unrestricted cash and cash equivalents were \$306,185. Unrestricted cash and cash equivalents at June 30, 2023 was \$328,497. Cash and cash equivalents in all five Funds were \$9,570,455 on June 30, 2024, an increase of \$2,401,002 from FY23.

Management believes that future cash flow from the Lease, together with government Airport Improvement Program ("AIP") grants, contractual reimbursements, and other sources will be adequate to meet its anticipated financial obligations as set forth in the FY24 Budgets for the Airfield and Admin Funds.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Overview of the Financial Statements

The management's discussion and analysis is intended to serve as an introduction to the basic financial statements and the notes to the financial statements. The statements and notes are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The basic financial statements include two kinds of financial statements that present different views of the Authority. The first two statements are government-wide financial statements, the statement of net position and the statement of activities (on pages 16 and 17); and provide information about the activities of the Authority as a whole. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Both long-term assets and long-term liabilities are measured using this basis of accounting. The remaining statements are fund financial statements that focus on individual parts of the Authority, reporting the Authority's General Fund operations in more detail than the government-wide financial statements, and start on page 18.

The fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this focus, long-term assets and liabilities are not reported. Instead, this measurement looks at whether the financial resources obtained during the period are enough to meet the expenditures of the entity. Revenues are reported as collected. Revenues can be reported as collected if they are expected to be collected soon enough after the current accounting period to be available to pay current year liabilities. Expenditures are reported when incurred and measurable as in the accrual basis method.

Government-Wide Statements

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Authority's assets and liabilities. All current year revenues and expenses are reported in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how it has changed. Net position—the difference between the Authority's assets and liabilities—is one way to measure the Authority's financial health, or position.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's most significant funds. Funds are accounting devices that the Authority uses to keep track of specific sources of funding and spending for particular purposes.

The operations of the Authority are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. Governmental funds, unlike the government-wide financial statements, focus on near-

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Fund Financial Statements (continued)

term inflows and outflows of spendable resources, as well as spendable resources at the end of the year. Such information is useful in evaluating the Authority's near-term financing needs. The governmental activities presented in the statement of net position and the statement of activities is reconciled to the governmental funds in the balance sheet and the statement of revenues, expenditures, and changes in fund balance.

The Authority now maintains five individual governmental funds: the General Fund, the Airfield Fund, the Admin Fund, and two special revenue funds. The General Fund historically accounted for the basic operations of the Airport. Following August 19, 2022, few transactions are expected to occur through this Fund. The Airfield Fund is used to account for Airfield revenues and expenses as well as reimbursements from the Lessee. The Admin Fund receives rents and revenue share from the Lessee and utilizes these revenues to pay for Authority administrative expenses. The Restricted Fund for PFCs is used to account for the collection and disbursement of PFCs. Cash in this governmental fund may only be spent on eligible projects with prior FAA approval. The Restricted Fund (Capital Projects) is comprised of FAA and U.S. Department of Transportation ("DOT") reimbursements received for prior payments made by the Authority, interest earned on deposits, and revenues recognized for payments made by the Lessee for capital projects on behalf of the Authority. These funds were appropriated for capital projects and are restricted for such use. A sixth fund, the Airport Reserve Fund, will be reported once the Admin Fund has achieved a positive fund balance. The fund financial statements can be found on pages 18 and 19.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Government-Wide Financial Analysis

Net Position

The Authority's net position increased \$1,824,144 during FY24. Total net position includes \$39,310,589 of land, equipment, and capital improvements. Total unrestricted net position reflects a balance of \$381,394, an increase of \$162,751 from FY23. The Statement of Net Position on June 30, 2024 is shown below:

| <i>Assets</i> | Governmental Activities |
|--|------------------------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 306,185 |
| Accounts receivable, net | 1,066,645 |
| Lease Receivable | 150,768 |
| Grants and government reimbursements receivable, net | 2,801,671 |
| Prepaid expenses | 44,295 |
| Total current assets | <u>4,369,564</u> |
| Noncurrent assets: | |
| Restricted assets: | |
| Cash and cash equivalents-Passenger Facility Charges | 3,976,888 |
| Cash and cash equivalents-Capital Fund | 5,287,382 |
| Capital assets: | |
| Capital assets-Land | 2,579,182 |
| Capital assets-Capital projects in progress | 9,105,662 |
| Capital equipment and improvements, net | 27,625,745 |
| Leases Receivable-net of current portion | 12,433,045 |
| Total noncurrent assets | <u>61,007,904</u> |
| Total assets | <u>\$ 65,377,468</u> |
| <i>Liabilities and Net Position</i> | |
| Current liabilities: | |
| Accounts payable and accrued expenses | <u>\$ 8,701,312</u> |
| Long-term liabilities: | |
| Deferred Revenue | <u>160,564</u> |
| Total liabilities | <u>8,861,876</u> |
| Deferred inflows of resources: | |
| Lease deferred inflow-GASB 87 | <u>12,583,813</u> |
| Total deferred inflows of resources | <u>12,583,813</u> |
| Net position: | |
| Net investment in capital assets | 39,150,025 |
| Restricted for Passenger Facility Charges | 4,400,360 |
| Unrestricted | 381,394 |
| Total net position | <u>43,931,779</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 65,377,468</u> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Government–Wide Financial Analysis (continued)

Statement of Activities (continued)

The statement of activities represents fiscal activity from operations, grants and contributions, and government reimbursements, combining both restricted and unrestricted accounts.

Governmental activities are determined by subtracting total operating expenses from program revenues, grants, contributions, and government reimbursements. In FY24, net governmental activities including the restricted accounts resulted in a positive change in net position of \$1,824,144. This figure, when added to the Authority's net position of \$42,107,635 at the beginning of the fiscal year, equaled a net position of \$43,931,779 at the end of the fiscal year.

Charges for services relating to Airport operations for FY24 were comprised primarily of lease revenue, revenue sharing with lessee, fuel flowage, and landing fees. The Authority recognized \$758,173 in revenues from these charges, a decrease of \$340,047 from FY23 for similar charges. Non-government reimbursements included \$2,389,376 of airfield operating deficit payments from the Lessee. Airfield operating deficit payments were \$349,120 higher than FY23, in part due to the timing of the effective date of the new Lease in FY23. FY23 also included partial year charges comprising of parking, rental fees and other concessions totaling \$1,202,682. This amount reflected operating income of the Authority prior to the signing of the new Lease.

Passenger Facility Charges were \$2,195,491 in FY24, an increase of \$160,085 or 8%. This is reflective of the increase in passenger enplanements at the Airport driven by an increase in destinations and flights by Avelo at the Airport.

Grants and contributions totaled \$3,125,625 in FY24, a decrease of \$11,674,318. Included in the FY23 amount was the assumption of the terminal improvement loan by the Lessee in the amount of \$6,758,363 which is recognized as a gain, or income, by the Authority. The Authority also recognized income from a COVID 19 relief grant in the amount of \$1,240,815 during FY23. Government reimbursements included approximately \$3,160,000 in FAA Airport Improvement Grants. The Authority received federal grants to acquire a new snow plow and runway sweeper, relocate the taxiway, continuing to develop its five-year capital plan, and for residential sound proofing and insulation, among others.

Expenses from Airport operations declined from \$7,558,200 in FY23 to \$7,264,202 in FY24. With the signing of the Lease, the responsibility for maintaining the terminal and car parking areas as well as the costs related to future Airport development shifted from the Authority to the Lessee. FY23 also included approximately \$570,000 in professional fees incurred in the negotiation of the new agreements. Professional fees were \$751,337 lower in FY24.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Government–Wide Financial Analysis (continued)

Statement of Activities (continued)

The statement of activities can be broken down into revenues by program/functions and expenses as follows:

Revenues by major functions:

| | 2024 | | | |
|---|-------------------------|---------------------------------|--------------------------|----------------------|
| Functions/Programs: | Program Revenues | Grants and Contributions | Investment income | Total Revenue |
| Primary government-governmental activities: | | | | |
| Government reimbursements | \$ - | 3,125,625 | - | 3,125,625 |
| Non-government reimbursements | 2,416,932 | - | - | 2,416,932 |
| Passenger facility charges | 2,195,491 | - | - | 2,195,491 |
| Airport operations and capital projects | 758,173 | - | 188,166 | 946,339 |
| Interest portion of lease income | 403,959 | - | - | 403,959 |
| Total Revenue | \$ 5,774,555 | 3,125,625 | 188,166 | 9,088,346 |

| | 2023 | | | |
|---|-------------------------|---------------------------------|--------------------------|----------------------|
| Functions/Programs: | Program Revenues | Grants and Contributions | Investment income | Total Revenue |
| Primary government-governmental activities: | | | | |
| Government reimbursements | \$ - | 7,879,080 | - | 7,879,080 |
| Debt forgiveness | - | 6,758,363 | - | 6,758,363 |
| Non-government reimbursements | 2,724,214 | - | - | 2,724,214 |
| Passenger facility charges | 2,035,406 | - | - | 2,035,406 |
| Airport operations and capital projects | 1,098,220 | 162,500 | 7,558 | 1,268,278 |
| Airport parking lot | 708,991 | - | - | 708,991 |
| Interest portion of lease income | 340,137 | - | - | 340,137 |
| Total Revenue | \$ 6,906,968 | 14,799,943 | 7,558 | 21,714,469 |

