Airport Commission

Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport

PLEASE NOTE:
This meeting is will be held on zoom and in-person in the Wright Room at the Airport. Zoom Info:
https://zoom.us/j/95941583622?pwd=jspMUXkiTTeF3LGU9JkR8vhdYXocQq.1

Meeting ID: 959 4158 3622
Passcode: 383231

1. Call to Order

Subject	**1.1. Call to Order**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	1. Call to Order
Department	
Type	

Subject	**1.2. Acknowledgement of Remote Commissioners**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	1. Call to Order
Department	
Type	

2. Agenda

2.1. Motion to amend/adopt agenda

3. Public Forum

Subject	**3.1. PUBLIC FORUM - Verbal Comments**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	3. Public Forum

Department	
Type	

4. Consent Agenda

Subject	**4.1. Approval of Minutes**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	4. Consent Agenda
Department	
Type	
Recommended Action	

5. Action Items

Subject	**5.1. Request to Execute Contract Amendment and FAA Grant Application for Project NexT Construction**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	5. Action Items
Department	
Type	

Subject	**5.2. Request to Purchase Wheeled Loader Using Passenger Facility Charges (PFC)**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	5. Action Items
Department	Burlington International Airport
Type	
Recommended Action	

Subject	**5.3. Request to Execute a Contract with Jacobs Engineering Group, Inc. (JEG) for Taxiway C/G Rehabilitation Project Design and Construction Oversight Services.**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	5. Action Items
Department	Burlington International Airport
Type	
Recommended Action	

6. Construction Update, L. Lackey

Subject	**6.1. Construction Update, L. Lackey**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	6. Construction Update, L. Lackey
Department	Burlington International Airport
Type	

7. Noise Data, L. Lackey

Subject	**7.1. Noise Data, L. Lackey**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	7. Noise Data, L. Lackey
Department	Burlington International Airport
Type	

8. Financial Update, M. Friedman

Subject	**8.1. Financial Update, M. Friedman**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	8. Financial Update, M. Friedman
Department	Burlington International Airport
Type	

9. Director's Report, N. Longo

Subject	**9.1. Director's Report, N. Longo**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	9. Director's Report, N. Longo
Department	
Type	

10. Commissioner Items

Subject	**10.1. Commissioner Items**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	10. Commissioner Items
Department	
Type	

11. Follow-up Items

12. Adjournment

Subject	**12.1. Motion to adjourn**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	12. Adjournment
Department	Council and Board
Type	
Recommended Action	

13. Informational and Non-Discrimination Statements

Subject	**13.1. This agenda is available in alternative formats upon request. For more information on access, call Lori Olberg, Licensing, Voting and Records Coordinator (802-865-7136)(TTY 802-865-7142). Persons with disabilities who require assistance or special arrangements to participate are encouraged to contact 802-865-7000 (voice) or 802-865-7142 (TTY) at least 72 hours in advance so that proper arrangements can be made. This meeting will also air on Town Meeting TV the Wednesday after the meeting, starting at 8:00 pm and repeating at 1:00 am and 7:00 am the following day. The City of Burlington will not tolerate unlawful harassment or discrimination on the basis of political or religious affiliation, race, color, national origin, place of birth, ancestry, age, sex, sexual orientation, gender identity, marital status, veteran status, disability, HIV positive status, crime victim status or genetic information.**
Meeting	April 2, 2025 - Airport Commission - Wednesday, April 2, 2025, 4:00 PM, Zoom/Wright Room at the Airport
Category	13. Informational and Non-Discrimination Statements
Department	Council and Board
Type	

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

BOARD OF AIRPORT COMMISSIONERS

MINUTES OF MEETING

March 5, 2025

The Wright Room

1200 Airport Drive,

South Burlington, VT 05403

[Hybrid meeting]

MEMBERS PRESENT:	Jeff Schulman, Vice Chair
	Chip Mason
	Helen Riehle
	Robin Guillian
	Connor Daley
MEMBERS ABSENT:	Greg Shepler
	Tim George, Chair
BTV STAFF PRESENT:	Nic Longo, Director of Aviation
	Larry Lackey, Director of Engineering & Environmental Compliance
	Jeff Bartley, Director of Innovation & Marketing
	Jesse Sprague, Executive Assistant
	Marie Friedman, Director of Finance
OTHERS PRESENT:	Channel 17
	Tim Shea, Heritage Aviation

1.0 Call to Order

Airport Commission Vice Chair, Jeff Schulman, called the meeting to order at 4:05 PM. Individuals attending the meeting remotely identified themselves (Connor Daley, Chip Mason, Helen Riehle, Robin Guillian)

2.0 Agenda

Approve/Adopt Agenda

MOTION by Helen Riehle SECOND by Chip Mason to approve the agenda as presented.
VOTING: unanimous (5-0); motion carried.

3.0 Public Forum

No members of the public chose to comment.

4.0 Consent Agenda

4.1 Approval of the Minutes for the February 5, 2024 Meeting

MOTION by Helen Riehle, SECOND by Chip Mason to approve the consent agenda as presented. VOTING: unanimous (5-0); motion carried.

5.0 Action Items

5.1 **TSA Construction and Leasing Memo**

MOTION by Helen Riehle, SECOND by Chip Mason to recommend to the City of Burlington Board of Finance and City Council to authorize the Director of Aviation to execute a contract with Engelberth Construction Inc. (ECI) for the Design-Build Contract for the TSA Break Room/Locker Room and Small New Office in the South Terminal Adjacent to the TSA passenger processing area.

DISCUSSION: Staff explained that the reason for the contract is to provide TSA with more leased spaces at the Airport, specifically a new break room and additional office spaces. Engelberth Construction Inc. was selected in the bid process. The leasing of this space will be a source of revenue for the Airport. The contract brings construction to three places in the Airport—two located by the security checkpoint and one near the current TSA offices. The construction within the space of the existing TSA offices ('Area one') will begin at a later date after that lease is amended.

VOTING: unanimous (5-0); motion carried.

5.2 **Airport Arrestor Cable**

MOTION by Helen Riehle, SECOND by Chip Mason to recommend to the City of Burlington Board of Finance and City Council to authorize the Director of Aviation to execute: a contract with Engineers Construction Inc. (ECI) for the construction of the Vermont Air National Guard Aircraft Arrestor Cable System Drainage Improvements in the amount of $1,492,815.00 with a contingency of 15% for the total amount of $1,716,737.00, upon approval by the Office; and an amendment to the Military ANG Facilities Sustainment, Repair, Modernization Cooperative Agreement (FSRMCA) with National Guard Bureau (NGB) for construction work costs associated with the VTANG Aircraft System Drainage Improvements based on the bid price received, upon approval by the Office of the City Attorney."

DISCUSSION: The construction costs have changed since the initial bid for this project, so the amendment will ensure that VTANG will fully reimburse the Airport for this new amount. This project will be completed concurrent with the Runway 15/33 project that will occur during the overnight runway closure this summer. This project benefits the infrastructure of the Airport while all costs are covered by the VTANG.

VOTING: unanimous (5-0); motion carried.

6.0 Construction Update

In addition to the written construction update provided to the Airport Commission, Larry Lackey highlighted the following updates:

6.1 The Airport is having meetings about recycling glycol and getting grants to do so.

6.2 The grant to create two egress lanes is now on hold; there is a discrepancy between costs and what the grant will cover. It may not be beneficial to move forward, so this is currently under review.

6.3 The Taxiway C Rehabilitation will go out to bid in a few weeks, receive bids by May 1 and we will apply for a grant.
6.4 The Airport plans to review current easements and verify whether it is necessary to obtain additional easements.
6.5 The Runway 33 threshold improvement project will happen during the summer construction project on the arrestor cable and runway 15/33 project
6.6 Director Longo said that once appropriated, grants go to that entity, so we can count on all grants.

7.0 Noise Data

In addition to the written construction update provided to the Airport Commission, Larry Lackey highlighted the following:

7.1 The NEM (Noise Exposure Map) has been posted.
7.2 In phase 2, there are 52 town homes under construction; there are now 12 finished and 40 left to be completed.
7.3 In phase 4, there are 34 homes to design and build.
7.4 Request from commissioners to receive quarterly report on noise complaints. Staff confirmed.

8.0 Financial Update

In addition to the written financial update provided to the Airport Commission, Marie Friedman highlighted the following:

8.1 The Airport's cash in the bank was $3.8 million at the end of January, due to paying many large bills. The Airport received reimbursement from the FAA, bringing the cash total to about $7 million at the beginning of February. The FAA is approving about two grant closeouts per month.

9.0 Director's Update

In addition to the written presentation, Aviation Director Longo reported:

9.1 Steel went into the ground today for Project NeXT.
9.2 Attorney General Charity Clark visited the Airport in February.
9.3 The Airport is are advocating for help from State of Vermont for jet fuel tax
9.4 Tim Shea, from heritage Aviation, spoke to the positive relationship between Pratt and Whitney Canada and Heritage Aviation.
9.5 The Airport will be launching a new program to allow people without tickets to be screened and go past security.
9.6 The Airport will soon obtain two new Multi-Tasking Equipment (MTE) vehicles for snow removal.
9.7 The Airport has hired a candidate for the Environmental Compliance and Project Manager position.
9.8 Projected passengers for 2025 is about 700,000 passengers with trips originating from Leahy BTV. Passenger projections on the slides reflect commercial flights.
9.9 The Vice President's visit to the Airport went smoothly with regard to all operations at the Airport.

10.0 Commissioner Items

None

11.0 Follow-up Items

None

12.0 Adjourn

MOTION by Helen Riehle, SECOND by Robin Guillian to adjourn the meeting.

VOTING: unanimous (5-0); motion carried.

The meeting was adjourned at 4:53 PM.

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

TO: Airport Commission

FROM: Patrick Leahy Burlington International Airport
Nic Longo, Director of Aviation
Larry Lackey, Director of Planning, Engineering, and Sustainability

DATE: April 2, 2024

SUBJECT: Request to Execute a Contract Amendment with Engelberth Construction, Inc (Engelberth) for Project NeXT the North Concourse Replacement Project, to accept and execute an additional Federal Aviation Administration (FAA) Grant Application 3 for construction of the North Concourse Replacement Project "Project NexT".

REQUEST

The Patrick Leahy Burlington International Airport (Airport or Leahy BTV) seeks approval and authorization:

1. To Execute a Contract Amendment as contemplated with Engelberth Construction, Inc (Engelberth) for Project NeXT the North Concourse Replacement Project which includes new passenger boarding bridges and the existing second floor renovation.
2. To approve and recommend to the Board of Finance and City Council to accept and execute an additional Federal Aviation Administration ("FAA") grant application 3 for passenger boarding bridges and the existing second floor renovation, related to the construction of the North Concourse Replacement Project "Project NexT".

EXECUTIVE SUMMARY AND BENEFITS ANTICIPATED

1. Project Summary:

Project NexT - North Concourse Replacement Project includes new concourse replacement (approximately 25,000 SF of new gross floor area on the second level, with the first level available for storage); removal of the existing dated concourse; four (4) new aircraft gate replacements; four (4) new passenger boarding bridge replacements, new passenger circulation and hold room space.

Furthermore, integral to this project is the addition of a third floor dedicated to office space, catering to airport administration needs, alongside a versatile public event and observation area. This space will boast both indoor event facilities and outdoor patio areas, offering a dynamic experience for visitors, guests, and events.

This ambitious project is not just about accommodating larger aircraft and boosting passenger capacity; it's about ushering our terminal into the future with modern amenities tailored to meet the demands of the next generation of travelers.

The urgency and significance of replacing this terminal cannot be overstated. As the beating heart of our busiest terminal area, its seamless operation is fundamental to the overall success and efficiency of our airport. By prioritizing this vital upgrade, we are not only ensuring smoother, safer operations but also enhancing the overall experience for travelers passing through our gates.

As we embark on this transformative journey, we remain steadfast in our commitment to delivering a world-class terminal that not only meets but exceeds the expectations of our passengers and stakeholders. With each milestone achieved, we move one step closer to realizing our collective vision of a modern, efficient, and passenger-centric airport experience.

In line with our forward-thinking vision and mission at Leahy BTV, sustainability lies at the core of this new development. The design incorporates a myriad of elements aimed at minimizing environmental impact.

The project consists of the construction and demolition and removal of the existing outdated north concourse and the construction of the new north terminal concourse, Project NexT. The outdated area would then be used for airport apron, allowing additional space between the terminal building and Taxiway Alpha. Currently the dimensions of this apron between building and active taxiways is far too small to allow the appropriate sized aircraft to park, resulting in unusable gate/apron space for the majority of the commercial aircraft utilized by our partner airlines requiring access.

2. Benefits Anticipated:

This upgrade will provide the much needed shift to the new north concourse. This will provide a significant level of comfort and safety where passengers have adequate room to wait for their flight. The interior of the new building will be designed according to FAA standards and provide the space needed for passenger quantities and future forecast, which currently does not exist, for all of the aircraft sizes that use Leahy BTV.

This project as mentioned above includes the demolition of the existing North Concourse, which causes encroachment on the Taxiway Alpha safety areas when aircraft are maneuvering into and out of their gate positions. The Terminal expansion will be located 150'+ farther from Taxiway Alpha, thus improving airfield safety.

PROJECT APPROACH

Jacobs Engineering Group (JEG) was selected to provide the design and construction inspection services through the Airport’s selection process by meeting standards by the FAA for this project. This price was determined through an extensive pricing process established by the FAA for all airport improvement projects (AIP) grant funded projects. For FAA AIP projects a qualification based process with an independent fee estimate (IFE) is completed for projects. Anything over $100,000.00 requires it to be reviewed by an independent engineer/reviewer of scope and fee. Once this is completed a record of negotiations (RON) is completed if needed, dependent in the results IFE.

After a diligent qualifications review process with 5 proposers, Engelberth Construction was selected as the Construction Manager at Risk (CMAR). A maximum guaranteed construction price will be agreed to.

FUNDING:

The funding is anticipated from the FAA through the typical Airport Improvement Program (AIP) process, with 90% of the funds coming from a Federal Fiscal Year 2024 and 2025 Bipartisan Infrastructure Legislation (BIL) appropriation and the remaining 10% coming from a combination of State of Vermont match and the Passenger Facility Charge (PFC) program. Items covered by this funding:

1. New Passenger Boarding Bridges (PBB)
2. Existing Terminal Second Floor Renovation

PROPOSED MOTIONS:

Airport Commission

1. "To approve and recommend that the Board of Finance and City Council approve and authorize the Director of Aviation execute a contract amendment with Engelberth Construction Inc. in the amount of up to $6,416,012.00 with a 15% contingency totaling up to $7,378,413.80, as allowed by the grant for the construction of Project NeXT – North Concourse Replacement Project, subject to review and approval of the City Attorney's Office."

2. "To approve and recommend that the City Council authorize the Director of Aviation to execute an additional grant from the Federal Aviation Administration to accept an amount up to $5,852,172.00 with a 15% contingency, totaling up to $6,729,997.80, as allowed under the grant, passenger boarding bridges and terminal second floor rehabilitation construction of the North Concourse Replacement Project "Project NEXT" Grant Application 3, subject to review by the City Attorney's Office."

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

TO: Airport Commission

FROM: Patrick Leahy Burlington International Airport
Nicolas Longo, Director of Aviation

DATE: April 2, 2025

SUBJECT: Request to Purchase Wheeled Loader Using Passenger Facility Charges (PFC).

REQUEST

The Patrick Leahy Burlington International Airport (LeahyBTV) seeks approval and authorization to purchase one front-end wheeled loader (bucket loader) with snow removal and snow hauling as its primary loader in the total amount of $560,000.

EXECUTIVE SUMMARY

Background:

In February 2023, Passero Associates, a third-party consultant on contract with LeahyBTV prepared the Burlington International Airport Equipment Capital Improvement Plan. In that plan, Passero Associates determined that the Airport is in need of a replacement bucket loader to replace the current John Deere 744H wheel loader, which has reached the end of its useful life.

The Airport, with the help of Passero Associates, compiled specifications and advertised through a bid process to procure a new bucket loader. The current 744H John Deere Loader is used for snow removal on 1.5 million square foot of airport surfaces. It is equipped with a 26-foot box plow for removal and a 10-yard snow bucket for hauling snow. As the Airport's snow removal areas have expanded due to additional apron space, there is a need for a more efficient loader capable of handling the increased workload.

The new John Deere 844P Wheel Loader will be equipped with a 30-foot box plow, providing a 15% increase in snow clearing efficiency at the same speed. The snow bucket capacity will also increase from 10 yards to 15 yards, enabling 50% more snow to be hauled per load trip and improving overall efficiency.

Additionally, the 844P features advanced engine and emissions standards, provide 30% lower fuel consumption resulting in a reduction of 23.5 metric tons of carbon and 2,310 gallons of diesel annually. This calculation is made based on the annual usage being the same, which will result in a greater carbon reduction, as the fuel consumption is less due to the increased efficiency.

SOURCING

Leahy BTV had contracted Passero Associates to outline equipment performance specifications, enabling Leahy BTV to advertise an RFP on December 10, 2024, for competitive pricing of equipment that meets FAA snow removal guidelines. The RFP and bid selection process followed FAA requirements through the entire process.

BTV Loader Bid Results

Bid Opening: January 21, 2025

Company	Total Bid	Total Bid less deduct	Delivery Date	Warranty	Addendum 1 Acknowledged
United Construction	$560,000	$535,000	90 days	2 yr	Yes
Milton Cat	$749,000	$749,000	ASAP	7 yrs – 2000 hrs	Not signed
CRW	$645,395	not provided	30 days	1 year	Yes
Quality Fleet Services	$599,886		5-7 weeks	5 yr – 3000 hrs	Not signed

Based on bids received, United Construction & Forestry as the most responsive and responsible contractor, meeting the specifications at the lowest cost.

FUNDING SOURCES

This equipment is being lease financed with a 7-year term. The loader is eligible for funding under the Airport's Passenger Facility Charges (PFC) program. The PFC program will cover the principal and interest cost under the City's master lease.

The lease for the loader is being included in the City of Burlington's upcoming Fiscal Year 2025 Master Lease program. The Clerk Treasurer's office is coordinating the lease RFP process.

PROPOSED MOTION:

The Airport respectfully requests the following motions:

Airport Commission:

"To recommend to the City of Burlington Board of Finance and City Council to approve and authorize a purchase from United Construction & Forestry, Inc. in the amount of $560,000, and to authorize the Director of Aviation or designee to execute such instruments approved as to form by the City Attorney as may be necessary or convenient to effectuate the purchase."

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

TO: Airport Commission

FROM: Patrick Leahy Burlington International Airport
Nic Longo, Director of Aviation
Larry Lackey, Director of Planning, Engineering, and Sustainability

DATE: April 2, 2024

SUBJECT: Request to Execute a Contract with Jacobs Engineering Group, Inc. (JEG) for Taxiway C/G Rehabilitation Project Design and Construction Oversight Services.

REQUEST

The Patrick Leahy Burlington International Airport (Airport or BTV) seeks approval and authorization:

1. To Execute a Contract with Jacobs Engineering Group, Inc. (JEG) for Taxiway C/G Rehabilitation Project Design and Construction Oversight Services.

EXECUTIVE SUMMARY AND BENEFITS ANTICIPATED

1. Project Summary:

This project is to provide engineering design and construction observation to rehabilitate Taxiway C at Patrick Leahy Burlington International Airport. The project limits include a portion of Taxiway G, which intersects Taxiway C toward the eastern limit of the project. The pavement on this portion of Taxiway G is of similar age and condition as Taxiway C. The area is approximately 315,000 square feet (7.23 Acres). The project includes data collection (field survey and geotechnical exploration) to gain a thorough understanding of the existing conditions and pavement section. JEG will conduct an evaluation of existing grades, particularly cross slopes, to determine what corrective efforts will be required to meet FAA grading criteria. It is anticipated that variable depth milling will be required throughout the project limits to provide adequate cross slope and positive drainage. The scope includes data collection, preliminary and final design, permitting, bidding and project administration. The scope also covers construction administration, resident engineering.

2. Benefits Anticipated:

The project will provide a safer and more efficient airfield environment by rehabilitating the Taxiway C-G. The current taxiway has exceeded its useful life and is showing signs of distress through heaving, rutting, bleeding and weathering which often leads to raveling and foreign object debris issues. This is also supported by the Airport's Pavement Management Plan, as evaluated the pavement condition rating indicates the need for this rehabilitation. Construction is to occur over a single season in spring/summer of 2026.

PROJECT APPROACH

Jacobs Engineering Group (JEG) was selected to provide the design and construction inspection services through the Airport's selection process by meeting standards by the FAA for this project. This price was determined through an extensive pricing process established by the FAA for all Airport Improvement Program (AIP) grant funded projects. For FAA AIP projects a qualification based process with an independent fee estimate (IFE) is completed for projects. Anything over $100,000.00 requires it to be reviewed by an independent engineer/reviewer of scope and fee. Once this is completed a record of negotiations (RON) is completed if needed, dependent in the results IFE.

FUNDING:

The funding is anticipated from the FAA through the typical AIP process, with 90% of the funds coming from a Federal Fiscal Year 2025 entitlement and discretionary appropriation and the remaining 10% coming from a combination of State of Vermont match and the Passenger Facility Charge (PFC) program.

PROPOSED MOTIONS:

Airport Commission

1. "To approve and recommend that the Board of Finance authorize the Director of Aviation to execute a contract with Jacobs Engineering Group, Inc. in the amount of up to $380,961.00 with a 15% contingency totaling up to $438,105.15 as allowed by the grant, for the Taxiway C/G Rehabilitation Project Design and Construction Oversight Services, subject to review and approval of the City Attorney's Office."

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

To: Airport Commission

From: Larry Lackey, Director of Planning, Engineering and Environmental Compliance

Date: April 2, 2025

Subject: Airport Commission Construction Update

1. **Annual Parking Garage Maintenance ($2.2M).** The purpose of this maintenance is to ensure the longevity of the parking garage. We are in the process of replacement of all lighting and the fire alarm systems in the parking garage totaling up to $2.2M. MEI Electrical Contractors & Systems Integrators was the selected contractor. Construction on the lighting and fire alarm replacement in the entire garage is complete. The replacement of the expansion joints and joint seal repair in the vicinity of the north and south garage areas has started and is ongoing.

2. **Environmental Assessment (est. $.25M).** The purpose of this project is to evaluate environmental impacts related to the mitigation of obstructions with in the aircraft approach surfaces to the runways. This is in follow up to the recently completed Master Plan, which includes obstruction identification and environmental review. The scope and IFE process is complete and a grant application was prepared and submitted on April 29, 2022. Grant received. Contract issued with work progressing. Letters currently going out to property owns about the investigations required. Investigations are complete with the report in progress. The draft report has been submitted to the FAA for review. Received FAA review. We are following up on the FAA's comments to make updates.

3. **South Terminal Replacement Project ($35M).** The purpose of this project is for overall terminal efficiencies and a better passenger experience. Due to increased aircraft seating existing passenger hold areas are overcrowded during peak times as identified in the recent Master Plan Update. Recently the opportunity had risen through the Airport Terminal Improvement Program from the Bipartisan Infrastructure Law. We have submitted our request for full build out of this project, including: Demolition of the existing South Concourse; new Terminal improvements (approximately 45,000 SF of new gross floor area on 2 levels); five (5) new aircraft gates; up to four (4) new passenger boarding bridges (PBB), new passenger circulation and hold rooms; future concessions space; and apron construction within demolished South Concourse footprint. The South Terminal Replacement Project will be approximately 160' farther from Taxiway A as the existing South Concourse. We were not selected this past year and have reapplied for FY23 design only. We did receive notice from the program that we will be awarded the design only grant for this project. We have finalized discussions with the FAA to how best move this project forward in the future, as the timing to design this needs to be pushed back due to FAA scheduling requirement and having the funding to complete the

A: 1200 Airport Drive, #1 South Burlington, VT 05403
P: 802.863.2874

construction of this project.

4. **Cargo Apron Design Project ($.3M)**. The purpose of this project is to provide additional space for other potential cargo carry operations. Have submitted 7460-1 (Air Space Review) to FAA for this project. The scoping of the project, design only has been completed with the FAA. The IFE process for completion before a FAA Grant Application in April has been completed. Grant Application was submitted on April 3, 2023. Grant has been issued, moving to finalize contract. The contract has been issued to Hoyle, Tanner and Associates with the design to started. It has been determined that this project will require additional FAA technical operations review prior to proceeding. The FAA updated review has been issued as favorable, and the project design is moving forward.

5. **SRE Building Design ($1.2M).** The purpose of this project is to replace the existing out dated facilities, which does not meet the storage needs of the required equipment to maintain the airfield. A contract for study is being completed with programing and scoping moving forward. The scoping session with the FAA has been completed. The final scope is complete with the IFE process was completed. The Grant Application was submitted to the FAA. Contract has been signed with Passero Associates to design and bid this project. Site investigations were completed in November. The site plan is developed with the building design at 30%. We have had page turn of the draft plans. Applications for permits are being moved forward. A pre –Application meeting was held with South Burlington Planning and Development Staff in preparation for an upcoming DRB hearing. Permit Applications are being prepared.

6. **Burlington Tech Center (BTC) ($12M).** The purpose of this project is to support the design efforts for an improved facility at the airport for the regional educational needs. The Burlington School district has been given an award for $10M in which they are in the process of applying for. We continue to work with the school on this project. Permit applications were submitted on March 25th to the regulatory bodies for this project. The SB DRB issued their positive decision with follow submittal needed as agreed during the hearing. DEW was the selected contractor. Construction started December 4th. The planned completion is August 2025.

7. **FAA CIP for next 5 years.** We had our FAA Airports Division CIP review on September 14th.The focus was on next years proposed projects (FFY24), with the balance of the meeting discussion on the needed funds for our identified projects for the additional 4 years and beyond. A couple of weeks ago we had our annual review. IT went very well with the FAA requesting proposed project worksheets. They asked that we submit them in the next 2 weeks. Item’s (Projects) included the balance of Project Next, TW C rehabilitation, obstruction removal, and the SRE Building. FAA Verification of intent forms were filed in January for the FFY 25 projects.

8. **BETA – Development**
   Communication and coordination with Beta on the first phase of the Electric Aircraft Assemble Facility and Valley West Hangar for all aspects of permitting, environmental, engineering, utilities and attendance at public hearing and construction meetings. The first Phase is complete.

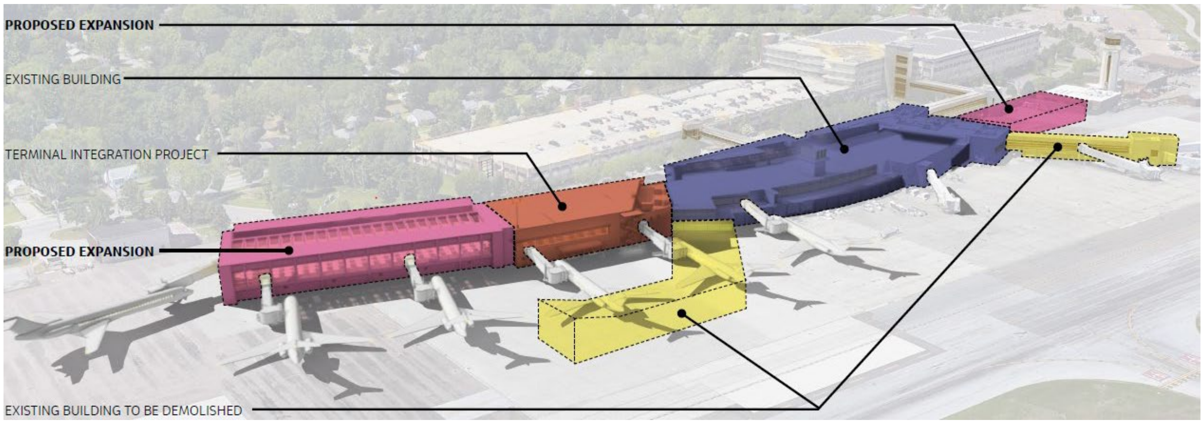
9. **South Apron and TW G Ext. Development ($6.6M)**. The purpose of this project is to provide much needed additional general aviation apron area on the airfield. Received scope and proposal from the consultant (Hoyle, Tanner and Associates) and have completed the FAA scoping session. The FAA IFE process is complete. The proposed project would extend Taxiway G approximately 100', construct a 19,000 SY general aviation apron in the area of the "quarry". Excess material from the site would be used to fill in the "gully" creating a level area along the Medium Intensity Approach Light System (MALSF) approach lighting plane replacing two light stations currently on towers with ground mounts and connecting the vehicle service road from the civilian to the military side of the airport. Scope for design and bidding has been completed with an IFE. Design is underway. There has been a delay in design due to the availability of the geotech contractor. Request for bids have been issued. The geotech report confirmed that a total fill of the gully is not economically feasible at this time. Grant has been received. Received Bids with the selected bidder being Engineers Construction, Inc. Grant Application has been submitted to the FAA. Completed questions from the FAA on the Application. We have completed permit process. Contractor started mobilization/construction on July 17, 2023. Mass excavation is complete. Stormwater chamber installation is complete, with other drainage piping work is completed. Placement of final sub-base materials is underway. In vicinity of the Beta building a temporary aircraft access for the winter is complete. Project is complete with exception to tie downs. This is being coordinated for spring installation.

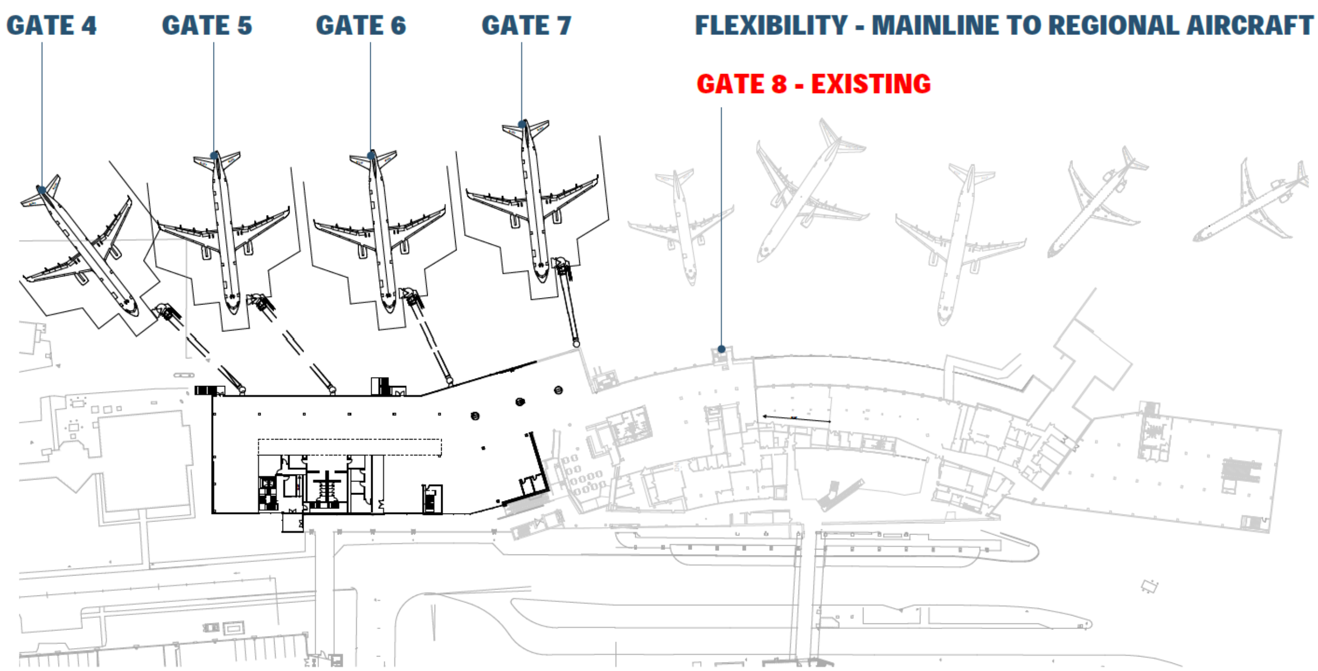
10. **Glycol System Upgrade (est. $3.5M).** The purpose of this project is to improve the glycol system (De-icing). We have had additional follow up discussions with the FAA and it appears this is eligible for funding and is being added back into our FAA CIP. We have received and reviewed the site evaluation and process review scope. We brought this for Airport Commission approval last month subsequently, it was approved by City Council. Study is moving forward. We visited the Syracuse Airport to evaluate and understand the technology they were using to compare to our Portland Jetport visit. The Draft study has been issued and is under review by the airport team. A review session with Stantec was completed. We waiting on the final report so we can start scoping.

11. **North Terminal Improvement Project ($2.2M)**. The purpose of this project is for overall terminal efficiencies and a better passenger experience due to the completion of the TIP the north terminal will be upgraded to provide more capacity for passengers and concessions. This includes the removal of the existing north TSA station along with the removal of the existing escalators. This project is under design and funding is anticipated from the recent approval of the Infrastructure Law. Received Bids with the selected bidder being Engelberth Construction, Inc. Preparing and submitting Grant Application. This will become a FFY23 Project. We have received the Grant from the FAA. Construction is nearing completion, and should be complete by September 15th. There was a delay related to the glass for the new restaurant area. Construction is complete with final inspection with the FAA completed on 10/30/23. Project closeout in process. We have applied for an additional grant to add additional egress lanes in both the North and South Terminal locations. A grant application was to the FAA. Received BOF approval to accept the Grant on June 17, 2024, City Council to vote on June 25, 2024. Grant has been issued for the two new egress lanes. A review of the issued funding is being reviewed by the airport on how much money can actually be used from the grant for this project.

12. **PROJECT NEXT: North Terminal Replacement Project and New PBB's ($63M).** The purpose of this project is for overall terminal efficiencies and a better passenger experience. Due to increased aircraft seating existing passenger hold areas are overcrowded during peak times as identified in the recent Master Plan Update. Recently the opportunity had risen from Senator Leahy's office through Congressional Directed Spending. We have submitted our request for full build out of this project Phase III Terminal Improvement Project, including: Demolition of the existing North Concourse; new Terminal Improvement (approximately 25,000 SF of new gross floor area on 2 levels); five (5) new aircraft gates; six (6) new passenger boarding bridges (PBB), new passenger circulation and hold rooms; future concessions space; and apron construction within demolished North Concourse footprint. Contract for 30% design has been issues to Jacobs Engineering Group. Geo-technical site work has been completed. Data collection and design currently on going. We submitted to the FAA for a Construction Manager at Risk (CMAR) RFQ/P construction development process. We received approval from the FAA on this procurement process. The RFQ/P for CMAR has been advertised with a pre-bid meeting and site visit by prospective contractors completed. CMAR Proposals received reviewed and scored. Also, held interviews with the top 3 contractors. This has been scored and we can let you know the selected contractor at the AC meeting. As reported the CMAR selected is Engelberth Construction Company. The contract with our design engineer, Jacobs Engineering Group, is completing the 80% design to move to pricing. We received City Council approval to accept the Grant on March 25 for this project, as brought for your approval during our last meeting. Our CMAR is in the process of receiving bids for the final price for this project. The FAA asked us to submit a draft grant application for administrative review prior to final construction pricing to help us expedite the grant issuance, with them once final pricing is in. The Draft Application was completed and submitted on March 27. The FAA grant application was submitted on May 23. Received BOF approval to accept the Grant on June 17, 2024, City Council to vote on June 25, 2024. We received the Grants for this project. The work has started and is ongoing the project. We are moving forward with NeXT Grant 3 with Contractor Change Orders to support the new passenger Boarding bridges and the second-floor renovation. This will be covered under Action Items during this meeting.

Conceptual Renderings – North and South Terminal (concourse) Improvements





13. **<u>RW 15 – 33 Improvements – Mill and Overlay (15M).</u>** The purpose of this project is to improve the pavement condition of the airport's main runway. The 100% plans are complete and we are moving to bid this project. FAA Grant Application will be submitted by May 1, 2024. Construction will begin in the spring of 2025. This project bids were received on April 18. The bids received were in line with the engineers estimate and bids reviewed were all within a difference of $100K on a $10.2M low bid. Received BOF approval to accept the Grant on June 17, 2024, City Council to vote on June 25, 2024. We received the Grant for this project. Construction to start in May.