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Functions/Programs: | Expenses | Expenses |
| Primary government-governmental activities: | | |
| Airport operations | \$ 7,264,202 | \$ 7,558,200 |
| Total Expenses | \$ 7,264,202 | \$ 7,558,200 |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Fund Financial Statement Analysis

Balance Sheet

The balance sheet presents information on the Authority's assets and liabilities. The Authority maintains five fund balance sheets. Three of the funds are unrestricted and are comprised of the General Fund, the Admin Fund, and the Airfield Fund. The table below summarizes the unrestricted fund balance sheets of the Authority by fiscal year:

| | 2024 | | | |
|---|---------------------|------------------------|-----------------------|----------------------------|
| | <u>Admin</u> | <u>Airfield</u> | <u>General</u> | <u>Total</u> |
| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Unrestricted</u> |
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ 7,311 | 47,049 | 251,825 | 306,185 |
| Accounts receivable, net | 50,362 | 583,461 | - | 633,823 |
| Prepaid expenses | 10,200 | - | - | 10,200 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | \$ <u>67,873</u> | <u>630,510</u> | <u>251,825</u> | <u>950,208</u> |
| <i>Liabilities and Fund Balances</i> | | | | |
| Accounts payable and accrued expenses | \$ 107,720 | 630,510 | - | 738,230 |
| Interfund balances payable (receivable) | 1,008 | - | (170,424) | (169,416) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Current Liabilities | <u>108,728</u> | <u>630,510</u> | <u>(170,424)</u> | <u>568,814</u> |
| Fund balance | <u>(40,855)</u> | <u>-</u> | <u>422,249</u> | <u>381,394</u> |
| Total liabilities and fund balances | \$ <u>67,873</u> | <u>630,510</u> | <u>251,825</u> | <u>950,208</u> |
| | | | | |
| | 2023 | | | |
| | <u>Admin</u> | <u>Airfield</u> | <u>General</u> | <u>Total</u> |
| | <u>Fund</u> | <u>Fund</u> | <u>Fund</u> | <u>Unrestricted</u> |
| <i>Assets</i> | | | | |
| Cash and cash equivalents | \$ 26,923 | 50,235 | 251,339 | 328,497 |
| Accounts receivable, net | 62,923 | 566,198 | - | 629,121 |
| Prepaid expenses | 8,795 | - | - | 8,795 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | \$ <u>98,641</u> | <u>616,433</u> | <u>251,339</u> | <u>966,413</u> |
| <i>Liabilities and Fund Balances</i> | | | | |
| Accounts payable and accrued expenses | \$ 165,116 | 616,433 | - | 781,549 |
| Interfund balances payable (receivable) | 1,008 | - | (34,787) | (33,779) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Current Liabilities | <u>166,124</u> | <u>616,433</u> | <u>(34,787)</u> | <u>747,770</u> |
| Fund balance | <u>(67,483)</u> | <u>-</u> | <u>286,126</u> | <u>218,643</u> |
| Total liabilities and fund balances | \$ <u>98,641</u> | <u>616,433</u> | <u>251,339</u> | <u>966,413</u> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Fun Financial Statement Analysis (continued)

Balance Sheet (continued)

The PFC Fund and the Capital Fund are considered restricted. Funds are considered restricted when external constraints are placed on their use. PFCs may only be spent with FAA approval on eligible projects. Capital Project Funds are used to account for FAA AIP and other grants restricted to Airport improvements. At the end of FY24, total restricted assets were \$12,532,858 with no long-term liabilities. Of the Authority's \$9,570,455 cash balance on June 30, 2024, \$9,264,270 was considered restricted. The table below summarizes the restricted fund balance sheets of the Authority by fiscal year:

| | 2024 | | |
|--|-----------------------------------|---|-----------------------------|
| | Restricted Fund (PFCs) | Restricted Fund (Capital Projects) | Total Restricted |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 3,976,888 | 5,287,382 | 9,264,270 |
| Accounts receivable, net | 432,822 | - | 432,822 |
| Grant and reimbursements receivable | - | 2,801,671 | 2,801,671 |
| Prepaid Expenses | - | 34,095 | 34,095 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 4,409,710 | 8,123,148 | 12,532,858 |
| <i>Liabilities and Fund Balances</i> | | | |
| Accounts payable and accrued expenses \$ | - | 7,963,082 | 7,963,082 |
| Interfund balances payable (receivable) | 9,350 | 160,066 | 169,416 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Liabilities | 9,350 | 8,123,148 | 8,132,498 |
| | <hr/> | <hr/> | <hr/> |
| Fund balance | 4,400,360 | - | 4,400,360 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | \$ 4,409,710 | 8,123,148 | 12,532,858 |
| | <hr/> | <hr/> | <hr/> |
| | | | |
| | 2023 | | |
| | Restricted Fund (PFCs) | Restricted Fund (Capital Projects) | Total Restricted |
| <i>Assets</i> | | | |
| Cash and cash equivalents | \$ 1,828,583 | 5,012,373 | 6,840,956 |
| Accounts receivable, net | 324,708 | - | 324,708 |
| Grant and reimbursements receivable | - | 801,951 | 801,951 |
| Prepaid Expenses | - | 78,265 | 78,265 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 2,153,291 | 5,892,589 | 8,045,880 |
| <i>Liabilities and Fund Balances</i> | | | |
| Accounts payable and accrued expenses \$ | - | 5,858,810 | 5,858,810 |
| Interfund balances payable (receivable) | - | 33,779 | 33,779 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Liabilities | - | 5,892,589 | 5,892,589 |
| | <hr/> | <hr/> | <hr/> |
| Fund balance | 2,153,291 | - | 2,153,291 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances | \$ 2,153,291 | 5,892,589 | 8,045,880 |
| | <hr/> | <hr/> | <hr/> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management’s Discussion and Analysis

June 30, 2024

Fund Financial Statement Analysis (continued)

Statement of Revenue, Expenditures, and Changes in Fund Balance

The statement of revenues, expenditures, and changes in fund balance - governmental funds reports the Authority’s revenues and expenses for the fiscal year. The difference between revenues and expenses is combined with the prior fund balance to give the year-end fund balance. The fund balances of the General, Admin, and Airfield Funds—collectively the unrestricted funds—was \$381,394, at the end of FY24, compared to a \$218,643 at the end of FY23. The fund balance of the Restricted Capital Projects Fund was \$0 at the end of FY24 and FY23.

The fund balance of the PFC Restricted Fund was \$4,400,360 at the end of FY24, compared to \$2,153,291 at the end of FY23. PFC funds are used for eligible airport capital projects authorized under FAA regulations. See table below:

| | 2024 | | | |
|--|-------------------------------|-----------------------------------|---|-------------------|
| | Unrestricted Funds | Restricted Fund (PFCs) | Restricted Fund (Capital Projects) | Total |
| Total revenues & other financing sources \$ | 3,578,706 | 2,256,419 | 3,253,221 | 9,088,346 |
| Total expenses | <u>3,551,592</u> | <u>-</u> | <u>3,126,934</u> | <u>6,678,526</u> |
| Net revenues (expenditures) | 27,114 | 2,256,419 | 126,287 | 2,409,820 |
| Fund net position - beginning of year | 218,643 | 2,153,291 | - | 2,371,934 |
| Interfund Transfers | <u>135,637</u> | <u>(9,350)</u> | <u>(126,287)</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 381,394</u> | <u>4,400,360</u> | <u>-</u> | <u>4,781,754</u> |
| | 2023 | | | |
| | Unrestricted Funds | Restricted Fund (PFCs) | Restricted Fund (Capital Projects) | Total |
| Total revenues & other financing sources \$ | 6,270,390 | 2,036,808 | 6,648,908 | 14,956,106 |
| Total expenses | <u>4,673,067</u> | <u>-</u> | <u>6,704,609</u> | <u>11,377,676</u> |
| Net revenues (expenditures) | 1,597,323 | 2,036,808 | (55,701) | 3,578,430 |
| Fund net position - beginning of year | (1,379,675) | 173,179 | - | (1,206,496) |
| Interfund Transfers | <u>995</u> | <u>(56,696)</u> | <u>55,701</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 218,643</u> | <u>2,153,291</u> | <u>-</u> | <u>2,371,934</u> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Budgetary Highlights

The statement of revenues, expenses, and changes in fund balance-budgetary comparison schedule, which is a supplementary schedule, reports the operating and non-operating revenues and expenses and compares them against budgeted amounts. The Authority prepared budgets for the Admin and Airfield Funds. The Lessee approves the Airfield budget should budgeted amounts exceed prior year amounts, as adjusted for inflation. The budgetary comparison schedule can be found on page 37.

Factors Impacting Future Periods

The Airport recorded a record 511,188 enplanements in FY24, a continued improvement from FY23. Since the commencement of Avelo operations in November of 2022, the airline has experienced great success and expanded service to 27 non-stop destinations from the Airport. Passenger enplanements over the last five years were as follows:

| | |
|------|---------|
| FY24 | 511,188 |
| FY23 | 465,538 |
| FY22 | 157,797 |
| FY21 | 7,052 |
| FY20 | 38,767 |

Air service remains a critical factor impacting the Authority going forward. The aviation industry faces numerous challenges including the recovery from the pandemic, pilot and staffing shortages, fuel prices, and availability of aircraft, and many cities across the country have seen reductions in commercial passenger service or airlines leaving a market entirely. The Authority believes that the New Haven region was underserved prior to Avelo entering the market and given its success to date, and ongoing investment in facilities and personnel, believes Avelo has a bright future at the Airport.