14. **<u>Airfield Pavement Plan Update ($.25M).</u>** The purpose of this project is to update the outdated pavement condition report done in 2017. All surfaces will be evaluated so we can plan on future improvement for the safety of the aircraft users. Scoping has been completed with the FAA. We have completed the IFE. A Grant Application was submitted on April 3, 2023. Investigations have started,

and the grant has been issued. Moving to finalize contract. The Contract has been issued to HTA with the investigations being completed. The report is in progress.

15. **TW C/G Rehabilitation ($4.6M).** The purpose of this project is to improve the pavement condition of the airport's taxiway C and intersection at taxiway G. Site investigation (geotechnical, survey…) have been completed with the project being under design. The project will be out for bids in the next month. The FAA Grant Application will be submitted by May 1, 2025. Construction will begin in the spring of 2026. We are covering this in the Action Items during this meeting for the Engineering Services.

16. **Obstruction Removal ($0.5M).** The purpose of this project is to remove potential obstructions with in the aircraft approach surfaces to runways 15 and 33. Environmental Assessment is almost complete with the scoping session with the FAA to be scheduled. FAA Grant Application is pushed back to May 1, 2026. This is due to a review of our existing easement and a determination if others may be required Construction will begin as soon after grant is issued as possible taking into environmental conditions.

17. **Runway 33 Threshold Bar Improvement Project ($.25M).** The purpose of this project is to remove the damaged navigational aid, replace the lights and rings, and place a quick dry durable concrete for a longer-term fix. This bar has been detreating for years. The airport has spent thousands of dollars repairing this FAA owned aid. We have also spent years working to resolve this issue with the FAA Tech Operations Section and finally have a plan to move forward. Design and pricing has been completed. We are working with the FAA and Contractor to have this added to the RW 15-33 Rehab project.

18. **VTANG Arrester Cable Drainage (Stormwater) Project ($1.5M).** This project involves repairing and modifying the existing Aircraft Arresting Systems (AAS), which are safety mechanisms designed to rapidly decelerate aircraft during landings or takeoffs by catching the aircraft with cables or barriers. The improvements will include upgrading the drainage system by adding infiltration galleries and connecting it to the existing stormwater system, ensuring continued compliance with state and federal stormwater regulations. Enhancements include upgrading the sump pump capabilities to establish redundant drainage functions in each barrier pit, updating the control system for flood-level monitoring, and relocating the Arresting Gear Markers. The AAS at Leahy BTV are the only functioning systems for this installation and are critical to operations. This project will be completed concurrently with the Runway 15 – 33 Rehabilitation Project. The project has been bid and we are asking for authorization to move this project forward under action items during this meeting. Approvals have been authorized by City Council. We are moving forward with contracting.

Patrick Leahy Burlington International Airport
Board of Commissioners
Sound/Noise Update Report

April 2, 2025

ADDITIONAL INFORMATION IS UPLOADED TO WWW.BTVSOUND.COM

Residential Sound Insulation Programs:

The purpose of the project is to convert a sample of incompatible residential units to a compatible land use by installing an acoustical treatment package which will provide relief from aircraft noise by upgrading interior living areas. Upgrades may include replacement of windows and doors with acoustically rated products and installation or upgrade of ventilation systems. The sound insulation treatments are designed to reduce the interior noise levels to below 45 DNL and provide a minimum noise level reduction of 5dB.

1. **Sound Insulation Pilot Project (Phase 1) ($1.5M).** This Program includes: Program formulation, Home eligibility determination, Project Management, Community Outreach, Evaluations of Structures, Design Services, Bid activities, Construction Support, Construction and Pre-qualification of 50 homes. The Airport and Consultant team has established program standards, implemented a pilot phase for sound insulation, and developed and created a public outreach program that defines the process. Based on the completed acoustical testing we requested and received approval from the FAA for blanket approval of homes in the 70 dB contour and higher to move to outreach and design without additional testing from the FAA. Construction has started on October 2nd and the first windows were installed on the first home. The schedule for this Phase 1 portion will include 9 properties, and construction will be completed approx. prior the end of calendar year 2023. . The installation of noise reduction materials for the 9 properties is currently substantially complete, and construction close out is ongoing with the contractor.

2. **Residential Sound Insulation Project - Phase 2 ($2.20M)** The purpose of the project is to convert incompatible residential units to a compatible land use by installing an acoustical treatment package which will provide relief from aircraft noise by upgrading interior living areas as defined in the Phase 1 project and the Noise Compatibility Program. The Airport is

proposing to continue implementation of its Residential Sound Insulation Program (RSIP). This grant will include: community outreach, historic review, design and bidding of 52 homes, noise reduction of 6 homes which construction improvements will be completed by the end of calendar year 2023. Properties are located within the 70+ DNL FAA accepted 2023 noise contours. Bids were received on April 22, 2022 and a grant application was prepared, submitted, and received by the FAA. The FAA grant included installation of noise reduction materials for 6 properties and the design of noise reduction improvements to 52 homes. This grant also includes the outreach and design for the next approximate 50 homes. The installation of noise reduction materials for the 5 properties is currently substantially complete, and construction close out is ongoing with the contractor. Materials were purchased for the 6th property however the homeowner left the area. It will be completed with the next phase of homes.

3. **Residential Sound Insulation Project - Phase 3 ($6.2M).** The Airport is proposing to continue implementation of its Residential Sound Insulation Program (RSIP) as described in more detail above. This grant was issued in late August includes: the construction improvements of the 52 Homes designed and bid in Phase 2, in addition it provides for community outreach, historic review, design and bidding of the next approximately 50 homes for improvements. The schedule for installing the noise insulating improvements for the 52 homes will start in 2024. This is currently being worked out with JPG and the contractor. The Contract with the contractor has been signed, as reported there was a delay due to windows again. We also are currently engaging with additional property owners to start designing the next 50 homes as part of this grant. The contractor has completed all measurement and inventory of product need to complete these 52 homes. As was previously verbally reported there was an outstanding issue related to how we were to complete acoustical testing for this phase to complete the balance (34 homes) of the outreach and design. This has been resolved and we are moving forward under the rules prior to the recent changes. The Construction Improvements has started on this phase of homes and will continue through October 2025. See status below:

Phase 3 Status:

20250326

Homes in Contract per NTP	Total: 52
To be Dropped / Added	TBD
In Final Stage	Total: 7
Accepted as Final with Exception	6
Accepted as Final	1
In Construction	Total: 7
Active construction	*3*
Substantially Complete – Punch Requested	*0*
Punch List Issued	*1*
Pending Request for Final	*0*
Incomplete Punch List Items	*0*
Pending Final Visit	*2*
Pending Fire Marshall Permit Closure	*0*
Pending Final Documents	*1*
Pending	Total: 38

4. **<u>Residential Sound Insulation Project - Phase 4 ($3.9M EST.).</u>** The Airport is proposing to continue implementation of its Residential Sound Insulation Program (RSIP) as described in more detail above. We are currently reviewing the status of the programing and will be able to detail this in our next month's airport commission meeting. The initial grant for 16 of the 50 homes for construction improvements was submitted on April 26 to the FAA. Also in the grant was the funding for the next 50 homes. As discussed in our last month's meeting, we are completing the required new acoustical testing for the balance of the 50 homes so we can do a follow grant application on those homes. (See update above) The Buy American process

moving forward but awaiting grant for the 16 homes. We received the grant for this phase however; the amount ($)'s was slightly less than what the application was. We are making the construction the priority and amending the scope of the future outreach and design under this grant. The Contact with Strong Tower to start construction improvements has been signed. Strong Tower is working on submittals for this phase.

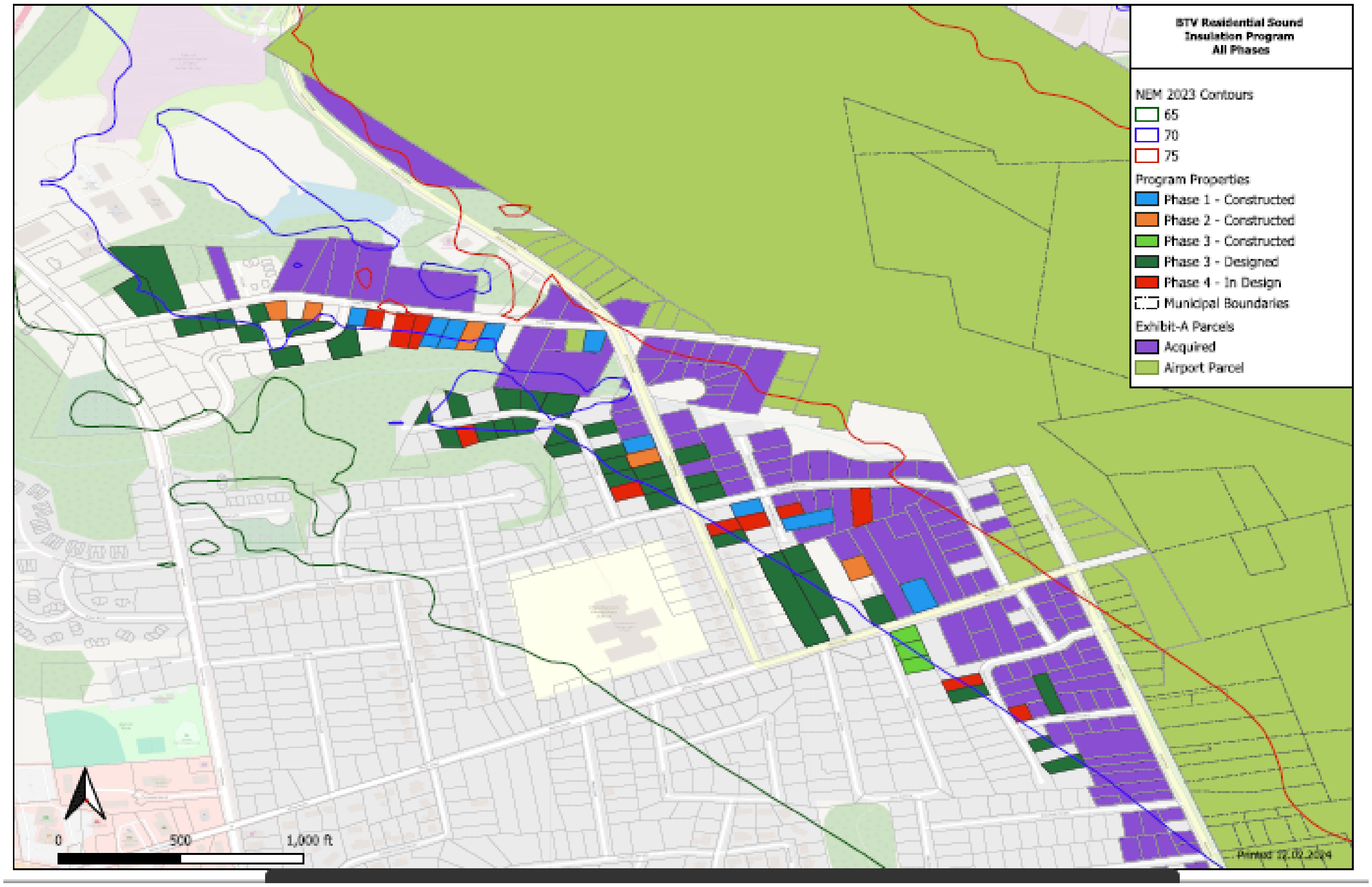
RSIP Phase Status Chart & Timeline

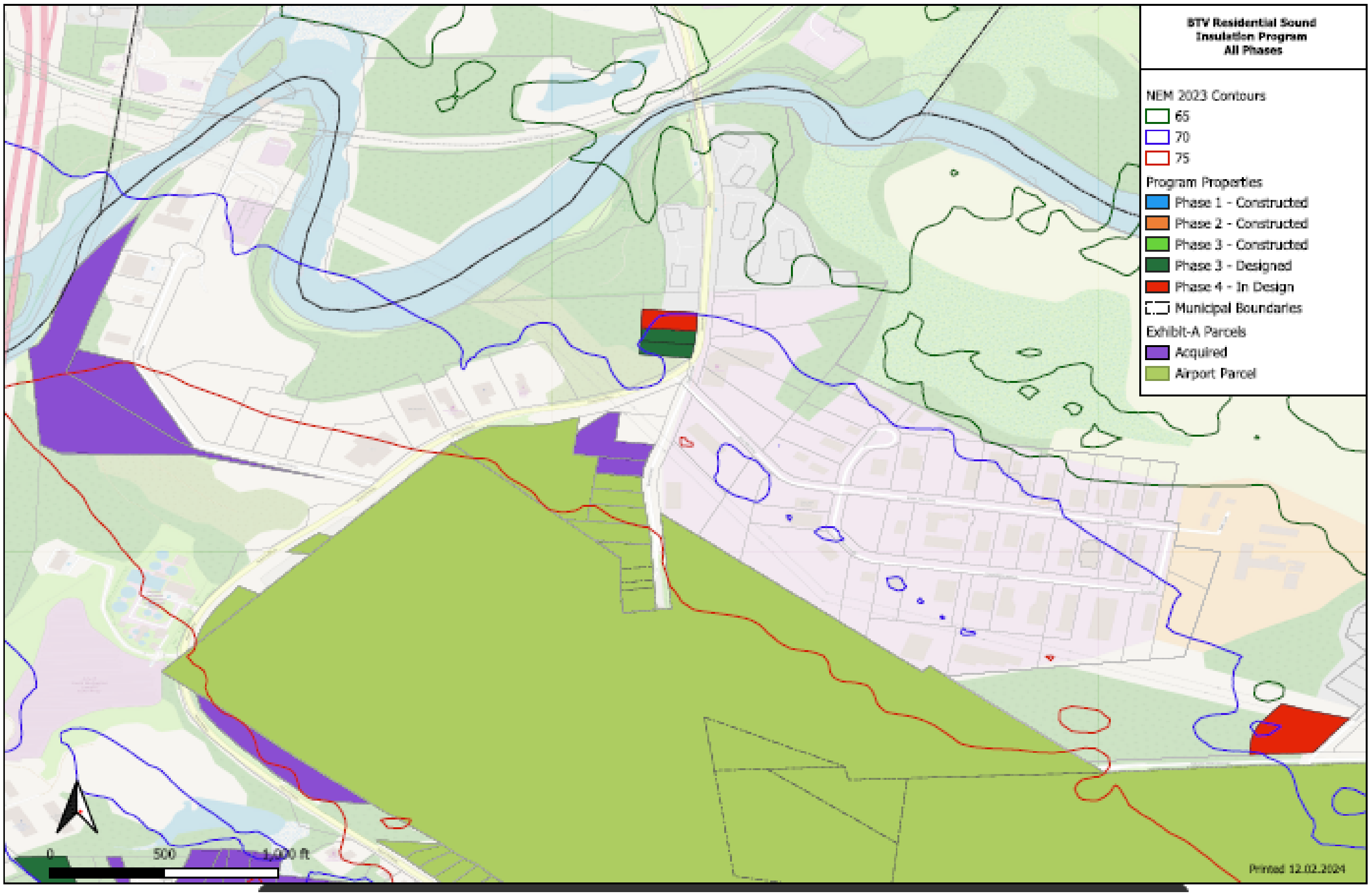
Patrick Leahy Burlington International Airport RSIP Phase Status Chart
January 2025

AIP NO.	Phase	Grant Scope	Units Designed					Units Constructed					Status
			Total	Burlington	South Burlington	Winooski	Williston	Total	Burlington	South Burlington	Winooski	Williston	
129	1	Design 10 homes	**9**	0	9	0	0						Complete
		Construction 10 homes						**9**	0	9	0	0	Complete/ Final Close out
141	2	Design 7 homes	**6**	0	6	0	0						Complete
		Construction of 7 homes						**5**	0	5	0	0	Complete/ Final Close out
		Design 54 homes	**52**	0	52	0	0						Complete
148	3	Construction 52 homes						**4**	0	4	0	0	Construction Ongoing
		Design 50 homes	**16**	0	16	0	0						Design of 16 complete Outreach underway 34 (Delay due to FAA approval of Acoustical Test Plan)
157	4	Design 50 homes	**0**										Outreach underway

5. **Residential Sound Insulation Project - Phase 5 ($1.6M EST.).** The Airport is proposing to continue implementation of its Residential Sound Insulation Program (RSIP) as described in the first paragraph in this report. This phase will include balance of scope not funded in Phase 4. It will also include the construction of 6-7 homes that remain in the above 70 DNL contour.

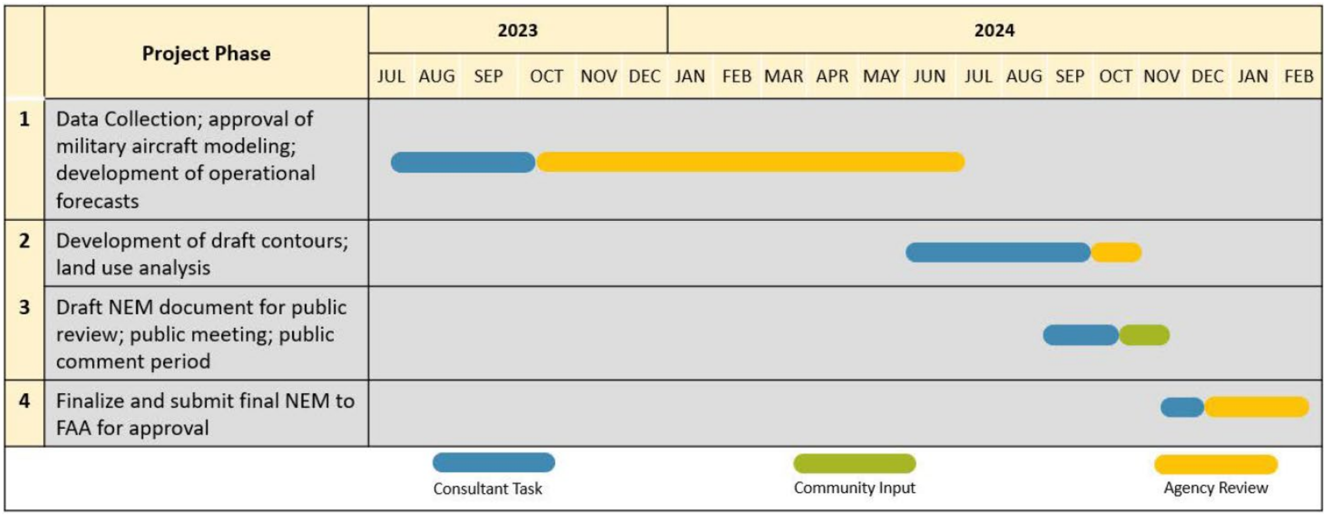
Also, due to the change in the FAA acoustical requirement additional funding is being requested for homes in outreach from Phase 4. We will submit a grant application to the FAA by April 28, 2025 for this phase.





6. **<u>Noise Exposure Map Updates (NEM) (est. $.85M).</u>** The purpose of the Federal Aviation Administration (FAA) grant is to prepare a 14 C.F.R Part 150 Noise Exposure Map (NEM) update for Patrick Leahy Burlington International Airport (BTV). The NEM Update will replace the maps which were accepted by the FAA in 2019. Under the Federal requirements, the previous NEM Update indicated an update would be completed once the F-35A aircraft have been operational for one year. The scope and Independent Fee process is complete and a grant was received by FAA to proceed. Currently, the schedule, outlined below, and Technical Advisory Committee (TAC) meetings are being coordinated and outreach is proceeding with communities to identify these changes. Further, the Airport held in informational town meeting style meeting at the Chamberlin Elementary School on September 14, 2023 to discuss the proposed schedule and general updates to the process. Additional TAC meetings and Public meetings are being identified and planned under the proposed schedule. We have had a recent meeting with the FAA to discuss and resolve any outstanding issues related to the

NEM. We received final word from the FAA and are moving forward the final noise contours. The map was released and presented to the TAC on October 23. We followed up with public meeting that evening in South Burlington and one was held in Winooski on October 24th. All public comments are being responded to for the report. Submittal of the NEM to the FAA was completed the last week of December. The FAA accepted the NEM last week. It has been posted 3 times.



btv.aero

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

To: Airport Commissioners
From: Marie Friedman, CPA, Director of Finance
Date: April 2, 2025
Re: Financial Highlights Report for April 2nd, 2025 meeting

- This month's financial package includes the February P&L, Revenue Recovery Metrics, Banking Balance report and the AIP Receivable report.
- STIMULUS GRANTS Summary
  - CRSSA Grant was received April 5, 2021 for a combined total of $4.04M. A closeout report to draw down $391,000 was submitted to the FAA in October. The FAA approved the closeout and reimbursed the airport in December.
  - The Airport received a $7.6M Grant November 30, 2021 under the American Rescue Act. There is still $768,957 available under ARPA grant. A reimbursement request for $1.34 Million was submitted to the FAA in January and money was received in February. We have four years to utilize this grant.
  - LeahyBTV renewed the Grant Anticipation Note (GAN) on June 26, 2024. There are no current borrowings under the GAN. The Airport has approximately $9 million still available to draw on if needed. The Airport drew down $1,058,216 under the GAN for AIP-125 and repaid this in January. Interest rates are adjusted monthly. Interest paid on the GAN is eligible for reimbursement under a future PFC application.
- Year-to-date (YTD) Revenues through February were $19.7 Million. Operating revenues are higher than the prior year primarily due to parking garage, higher landing fee revenues, higher PFC revenues, higher terminal concessions and higher rental car revenues. Please refer to the P&L for more detail. The Airport Revenue recovery schedule is included as well. All metrics are recovering as expected. This shows five revenue sources and how they performed over time. The data points represent a trailing twelve month for each month. PFC revenues are at 101% which is similar to enplanement recovery and this is expected to increase. Landing fees year-to-date are higher than last year due to increased flights and an increase to the landing rate.
- Expenses thru February were $12.8 Million. The biggest component of this increase is salaries and employee benefits ($706k higher), repairs and maintenance ($392k higher). Please refer to the P&L for more detail.
- Cash update: As of February 28, 2025, LeahyBTV had $7,331,500 in the Airport International account and did not owe the City any money.
- AIP receivable update: As of February 28th, 2025, the FAA owes the airport $3.9 Million. The FAA

reimbursed the Airport $6.48 Million in February. Additionally, approximately $1.7 Million will be reimbursed through the grant closeout process. In December, the FAA approved closeout grant request for AIP-122 and AIP-120. In January, the FAA approved closeout grant request for AIP-130, AIP-125, AIP-124 and AIP-131. In February, the FAA approved the closeout grant request for AIP-137. The FAA is able to provide LeahyBTV a partial reimbursement up the grant amount at this time. The remaining balance due of $122,389.33 will be issued after LeahyBTV's AIP entitlement funds become available.

- Leahy BTV submitted a new PFC application (PFC Notice of Intent 9 application 25-09-C-00-BTV) to the FAA on Mach 19th. This is the last step needed to get approval from the FAA to continue to collect PFC revenue from airlines. Likewise this application also request using PFC revenues in the amount of $13.26 million for 17 projects. We anticipate FAA approval in April 2025.

Budget Performance Report

Fiscal Year to Date 2/28/2025

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

Account	Account Description	Amended Budget	YTD Encumbrances	FY 2025 YTD Transactions	Remaining Balance	% Used/ Rec'd	FY 2024 YTD Transactions
Fund **400 - Airport**							
	REVENUE						
4247	Fees and Permits	115,000.00	.00	99,231.64	15,768.36	86%	85,770.00
4267	Utility Reimbursement	148,700.00	.00	106,754.45	41,945.55	72%	73,449.09
4268	Sale of Gasoline	650,000.00	.00	435,615.87	214,384.13	67%	374,945.96
4295	Parking Fees	7,149,500.00	.00	4,972,250.50	2,177,249.50	70%	4,542,551.47
4297	CFC's	2,000,000.00	.00	1,594,656.00	405,344.00	80%	1,554,986.00
4345	Advertising Revenues	200,000.00	.00	73,750.00	126,250.00	37%	60,045.00
4385	Ticket Sales	21,000.00	.00	.00	21,000.00	0%	6,880.00
4390	Concessions	360,000.00	.00	290,261.00	69,739.00	81%	212,534.45
4440	Taxi Fees	170,000.00	.00	142,869.00	27,131.00	84%	149,247.00
4445	Terminal Rent - Exclusive	1,375,000.00	.00	700,978.94	674,021.06	51%	836,143.00
4450	Terminal Rent - Commonuse	1,601,000.00	.00	1,106,826.28	494,173.72	69%	884,093.86
4455	Terminal Concessions Airport	750,000.00	.00	563,439.77	186,560.23	75%	432,248.02
4460	Rental Car Concessions	3,600,000.00	.00	2,853,010.00	834,073.69	79%	2,738,939.00
4465	Rent Grounds	549,707.00	.00	369,748.04	179,958.96	67%	374,641.39
4470	Rent Buildings	1,255,702.00	.00	756,016.03	499,685.97	60%	950,972.45
4475	Landing Fees	2,300,000.00	.00	1,619,439.77	680,560.23	70%	1,128,402.30
4480	PFC Revenue	2,700,000.00	.00	1,863,031.00	1,494,212.06	69%	1,614,144.00
4505	Terminal Non Airline	705,000.00	.00	445,722.68	259,277.32	63%	598,838.17
4535	Misc Rev	1,000.00	.00	12,666.82	(11,666.82)	1267%	542.10
4600	Fees For Services	6,500.00	.00	4,875.00	1,625.00	75%	5,565.00
4700	Interest / Investment Income	50,000.00	.00	77,166.79	(27,166.79)	+++	148,469.31
4702	Interest Income PFC	10,000.00	.00	3,289.60	6,710.40	33%	6,816.15
4703	Restricted Interest Income	100,000.00	.00	106,669.41	(6,669.41)	+++	87,262.72
4705	Unrealzed Gain/Loss-Invest	.00	.00	(36,499.43)	36,499.43	+++	72,631.81
4750	Gain/Loss On Asset	.00	.00	29,561.56	(29,561.56)	+++	14,410.91
4875	Grants TSA Leo Grant	.00	.00	.00	.00	+++	67,320.00
4890	CARES ACT/ARPA/CRRSA Federal Grant	3,040,542.00	.00	1,337,841.81	1,702,700.19	+++	.00
4925	Proceeds	10,000.00	.00	.00	10,000.00	+++	61,109.90
4961	Property Tax Reimbursement - Airport	215,638.00	.00	145,246.42	70,391.58	67%	145,337.04
	REVENUE TOTALS	$29,084,289.00	$0.00	$19,674,418.95	$10,154,196.80	68%	$17,228,343.83
	EXPENSE						
5000	Salaries and Wages	3,977,768.00	.00	2,334,829.64	1,642,938.36	59%	2,086,871.69
5100	Overtime	356,000.00	.00	260,943.69	95,056.31	73%	208,694.66
5200	Other Personal Service	510,880.00	.00	329,139.19	181,740.81	64%	307,371.89
5400	Employee Benefits	1,757,225.00	.00	1,153,270.99	603,954.01	66%	768,677.66
6000	Office Supplies	6,000.00	.00	1,598.96	4,401.04	27%	2,260.21
6005	Postage	200.00	.00	88.00	112.00	44%	67.99
6007	Shipping and Moving	28,400.00	.00	18,082.75	10,317.25	64%	11,602.78
6010	Computer Equipment	85,000.00	489.80	19,624.74	64,885.46	24%	36,504.92
6015	Computer Software	4,300.00	.00	.00	4,300.00	0%	5,452.00
6017	Computer Licensing and Maint.	307,500.00	6,609.00	217,165.17	83,725.83	73%	204,096.93
6020	Office Equipment	11,000.00	.00	549.99	10,450.01	5%	549.99
6025	Furnishings	28,000.00	.00	22,353.82	5,646.18	80%	18,266.87

PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Budget Performance Report

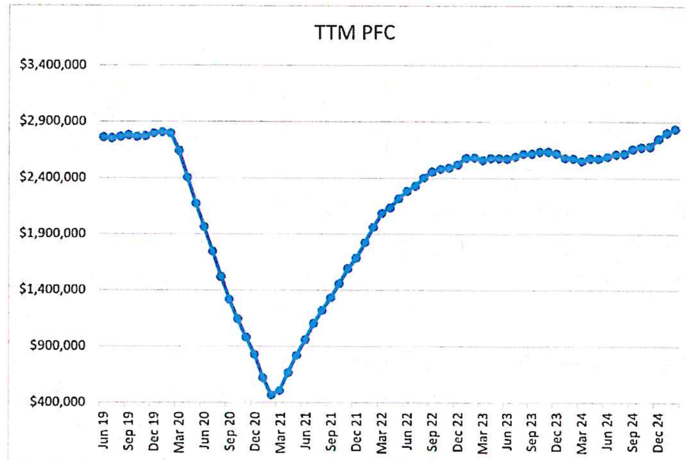
Fiscal Year to Date 2/28/2025

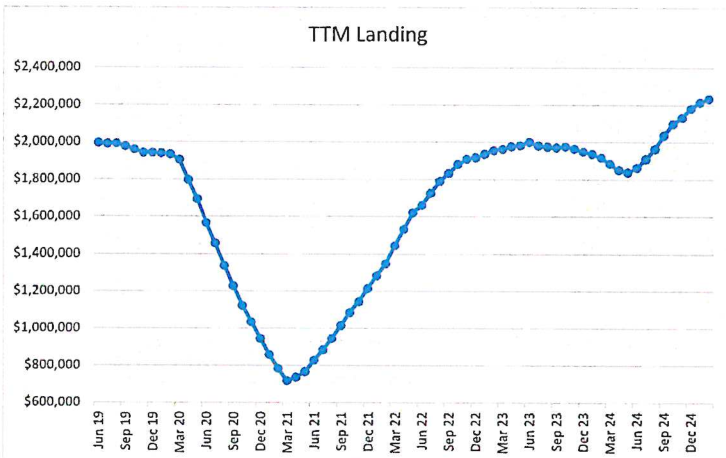
Account	Account Description	Amended Budget	YTD Encumbrances	FY 2024 YTD Transactions	Remaining Balance	% Used/ Rec'd	FY 2023 YTD Transactions
6200	Medical Fees And Supplies	5,500.00	.00	1,482.14	4,017.86	27%	1,413.82
6202	Printing/Copying/Paper Mgt	11,675.00	1,043.20	9,469.42	1,162.38	90%	612.49
6203	Dues/Subscriptions	134,500.00	.00	113,959.83	20,540.17	85%	72,378.05
6206	Custodian Supplies	130,000.00	.00	69,347.25	60,652.75	53%	56,659.72
6208	Special Supplies	84,500.00	955.28	42,734.62	40,810.10	52%	50,310.83
6210	Small Tools and Equipment	80,810.00	809.84	14,532.58	65,467.58	19%	19,742.38
6212	Fuel	777,168.00	.00	504,239.59	272,928.41	65%	466,352.27
6214	Clothing And Uniforms	33,800.00	.00	23,738.70	10,061.30	70%	2,581.60
6215	Uniform Laundering	20,200.00	3,230.88	11,269.11	5,700.01	72%	9,862.42
6216	Oil & Grease & Antifreeze	20,000.00	.00	5,694.53	14,305.47	28%	6,528.78
6222	Runway De-Ice	330,000.00	.00	49,039.20	280,960.80	15%	151,592.44
6247	Energy Efficient	.00	.00	.00	.00	0%	63,147.70
6294	Donations	2,500.00	.00	5.25	2,494.75	0%	3,581.20
6300	Repair & Maintenance	3,283,897.00	744,611.11	1,806,209.78	733,076.11	78%	1,414,553.26
6350	Legal Notice & Advertising	1,500.00	.00	465.00	1,035.00	31%	345.00
6400	Utilities	1,759,150.00	4,105.50	995,987.33	759,057.17	57%	934,664.52
6500	Professional and Consultant Services	2,049,774.00	19,224.00	865,010.25	1,165,539.75	43%	953,061.50
6530	Rentals	11,000.00	.00	4,200.00	6,800.00	38%	11,550.07
6600	Maintenance Contracts	384,439.00	17,266.31	134,015.89	233,156.80	39%	128,364.80
6605	Radio Maintenance	17,850.00	1,736.00	5,328.00	10,786.00	40%	7,479.73
6610	Custodial Contracts	807,205.00	.00	542,680.00	264,525.00	67%	542,680.00
6615	Property Repairs	492,400.00	33,225.00	185,960.79	273,214.21	45%	231,373.62
6625	Equipment Maintenance Repairs	184,897.00	8,673.00	139,946.07	36,277.93	80%	72,841.85
6700	Travel & Training	102,990.00	.00	58,951.10	44,038.90	57%	31,580.02
6800	Fees for Services	25,350.00	51.00	4,316.30	20,982.70	17%	14,521.90
7002	Interest Expense	.00	.00	.00	.00	+++	.00
7004	Interest Expense - Restricted	.00	.00	.00	.00	0	.00
7200	Capital Leases	572,488.00	.00	396,596.88	175,891.12	69%	379,989.37
7230	Insurance	437,932.00	.00	305,179.84	132,752.16	70%	290,524.31
7303	Regulatory and Bank Fees	225,000.00	.00	115,743.37	109,256.63	51%	112,024.46
7312	Real Estate Taxes	852,670.00	284,222.57	568,445.14	2.29	100%	531,520.10
7652	Discretionary Spending	55,000.00	.00	26,562.65	28,437.35	48%	31,457.30
8015	Indirect Fees	571,839.00	.00	381,224.00	190,615.00	67%	645,631.00
8017	Indirect Fees - City Attorney	92,660.00	.00	61,776.00	30,884.00	67%	102,557.00
8095	Interest On Pooled Cash	.00	.00	.00	.00	0%	9,964.54
8135	Airport Security To Police	1,474,000.00	.00	982,672.00	491,328.00	67%	654,685.95
	Operating EXPENSE TOTALS	$22,118,732.00	$1,126,252.49	$12,784,429.55	$8,208,049.96	63%	$11,666,301.59
	Net Operating Revenues (which are used to pay for Bond payments, Leases, Capital and FAA projects)			$6,889,989.40			$5,562,042.24

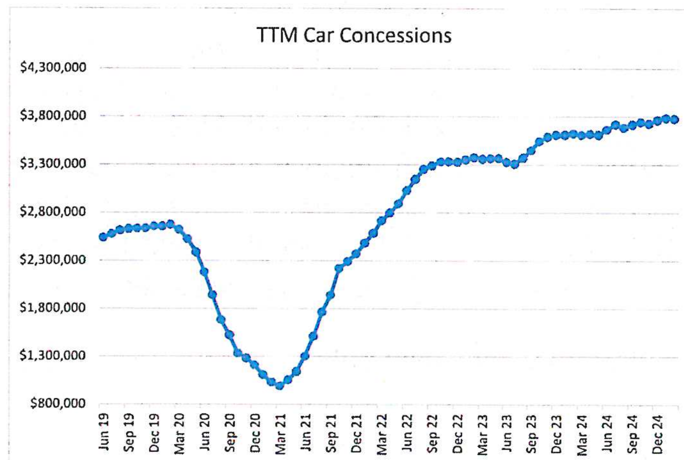
Recovery Metrics

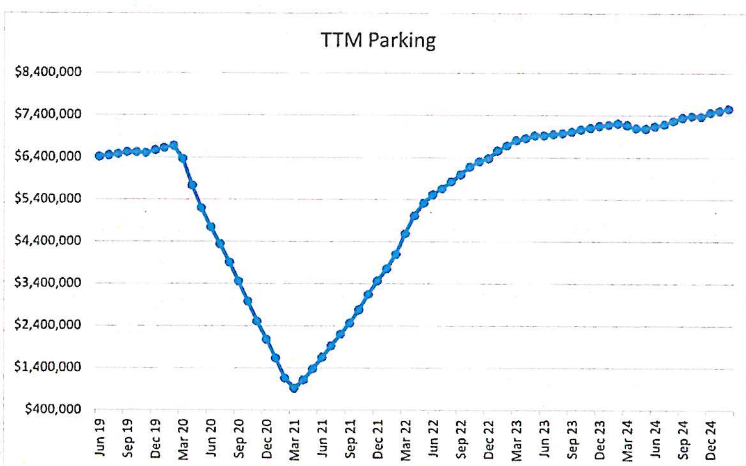
	At Feb 2020	Minimum	Drop	Current	Recovery
Parking	$6,670,572	$911,595	-86%	$7,553,763	113%
PFCs	$2,797,591	$467,680	-83%	$2,838,147	101%
Car Concessions	$2,673,896	$994,488	-63%	$3,779,580	141%
Landing Fees	$1,933,993	$291,209	-85%	$2,234,086	116%
CFCs	$1,568,752	$352,036	-78%	$2,204,508	141%