The Authority was awarded an \$800,000 small community air service development grant from the DOT in 2022 and available for future fiscal periods. This grant, combined with local commitments and contributions, makes \$1,250,000 available to support marketing, incentives, and revenue guarantees for new service or new entrant airlines. These funds have been used to support service to/from San Juan, Charlotte and Atlanta. The Authority and the Lessee continue to have discussions with airlines about serving the Airport.

On August 13, 2024, Breeze Airways announced that it would commence service at HVN. Four routes to Florida destinations began in December, and a further six destinations scheduled to commence in February 2025. New cities to be served by Breeze not currently available with direct service from HVN include Jacksonville, FL; Norfolk, VA; Richmond, VA; and Vero Beach, FL.

At 5,600', the Airport's runway is shorter than all but a handful of the U.S. airports with Part 139 Certification that allows certain types of passenger-carrying operations. The Master Plan recommended extending the runway 2/20 to a length of 6,635.

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TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Factors Impacting Future Periods (continued)

This would enable additional destinations to be safely accommodated by the most common aircraft currently used by domestic airlines and enable aircraft to serve the Airport year-round without weight or capacity restrictions. However, the subsequent EA concluded that an extension to 6,575' (639' to the Runway 02 end and 336' on the Runway 20 end) would minimize environmental impacts with minor operational impacts compared to an expansion to 6,635' and avoids filling tidal wetlands.

The existing terminal on the west side of the Airport is not the best long-term solution for New Haven travelers. Site constraints limit passenger parking, there is insufficient apron space to accommodate new aircraft, and the layout and size of the existing terminal means it lacks many of the amenities expected by today's passengers. The existing location of the terminal also poses a safety concern by requiring midfield runway crossings and back taxiing on a regular basis.

Therefore, both the runway extension and a new terminal are critical for the long-term success of the Airport. Following the completion of design and permitting processes, the Authority and the Lessee will review and analyze the estimated costs of the projects, evaluate funding sources, and confirm financial viability. FAA support of the projects will be critical, and AIP discretionary grants and PFCs will be major components of overall funding, in addition to private funds from the Lessee. The Lease provides for the Authority to facilitate or enter into certain non-recourse debt instruments that may be advantageous to the Airport and the Lessee.

At the Lessee's request, the Authority has commenced an evaluation process for the use of tax-exempt conduit debt to finance the planned developments. The Authority conducted a request for proposal to select Issuer's Counsel to advise on a potential conduit bond issue and is advancing discussions with the Lessee on the potential structure of this debt, which will be used in conjunction with equity, grants, and other available funds.

Federal funding will play a significant role in the future development of the Airport. Some anticipated funding programs are awarded following competitive processes with HVN—effectively competing for scarce resources against other airports in the region and across the country. Availability of such funds could impact the nature and timing of planned developments. On February 14, 2024, the Authority was awarded a \$2,500,000 grant to be used towards the design and permitting cost of the new terminal, and on October 24, 2024, a further grant award of \$4,000,000 was made to be used for terminal construction.

The new agreements with the Lessee and the City eliminate the reliance on operating subsidies, with the Lessee assuming all financial responsibility for Airport operating expenses. The Authority will receive \$550,000 in rents from the Lessee (growing with inflation each year) plus a nominal revenue share of between 0 and 8% of all Airport revenues. The Authority will utilize these funds to complete its oversight and administrative responsibilities. The State subsidy phased out after FY22, and the final City subsidy of \$162,500 was received in July of 2022 (FY23).

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TWEED-NEW HAVEN AIRPORT AUTHORITY

Management's Discussion and Analysis

June 30, 2024

Factors Impacting Future Periods (continued)

In addition to Airport operating expenses, the Lessee will also be responsible for funding the share of capital project costs not covered by FAA grants, PFCs, or other available sources. The Authority's revenues and expenses are significantly different compared to 2023 and prior years, as terminal related revenues and expenses will no longer flow through the Authority's accounts.

In addition to the runway and terminal projects, the Authority has included the following projects in its most recent 5-year capital plan:

- Reimbursable agreement for the glide slope relocation.
- Runway extension, **design and permitting.**
- Terminal area taxiway, **design and permitting.**
- Perimeter fencing relocation.
- EA phase II.
- Noise Exposure Map and Noise Compatibility Plan Update.
- Aircraft Rescue and Firefight (ARFF) building expansion
- Snow Removal Equipment (SRE)
- SRE Building upgrades

Analysis and Conclusions

After decades of financial under-performance and reliance on subsidies, the Authority made the bold decision to enter new agreements with the Manager and the Lessee that transfers significant financial and operational risks and enables major capital investments to be made in Airport facilities. The Authority retains its role as Airport sponsor and will be responsible for the oversight and enforcement of these agreements.

The Authority believes these new agreements provide the best approach for attaining financial self-sufficiency, relieving the financial burden from State and City government, and providing commercial air service and economic growth in Southern Connecticut.

Significant challenges remain to implement the planned developments and the Authority and the Lessee will continue to work with stakeholders to evaluate and advance these projects.

Contacting the Authority's Financial Management

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Office at 155 Burr Street, Administration Building, New Haven, CT 06512.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Statement of Net Position

June 30, 2024

| <i>Assets</i> | Governmental <u>Activities</u> |
|--|---|
| Current assets: | |
| Cash and cash equivalents | \$ 306,185 |
| Accounts receivable, net | 1,066,645 |
| Lease Receivable | 150,768 |
| Grants and government reimbursements receivable, net | 2,801,671 |
| Prepaid expenses | <u>44,295</u> |
| Total current assets | <u><u>4,369,564</u></u> |
| Noncurrent assets: | |
| Restricted assets: | |
| Cash and cash equivalents-Passenger Facility Charges | 3,976,888 |
| Cash and cash equivalents-Capital Fund | 5,287,382 |
| Capital assets: | |
| Capital assets-Land | 2,579,182 |
| Capital assets-Capital projects in progress | 9,105,662 |
| Capital equipment and improvements, net | 27,625,745 |
| Lease receivable-net of current portion | <u>12,433,045</u> |
| Total noncurrent assets | <u><u>61,007,904</u></u> |
| Total assets | <u><u>\$ 65,377,468</u></u> |
| <i>Liabilities and Net Position</i> | |
| Current liabilities: | |
| Accounts payable and accrued expenses | \$ 8,701,312 |
| Long-term liabilities: | |
| Deferred Revenue | <u>160,564</u> |
| Total liabilities | <u><u>8,861,876</u></u> |
| Deferred inflows of resources: | |
| Lease deferred inflow-GASB 87 | <u>12,583,813</u> |
| Total deferred inflows of resources | <u><u>12,583,813</u></u> |
| Net position: | |
| Net investment in capital assets | 39,150,025 |
| Restricted for Passenger Facility Charges | 4,400,360 |
| Unrestricted | <u>381,394</u> |
| Total net position | <u><u>43,931,779</u></u> |
| Total liabilities, deferred inflows of resources and net position | <u><u>\$ 65,377,468</u></u> |

See accompanying notes to basic financial statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Statement of Activities

Year ended June 30, 2024

| Functions/Programs: | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | |
|---|-------------------------|---------------------------------|---|--|--|
| Governmental activities: | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities |
| Airport operations | \$ 7,264,202 | 758,173 | - | - | (6,506,029) |
| Government reimbursements | - | - | - | 3,125,625 | 3,125,625 |
| Expense reimbursements and other income | - | 2,416,932 | - | - | 2,416,932 |
| Passenger Facility Charges | - | 2,195,491 | - | - | 2,195,491 |
| Total governmental activities | \$ 7,264,202 | 5,370,596 | - | 3,125,625 | 1,232,019 |
| General revenues: | | | | | |
| Investment income | | | | | 188,166 |
| Interest income-GASB 87 | | | | | 403,959 |
| Change in net position | | | | | 1,824,144 |
| Net position-beginning of year | | | | | 42,107,635 |
| Net position-end of year | | | | | \$ 43,931,779 |

See accompanying notes to basic financial statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Balance Sheet-Governmental Fund Type and Account Groups