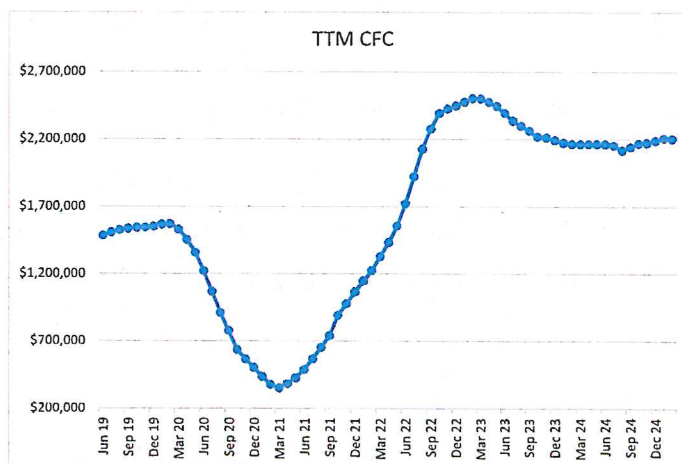
All figures are trailing twelve months











Burlington International Airport

Cash and Investments
February 28, 2025

Account	Account Description	2/28/2025
Unrestricted Bank Accounts		
1000_400	Bank Account Airport	7,331,500
1050_496	Cash Restricted AIP Deposit Keybank	10,581
Restricted Bank Accounts		
1050_420	Cash Restricted Escrows - Airport PFC TD Bank	9,623,427
1000_415	Bank Account - PFC Prepaid Cash Account	491,892
1000_420	Bank Account CFC	3,772,013
1050_416	Cash Restricted Revenue Bond DSR-Zion Trustee	3,511,452
1050_492	Cash Restricted Air Debt Service Fund - Interest	82,734
1050_401	Cash Restricted Air Debt Service Fund-Principal	1,066,592
1050_402	Cash Restricted Air Debt Service Fund-Sinking	651,946
1050_425	Cash Restricted Escrows - Airport - Op Maint Res	5,690,711
1050_430	Cash Restricted Airport Renewal and replacement - Zion	318,100
1050_495	Projects Operating Acct/Escrow GAN Keybank	279
Total Cash and Investments		32,551,228
1100_999	(Due To) / Due From Pooled Cash (timing)	-

Comparative Information on Primary Airport bank account

		2/28/2025
1000_400	Bank Account Airport - Current Fiscal year	7,331,500
1000_400	Bank Account Airport - Prior Fiscal year - Jan 2024	2,984,352
1000_400	Bank Account Airport - Two prior years - Jan 2023	5,843,415

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

		PROJECT DESCRIPTION	FEDERAL GRANT A/R BALANCE 06/30/24	TOTAL PROJECT EXPENSES FY 2025	GRANT Reimburse Percent	% OF PROJECT EXPENSES FY 2025	REIMBURSE-MENTS FY 2025	FEDERAL GRANT A/R BALANCE 02/28/25	10% LOCAL SHARE FY 2025
		ACTIVE AIP PROJECTS							
423	120	ACCESS CONTROL SECURITY REHAB	115,648	-	100%	-	(115,647)	0	-
420-700	122	S. TERMINAL APRON REHAB PH 7	245,804	-	100%	-	(245,804)	-	-
415	124	NOISE MONITORING EQUIPMENT	1,380	-	100%	-	(1,380)	-	-
425	125	TERMINAL INTEGRATION PROJECT	1,450,562	-	88%	-	(1,450,562)	(0)	-
425	155	TERMINAL INTEGRATION PROJECT-BIL	388,054	-	88%	-	(314,320)	73,734	-
400	127	CRRSA STIMULUS GRANT	(0)	391,088	100%	391,088	(391,088)	(0)	-
400	128	CRRSA CONCESSION GRANT	143,605	-	100%	-	-	143,605	
428-901	129	SOUND INSULATION PILOT PROGRAM	315,733	-	100%	-	-	315,733	-
427-900	130	HOT SPOT MITIGATION GRANT	99,954	-	100%	-	(99,594)	360	-
427-904	131	HSR TWC & K	54,584	-	100%	-	(54,584)	-	-
427-902	132	HSR RW 1 PAPI	2,790	-	100%	-	(2,790)	-	-
420-903	133	TERMINAL APRON PH 7, Parts 2&3	922,144	7,234	100%	7,234	(334,586)	594,793	-
400	134	ARPA	(0)	2,287,343	100%	2,287,343	(2,287,343)	(0)	
400	135	ARPA CONCESSION GRANT	579,132	-	100%	-	-	579,132	-
427-911	136	HSR TW K PAPI	0	-	90%	-	-	0	-
427-905	137	TW K CONSTRUCTION GRANT	259,830	-	90%	-	-	259,830	-
416-907	138	ENVIRONMENTAL ASSESSMENT	27,770	16,161	90%	14,545	(27,770)	14,545	1,616
426-910	139	BOARDING BRIDGE GATE 12	269,428	7,091	90%	6,382	-	275,810	709
416-913	140	NOISE EXPOSURE MAP	0	96,432	90%	86,789	(66,377)	20,412	9,643
428-908	141	SOUND INSULATION PROGRAM FFY22	255,787	-	90%	-	(60,648)	195,139	-
427-906	142	REHAB TAXIWAY A	1,028,323	278,773	90%	250,896	(1,104,582)	174,637	27,877
416-925	144	PAVEMENT MANAGEMENT PLAN	16,391	52,433	90%	47,189	(63,581)	(0)	5,243
424-924	145	CARGO APRON DESIGN 2023	17,511	1,720	90%	1,548	(18,781)	277	172
421-918	future	SOUTH TERMINAL REPLACEMENT	-	-	90%	-	-	-	-
426-923	147	SNOW REMOVAL EQUIPMENT BLDG	46,360	218,173	90%	196,356	(236,720)	5,995	21,817
424-909	149	SOUTH APRON CONSTRUCTION	1,226,815	24,580	90%	22,122	(625,505)	623,432	2,458
421-919	153	NEXT PROJECT	1,948,041	7,774,729	90%	6,997,256	(8,992,682)	(47,385)	777,473
421-931	156	NEXT PROJECT - BIL funding	-	842,426	90%	758,184	(576,462)	181,722	84,243
426-916	143	NORTH TERMINAL RENOVATION	420,011	-	95.76%&90%	-	-	420,011	-
427-927	146	TW A MILL & OVERLAY, TW C	314,612	55,902	90%	50,312	(314,612)	50,312	5,590
428-926	148	SOUND INSULATION PHASE 3	0	1,052,423	90%	947,180	(885,730)	61,450	105,242
426-930	155	ADDITIONAL EGRESS LANES	-	-	90%	-			
427-928	154	RUNWAY 15-33 MILL & OVERLAY	499,819	71,882	90%	64,694	(564,513)	-	7,188
		TOTAL CURRENT PROJECTS	10,650,085	13,178,391		12,129,118	(18,835,660)	3,943,544	1,049,273

AIP Projects being Closed out	$ 1,651,453
Future AIP Projects	
	$ -

PATRICK LEAHY
BURLINGTON INTERNATIONAL AIRPORT
FINANCIAL STATEMENTS
(An Enterprise Fund of the City of Burlington, Vermont)

AS OF AND FOR FISCAL YEARS ENDED

June 30, 2024 and 2023

Patrick Leahy Burlington International Airport
(An Enterprise Fund of the City of Burlington, Vermont)

Table of Contents

Passenger Facility Charge:

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council
and the Burlington Airport Commission
City of Burlington, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Patrick Leahy Burlington International Airport (an enterprise fund of the City of Burlington, Vermont) (the Airport), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Patrick Leahy Burlington International Airport, as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport 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 opinion.

Responsibilities of Management for the Financial Statements

The Airport's 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.

Marcum LLP / 9 Executive Park Drive / Suite 100 / Merrimack, NH 03054 / **Phone** 603.882.1111 / **marcumllp.com**

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 Airport'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.

Auditors' 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 auditors' report that includes our opinion. 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 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 GAAS 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 Airport'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.

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 Management's Discussion and Analysis, and certain Pension and OPEB schedules be presented to supplement the basic financial statements. Such information, 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 evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required

Government Auditing Standards

In accordance with the *Government Auditing Standards*, we have also issued our report dated January 24, 2025 on our consideration of the Airport'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 the Airport's internal control over financial reporting and on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Marcum LLP

Merrimack, NH
January 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2024 AND 2023

Within this section of the Patrick Leahy Burlington International Airport's (the Airport) annual financial report, management provides a narrative discussion and analysis of the financial activities for the years ended June 30, 2024 and 2023. The Airport's performance is discussed and analyzed within the context of the accompanying financial statements and note disclosures following this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements include (1) the Statement of Net Position, (2) the Statement of Revenues, Expenses, and Change in Net Position, (3) the Statement of Cash Flows, and (4) Notes to the Financial Statements.

The Statement of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2024, it shows our net position of $233,573,719, a change of $10,779,505 from June 30, 2023. At June 30, 2023, it shows our net position of $222,794,214, a change of $10,906,889 from June 30, 2022.

The largest portion of net position, $192,124,116 and $184,364,173 at June 30, 2024 and 2023, respectively, reflects our net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. This portion of net position increased by $1,213,428 and $1,060,304 in the years ending June 30, 2024 and 2023, respectively. Net investment in capital assets increased primarily from the acquisition of capital assets from AIP Grants less depreciation expense exceeding the debt service principal payment during the fiscal years.

An additional portion of net position of $21,293,388 and $20,079,960 at June 30, 2024 and 2023, respectively, represents resources that are subject to external restrictions on how they may be used (restricted net position). This portion of net position increased by $1,213,428 for the year ending June 30, 2024 primarily from the increase in the restricted PFC cash balance. This portion of net position increased by $4,917,982 for the year ending June 30, 2023 primarily from the increase in the bond debt service reserve and the restricted PFC cash balance.

The remaining balance, or unrestricted net position, was $20,156,215 and $18,350,081 at June 30, 2024 and 2023, respectively. This portion of net position increased by $1,806,134, or 10% for the year ending June 30, 2024 and by $4,928,603, or 37% for the year ending June 30, 2023.

The Statement of Revenues, Expenses, and Change in Net Position summarizes our operating results and reveals how much, if any, of a profit was earned for the year. As discussed in more detail below, our change in net position was $10,779,505 and $10,906,889 for the years ending June 30, 2024 and 2023, respectively. There are two significant components of this change. The first is the net income (loss) before capital contributions of ($2,383,555) and $2,135,588 for the years ending June 30, 2024 and 2023, respectively. The second component is the recognition of the capital contributions received from the Federal Aviation Administration (FAA) for capital improvements of $13,163,060 for the year ending June 30, 2024 and recognition of the capital contributions received from the Federal Aviation Administration (FAA) for capital improvements of $8,771,301 for the year ending June 30, 2023. Collectively, these two components account for the net increase in net position. The Airport received significant stimulus grants under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) $8.7M, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) grant $4.04M and the American Rescue Plan Act (ARPA) grant for $7.6M since 2020. The Airport used $1,247,428 and $2,128,160 of the stimulus grant funds to cover fiscal year 2024 and 2023 operating expenditures, respectively.

Financial Highlights:

The following is a summary of condensed financial data for the current and prior fiscal year.

Summary of Net Position (000s)

	2024	**2023**	**2022**
Assets:			
Current and other assets	$ 59,941	$ 58,326	$ 57,128
Capital assets	225,674	218,793	216,334
Total Assets	285,615	277,119	273,462
Deferred Outflows of Resources	977	863	1,096
Total Assets and Deferred Outflows of Resources	$ 286,592	$ 277,982	$ 274,558
Liabilities:			
Current and other liabilities	$ 9,045	$ 6,016	$ 9,613
Long-term liabilities	29,635	32,981	32,883
Total Liabilities	38,680	38,997	42,496
Deferred Inflows of Resources	14,338	16,191	20,175
Net Position:			
Net investment in capital assets	192,124	184,364	183,304
Restricted	21,294	20,080	15,162
Unrestricted	20,156	18,350	13,421
Total Net Position	233,574	222,794	211,887
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 286,592	$ 277,982	$ 274,558

Summary of Change in Net Position

	2024	2023	2022
Revenues	$ 22,959	$ 22,591	$ 19,079
Operating expenses	(29,540)	(24,866)	(23,511)
Operating loss	(6,581)	(2,275)	(4,432)
Nonoperating Revenues (Expenses)			
Other revenue	5,571	5,663	6,561
Other expenses	(1,373)	(1,252)	(1,573)
Total Non-Operating Revenues and Expenses, Net	4,198	4,411	4,988
Net Income Before Capital Contributions	(2,383)	2,136	556
Capital contributions - grants	13,163	8,771	24,960
Change in Net Position	10,780	10,907	25,516
Beginning Net Position	222,794	211,887	186,371
Ending Net Position	$ 233,574	$ 222,794	$ 211,887

Operating revenues changed by $368,212 and $3,511,314 for the years ending June 30, 2024 and 2023, respectively, an increase of 1.6% in 2024 and 18.4% in 2023. The biggest increases in revenues occurred in parking garage revenues, car rental concessions, and terminal concessions in 2024. The biggest increases in revenues occurred in parking garage revenues, car rental concessions, Customer Facility Charges (CFC) and Passenger Facility Charges (PFC) in 2023. Additional discussion for this change can be found in the Revenues section of this MD&A.

Operating expenses changed by $4,673,917 in 2024 and $1,355,174 in 2023, an increase of 18.8% in 2024 and 5.8% in 2023. This change in 2024 is mostly attributed to the increases in depreciation, professional contracts, salaries and benefits, utilities, and increases in repairs and maintenance costs. This also includes FAA non-capitalized operating grants such as the residential sound insulation programs. The change in 2023 was mostly attributed to the increases in professional contracts, salaries and benefits, the operating costs of the newly opened car rental Quick Turnaround Facility, and increases in repairs and maintenance costs. This also includes FAA non-capitalized operating grants such as the residential sound insulation programs.

Capital Assets:

Capital Assets - Net capital assets changed by $6,880,407 in 2024, the difference between current year additions, net of CIP reclassification of $15,030,029 and annual depreciation expense of $8,149,622. Net capital assets changed by $2,459,168 in 2023, the difference between current year additions, net of CIP reclassification of $9,298,361 and annual depreciation expense of $6,839,193.

Significant capital asset additions for the years ending June 30 include:

2024	2023	
$ 4,092,442	$ -	South Apron Construction
$ 2,642,216	$ -	Taxiway A Mill & Overlay
$ 2,504,842	$ 769,362	North Terminal Concourse Replacement
$ 920,589	$ -	Terminal Apron Phase 7, part 2 & 3
$ 625,197	$ -	Taxiway A Mill & Overlay Taxiway C Intersection
$ 551,854	$ -	Runway 15-33 Mill & Overlay
$ 516,244	$ 1,528,011	Passenger Boarding Bridge
$ 508,118	$ 1,358,497	North Terminal Renovation
$ -	$ 3,964,666	Terminal Integration Project
$ -	$ 624,486	Construction of Taxiway K

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt:

Long-Term Debt – At June 30, 2024 and 2023, total bonded debt outstanding, including unamortized premiums, was $23,360,599 and $26,288,922, respectively, all of which was backed by the full faith and credit of the City of Burlington, Vermont.

In December 2024, Moody's Investors Service (Moody's) upgraded the Airport's bond rating from Baa2 to Baa1. The upgrade to Baa1 reflects strong utilization rates, sound core financial metrics and robust cost-recovery framework relative to its established airline agreement. The report also praised the airport's liquidity – over 300 days of cash on hand and manageable capital investment program funded largely by federal grants.

Likewise, on September 19, 2018, Fitch Ratings (Fitch) upgraded the Airport's bond rating from BBB– to BBB with a stable outlook. On April 9, 2020, Fitch affirmed the BBB rating and revised the outlook to negative due to the COVID-19 uncertainty. On March 5, 2022, Fitch Ratings affirmed the BBB rating and upgraded the outlook to stable due to revenues and enplanements recovering strongly. Fitch affirmed this rating last on March 14, 2024.

No new Airport bonds were issued during fiscal year 2024. The Airport issued $10.635 million in Airport Revenue Refunding Bonds, Series 2022A in June 2022. The bonds were callable and the Airport was able to take advantage of interest rate savings on future debt payments.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

Historical Airport Operating and Financial Performance

The City of Burlington, Vermont (the City) accounts for the financial operations of the Airport as an enterprise fund. On an annual basis, the Airport has historically generated revenues sufficient to pay its operating expenses, to meet its bond debt service, and to fund a portion of its capital expenses. The rate covenant requires the Airport to generate annual revenues, net of operating expenses, of no less than 1.25 times debt service, and sufficient to meet all funding requirements for the Airport's accounts under the resolution. The City has paid all bond debt service and other financial obligations timely and in full. The Airport debt coverage score for FY 2024 was 1.80 and 1.87 with additional Passenger Facility Charges (PFC's) as allowed. The Airport debt rate calculation was not applicable for FY 2023. This was due to all revenue bond principal and interest payments being defeased with the issuance of Series 2021 A bonds. See "Recent Financial Performance" herein.

Revenues

The Airport derives its revenues from a variety of sources, including terminal revenues, parking, landing fees, car rentals, concessions, and rentals of buildings and grounds. It has also applied for and been granted permission by the FAA to charge and collect PFCs for qualified capital expenditures and certain debt service.

The following table shows each of these revenue items since fiscal year 2020:

Historical Revenues (000s)			*Fiscal Year Ended June 30*		
	2020	**2021**	**2022**	**2023**	**2024**
Airline Revenues					
Terminal Revenues	$ 2,827	$ 2,828	$ 2,844	$ 2,836	$ 2,688
Landing Fee Revenues	1,566	829	1,702	2,006	1,864
Total Airline Revenues	**4,393**	**3,657**	**4,546**	**4,842**	**4,552**
Non-Airlines Revenues					
Parking Lot/Garage	4,747	1,642	5,523	6,935	7,146
Car Rental Concessions	2,179	1,303	2,836	3,294	3,668
Terminal Concessions	550	317	430	393	676
Terminal Non-Airline Rent	641	632	628	756	840
Building and Ground Rent	1,420	1,387	1,659	1,736	1,557
Other Non-Airline Revenues	1,061	787	2,193	2,239	2,392
Total Non-Airline Operating Revenues	**10,598**	**6,068**	**13,269**	**15,353**	**16,279**
CFC Revenues	**1,220**	**488**	**1,723**	**2,396**	**2,128**
Total Operating Revenues	**$ 16,211**	**$ 10,213**	**$ 19,538**	**$ 22,591**	**$ 22,959**
Y-O-Y Operating revenue Growth		**-37.0%**	**91.3%**	**15.6%**	**1.6%**
PFC Revenues	**$ 1,964**	**$ 936**	**$ 2,283**	**$ 2,573**	**$ 2,578**

Terminal Revenues and Landing Fees

Terminal revenues and landing fees are paid by the airlines that operate at the Airport. Such fees are calculated pursuant to the airport airline agreements. The Airport has established five airport cost centers in order to fairly allocate Airport operating costs among the airlines and other tenants. The airlines signed the new airline agreements during FY 2017. American Airlines, United, Delta, and Jet Blue all signed the agreements and are considered signatory airlines. The new airline agreement, which is a residual method contract, outlines the airline rates and charges methodology which were in effect from July 1, 2016 through June 30, 2021 and is continuing on a monthly basis. This five-year residual airline agreement provides strong and timely cost recovery. In 2022, Sun Country began service at the Airport. Jet Blue ended service to the Airport in January 2024. Breeze Airways began service in January 2024 bringing direct flight to several Florida destinations. Additionally, Frontier returned to the Airport in December 2024 also serving the Florida market. Lease discussions are on-going.

Parking

Current parking fees in the garage are $12 per day. Parking revenues represented approximately 31% of the Airport's total operating revenue in fiscal year 2024, with an increase of 3% from the previous year. This follows multiple years of substantial growth. This increase was due to higher numbers of passengers flying in and out of the Airport.

Car Rental Facilities

Car rental revenues represented approximately 16% of the Airport's total operating revenue in fiscal year 2024. Car rental revenues increased 11.4% from the previous year, again due to higher numbers of passengers flying in and out of the Airport. Car rental facilities occupy office and counter space within the terminal building adjacent to the luggage receiving area. In the fall of 2015, the Airport finalized car rental concession agreements with Avis/Budget, Hertz, Dollar, Enterprise, National/Alamo, which are in effect through June 30, 2026. All existing car rental companies continued providing service at the Airport and signed the new five-year agreement.

In addition to terminal space, the rental car companies also occupy the second floor north of the parking garage and an onsite car wash facility immediately north of the FAA control tower. $230,185 of the collected CFCs were utilized to support the operating expenses of the garage, per the car rental agreements. The City has allocated the remaining $626,870 of the CFC charges collected to pay for the lease financing and costs of a consolidated quick turnaround car wash/return facility (QTA) which replaced the existing facility. This new facility will also provide the airport with an opportunity for an additional revenue stream in the form of land lease and transactions fees. The QTA opened in October 2021.

Terminal Concessions

Terminal concessions, such as food vendor Skinny Pancake, and gift/necessities vendors, such as Hudson News and other similar establishments, provide a variety of services for passengers, visitors, and employees at the Airport. Skinny Pancake, a local restaurant with three locations at the Airport, and newly expanded Hudson News facilities opened in fiscal year 2013. Food concession revenues increased by 72% for fiscal year 2024 due to the Airport having significantly more passengers flying in and out of the Airport than fiscal year 2023. Terminal concession revenues represented approximately 2.9% or $675,618 of the Airport's total operating revenue in fiscal year 2024.

Buildings, Grounds, and Airfield Concession Revenues

Building and ground rent and airfield concession revenues ("Other Non-Airline Revenues") include revenue from certain parcels within the existing Airport footprint that have been rented to firms such as Federal Express, Pratt & Whitney, Betta Technologies and Heritage, as well as hangar and facility rentals from cooperatives using the Airport for general aviation.

Buildings, grounds, and airfield concession revenues represented approximately 8.7% of the Airport's total operating revenue in fiscal year 2024. These revenues decreased slightly from the previous year.

Other Revenue

Other revenues include federal operating grants, interest income, administrative fees, and tenant reimbursements. The tenant reimbursement component relates to property tax and casualty insurance assessments. Changes to this miscellaneous income are primarily affected by fees assessed by third party agencies.

Passenger Facility Charges

The Airport has applied for and received authorization from the FAA to impose and collect PFCs to fund many of the capital improvements it has initiated since 1997. In fiscal year 2024, the Airport received $2,577,575 in PFC revenues. $1,005,221 was used to pay a portion of bond debt service attributable to authorized PFC projects and were included as part of the bond refinancing in April 2021 Series A. In June 2022 the FAA approved the airport's PFC application #8 to pay for snow equipment leases as well as the local share of numerous FAA grants. The airport received $3.279 million in June 2024 under this application.

As of June 30, 2024, the Airport had approximately $8.5 million on deposit in the PFC revenue account, which is adequate to pay for the PFC projects being financed with Airport revenue bonds. The Airport expects to continue to apply for authority to impose and collect PFCs for future projects under applicable FAA regulations. The Airport is submitting another PFC application due to the FAA in February 2025.

Expenses

The Airport's expenses include typical expense categories covering airport operations. One expense that is not paid for by the Airport is the aircraft rescue and firefighting services that are provided by the VT Air National Guard (VTANG) as part of its lease with the Airport, saving the Airport approximately $4 million annually. VTANG's lease was recently extended to the year 2073.

Salaries and benefits increased 19.3% in fiscal year 2024. This is due to contractual costs of living increases, higher benefits costs and adding new Airport positions. Service contracts represent third-party maintenance and other non-capital projects. This City interdepartmental expenses are the amounts reimbursed by the Airport to the City for financial, legal, and other necessary services the City provides to support the operations of the Airport.

Recent Financial Performance

Airport net revenue was determined to have been above the rate covenant requirement of 1.25× of debt service in fiscal years 2011 through 2021. For fiscal year 2022 and 2023, the debt coverage calculation was not applicable. The Airport refinanced the fiscal year 2022 revenue bond principal and interest payments with the 2021 Series A revenue bond. Therefore, the Airport did not have to pay debt service using Airport funds in 2022 and only interest was paid in 2023. Principal and interest payment resumed in fiscal year 2024. The Airport's FY 2024 debt coverage score was 1.80. This included stimulus grant revenues. Operation and maintenance expenses, and other obligations of the Airport were fully and timely paid in each of those years.

The financial health and performance of the Airport is taken very seriously by the City, the Airport Commission, and Airport management. Significant attention has been devoted to improving the Airport's financial operations in the past several years, including increasing non-airline dependent revenues and maintaining debt service coverage in accordance with the requirements of the resolution.

The outbreak of the Coronavirus pandemic primarily impacted the last four months of fiscal year 2020, and impacted the Airport for several years. The entire travel industry was greatly affected with travel being significantly reduced for the time being. The FAA recognized this and responded by issuing CARES ACT grants to airports. The Airport received an $8.7 million CARES ACT grant in May 2020. In the spring of 2021, the FAA awarded the Airport at $4.04 million CRRSA grant. Additionally in December 2021 the Airport received $7.6 million under the ARPA grant. The Airport used $1.25 million in stimulus grant monies to cover fiscal year 2024 operating expenses.

The Airport also has a strong contractual relationship with its airline partners and is renegotiating an updated airline agreement to incorporate the latest terminal square footage as well as updated methodologies for calculating rates and charges. The airline lease sets the precedent for the methodology used to establish rates and charges, including landing fees, apron fees, and terminal rental rates. This basic methodology is referred to as a residual calculation giving greater risk to the airlines, while providing a sustainable financial future for the airport.

In future fiscal years, as was done in fiscal years 2011-2024, the Airport expects to employ a portion of its PFC revenues in its coverage calculations, consistent with current FAA regulations as to the use of these revenues. In fiscal year 2024, the City continued to hold Airport funds in segregated accounts and use such revenues only for Airport purposes, including reimbursing the City for shared services and for payroll, payables, and capital expenditure draws covered by the City on an interim basis, in accordance with FAA regulations. PFC revenues will continue to be deposited to a segregated PFC fund and used exclusively for projects approved for their use by the FAA, including the payment of debt service allocable to such projects.

The City and the Airport are continuing to carefully review any opportunity to increase revenues and decrease expenses. The Airport continually evaluates smart ways to increase non-airline revenues to help balance rates and charges billed to the Airlines. All expiring leases are being viewed as opportunities to improve the facility and increase rental revenue. The Airport also is continuing to request reimbursement (through the PFC program) for certain local matching amounts that the City contributed to the FAA approved projects. The local AIP share was $3,525,072 in fiscal year 2024. Grants issued in fiscal year 2022, 2023 and 2024 are typically 90% federally funded and 10% local share match.

It is the goal of these initiatives to (i) provide additional transparency in the handling of Airport funds; (ii) ensure timely and proactive responses to any unusual or unexpected financial events with respect to the Airport. Additionally, negotiated into the new airline agreement is the requirement that the airport debt coverage ratio will be 1.5X of debt service. The agreement allows the Airport to increase rates to meet this ratio. The debt covenant requirement of net revenues to be 1.25% of debt service. The airport was able to exceed the bond requirement, through fiscal year 2021. Due to refinanced debt mentioned above, the debt covenant calculation score was not applicable for fiscal year 2022 or 2023. In Fiscal year 2024, the debt coverage score was calculated. The calculation is shown below. For purposes of the Revenue bond calculation, federal Simulus grant funds are added to total operating revenues. However, the airline agreement excludes federal grant revenues from operating revenues, and therefore results in a 1.47 debt coverage score under that agreement.

We believe this presentation tells our most accurate success story from fiscal years 2020 through 2024.

From FY 2020 to 2024 (000s)

	2020	2021	2022	2023	2024
Revenues	$ 18,377	$ 16,763	$ 21,371	$ 22,655	$ 23,784
O&M Expenses (as defined)	14,462	12,943	14,625	16,559	18,088
Net Revenues (as defined)	$ 3,915	$ 3,820	$ 6,746	$ 6,096	$ 5,696
PFC Revenues Available for DS	$ 832	$ 1,128	$ 948	$ 156	$ 1,005
Funds Available for DS	$ 4,747	$ 4,948	$ 7,694	$ 6,252	$ 6,701
25% PFC Revenue for DS coverage	208	282	237	39	251
Adjusted funds Available for DS	$ 4,955	$ 5,230	$ 7,931	$ 6,291	$ 6,952
Debt Service	$ 3,610	$ 3,605	$ 546	$ 1,127	$ 3,721
Debt Service Coverage	**1.31**	**1.37**	**n/a**	**n/a**	**1.80**
Adjusted Debt Service Coverage	**1.37**	**1.45**	**n/a**	**n/a**	**1.87**

The rate covenant calculation for fiscal year 2024 was 1.80.

The rate covenant calculation for fiscal year 2023 was not applicable. Due to the bond refundings (2022 Series A) no principal payments were owed during the fiscal year. Only interest was incurred in fiscal year 2023. Principal and Interest payments resumed in fiscal year 2024.

Liquidity

The following table reflects changes to the Airport's liquidity since fiscal year 2020:

Liquidity Position (000s)

	Fiscal Year Ended June 30				
Cash and Investment balances	**2020**	**2021**	**2022**	**2023**	**2024**
Unrestricted cash[1]	$ 14,389	$ 3,342	$ 8,230	$ 9,991	$ 9,500
O&M Reserve	3,317	4,532	4,931	5,447	5,531
Renewal and Replacement Reserve	218	200	200	200	200
PFCs[2]	7,315	6,783	6,075	7,223	8,472
PFC Rolling Coverage	491	492	492	492	492
Debt Service Reserve Fund	3,904	3,840	3,386	3,358	3,396
Bond Debt Service Reserve[3]	3,020	191	77	3,360	3,203
Total cash and investments	**$ 32,654**	**$ 19,380**	**$ 23,391**	**$ 30,071**	**$ 30,794**

1 *FY20 includes revenue anticipation note of $11M that was repaid in FY21.*

2 *As a result of refunding during certain years, our debt service requirements decreased, thereby providing for an increase in our year-end PFC cash position.*

3 *Represents 1/6 Interest and 1/12 Principal Payments; decrease in 2021 resulted from refunding.*

The current year increase in cash and investments of $0.7 million is primarily due to increases in the PFC account.

Requests for Information

This financial report is designed to provide a general overview of the Patrick Leahy Burlington International Airport's finances for all those with an interest in the Airport's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Clerk/Treasurer
City of Burlington, City Hall
149 Church Street
Burlington, VT 05401

CITY OF BURLINGTON, VERMONT

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
STATEMENT OF NET POSITION

JUNE 30

	2024	2023
Assets		
Current:		
Cash and short-term investments	$ 9,500,497	$ 9,991,410
Accounts receivable, net of allowance for doubtful accounts	1,544,625	1,136,986
Intergovernmental receivables	11,922,183	9,239,304
PFC receivables	498,226	496,204
Loan receivable, current portion	88,970	86,344
Inventory	418,100	401,846
Prepaid expenses	103,386	115,042
Leases receivable	2,733,140	3,176,842
Total current assets	26,809,127	24,643,978
Noncurrent:		
Restricted cash for passenger facility charges (PFC)	8,471,997	7,223,200
Restricted cash for prepaid cash reserve (PFC)	491,892	491,892
Restricted cash for R&R reserve fund	200,013	200,013
Restricted cash for debt service reserve	12,100	15,031
Restricted cash for bond debt service fund	3,202,719	3,360,311
Restricted cash for O&M reserve fund	5,530,533	5,446,593
Restricted short-term investments for debt service reserve	3,384,134	3,342,919
Leases receivable, noncurrent portion	11,746,769	13,421,347
Loan receivable, noncurrent portion	91,675	180,645
Land and construction in progress	89,722,366	84,551,567
Capital assets, net of accumulated depreciation/amortization	135,951,178	134,241,570
Total noncurrent assets	258,805,376	252,475,088
Total Assets	285,614,503	277,119,066
Deferred Outflows of Resources		
Pension related	829,103	794,409
OPEB related	148,021	68,925
Total Deferred Outflows of Resources	977,124	863,334
Total Assets and Deferred Outflows of Resources	$ 286,591,627	$ 277,982,400

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON, VERMONT

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
STATEMENT OF NET POSITION

JUNE 30

		2024		2023
(continued)				
Liabilities, Deferred Inflows of Resources, and Net Position				
Liabilities				
Current:				
Accounts payable	$	6,219,783	$	2,983,285
Retainage payable		969,847		313,851
Accrued liabilities		81,192		59,977
Accrued interest		504,411		561,296
Unearned revenue		262,119		693,123
Grant anticipation note		1,005,305		1,401,866
Other liabilities		2,597		2,597
Current portion of:				
Revenue bonds payable		3,000,004		2,928,323
Leases payable		195,711		193,580
Equipment notes payable		464,543		566,277
Accrued employee compensated absences		350,751		307,770
Total current liabilities		13,056,263		10,011,945
Noncurrent:				
Revenue bonds payable, net of current portion		20,360,595		23,360,599
Leases payable, net of current portion		1,115,546		1,311,256
Equipment notes payable, net of current portion		897,732		1,371,169
Net pension liability		2,973,360		2,719,717
Total OPEB liability		276,606		222,159
Total noncurrent liabilities		25,623,839		28,984,900
Total Liabilities		38,680,102		38,996,845
Deferred Inflows of Resources				
Pension related		39,138		34,802
OPEB related		141,008		84,363
Lease related		14,157,660		16,072,176
Total Deferred Inflows of Resources		14,337,806		16,191,341
Net Position:				
Net investment in capital assets		192,124,116		184,364,173
Restricted		21,293,388		20,079,960
Unrestricted		20,156,215		18,350,081
Total Net Position		233,573,719		222,794,214
Total Liabilities, Deferred Inflows of Resources and Net Position	$	286,591,627	$	277,982,400

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON, VERMONT

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

FOR THE YEARS ENDED JUNE 30

		2024		2023
Operating Revenues				
Charges for services	$	22,819,105	$	22,430,301
Intergovernmental		140,008		160,600
Total Operating Revenues		22,959,113		22,590,901
Operating Expenses				
Personnel costs		5,845,913		4,898,709
Non-personnel costs		15,544,983		13,128,698
Depreciation and amortization		8,149,621		6,839,193
Total Operating Expenses		29,540,517		24,866,600
Operating Loss		(6,581,404)		(2,275,699)
Nonoperating Income (Expenses)				
Passenger facility charges		2,577,575		2,572,840
Nonoperating grants		467,882		408,677
CRSSA and ARPA grants		1,366,464		2,080,353
Investment income		579,593		288,201
Amortization of bond premium		273,323		314,729
Interest expense and fiscal charges		(1,082,126)		(1,246,874)
Gain (loss) on sale of asset		103,926		(4,767)
Loss on lease termination		(291,334)		-
Other income (expense)		202,546		(1,872)
Total Other Income (Expenses), net		4,197,849		4,411,287
Net Income (Loss) Before Capital Contributions		(2,383,555)		2,135,588
Capital contributions		13,163,060		8,771,301
Change in Net Position		10,779,505		10,906,889
Net Position at Beginning of Year		222,794,214		211,887,325
Net Position at End of Year	$	233,573,719	$	222,794,214

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON, VERMONT

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30

	2024	2023
Cash Flows From Operating Activities		
Receipts from customers and users	$ 22,184,226	$ 22,372,756
Other receipts and reimbursements	202,546	-
Other payments	-	(1,872)
Receipts of operating grants	140,008	160,600
Payments to suppliers	(15,640,548)	(13,097,637)
Payments for wages and benefits	(5,526,437)	(4,639,727)
Net Cash Provided By Operating Activities	1,359,795	4,794,120
Cash Flows From Noncapital Financing Activities		
Nonoperating intergovernmental grants	467,882	428,266
CRSSA and ARPA grants	1,366,464	3,262,490
Loan payments from Burlington Community Development Corporation	86,344	83,795
Net Cash Provided By Noncapital Financing Activities	1,920,690	3,774,551
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(11,233,975)	(11,446,631)
Proceeds from sale of capital assets	-	27,998
Capital grants	10,480,181	9,623,976
Passenger facility charges	2,575,553	2,325,022
Drawdowns on grant anticipation note	1,005,305	1,401,866
Repayments of grant anticipation note	(1,401,866)	(2,541,057)
Principal paid on revenue bonds	(2,655,000)	-
Principal paid on leases	(193,579)	(191,472)
Principal paid on equipment notes	(575,171)	(618,131)
Interest paid on revenue bonds	(1,065,708)	(639,422)
Interest paid on other debt	(73,303)	(119,802)
Net Cash (Used For) Capital and Related Financing Activities	(3,137,563)	(2,177,653)
Cash Flows From Investing Activities		
Investment income	579,593	288,201
Net Cash Provided By Investing Activities	579,593	288,201
Net Change in Cash and Short-Term Investments	722,515	6,679,219
Cash and Short-Term Investments, Beginning of Year	30,071,370	23,392,150
Cash and Short-Term Investments, End of Year	$ 30,793,885	$ 30,071,369

(continued)

The accompanying notes are an integral part of these financial statements.