June 30, 2024

| | <u>Admin Fund</u> | <u>Airfield Fund</u> | <u>General Fund</u> | <u>Restricted Fund (Passenger Facility Charges)</u> | <u>Restricted Fund (Capital Projects)</u> | <u>Total</u> |
|---|-----------------------|--------------------------|-------------------------|---|---|-------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 7,311 | 47,049 | 251,825 | 3,976,888 | 5,287,382 | 9,570,455 |
| Accounts receivable, net | 50,362 | 583,461 | - | 432,822 | - | 1,066,645 |
| Grants and government reimbursements receivable, net | - | - | - | - | 2,801,671 | 2,801,671 |
| Prepaid expenses | 10,200 | - | - | - | 34,095 | 44,295 |
| Total assets | <u>\$ 67,873</u> | <u>630,510</u> | <u>251,825</u> | <u>4,409,710</u> | <u>8,123,148</u> | <u>13,483,066</u> |
| Liabilities and Fund Balances | | | | | | |
| Accounts payable and accrued expenses | \$ 107,720 | 630,510 | - | - | 7,963,082 | 8,701,312 |
| Interfund balances payable (receivable) | 1,008 | - | (170,424) | 9,350 | 160,066 | - |
| Total liabilities | <u>108,728</u> | <u>630,510</u> | <u>(170,424)</u> | <u>9,350</u> | <u>8,123,148</u> | <u>8,701,312</u> |
| Fund net position: | | | | | | |
| Nonspendable | 10,200 | - | - | - | 34,095 | 44,295 |
| Restricted | - | - | - | 4,400,360 | - | 4,400,360 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | (51,055) | - | 422,249 | - | (34,095) | 337,099 |
| Total fund balance (deficit) | <u>(40,855)</u> | <u>-</u> | <u>422,249</u> | <u>4,400,360</u> | <u>-</u> | <u>4,781,754</u> |
| Total liabilities and fund balances | <u>\$ 67,873</u> | <u>630,510</u> | <u>251,825</u> | <u>4,409,710</u> | <u>8,123,148</u> | <u>13,483,066</u> |

Reconciliation of governmental fund net position:

| | |
|---|----------------------|
| Total fund balances | \$ 4,781,754 |
| Reconciling items: | |
| Long-term deferred revenue | (160,564) |
| Land | 2,579,182 |
| Construction in progress | 9,105,662 |
| Capital equipment and improvements | 56,574,480 |
| Less accumulated depreciation | <u>(28,948,735)</u> |
| Net position of governmental activities | <u>\$ 43,931,779</u> |

See accompanying notes to basic financial statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds

Year ended June 30, 2024

| | Admin Fund | Airfield Fund | General Fund | Restricted Fund (Passenger Facility Charges) | Restricted Fund (Capital Projects) | Total |
|---|-----------------------|--------------------------|-------------------------|---|---|------------------|
| Revenues: | | | | | | |
| Government reimbursements | \$ - | - | - | - | 3,125,625 | 3,125,625 |
| Concessions, fees and rentals | 231,470 | 526,093 | - | 2,195,491 | 610 | 2,953,664 |
| Expense reimbursements and other income | 27,322 | 2,389,376 | 234 | - | - | 2,416,932 |
| Interest income-GASB 87 | 403,959 | - | - | - | - | 403,959 |
| Interest and investment income | - | - | 252 | 60,928 | 126,986 | 188,166 |
| Total revenues | 662,751 | 2,915,469 | 486 | 2,256,419 | 3,253,221 | 9,088,346 |
| Authority expenses: | | | | | | |
| Professional fees | 313,947 | - | - | - | - | 313,947 |
| Authority management | 306,451 | - | - | - | - | 306,451 |
| Management and performance fees | - | 140,000 | - | - | - | 140,000 |
| Airport operations: | | | | | | |
| Salaries and benefits | - | 1,860,028 | - | - | - | 1,860,028 |
| Maintenance | 578 | 545,178 | - | - | - | 545,756 |
| Administration, office and marketing expenses | 6,627 | 183,822 | - | - | 12,064 | 202,513 |
| Utilities | - | 112,479 | - | - | - | 112,479 |
| Residential sound insulation | - | - | - | - | 940,932 | 940,932 |
| Security | - | 10,654 | - | - | 74,298 | 84,952 |
| Insurance | 8,520 | 63,308 | - | - | - | 71,828 |
| Capital outlays: | | | | | | |
| Infrastructure capital costs | - | - | - | - | 2,099,640 | 2,099,640 |
| Total expenditures | 636,123 | 2,915,469 | - | - | 3,126,934 | 6,678,526 |
| Other financing sources and uses, including transfers: | | | | | | |
| Interfund transfers | - | - | 135,637 | (9,350) | (126,287) | - |
| Total other financing sources | - | - | 135,637 | (9,350) | (126,287) | - |
| Net changes in fund balances | 26,628 | - | 136,123 | 2,247,069 | - | 2,409,820 |
| Fund balances - beginning of year | (67,483) | - | 286,126 | 2,153,291 | - | 2,371,934 |
| Fund balances - end of year | \$ (40,855) | - | 422,249 | 4,400,360 | - | 4,781,754 |

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance:

| | |
|--|--------------|
| Total net change in fund balances-governmental funds | \$ 2,409,820 |
| Reconciling items: | |
| Expenditures for capital projects-capitalized and expensed as depreciation over the estimated useful lives in the statement of activities, net of long-term debt | 2,099,640 |
| Depreciation expense | (2,685,316) |
| Change in net position of governmental activities | \$ 1,824,144 |

See accompanying notes to basic financial statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies

Background and Reporting Entity

The 1997 Connecticut General Assembly enacted an “*Act Concerning the Establishment of the Tweed-New Haven Airport Authority*” (the “Authority”) [Public Act 97-271] at the request of the City of New Haven (the “City”), the Greater New Haven Chamber of Commerce, the Regional Leadership Council, REX Development (f/k/a Regional Growth Partnership), Yale University, and area businesses, as a way to improve air service for the Southern Connecticut area.

The legislation created a regional Authority to manage and improve Tweed-New Haven Airport (“Airport”) as an economic development asset for the region. The Authority’s powers include:

- Maintain, manage, supervise, and operate the Airport.
- Maintain a working relationship with the state and municipalities and conduct business as a regional airport.
- Charge reasonable fees for service.
- Enter into contracts, leases, and agreements for goods and services.
- Contract for construction and reconstruction of Airport projects.
- Make plans and studies in conjunction with the Federal Aviation Administration (“FAA”) and other state and federal agencies.
- Plan and enter into contracts with municipalities, the state, businesses, and other entities to finance operations and debt.
- Establish a Board of Directors to carry out functions.
- Employ staff, borrow funds, and issue and sell bonds.
- Acquire property by purchase or lease.
- Prepare and issue budgets.
- Exercise all other powers granted by law.

The Authority held its first Board of Directors (“Board”) meeting on July 31, 1997, at which time it adopted, in accordance with Public Act 97-271, its Bylaws, elected officers, approved an Affirmative Action Statement, and adopted a draft of its Written Procedures. The Board has the primary accountability for fiscal matters. Therefore, the Authority is a financial reporting entity as defined by Government Accounting Standards Board (“GASB”) in its Statement No. 14, “*The Financial Reporting Entity*.” There are no component units included within the reporting entity.

An Executive Director is appointed by the Board and is responsible for the day-to-day activities of the Authority.

The Tweed Statute was amended in 2009 to increase the number of directors to 15, modify the number of directors appointed by each appointing party, and establish a Community Advisory Board comprised of designated Authority directors.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Background and Reporting Entity (continued)

On August 19, 2022, the Authority executed three agreements that collectively resulted in significant changes to the Authority's operating structure. Firstly, the City and the Authority entered into an Amended and Restated Lease and Operating Agreement. The Authority then executed the sixth amendment to the management agreement with Avports HVN, LLC (the "Manager") and a Lease and Development Agreement with The New HVN, LLC (the "Lessee"). Each agreement has a term of 43 years.

The amended agreement with the City extended the term date to June 30, 2064. The annual rent remains \$1. The amended operating agreement eliminates City operating subsidies beyond FY23. The other basic terms of the amended agreement are:

- Permits the Authority to enter into sublease and operating agreements.
- Permits the Authority to work with the Lessee, as sublessee for the design, construction, financing, operation, and maintenance of a new east terminal and associated ancillary and safety facilities including but not limited to parking, roads, and concessions, and extension of runway 2-20 as described in the Airport Master Plan, a new taxiway adjacent to the east terminal, and access roads to the east terminal.
- Restricts the Lessee from using landing fees or other financial incentives to attract general aviation to the Airport.
- Establishes and includes performance standards to address noise, traffic, wetlands restoration, tidal and water monitoring systems, diversity and hiring programs, sustainability, and general aviation operations.

Under the terms of the amended management agreement, the Manager manages the airfield as the Authority's agent. The Manager also oversees the construction of the runway expansion. The Authority continues to collect landing and fuel flowage fees and is responsible for paying operating expenses to the Manager. If airfield expenses exceed revenues, the deficit is to be paid by the Lessee.

The Lessee has financial and operational responsibility to design, build, finance, operate, and maintain commercial passenger terminals, which includes the current west side and future east side terminal. The Lessee also has responsibility for capital planning, funding, and future Airport development within areas permitted by the Lease and Development Agreement. The Lessee is responsible for setting and collecting Airport rents, rates, and fees and approving the operating budget. All costs associated with operating and maintaining the terminals and Airport facilities are the responsibility of the Lessee. Any deficits within the airfield are subsidized by the Lessee under the Lease and Development Agreement.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Background and Reporting Entity (continued)

The Lessee pays the Authority an annual base rent of \$550,000 adjusted annually beginning in FY25 for changes in the Consumer Price Index, a tiered percentage of gross revenues up to 8%, up to an additional \$200,000 annually for consulting and professional fees associated with the new terminal and runway projects, and reimbursement of any Authority costs related to a potential debt issuance for these projects.

The Authority is responsible for its own administrative and professional fees for oversight of the Airport. The Authority is the Airport sponsor for purposes of collecting Passenger Facility Charge (“PFC”) revenues and FAA Airport Improvement Project (“AIP”) grants. The Lessee is responsible for the local match requirements, if any, for AIP funded projects and all other projects required under the Lease and Development Agreement.

The Manager acts as the Authority’s agent for all regulatory compliance including grant applications and PFC reporting. Airport PFCs shall be available to the Lessee to pay capital costs (including debt service on any financing) of the development.

The Authority will create an Airport Reserve Fund (“ARF”) and will fund this from any revenue that the Authority receives in excess of its administrative expenses each year. The ARF can be used at the Authority’s discretion for any lawful purpose. It can also be used to repay the Lessee’s reimbursement of the Authority’s transaction costs, as described below, under an annual formula once the fund reaches a defined level. Once the ARF reaches twice the base rent, initially \$1,100,000, any amount above this is considered the ARF surplus. Fifty percent of the ARF surplus is paid towards the outstanding reimbursement balance each year.

Government-wide and Fund Financial Statements

The statement of net position and the statement of activities are government-wide financial statements. They report information on all the Authority’s non-fiduciary activities. Governmental activities include programs supported primarily by grants and other intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The statement of activities presents information showing how the Authority’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the related timing of cash flows. The “Grants and Contributions” columns include amounts paid by organizations outside the Authority to help meet operational and capital requirements.

All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds would remain on the government-wide statement of activities.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements (continued)

The fund financial statements provide reports on the financial condition and the results of operations for five fund categories – three governmental and two special revenue funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable. The expenditures related to certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent expenditures are made under the provisions of the grant. Accordingly, when such funds are received in advance of disbursements, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the Authority to refund all or part of the unused amount. The Lessee may elect to commence a capital project in advance of an approved grant. As such, the final grant amount, the portion that is PFC eligible, and the local share paid by the Lessee may differ from those estimated as capital expenditures are incurred. A final determination of capital project funding sources will be completed following grant close-outs with the Lessee covering any ineligible project costs via additional rental contributions.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Fund Equity and Net Position

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (net position), revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements in this report consist of the General Fund, the Administration (“Admin”) Fund, the Airfield Fund, and two Special Revenue Fund account groups due to the nature of the Authority’s activities. The Authority will create the ARF Fund as required under the Lease and Development Agreement once the Admin Fund shows a cumulative surplus.

In the government-wide financial statements, net position is classified in the following categories:

- Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of related loans that are attributable to the acquisition and improvement of those assets.
- Restricted for PFC – This category is used to account for collection of PFCs and payment or reimbursement of related capital improvements by the Airport. PFCs are fees authorized by the Congress of the United States of America to be collected for use in federally approved airport improvements and expenditures. The PFC fund is restricted and may be spent only in connection with FAA application and approval procedures.
- Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Authority expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Fund Equity and Net Position (continued)

The Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 54 (“GASB 54”) “*Fund Balance Reporting and Governmental Fund Type*” which defines the different types of fund balances that the Authority must use for its governmental funds. GASB 54 requires the fund balance to be properly reported within one of the following categories for fund financial reporting purposes:

- Nonspendable – fund balance amounts associated with inventories, prepaids, and long-term receivables and payables.
- Restricted – fund balance amounts that can be spent only for the specific purposes stipulated by external source providers or enabling legislation.
- Committed – fund balance amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority, the Board of Directors.
- Assigned – fund balance amounts intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as restricted or committed fund net position.
- Unassigned – fund balance amounts remaining for the General, Admin, and Airfield Funds that are spendable.

The Authority’s committed fund balance reporting is required when funds have been committed at an Authority board meeting. The Authority’s assigned fund balance reporting is required when funds have been assigned by their nature (due to the FAA or for unidentified future capital projects). The Authority’s general policy is to apply expenditures against the applicable fund balance in the following order: nonspendable, assigned, committed, restricted, and unassigned.

Budgetary Information and Accounting

The Authority has operating budgets prepared under the modified accrual basis of accounting for the Admin and Airfield Funds. Both budgets are approved by the Board of Directors, however the Lessee has certain approval rights for the Airfield Operating Budget.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Authority considers cash and cash equivalents, primarily money market funds, to be those investments with original maturities of three months or less.

Receivables and Payables

All receivables and payables are reported at their gross value. Receivables are reduced by the estimated portion that is expected to be uncollectible. The Authority may establish an allowance for estimated uncollectible accounts when appropriate. There was no allowance for uncollectible accounts as of June 30, 2024.

Capital Assets

Capital assets include improvements to the Airport and other assets used in operations with estimated useful life ranging from five to thirty years. Such assets are recorded at cost and depreciated using the straight-line method.

Lease Receivable

The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

Deferred Inflows of Resources

In addition to liabilities, the statements of net position report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The Authority's reporting of deferred inflows of resources relates to lease receivables that will be recognized as revenue in a systematic and rational manner over the term of the lease.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(1) Summary of Significant Accounting Policies (continued)

Income Taxes

The Authority is exempt from federal and state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Authority and recognize a tax liability (or asset) if it has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the applicable taxing authorities. Management has concluded that as of June 30, 2024, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Restricted Assets

Funds collected from PFCs are restricted for use and subject to approval by the FAA. Additionally, the cash and other assets in the Capital Project Fund are restricted to Airport capital improvements and major maintenance and repairs. The Authority has used the Capital Project Funds to purchase land and buildings adjacent to Airport property for future use in Airport development and to improve infrastructure at the Airport.

Total Columns on Statements

Total columns on the fund financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, operating results, or cash flows in conformity with generally accepted accounting principles.

Date through Which Subsequent Events Have Been Evaluated

Management has evaluated subsequent events through February 19, 2025, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

(2) Reconciliation of Government-wide and Fund Financial Statements

The Balance Sheet - Governmental Fund Type and Account Groups provides the reconciliation between the fund net position for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(2) Reconciliation of Government-wide and Fund Financial Statements (continued)

The following is a reconciliation between the Governmental Funds balance sheet and the statement of net position at June 30, 2024:

| | | |
|---|-------------------|---------------------|
| Fund balances | | \$ 4,781,754 |
| Add: Land | 2,579,182 | |
| Construction in progress | 9,105,662 | |
| Capital equipment and improvements | 56,574,480 | |
| Less: Accumulated depreciation | (28,948,735) | |
| Long-term deferred revenues | <u>(160,564)</u> | <u>39,150,025</u> |
| Net position of governmental activities | | <u>\$43,931,779</u> |

The statement of revenues, expenditures, and changes in fund balance - Governmental Funds provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and the changes in net position of governmental activities as reported on the government-wide statement of activities.

The following is a reconciliation between the statement of governmental funds, revenues, expenditures, changes in fund balances, and the statement of activities for the year ended June 30, 2024:

| | |
|---|-------------|
| Net change in fund balances -governmental funds | \$2,409,820 |
|---|-------------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:

| | |
|-----------------------------------|---------------------|
| Expenditures for capital projects | 2,260,204 |
| Long-term deferred revenue | (160,564) |
| Depreciation expense | <u>(2,685,316)</u> |
| Change in net position | <u>\$1,824,144</u> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(3) Cash and Cash Equivalents

Cash and cash equivalents, for the General, Admin and Airfield Funds and the Restricted Funds, consisted of the following in the statement of net position at June 30, 2024:

| | |
|--------------------|--------------------|
| Deposits | \$8,591,320 |
| Money market funds | <u>979,135</u> |
| | <u>\$9,570,455</u> |

Custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned, or the Authority will not be able to recover collateral securities that are in the possession of an outside party. The Authority does not have a deposit policy for custodial credit risk.

The Authority maintains cash accounts in financial institutions which insure deposits with the Federal Deposit Insurance Corporation (“FDIC”). As of June 30, 2024, the aggregate cash balances on deposit at the financial institutions used by the Authority exceeded FDIC deposit insurance limits by approximately \$9,530,000.

In the event that a financial institution becomes insolvent and is placed under FDIC receivership, this collateral is subject to the FDIC requirements for perfecting security interest under federal law. In the opinion of the Connecticut State Attorney General, these requirements have not been met.