CITY OF BURLINGTON, VERMONT

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30

(continued)

		2024		2023
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:				
Operating loss	$	(6,581,404)	$	(2,275,699)
Depreciation and amortization		8,149,621		6,839,193
Other income (expense)		202,546		(1,872)
Changes in assets, liabilities, and deferred outflows/inflows:				
Customer and concessions receivable		(407,639)		508,002
Leases receivable		2,118,280		3,082,279
Inventory		(16,254)		(59,799)
Prepaid expenses		11,656		60,925
Deferred outflows of resources		(113,790)		(301,130)
Accounts payable		(90,967)		29,935
Accrued liabilities		21,214		26,349
Unearned revenue		(431,004)		(352,294)
Accrued employee compensated absences		42,981		(23,509)
Net pension liability		253,643		1,237,407
Total OPEB liability		54,447		8,232
Deferred inflows of resources		(1,853,535)		(3,983,899)
Net Cash Provided By Operating Activities	$	1,359,795	$	4,794,120

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *The Financial Reporting Entity*

The Patrick Leahy Burlington International Airport (an enterprise fund of the City of Burlington, Vermont) (the Airport) is a municipally owned airport organized in 1920. The Airport is located in South Burlington, Vermont.

The Airport operates as a department of the City of Burlington, Vermont (the City). As such, these financial statements are not intended to present the financial position and results of operations of the City of Burlington, Vermont, as a whole.

The accounting policies of the Airport conform to accounting principles generally accepted in the United States of America, as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

B. *Basis of Presentation*

Enterprise funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation/amortization) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Based on the above definition, the Airport is accounted for utilizing enterprise fund accounting.

C. *Measurement Focus*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund financial statements are reported using the *economic resources measurement focus*. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the Balance Sheet (or Statement of Net Position). Fund equity (i.e., total net position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

D. *Basis of Accounting*

Basis of accounting refers to when revenue and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are prepared utilizing the *accrual basis of accounting*. Accordingly, revenues are recognized when earned and expenses are recognized when the related liability for goods and services are incurred regardless of the timing of the related cash flows.

Operating revenues are defined as income received from the rent of terminal space and buildings, landing fees, concession commissions, and parking receipts.

Nonoperating revenues are defined as income received from sources other than those defined above. Nonoperating revenues include investment income, passenger facility charges (PFC), grant income, building rents from buildings purchased for future expansion, and the sale of equipment.

Operating expenses are defined as the ordinary costs and expenses of the Airport for operations, maintenance, and repairs. Operating expenses include the costs of operating the Airport and related buildings as well as administrative and general expenses and depreciation and amortization. Operating expenses do not include the principal and interest on bonds, notes or other indebtedness, certain grant expenses, amortization of bond issue costs, or expenses related to the rental of buildings purchased for future expansion.

E. *Estimates*

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

F. *Cash and Short-Term Investments*

Deposits with financial institutions consist primarily of demand deposits and savings accounts.

Cash recorded by the Airport is combined with cash of the City in determining amounts covered by Federal Deposit Insurance Corporation or by collateral held by the City's banks.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Investments can be made in securities issued by or unconditionally guaranteed by the U.S. government or its agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Short-term investments for the Airport consist of U.S. government securities which are carried at fair value.

G. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

H. Leases

The Airport is a lessor for noncancellable leases of buildings, land, and solar panels. The Airport recognizes a lease receivable and a deferred inflow of resources. At the commencement of a lease, the Airport initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The Airport uses its estimated incremental borrowing rate as the discount rate for leases if the rate is not available. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Airport monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

I. Inventory

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventory at the Airport consists of maintenance supplies and parts.

J. Capital Assets

Capital assets include nondepreciable assets, such as construction in progress and land, and depreciable assets, such as land improvements, buildings and improvements, and machinery, vehicles, and equipment recorded at cost. Land includes all ancillary charges such as demolition costs. Equipment includes right to use assets reported in accordance with GASB Statement Number 87, *Leases*. Contributed assets are recorded at acquisition value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The Airport's capitalization policy considers two factors. Property will be capitalized when:

1. The combined cost to put a unit in service totals more than $10,000, (no threshold is applied to land and buildings).
2. The unit's estimated life is greater than five years.

The Airport follows the policy of charging to expenses annual amounts of depreciation and amortization which allocates the cost of plant and equipment over their estimated useful lives. The Airport employs the straight-line method for determining the annual charge for depreciation and amortization.

The depreciable lives of capital assets are as follows:

	Depreciable Lives
Land improvements	30 Years
Buildings and improvements	25 - 150 Years
Infrastructure	10 - 40 Years
Machinery, equipment and vehicles	5 - 15 Years
Right to use machinery and equipment	5 - 15 Years

K. *Long-Term Liabilities*

The Airport reports revenue bonds, leases, equipment notes, net pension liability and total OPEB liability as long-term liabilities. Bond premiums are deferred and amortized by the interest method; the unamortized balance is included within bonds payable.

L. *Net Position*

Net investment in capital assets consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of bonds, notes, leases or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position includes the following components:

The debt service reserve account represents the lesser of:

1. the sum of 10% of the aggregate original net proceeds of each series of outstanding bond,
2. 125% of the average annual aggregate debt service on such bonds, or
3. the maximum aggregate amount of debt service due on such bonds in any succeeding bond year.

The debt service fund is used to accumulate resources for the next scheduled principal and interest debt service payment for all prior issues.

The "operations and maintenance reserve account" is kept at a level to fund three months of future operating expenses. The "renewal and replacement account" contains funds intended to meet unanticipated or emergency repairs.

Passenger facility charges (PFCs) represent approximately $4.50 per passenger ticket collected by airline carriers and remitted to the Airport per enplaned passenger. PFC funds are restricted, to be used for financing eligible airport projects approved by the Federal Aviation Administration (FAA).

Unrestricted net position is not specifically restricted for any project or other purpose. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources before unrestricted.

2. DEPOSITS AND INVESTMENTS

A. Custodial Credit Risk

The custodial credit risk for deposits and investments is the risk that, in the event of bank or counterparty failure, deposits may not be returned or the value of investments or collateral securities that are in the possession of another party may not be recovered. The Airport's cash and short-term investments include deposits, money market accounts, and securities with original maturities of one year or less. The deposits and money market accounts are fully collateralized. Investments in securities were held in the Airport's name.

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

As of June 30, 2024 and 2023, the Airport's investments in short-term U.S. Treasury notes of $3,384,134 and $3,342,919, had an implied credit rating of AAA.

C. *Concentration of Credit Risk*

Concentration of credit risk is the risk that an individual investment represents a significant concentration of the total portfolio. As of June 30, 2024 and 2023, the Airport had four and three U.S. Treasury notes and bills, respectively, which comprised 100% of the total short-term investments.

D. *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's policy limits maturities for investments in U.S. Treasury notes and bills and U.S. government agencies to 10 years.

E. *Fair Value*

The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the investments.

The fair value of the Airport's investment in short-term U.S. Treasury notes was determined based on "Level 2" inputs at June 30, 2024 and 2023. The valuation techniques used to measure the fair value of the "Level 2" instruments were valued based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data. The Airport does not have any investments in the "Level 1" or "Level 3" category. There has been no change in valuation methodologies for 2024 and 2023 and no transfers between levels.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30:

		2024		2023
Customer / concessions receivables	$	1,552,469	$	1,144,830
Less: Allowance for doubtful accounts		(7,844)		(7,844)
Net Receivables	$	1,544,625	$	1,136,986

4. INTERGOVERNMENTAL RECEIVABLES

The majority of this balance represents reimbursements requested from the Federal Aviation Administration's Airport Improvement Program (AIP), and State Department of Transportation, for capital related expenditures incurred in fiscal years 2024 and 2023. Additional receivables represent other reimbursements from federal and local governments. The intergovernmental receivable consisted of the following at June 30:

		2024		2023
Airport Improvement Projects:				
AIP 122 - Reconstruct Apron 7	$	1,167,948	$	307,433
AIP 118 - Taxiway Gulf Phase 2		-		117,474
AIP 120 - Security Access Upgrades		115,647		122,134
AIP 125 - Terminal Integration Project		1,799,809		2,111,641
AIP 78 - Land 2010 Noise		471,445		2,454,915
Taxiway Alpha Construction		256,298		256,298
Taxiway AIP Grants		2,592,512		704,036
Other AIP		4,795,787		2,362,996
Other Intergovernmental:				
CARES Act		722,737		722,737
Law Enforcement Officer Grant		-		79,640
Total	$	11,922,183	$	9,239,304

5. LOAN RECEIVABLE

In 2006, the Airport issued a $1,400,000 note to Burlington Community Development Corporation (BCDC), a special revenue fund of the City, to assist in financing the construction of a new Airport support hanger. The terms of the note require monthly payments of $7,764 beginning in July 2006 for twenty years with interest at 3%. The note is due in June 2026.

Future maturities are anticipated to be as follows:

Fiscal Year	Principal	Interest	Total
2025	$ 88,970	4,203	$ 93,173
2026	91,675	1,497	93,172
Total	$ 180,645	$ 5,700	$ 186,345

6. LEASES RECEIVABLE

The Airport follows GASB Statement No. 87, *Leases*. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Airport leases office, building, and ground space to various businesses (BETA, Heritage Building 890), car rental companies (Budget Rent-A-Car, Hertz Dollar, food and gift concessions (ELRAC, Hudson News), governmental agencies (GSA - National Weather Service) and others. The lease rates vary and are computed based upon square footage, percentages of gross revenues, and combinations of the two.

As of June 30, 2024 and 2023, there are twenty two and twenty four leases, respectively. These leases range in length from 2 to 30 years. As of June 30, 2024 and 2023, the value of the individual lease receivables ranged from $26,636 to $2,213,435 and $5,721 to $2,384,658, respectively. The range value of the deferred inflow of resources as of June 30, 2024 and 2023 was $26,420 to $2,172,501 and $5,246 to $2,356,093 respectively, and the Airport recognized lease revenues of $3,331,775 and $3,295,532 during the years ended June 30, 2024 and 2023, respectively.

Regulated Leases

The Airport leases office, building and ground space to various airlines. These leases are excluded from lease receivables and related deferred inflows per GASB Statement Number 87, as these are regulated leases.

Lease revenue for the year ending June 30, 2024 and 2023 was $1,170,288 and $1,310,474, respectively. Airline agreements are renewed annually. Guaranteed payments for fiscal year 2025 are approximately $1,023,123.

7. PROPERTY, PLANT, AND EQUIPMENT

Capital asset activity for the years ended June 30 was as follows:

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 52,792,520	$ -	$ -	$ 52,792,520
Construction in progress	31,759,047	10,581,619	(5,410,820)	36,929,846
Total capital assets, not being depreciated	84,551,567	10,581,619	(5,410,820)	89,722,366
Capital assets, being depreciated/amortized:				
Land improvements	92,432,934	5,650,675	-	98,083,609
Buildings	29,353,903	-	(650,000)	28,703,903
Building improvements	18,920,153	4,197,620	-	23,117,773
Infrastructure	96,395,313	-	-	96,395,313
Machinery and equipment	14,334,124	91,873	(265,432)	14,160,565
Right to use machinery and equipment	1,887,417	-	-	1,887,417
Vehicles	319,360	318,466	-	637,826
Total capital assets, being depreciated/amortized	253,643,204	10,258,634	(915,432)	262,986,406
Less accumulated depreciation/amortization for:				
Land improvements	(33,047,335)	(2,197,772)	-	(35,245,107)
Buildings	(13,180,489)	(583,602)	283,914	(13,480,177)
Building improvements	(372,270)	(495,473)	-	(867,743)
Infrastructure	(63,057,122)	(3,842,638)	-	(66,899,760)
Machinery and equipment	(9,225,098)	(799,525)	232,114	(9,792,509)
Right to use machinery and equipment	(397,352)	(198,676)	-	(596,028)
Vehicles	(121,968)	(31,936)	-	(153,904)
Total accumulated depreciation/amortization	(119,401,634)	(8,149,622)	516,028	(127,035,228)
Total capital assets, being depreciated/amortized, net	134,241,570	2,109,012	(399,404)	135,951,178
Total capital assets, net	$ 218,793,137	$ 12,690,631	$ (5,810,224)	$ 225,673,544

	2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 52,792,520	$ -	$ -	$ 52,792,520
Construction in progress	67,623,037	5,762,498	(41,626,488)	31,759,047
Total capital assets, not being depreciated	120,415,557	5,762,498	(41,626,488)	84,551,567
Capital assets, being depreciated:				
Land improvements	66,897,167	25,535,767	-	92,432,934
Buildings	29,353,903	-	-	29,353,903
Building improvements	1,257,879	17,662,274	-	18,920,153
Infrastructure	96,395,313	-	-	96,395,313
Machinery and equipment	12,814,938	1,937,567	(418,381)	14,334,124
Right to use machinery and equipment	1,887,417	-	-	1,887,417
Vehicles	259,851	59,509	-	319,360
Total capital assets, being depreciated	208,866,468	45,195,117	(418,381)	253,643,204
Less accumulated depreciation/amortization for:				
Land improvements	(31,516,341)	(1,530,994)	-	(33,047,335)
Buildings	(12,592,018)	(588,471)	-	(13,180,489)
Building improvements	(319,950)	(52,320)	-	(372,270)
Infrastructure	(59,207,992)	(3,849,130)	-	(63,057,122)
Machinery and equipment	(9,017,096)	(593,618)	385,616	(9,225,098)
Right to use machinery and equipment	(198,676)	(198,676)	-	(397,352)
Vehicles	(95,983)	(25,985)	-	(121,968)
Total accumulated depreciation/amortization	(112,948,056)	(6,839,194)	385,616	(119,401,634)
Total capital assets, being depreciated/amortized, net	95,918,412	38,355,923	(32,765)	134,241,570
Total capital assets, net	$ 216,333,969	$ 44,118,421	$ (41,659,253)	$ 218,793,137

8. SHORT-TERM DEBT

Grant Anticipation Note

The Airport used a grant anticipation note (GAN) to finance airport improvement projects prior to grant reimbursement from the Federal Aviation Administration and the State Department of Transportation. On November 14, 2019, the Airport entered into a GAN in the principal amount of up to $7,000,000 with an interest rate of 3.065%. On July 1, 2020, the GAN was increased to $23 million to reflect the significant increase in FAA grants issued to the Airport. The Airport renewed the GAN on November 17, 2021 and 2022 for $10,000,000. The airport renewed the GAN for $10,000,000 on February 21, 2023 and June 28, 2024.

Short-term debt activity for the years ended June 30 was as follows:

Description	Balance at 7/1/23	Draws	Repayments	Balance at 6/30/24
Grant Anticipation Note	$ 1,401,866	$ 1,005,305	$ (1,401,866)	$ 1,005,305

Description	Balance at 7/1/22	Draws	Repayments	Balance at 6/30/23
Grant Anticipation Note	$ 2,541,057	$ 1,401,866	$ (2,541,057)	$ 1,401,866

9. LONG-TERM DEBT

Revenue Bonds (public offerings) - The Airport issues bonds where the City pledges income to pay the debt service. Revenue bonds outstanding at June 30 were as follows:

2024

Description		Original Issue Amount	Serial Maturities Begin	Serial Maturities Through	Interest Rates		Amount Outstanding
Revenue Refunding Bond 2022 Series A	$	10,635,000	6/30/2024	6/30/2029	4.00 - 5.00%	$	9,060,000
Revenue Refunding Bond 2021 Series A	$	5,175,000	7/1/2023	7/1/2030	1.20 - 3.00%		5,090,000
Revenue Refunding Bond 2014 Series A	$	15,660,000	7/1/2015	7/1/2030	4.00 - 5.00%		8,520,000
Total						$	22,670,000

2023

Description		Original Issue Amount	Serial Maturities Begin	Serial Maturities Through	Interest Rates		Amount Outstanding as of 06/30/23
Revenue Refunding Bond 2022 Series A	$	10,635,000	6/30/2024	6/30/2029	4.00 - 5.00%	$	10,635,000
Revenue Refunding Bond 2021 Series A	$	5,175,000	7/1/2023	7/1/2030	1.20 - 3.00%		5,175,000
Revenue Refunding Bond 2014 Series A	$	15,660,000	7/1/2015	7/1/2030	4.00 - 5.00%		9,515,000
Total						$	25,325,000

Maturities are as follows:

Public Offering Revenue Bonds

Fiscal Year		Principal		Interest		Total
2025	$	2,770,000	$	1,491,908	$	4,261,908
2026		2,900,000		1,304,638		4,204,638
2027		3,045,000		1,100,033		4,145,033
2028		3,200,000		877,284		4,077,284
2029		3,200,000		877,284		4,077,284
2030 - 2034		7,555,000		443,994		7,998,994
	$	22,670,000	$	6,095,141	$	28,765,141

Unamortized Premium - Debt premiums in connection with the sale of bonds are amortized over the terms of the related debt. Unamortized balances are included as a component of long-term debt.