(4) Restricted Assets

Restricted assets consist of cash relating to PFCs which are restricted for expenditures for federally approved Airport improvement projects, government reimbursements, and other assets restricted for use on future capital projects. Until restricted funds are required for disbursements, the Authority transfers available funds to interest bearing accounts.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(5) Capital Assets

The following schedule presents the capital activity of the governmental activities for the year ended June 30, 2024:

| | Not Depreciated | | Depreciated | | Totals |
|---------------------------------|---------------------|--------------------------|-------------------|------------------------|-------------------|
| | Land | Construction in Progress | Improvements | Vehicles and Equipment | |
| Capital Assets | | | | | |
| Beginning Balance | \$ 2,579,182 | 8,006,804 | 52,555,362 | 2,857,770 | 65,999,118 |
| Increases | - | 1,099,128 | - | 1,161,346 | 2,260,474 |
| Decreases | - | - | - | - | - |
| Transfers | - | - | - | - | - |
| Ending Balance | <u>2,579,182</u> | <u>9,105,932</u> | <u>52,555,362</u> | <u>4,019,116</u> | <u>68,259,592</u> |
| Accumulated Depreciation | | | | | |
| Beginning Balance | - | - | 25,355,555 | 907,862 | 26,263,417 |
| Increases | - | - | 2,685,316 | - | 2,685,316 |
| Decreases | - | - | - | - | - |
| Ending Balance | <u>-</u> | <u>-</u> | <u>28,040,871</u> | <u>907,862</u> | <u>28,948,733</u> |
| Capital Assets, net | <u>\$ 2,579,182</u> | <u>9,105,932</u> | <u>24,514,491</u> | <u>3,111,254</u> | <u>39,310,859</u> |

(6) Lease Accounting (GASB 87)

Government Accounting Standards Board Statement No. 87 (“GASB 87”) establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessor is required to recognize, for each lease, a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the term of the lease. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relates to future periods. Interest revenue is recognized on the lease receivable and the inflow of resources (revenue) is recognized from the deferred inflows of resources in a systematic and rational manner over the term of the lease. Certain regulated leases that are subject to external laws, regulations, or legal rulings (e.g. the FAA) do not recognize a lease receivable. Regulated leases include leases between airports and air carriers and other aeronautical users.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(6) Lease Accounting (GASB 87) (continued)

The Authority, as lessor in its agreement with The New HVN, LLC, subleases terminal and parking space (non-aeronautical) and hangar (aeronautical) space to the lessee. Under GASB 87, when a lease contains multiple components, the lease may be accounted for as a single lease when the various components of the lease cannot be practically allocated among its components. If multiple components are accounted for as a single lease unit, the accounting for that unit should be based on the primary lease component. The Authority has concluded that the primary components of the lease with The New HVN, LLC are primarily non-aeronautical and therefore the Authority recognizes a receivable and a deferred inflow of resources in accordance with GASB 87.

The Authority's lease with The New HVN, LLC commenced August 19, 2022, and expires August 19, 2065, with no extension options. The lease requires payment of an annual base rent in the amount of \$550,000 paid in monthly installments. The lease includes variable revenue components, including: increases for future increases in the Consumer Price Index, a percentage of lessee gross revenues, and certain professional fee reimbursements associated with new terminal and runway projects. Variable revenues are not included in the measurement of the lease receivable. The Authority recognized approximately \$112,000 in variable lease revenue for FY24.

During the year ended June 30, 2024, the Authority recognized the following inflows related to the lease:

| | |
|--|------------------|
| Lease revenue | \$146,041 |
| Interest revenue | 403,959 |
| Revenue from variable payments not included in measurement of lease receivable | <u>112,235</u> |
| | <u>\$662,235</u> |

Amounts recognized as lease receivables and deferred inflows of resources-leases was \$12,583,813 at ended June 30, 2024. The GASB 87 lease receivable rate was 3.19% at the inception of the lease. The Authority used the Bloomberg 30-year Municipal Benchmark to estimate the discount rate.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(6) Lease Accounting (GASB 87) (continued)

The table below summarizes total remaining lease payments, GASB 87 lease receivables/deferred lease inflows, and lease interest receivable as of June 30, 2024:

| <u>Fiscal Year</u> | | <u>Lease Receivable</u> | <u>Lease Interest</u> | <u>Total Lease Payments</u> |
|--------------------|----|-----------------------------|---------------------------|---------------------------------|
| 2025 | \$ | 150,768 | 399,232 | 550,000 |
| 2026 | | 155,648 | 394,352 | 550,000 |
| 2027 | | 160,687 | 389,313 | 550,000 |
| 2028 | | 165,888 | 384,112 | 550,000 |
| 2029 | | 171,258 | 378,742 | 550,000 |
| 2030-2034 | | 943,124 | 1,806,876 | 2,750,000 |
| 2035-2039 | | 1,105,981 | 1,644,019 | 2,750,000 |
| 2040-2044 | | 1,296,956 | 1,453,044 | 2,750,000 |
| 2045-2049 | | 1,520,909 | 1,229,091 | 2,750,000 |
| 2050-2054 | | 1,783,535 | 966,465 | 2,750,000 |
| 2055-2059 | | 2,091,507 | 658,493 | 2,750,000 |
| 2060-2064 | | 2,452,661 | 297,339 | 2,750,000 |
| 2065-2066 | | 584,891 | 37,554 | 622,445 |
| | \$ | <u>12,583,813</u> | <u>10,038,632</u> | <u>22,622,445</u> |

(7) State and Municipal Funding

The Authority did not recognize any State of Connecticut (“State”) operating subsidies or grant funds in FY24. The Authority received \$40,000 in State funds in FY24. Those funds were recognized into income in a previous fiscal year and represent the State’s portion of sound insulation projects that the State agreed to fund in 2020. The completion of this project was delayed due to COVID-19.

The Authority did not receive any operating funds during the fiscal year ended June 30, 2024 from the City and the Authority has not budgeted any revenues from the City for future years.

The City of New Haven has historically provided funding for general Airport improvements and purchases to support a safe operating environment for both commercial air service and general aviation activities through a pledge of bond funds in the City’s adopted budget. This has included funding for capital improvements as part of the local share required for certain FAA grants.

The Authority did not receive any local share of improvement funds from the City in FY24, but has requested reimbursements from the City from bond funds previously pledged to the Authority. This includes costs related to the recently completed Residential Sound Insulation Program – Phase #6, upgrades to the West Terminal, maintenance on the Authority’s ARFF vehicles, and obstruction removals at nearby properties.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(7) State and Municipal Funding (continued)

The City, in previous fiscal years, advanced funds to the Authority to fund equipment and payments to contractors and suppliers for capital projects in advance of reimbursement from the FAA and the State. The Authority reimburses the City after filing the required funding requests and project close-out documentation with the FAA, and funds have been received. Project costs not funded by the FAA or the State were considered the local match. No funds were advanced by the City during the year ended June 30, 2024. Accumulated grant funds received or receivable by the Authority and payable to the City were approximately \$5,146,000 for FY24 with final balances subject to FAA review and close-out and a reconciliation of final amounts owed to and from the City.

(8) Federal Funding

The Authority received funding for expenditures reimbursable under the FAA AIP and the Airport and Law Enforcement Officer (“LEO”) grants administered by the TSA. The Authority recognized approximately \$3,050,000 in FAA AIP grant income and \$74,000 in LEO grant income during FY24.

(9) Grants Receivable

Grants receivable consisted of Authority expenditures reimbursable under FAA AIP at the Airport in the amount of \$2,801,671 at June 30, 2024.

(10) Leased Premises, Transfer of Personal Property and Airport Assets

In accordance with Section 3.1 of the 1998 Lease and Operating Agreement, the Authority leases the land, buildings, and related improvements from the City. Compensation due to the City during the lease term is \$1.

In accordance with Section 4.1 of the Lease and Operating Agreement, the City transferred and conveyed to the Authority all of its rights, title, and interest in and to all tangible personal property (generally all the furnishings, materials, equipment and other tangible property located at the Airport). The Authority uses this personal property, including any assets acquired during the lease term, in connection with its operation of the Airport.

Upon the expiration of the Lease and Operating Agreement, Section 4.2 states that the Authority’s right, title, and interest in any and all Airport assets then in existence shall immediately vest in the City. See Note 1.

Since the Authority does not have the power of condemnation, Section 9.2 of the Lease and Operating Agreement provides that the City may exercise its right and power to take certain additional property (in the event the Authority deems it necessary or advisable) by eminent domain, and the Authority shall pay any and all acquisition costs. The City has not exercised this right as of June 30, 2024. On August 19, 2022, the City and the Authority entered into an Amended and Restated Lease and Operating Agreement extending the term through June 30, 2064.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(11) Management Agreement

The Authority entered into a management agreement with Avports on July 1, 1998 to operate the Airport. In conjunction with the 43-year Lease and Development Agreement signed August 19, 2022, the existing management agreement was amended and restated with a term of 43 years with Avports operating under the new name of Avports HVN, LLC. Avports HVN, LLC would also commence an extension of Runway 2-20. See Note 1.

Under the amended management agreement, AvPorts HVN, LLC is primarily responsible for managing the airfield as the Authority's agent. Certain roles and responsibilities previously performed by the manager relating to the terminal and air service development are now performed by the Lessee. A reasonable management fee in line with industry standards is to be included in the Airfield Operating Budget and payable to the Manager. This fee replaces the previous arrangement that also provided for engineering, air service, and incentive fees, and included management of the terminal. The FY24 management fee for the airfield was approximately \$140,000 following the latest amendment.

Amounts due to Avports under the amended management agreement for Airfield expenses totaled approximately \$630,000 at June 30, 2024. Amounts due from the Lessee to cover the related Airfield operating deficit was approximately \$534,000 at June 30, 2024.

The amended management agreement requires the Lessee to maintain the Authority's Capital Fund. The Lessee is responsible for all capital improvement costs at the Airport. The Lessee is responsible for any eligible grant applications. The Authority, as sponsor, receives the grant awards and reimburses the Lessee. If a local match is required, the Lessee is responsible for the cost. If eligible, PFC funds may be available to the Lessee for local match and other costs. Amounts owed by the Authority to the Lessee for capital improvements expected to be reimbursed under FAA AIP grants were approximately \$2,817,000 at June 30, 2024.

(12) Airport Reserve Fund

The Lease and Development Agreement signed August 19, 2022, requires any surplus in the Admin Fund be transferred to the Airport Reserve Fund ("ARF") at year end. Funds maintained in the ARF can be used for any lawful Airport purpose to include capital improvements, repayment of transaction expenses previously reimbursed by the Lessee (approximately \$1,600,000), other unreserved Airport costs and to otherwise enhance the Airport's ability to attract commercial airline activity. The Admin Fund did not contribute to the ARF in FY23 due to an operating deficit. The Admin Fund's gross revenues in excess of expenses for FY24 did not create a cumulative surplus. At June 30, 2024 the Admin Fund's cumulative deficit was (\$40,855). Authority management will continue to monitor the Admin Fund revenue and expenses and will fund the ARF once a surplus is attained.

(13) Passenger Facility Charges

The Airport's initial application to impose PFCs was approved by the FAA in 1993 and a total of eight applications had been approved through June 30, 2024. The Authority submitted PFC an

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(13) Passenger Facility Charges (continued)

amendment to application number 8 on November 15, 2024 for \$9,350 in administrative costs incurred during previous fiscal years. The Authority now has approval to collect \$10,188,437 of PFCs and related interest. Through June 30, 2024, the Authority has cumulatively collected \$8,984,010 in PFC revenues and interest, of which \$2,148,305 was collected during the fiscal year ended June 30, 2024.

(14) Risk Management

The Authority is exposed to various risks of loss including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority purchases directors' and officers' liability insurance, and Avports HVN, LLC and The New HVN, LLC purchase all other insurance coverage for the Airport.

(15) Contingent Liabilities

The Authority has received State and municipal grants for specific purposes that are subject to review and audit by grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for any expenditures disallowed under terms of the grant. Authority management believes disallowances on State or municipal projects, if any, will not be material.

The Authority may have contingent liabilities with respect to pending litigation, claims, and disputes which existed at June 30, 2024. The total liability with respect to such matters, if any, is not presently determinable; however, it is the opinion of Authority management that any liabilities (there are presently none known) resulting there from will not have a material adverse effect on the Authority's financial position.

The Lease and Development Agreement states that the terminal portion of the Project Loan (see Note 11) will be assumed by The New HVN, LLC at closing. The Authority recognized the assumption of the Loan by the Lessee during FY23, with revenues of approximately \$6,750,363 recorded in the Capital Fund. Under certain circumstances, such as the Lessee being unable to reach financial close, significant delays, or unfavorable determinations arising from the environmental process, the Lease and Development Agreement may be terminated and the Project Loan and other agreed costs will then be payable by the Authority at the agreed terms.

While there is some uncertainty related to the environmental process and the terminal and runway developments, the Authority has a high level of confidence in these projects and believes that they are in the long-term interests of the Airport and the surrounding community. Therefore, while the Authority is disclosing the possibility that this Loan obligation may return, it has elected not to record a contingent liability for this eventuality.

The Authority will continue to pursue the runway and terminal projects in line with FAA, federal, state, and local requirements.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Financial Statements

Year ended June 30, 2024

(16) Economic Dependency

A significant portion of total revenue is directly and indirectly related to commercial airline service. During FY24, the Airport was served by and dependent on one major airline, however a second airline commenced operations at the Airport beginning in December 2024. The Airport has historically been dependent on federal, State, and local government grants for Airport improvements and operating subsidies. The Authority has granted the rights to certain airport revenues to The New HVN, LLC who have agreed to make significant financial investments at the Airport through a combination of debt and equity funding.

(17) Implementation of Future GASB Pronouncements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

- **Statement No. 101, *Compensated Absences*.** The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.
- **Statement No. 102, *Certain Risk Disclosures*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

The future impact on the Authority's financial position or results of operations has not yet been determined for the unadopted standards above.

(18) Subsequent Events

On January 2, 2025, the Authority received a Notice of Transfer from the Lessee dated December 23, 2024, stating that the Lessee will be shifted from being a wholly owned subsidiary of Avports LLC to being a wholly owned subsidiary of Avports LLC's newly formed sister company Avports Development Company, LLC. Both Avports LLC and Avports Development Company, LLC will be wholly owned by Avports Management Newco, LLC. On January 14, 2025, the Authority sent a letter to the Lessee requesting certain clarifications on this Transfer, such as the effective date of this transaction, whether this transaction represents a Change in Control under the terms of the Lease, and information to satisfy the Authority that no consents are needed from the Authority for this transaction.

On February 6, 2024 the Town of East Haven announced their intent to appeal the FAA's decision on the EA and on February 14, 2024 filed a petition for review with the United States Court of Appeals for the District of Columbia Circuit. Following various motions and preliminaries during 2024, the FAA, through the Department of Justice, recently requested an extension to file its brief, which will now be due at the end of February 2025. Under the current schedule, additional briefs are due from the Intervenor and Petitioner by April, with Final briefs anticipated by mid-May 2025.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Revenues, Expenditures and Changes in Fund Balance-Budgetary Comparison Schedule

Year ended June 30, 2024

| | <u>Admin Fund</u> | | <u>Airfield Fund</u> | | <u>General Fund</u> | <u>Restricted Fund (Passenger Facility Charges)</u> | <u>Restricted Fund (Capital Projects)</u> |
|---|------------------------------------|-----------------|------------------------------------|------------------|---------------------|---|---|
| | <u>Budgeted Amounts- Final</u> | <u>Actual</u> | <u>Budgeted Amounts- Final</u> | <u>Actual</u> | | | |
| Revenues: | | | | | | | |
| Government reimbursements | \$ - | - | - | - | - | - | 3,125,625 |
| Concessions, fees and rentals | 610,000 | 231,470 | 389,651 | 526,093 | - | 2,195,491 | 610 |
| Expense reimbursements and other income | 105,660 | 27,322 | 3,684,098 | 2,389,376 | 234 | - | - |
| Interest income-GASB 87 | - | 403,959 | - | - | - | - | - |
| Interest and investment income | - | - | - | - | 252 | 60,928 | 126,986 |
| Total revenues | <u>715,660</u> | <u>662,751</u> | <u>4,073,749</u> | <u>2,915,469</u> | <u>486</u> | <u>2,256,419</u> | <u>3,253,221</u> |
| Authority expenses: | | | | | | | |
| Professional fees | 324,060 | 313,947 | - | - | - | - | - |
| Authority management | 311,600 | 306,451 | - | - | - | - | - |
| Management and performance fees | - | - | 140,000 | 140,000 | - | - | - |
| Airport operations: | | | | | | | |
| Salaries and benefits | - | - | 2,714,339 | 1,860,028 | - | - | - |
| Maintenance | - | 578 | 668,250 | 545,178 | - | - | - |
| Administration, office and marketing expenses | 75,000 | 6,627 | 193,600 | 183,822 | - | - | 12,064 |
| Utilities | - | - | 205,200 | 112,479 | - | - | - |
| Residential sound insulation | - | - | - | - | - | - | 940,932 |
| Security | - | - | 56,000 | 10,654 | - | - | 74,298 |
| Insurance | 5,000 | 8,520 | 96,360 | 63,308 | - | - | - |
| Capital outlays: | | | | | | | |
| Infrastructure capital costs | - | - | - | - | - | - | 2,099,640 |
| Total expenditures | <u>715,660</u> | <u>636,123</u> | <u>4,073,749</u> | <u>2,915,469</u> | <u>-</u> | <u>-</u> | <u>3,126,934</u> |
| Other financing sources and uses, including transfers: | | | | | | | |
| Interfund transfers | - | - | - | - | 135,637 | (9,350) | (126,287) |
| Total other financing sources | - | - | - | - | <u>135,637</u> | <u>(9,350)</u> | <u>(126,287)</u> |
| Net changes in fund balances | | 26,628 | | - | 136,123 | 2,247,069 | - |
| Fund balances - beginning of year | | (67,483) | | - | 286,126 | 2,153,291 | - |
| Fund balances - end of year | \$ | <u>(40,855)</u> | | <u>-</u> | <u>422,249</u> | <u>4,400,360</u> | <u>-</u> |



**Independent Auditor's Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards***

To the Board of Directors
Tweed-New Haven Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tweed-New Haven Airport Authority (Authority) as of and for the year then ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 19, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Solution + Company, LLC

February 19, 2025

Draft



**Independent Auditor's Report On Compliance For Each Major Program
And On Internal Control Over Compliance Required By The Uniform Guidance**

To the Board of Commissioners
Tweed-New Haven Airport Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tweed-New Haven Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Tweed-New Haven Airport Authority's major federal programs for the year ended June 30, 2024. Tweed-New Haven Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. In our opinion, Tweed-New Haven Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tweed-New Haven Airport Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tweed-New Haven Airport Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Tweed-New Haven Airport Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tweed-New Haven Airport Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tweed-New Haven Airport Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tweed-New Haven Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Tweed-New Haven Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Tweed-New Haven Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Solakian + Company, LLC

February 19, 2025

Draft

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

| <u>Federal Agency/Pass-through Agency/Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Grant Number</u> | <u>Federal Expenditures</u> |
|---|--|---------------------|-----------------------------------|
| U.S. Department of Transportation- Airport Improvement Program: | | | |
| Residential Sound Insulation Program - Phase 6 | 20.106 | 3-09-0013-057-2020 | 940,932 |
| Twys A F G Construction Ph 1 & Relocate Perimeter Fence | 20.106 | 3-09-0013-061-2021 | 653,945 |
| Airport Rescue Grant | 20.106 | 3-09-0013-064-2022 | 10,465 |
| Environmental Assessment Five Year Development | 20.106 | 3-09-0013-066-2022 | 399,873 |
| Acquire Snow Removal Equipment | 20.106 | 3-09-0013-067-2022 | 1,046,112 |
| TSA Law Enforcement Officer Grant | 97.090 | N/A | <u>74,298</u> |
| Total U.S. Department of Transportation -Airport Improvement Program | | | \$ <u><u>3,125,625</u></u> |

See notes to schedule of expenditures of federal awards.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2024

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of the Tweed-New Haven Airport Authority (Authority) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Note 3 – Amendments to Agreement with City of New Haven

On August 19, 2022, the Authority executed three agreements that collectively resulted in significant changes to the Authority's operating structure. Firstly, the City of New Haven (City) and the Authority entered into an Amended and Restated Lease and Operating Agreement. The Authority then executed the sixth amendment to the management agreement with Avports HVN, LLC (Manager) and a Lease and Development Agreement with The New HVN, LLC (Lessee). Each agreement has a term of 43 years. The amended agreement with the City extended the term date to June 30, 2064.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Findings and Questioned Costs - Federal Awards

Year ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance? _____ yes X no

Identification of major programs:

CFDA Number(s): 20.106 - U.S. Department of Transportation-Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Section II – Financial Statement Findings

No findings or questioned costs are reported relating to financial statements audit.

Section III– Federal Award Findings and Questioned Costs

No findings or questioned costs are reported relating to Federal award programs.



Resolution #619

APPROVAL OF FINAL FY 2024 AUDIT REPORT AND PFC AUDITS

February 19, 2025

WHEREAS, The Auditor Michael Solakian has reviewed the draft FY 2024 Audit Report and affirmed its content; and

WHEREAS, The Authority Board created the Audit and Finance Committee to review financial statements and draft Audit Reports and PFC Audits and make recommendations to the Board; and

WHEREAS, the Audit and Finance Committee has reviewed with staff the draft FY 2024 Audit Report and the PFC Audits and recommends that the Board approve them as drafted, subject to final minor revisions that the Committee may feel are necessary following Board approval; and

WHEREAS, the FY 2024 Audit Report is required to be filed with the State Office of Policy and Management and the PFC Audits are required to be filed with the FAA; and

WHEREAS, Board members may benefit from an opportunity to submit comments on the audits to the Audit and Finance Committee following this Board meeting;

NOW, THEREFORE, BE IT RESOLVED THAT, the Board, having reviewed the FY 2024 Audit Report by the Auditor and the PFC Audits, hereby approves the FY 2024 Audit Report and the PFC Audits, subject to possible revisions as may be determined necessary by the Finance and Audit Committee, and any changes to the audits before submission to the appropriate authorities shall be reported to the Board at its next meeting.

HVN Enplanement Report

| Destination | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Total (12-months) |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| MCO | 7,378 | 8,418 | 6,412 | 6,405 | 7,685 | 7,308 | 5,661 | 6,895 | 7,860 | 8,046 | 5,670 | 6,026 | 7,231 | 83,617 |
| FLL | 4,843 | 5,017 | 4,112 | 4,496 | 4,989 | 4,769 | 4,364 | 4,096 | 4,233 | 3,962 | 3,129 | 3,537 | 4,466 | 51,170 |
| PBI | 4,813 | 4,854 | 4,103 | 4,440 | 5,263 | 4,705 | 2,360 | 2,381 | 2,827 | 2,661 | 2,212 | 2,763 | 4,343 | 42,912 |
| TPA | 4,127 | 3,953 | 3,652 | 4,645 | 5,427 | 5,635 | 2,794 | 2,594 | 2,923 | 2,638 | 2,209 | 2,919 | 3,484 | 42,873 |
| RSW | 3,914 | 4,516 | 3,619 | 4,552 | 5,389 | 5,017 | 2,500 | 2,368 | 2,799 | 2,690 | 2,583 | 2,847 | 3,830 | 42,710 |
| SRQ | 3,237 | 2,697 | 2,124 | 3,077 | 3,914 | 3,948 | 1,304 | 1,231 | 1,242 | 1,360 | 1,030 | 1,168 | 3,254 | 26,349 |
| RDU | 3,694 | 3,650 | 2,525 | 2,315 | 3,814 | 3,914 | 3,745 | 3,887 | 4,110 | 3,913 | 4,456 | 5,630 | 4,541 | 46,500 |
| BNA | 0 | 0 | 0 | 673 | 1,142 | 1,076 | 2,152 | 2,041 | 2,179 | 2,311 | 1,601 | 2,176 | 1,220 | 16,571 |
| MYR | 1,476 | 1,521 | 1,077 | 1,722 | 2,583 | 2,523 | 2,348 | 3,313 | 3,782 | 3,904 | 2,966 | 3,468 | 1,874 | 31,081 |
| MDW | 597 | 540 | 232 | 0 | 0 | 0 | 370 | 1,173 | 1,300 | 1,259 | 1,156 | 1,156 | 1,408 | 8,594 |
| CHS | 900 | 561 | 205 | 0 | 1,078 | 1,390 | 1,825 | 1,693 | 1,844 | 1,796 | 1,058 | 1,082 | 1,167 | 13,699 |
| ILM | 1,579 | 1,517 | 1,226 | 995 | 1,163 | 1,066 | 2,214 | 2,714 | 2,878 | 3,026 | 1,980 | 2,323 | 1,135 | 22,237 |
| BWI | 517 | 463 | 257 | 0 | 1,147 | 1,057 | 1,124 | 1,311 | 1,159 | 1,391 | 1,008 | 954 | 1,118 | 10,989 |
| SAV | 475 | 0 | 0 | 0 | 1,019 | 1,364 | 1,134 | 1,090 | 1,169 | 1,134 | 44 | 0 | 366 | 7,320 |
| DAB | 1,281 | 1,540 | 898 | 1,176 | 1,250 | 1,218 | 1,195 | 1,478 | 1,932 | 1,770 | 1,076 | 1,188 | 1,054 | 15,775 |
| MLB | 939 | 418 | 308 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 726 |
| GSP | 1,030 | 1,097 | 420 | 723 | 1,400 | 1,152 | 1,865 | 1,901 | 2,062 | 2,000 | 1,637 | 2,239 | 1,320 | 17,816 |
| SJU | 710 | 1,283 | 1,071 | 1,194 | 1,382 | 1,228 | 1,528 | 1,380 | 1,403 | 1,283 | 157 | 1,169 | 1,740 | 14,818 |
| VPS | 0 | 0 | 0 | 0 | 0 | 0 | 550 | 1,229 | 842 | 1,308 | 652 | 1,170 | 58 | 5,809 |
| ATL | 0 | 0 | 0 | 0 | 0 | 0 | 2,615 | 2,960 | 2,966 | 3,021 | 2,447 | 2,766 | 2,604 | 19,379 |
| USA | 0 | 0 | 0 | 0 | 0 | 0 | 1,451 | 2,223 | 2,699 | 2,971 | 1,490 | 1,664 | 2,175 | 14,673 |
| TYS | 0 | 0 | 0 | 0 | 0 | 0 | 848 | 1,158 | 1,061 | 1,241 | 908 | 1,353 | 620 | 7,189 |
| HOU | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 658 | 1,192 | 1,108 | 859 | 1,055 | 649 | 5,521 |
| TVC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 254 | 362 | 438 | 0 | 0 | 0 | 1,054 |
| STL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 612 | 776 | 928 | 585 | 773 | 446 | 4,120 |
| LAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 858 | 1,131 | 1,159 | 717 | 1,002 | 769 | 5,636 |
| IAD | 0 | 0 | 0 | 0 | 0 | 0 | 101 | 0 | 789 | 1,113 | 1,309 | 1,263 | 961 | 5,536 |
| MSY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 527 | 527 |
| VRB (Started 12/24) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ORF (Started 2/25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RIC (Started 2/25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JAX (Started 2/25) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total EPAX | 41,510 | 42,045 | 32,241 | 36,413 | 48,645 | 47,370 | 44,048 | 51,498 | 57,520 | 58,431 | 42,939 | 51,691 | 52,360 | 565,201 |

November 2023 - November 2024 UP 26%
Previous 12-Months UP 17%

| | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Total (12-months) |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|
| FY 24 / 25 | 41,510 | 42,045 | 32,241 | 36,413 | 48,645 | 47,370 | 44,048 | 51,498 | 57,520 | 58,431 | 42,939 | 51,691 | 52,360 | 565,201 |
| FY 23 / 24 | 37,626 | 37,163 | 34,448 | 35,981 | 51,018 | 42,031 | 35,068 | 40,388 | 47,718 | 43,837 | 36,183 | 39,781 | 41,510 | 485,126 |
| % Change | 10% | 13% | -6% | 1% | -5% | 13% | 26% | 28% | 21% | 33% | 19% | 30% | 26% | 17% |

Source: Bureau of Transportation Statistics, T-100 Domestic Segment (U.S. Carriers)