Changes in long-term debt and other obligations were as follows for the year ended June 30:

	2024					
	Total Balance 7/1/23	Additions	Reductions	Total Balance 6/30/24	Less Current Portion	Equals Long Term Portion
Revenue refunding bond 2014 series A	9,515,000	-	(995,000)	8,520,000	(1,045,000)	7,475,000
Revenue refunding bond 2021 series A	5,175,000	-	(85,000)	5,090,000	(80,000)	5,010,000
Revenue refunding bond 2022 series A	10,635,000	-	(1,575,000)	9,060,000	(1,645,000)	7,415,000
Total revenue bonds payable	25,325,000	-	(2,655,000)	22,670,000	(2,770,000)	19,900,000
Add: unamortized premium	963,922		(273,323)	690,599	(230,004)	460,595
Subtotal	26,288,922	-	(2,928,323)	23,360,599	(3,000,004)	20,360,595
Leases payable	1,504,836	-	(193,579)	1,311,257	(195,711)	1,115,546
Equipment notes payable	1,937,446	-	(575,171)	1,362,275	(464,543)	897,732
Net pension liability	2,719,717	253,643	-	2,973,360	-	2,973,360
Total OPEB liability	222,159	54,447	-	276,606	-	276,606
Compensated absences	307,770	42,981	-	350,751	(350,751)	-
Total	$ 32,980,850	$ 351,071	$ (3,697,073)	$ 29,634,848	$ (4,011,009)	$ 25,623,839

The revenue bonds were issued pursuant to general bond resolutions and are secured by a pledge of net Airport revenues. Pursuant to the general bond resolutions, revenues mean all rates, fees, charges, or other income and includes rentals, proceeds of insurance or condemnation or other disposition of assets, proceeds of bonds or notes, and earnings from the investment of revenues.

On an annual basis, revenues must be sufficient after deducting operating expenses, to meet minimum debt service coverage requirements of 1.25. Revenues for this purpose represent all rates, charges, rents and other income, including PFC revenues available for debt service. Operating expenses represent O&M (operation and maintenance), excluding depreciation.

Certain other exclusions apply. City's Bond Counsel has determined that the effect of GASB 68 and 75 on pension and OPEB expense is excludable from O&M and, therefore, not included in determining net revenues available for debt service. In fiscal year 2024 and 2023, the Airport recognized $1,366,464 and $2,080,353 in CRRSA and ARPA grant revenue respectively, that was used 100% to cover operating expenses. If minimum debt service coverage requirements are not met, the Airport must take timely corrective action. The Airport debt coverage ratio for fiscal year 2024 was 1.80. The Airport debt coverage ratio for fiscal year 2023 was not applicable due to refunding the fiscal year 2022 revenue bond principal and interest payments. This bond debt service payments were refunded with the issuance of 2021 Series A revenue bond in April 2021 and 2022 Series A revenue bond in June 2022.

Equipment Financing Notes – The Airport had the following equipment notes outstanding at June 30:

		2024		2023
Airport equipment - payments total to $74,486 annually, including interest at 2.77%, maturing on August 10, 2025.	$	143,266	$	212,143
Snow plow - payments total to $88,850 annually, including interest at 2.47%, maturing on September 30, 2023.		-		43,885
Parking Access Revenue Control System (PARCS) - payments total to $193,411 annually, including interest at 2.37%, maturing on March 2, 2024.		80,546		238,819
Airport equipment - payments total to $345,015 annually, including interest at 2.99%, maturing on September 18, 2027.		1,138,463		1,442,599
Total equipment notes outstanding	$	1,362,275	$	1,937,446

Maturities are as follows:

Fiscal Year		Principal		Interest		Total
2025	$	383,997	$	36,457	$	420,454
2026		395,305		24,197		419,502
2027		413,005		13,510		426,515
2028		169,968		2,541		172,509
Total	$	1,362,275	$	76,705	$	1,438,980

10. RESTRICTED NET POSITION

Restricted net position was comprised of the following at June 30:

		2024		2023
Restricted for debt service and capital projects (PFC)	$	8,471,997	$	7,223,200
Restricted for prepaid cash reserve (PFC)		491,892		491,892
Restricted for renewal and replacement reserve		200,013		200,013
Restricted for debt service reserve fund		3,396,234		3,357,950
Restricted for debt service		3,202,719		3,360,311
Restricted for operations and maintenance reserve		5,530,533		5,446,594
Total	$	21,293,388	$	20,079,960

As of June 30, 2024 and 2023, the restricted PFC cash above of $8,963,889 ($8,471,997 and $491,892) and $7,715,092 ($7,223,200 and $491,892), respectively, in addition to the PFC amount included in the debt service reserve above of $892,872 and $876,004, respectively, included in unrestricted cash, for a total of $9,856,731 and $8,591,096, respectively, is presented in the Schedule of Passenger Facility Charges Collected and Expended.

11. <u>RETIREMENT BENEFITS AND RESULTING NET PENSION LIABILITY</u>

<u>Defined Benefit Plan</u>: All full-time employees of the Airport participate in the City of Burlington Employees' Retirement System (the Plan), a cost sharing, single employer defined benefit plan. The Airport follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, with respect to the Plan.

<u>Plan Description</u>: Substantially all employees of the Airport are members of the Plan and are classified as Class B members. Eligible employees must participate in the Plan. The City Council has the authority to amend the benefit terms of the Plan by enacting ordinances and sending them to the Mayor for approval.

The Plan membership for the City includes 875 inactive plan members or beneficiaries currently receiving benefits, 768 inactive plan members entitled to but not yet receiving benefits, and 923 active plan members.

The Airport reports a net pension liability for its proportionate share of the City's total net pension liability per GASB 68. The City uses prior year measurement date. The net pension liability was measured as of June 30, 2023 for June 30, 2024 liability. At June 30, 2024 and 2023, the Airport's proportion was 2.41% and 2.34%, respectively. For more information on the City's plan, see the City of Burlington, Vermont's Annual Comprehensive Financial Report.

<u>Benefits Provided</u>: Class B retirees who have attained the age of 55 or older and completed 5 or more years of creditable service (age and years of creditable service vary depending on agreements) are eligible for benefits based on average final earnable compensation (AFC) during either the highest 5 or 3 non-overlapping 12-months periods depending on hiring dates. For details on agreements and AFC, see the City of Burlington, Vermont's Comprehensive Annual Financial Report.

<u>Contributions</u>: The Airport contributed $307,241 and $237,931 for the fiscal year ending June 30, 2024 and 2023. The Plan uses the direct rate smooth method for funding. The Airport's contributions were based on full time equivalents and wages. Employer and employee contribution rates are governed by the respective collective bargaining agreements. The employer and plan members share the cost of benefits. For the years ending June 30, 2024 and 2023, the Plan members contribute 3.85% and 4.87% of their base pay, respectively.

<u>Summary of Significant Accounting Policies</u>: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Plan was used as reported on the City of Burlington, Vermont's Comprehensive Annual Financial Report. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Actuarial assumptions: The net pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.7 percent (prior 2.6 percent)
Salary increases	3.1 percent (prior 3.0 percent)
Investment rate of return	7.1 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2020 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the valuation date with Scape MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Core Fixed Income	17.50%	5.00%
US Bonds - Dynamic	7.50%	5.60%
U.S. Large Cap Equity	32.00%	6.70%
U.S. Small Cap Equity	9.00%	6.50%
International Developed Equity	20.50%	8.89%
International Emerging Markets Equity	7.00%	10.80%
Private Equity	0.50%	9.70%
Real Estate	6.00%	7.40%
Long-term Return Assumption		7.10%

Total nominal long-term expected rate of return (ROR) is equal to the sum of the above individual asset class RORs and the expected long-term inflation rate of 2.70%.

Discount Rate: The discount rate used to measure the net pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Airport's proportionate share of the net pension liability calculated using the discount rate, as well as what the Airport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

Fund's net pension liability as of:	1% Decrease (6.10%)	Discount Rate (7.10%)	1% Increase (8.10%)
June 30, 2024	$ 3,963,423	$ 2,973,360	$ 2,145,882
June 30, 2023	$ 3,599,700	$ 2,719,717	$ 1,981,872

Pension Expense and Deferred Outflows and Inflows of Resources: For the years ending June 30, 2024 and 2023, the Airport recognized pension expense of $530,536 and $470,408. Deferred outflows and inflows or resources consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred pension contributions	$ 307,241	$ -
Changes in proportional share of contributions	46,239	39,138
Difference between expected and actual pension experience	190,469	-
Changes in assumptions	78,313	-
Difference between projected and actual investment earnings	206,841	-
Total	$ 829,103	$ 39,138

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized in pension expense in the subsequent fiscal year. Other amounts reported as deferred outflows and inflows of resources related to pension are recognized in pension expense in future fiscal years as follows:

Amortization Year	Amount
2025	$ 195,089
2026	108,446
2026	210,770
2027	(31,581)
	$ 482,724

<u>Pension Plan Fiduciary Net Position</u>: Detailed information about the Plan's fiduciary net position is available in the separately issued City of Burlington, Vermont's Annual Comprehensive Financial Report. No separate stand-alone report is issued for the Plan.

12. **<u>OTHER POST-EMPLOYMENT BENEFITS (OTHER THAN PENSION) – OPEB GASB 75</u>**

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

<u>General Information about the OPEB Plan</u>

<u>Plan Description</u>

In addition to providing the pension benefits described, the City provides postemployment healthcare and life insurance benefits for retired employees through the City's plan. The Plan membership for the City includes 455 inactive plan members or beneficiaries currently receiving benefits, 29 inactive plan members entitled to but not yet receiving benefits, and 666 active plan members. The City allows certain retired employees to purchase health insurance through the City at the City's group rates. GASB No. 75 recognizes this as an implied subsidy and requires accrual of this liability.

<u>Benefits Provided</u>

The City provides medical, prescription drug, mental health/substance abuse and life insurance to retirees and their covered dependents. All active employees who retire from the City and meet the eligibility criteria may receive these benefits.

<u>Funding Policy</u>

The OPEB Plan's funding policy is to contribute the employer portion of retiree benefit payments annually.

<u>Contributions</u>

Employer and employee contribution rates are governed by the respective collective bargaining agreements. The OPEB plan is currently funded on a pay-as-you-go basis. The employer and plan members share the cost of benefits. The plan members contribute 6.24% and 5.52% of the monthly premium cost for the years ending June 30, 2024 and 2023, respectively, depending on the plan in which they are enrolled. The Airport contributes the balance of the premium costs.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.7 percent (prior 2.6 percent)
Salary increases	Varies, ultimately 3.6 percent
Discount rate	3.93 percent (prior 3.65 percent)
Healthcare cost trend rates	7.0 percent, reducing by 0.2 percent each year to an ultimate rate of 4.7 percent per year rate for 2035 and later.
Participation rate	20% of eligible active members will elect medical coverage at retirement.
Retirees' share of benefit-related costs	Retirees are responsible for a portion of premium rates not covered by the City.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of July 1, 2017 through June 30, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% and 3.65% for the year ending June 30, 2024 and 2023, respectively.

Since the OPEB plan is not funded, the selection of the discount rate is consistent with the GASB 75 standards linking the discount rate to the 20-year AA municipal bond index for unfunded OPEB plans. The discount rate used for the valuation is equal to the published Bond Buyer general obligation 20-year-Bond Municipal Index effective as of June 30, 2024 and 2023.

Total OPEB liability

The Airport’s total OPEB liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024.

Changes in the Total OPEB Liability

Detailed information about the changes in total OPEB liability is available in the separately issued City of Burlington, Vermont’s Annual Comprehensive Financial Report.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease (2.93%/2.65%)	Discount Rate (3.93%/3.65%)	1% Increase (4.93%/4.65%)
June 30, 2024	$313,464	$276,606	$245,686
June 30, 2023	$241,747	$222,159	$197,355

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (6.0%/5.5% decreasing to 3.7%/3.6%)	Healthcare Cost Trend Rates (7.0%/6.5% decreasing to 4.7%/4.6%)	1% Increase (8.0%/7.5% decreasing to 5.7%/5.6%)
June 30, 2024	$252,361	$276,606	$305,905
June 30, 2023	$201,365	$222,159	$248,173

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Deferred outflows and inflows or resources consist of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportional share of contributions	$ 125,849	-
Difference between expected and actual pension experience	-	106,114
Changes in assumptions	22,172	34,894
Total	$ 148,021	$ 141,008

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Amortization Year		Amount
2025	$	7,015
2026		1,193
2027		(14,785)
2028		6,383
2029		9,283
Thereafter		(2,076)
	$	7,013

13. DEFERRED COMPENSATION PLAN

The Airport offers its employees a deferred compensation plan (DCP) administered through the City in accordance with Section 457 of the Internal Revenue Code (IRC). The DCP permits employees to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or for “unforeseeable emergency” as defined by the IRC. Investments of the DCP are self-directed by employees.

14. RELATED PARTY TRANSACTIONS

The City Clerk/Treasurer’s office charges all departments for administration and risk management fees. The City Council approves, through the budget process, the annual assessments. For the years ending June 30, 2024 and 2023, administrative and risk management fees paid to the City General Fund were $618,109 and $583,392 respectively.

The Airport contracted with other City departments to provide services. Security from the Police Department was $1,113,024 and $1,103,874 for fiscal years 2024 and 2023, respectively.

15. COMMITMENTS AND CONTINGENCIES

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Airport expects such amounts, if any, to be immaterial.

Construction Commitments – The Airport has a number of ongoing Airport Improvement Program (AIP) projects for construction and land acquisition, as well as several Passenger Facility Program (PFC) projects for terminal improvements that are funded from restricted assets. AIP projects include taxiway and apron reconstruction, master plan and noise compatibility program planning grants, and building demolition related to previously acquired property and land acquisition. The PFC projects include energy projects, cargo apron reconstruction, escalator and baggage carousel projects and related work.

16. RISK MANAGEMENT

The Airport is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employee; and natural disasters. The Airport manages these risks through a combination of commercial insurance packages and through the City's risk management program.

The City carries commercial insurance to cover its property, casualty, and general liability risks. Commercial property insurance, inland marine, and employment practices insurance coverage is provided by Travelers Indemnity Company and is offered on a guaranteed cost basis with a deductible of $50,000. The City has a large-deductible workers' compensation plan with Travelers Indemnity Company.

The Airport also carries airport owners and operators' general liability insurance with the following limits:

Completed Operations Aggregate	$100 million
Personal Injury and Advertising Injury Aggregate	$50 million
Malpractice Aggregate	$50 million
Each occurrence limit	$100 million
Fire Damage – any one fire	$500,000
Medical Expenses – any one person	$10,000
Hangarkeepers Limit – any one aircraft	$100 million
Hangarkeepers Limit – any one occurrence	$100 million

For health and dental insurance, the City self-insures with appropriate stop-loss coverage in place to cover large claims. The stop-loss limits are as follows:

Health insurance	$130,000 per occurrence with no stop loss coverage
Dental insurance	The benefit from this coverage cannot exceed $1,500 per participant

All of the City's self-insurance programs are administered by a third-party administrator, which processes and pays the claims and then bills the City for the amount of the total claims paid.

The costs associated with these self-insurance plans are budgeted in the City's General Fund and allocated to the Airport based on the following:

Type	Allocation Method
Workers' compensation	50% Experience and 50% Exposure
Health	Number of employees and levels of coverage
Dental	Actual claims and administrative fees paid
Liability	Adjusted operating budgets
Property	Insured value of city structures

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. There were no claims in the years ending June 30, 2024 and 2023.

17. MAJOR CUSTOMERS

A significant portion of the Airport's earnings and revenues are directly or indirectly attributed to the activity of a few major airlines.

The Airport's earnings and revenues could be materially and adversely affected should these major airlines discontinue operations, and should the Airport be unable to replace the airline with similar activity. The level of operations is determined based upon the relative share of enplaned passengers. The following represents major concentrations and their respective airline passenger shares:

American	32.0%
United	35.5%
Delta	25.3%

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events though January 24, 2025, which is the date the financial statements were available to be issued.

19. NEW ACCOUNTING PRONOUNCEMENTS

The following Governmental Accounting Standards Board (GASB) pronouncements will be implemented in the future, as applicable:

- The GASB issued Statement No. 101, *Compensated Absences*, which is required to be implemented in fiscal year 2025.
- The GASB issued Statement No. 102, *Certain Risk Disclosures*, which is required to be implemented in fiscal year 2025.

- The GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented in fiscal year 2026.
- The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, which is required to be implemented in fiscal year 2026.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

CITY OF BURLINGTON, VERMONT
PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2024
(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2024	June 30, 2023	2.41%	$2,973,360	$ 2,659,239	111.81%	64.41%
June 30, 2023	June 30, 2022	2.34%	$2,719,717	$ 2,615,031	104.00%	64.28%
June 30, 2022	June 30, 2021	2.40%	$1,482,310	$ 2,606,931	56.86%	81.10%
June 30, 2021	June 30, 2020	2.40%	$2,363,918	$ 2,656,886	88.97%	66.37%
June 30, 2020	June 30, 2019	2.20%	$1,834,449	$ 2,538,239	72.27%	70.00%
June 30, 2019	June 30, 2018	2.14%	$1,623,323	$ 2,375,629	68.33%	71.41%
June 30, 2018	June 30, 2017	1.87%	$1,630,284	$ 1,899,810	85.81%	66.77%
June 30, 2017	June 30, 2016	2.95%	$2,631,042	$ 1,795,630	146.52%	63.75%
June 30, 2016	June 30, 2015	3.18%	$2,169,468	$ 1,664,402	130.35%	70.35%
June 30, 2015	June 30, 2014	2.38%	$1,278,506	$ 1,642,817	77.82%	75.00%

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT
PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024
(Unaudited)

Burlington Employees' Retirement System

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2024	$ 307,241	$ (307,241)	$ -	$ 3,384,413	9.08%
June 30, 2023	$ 237,931	$ (237,931)	$ -	$ 2,659,239	8.95%
June 30, 2022	$ 263,244	$ (263,244)	$ -	$ 2,615,031	10.07%
June 30, 2021	$ 248,981	$ (248,981)	$ -	$ 2,606,931	9.55%
June 30, 2020	$ 238,269	$ (238,269)	$ -	$ 2,656,886	8.97%
June 30, 2019	$ 216,312	$ (216,312)	$ -	$ 2,538,239	8.52%
June 30, 2018	$ 203,967	$ (203,967)	$ -	$ 2,375,629	8.59%
June 30, 2017	$ 254,514	$ (254,514)	$ -	$ 1,899,810	13.40%
June 30, 2016	$ 270,003	$ (270,003)	$ -	$ 1,795,630	15.04%
June 30, 2015	$ 281,375	$ (281,375)	$ -	$ 1,664,402	16.91%

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT
PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

SCHEDULE OF PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION

(Unaudited)

City OPEB plan

Fiscal Year	Measurement Date	Proportion of the Total OPEB Liability	Proportionate Share of the Total OPEB Liability	Covered Payroll	Total OPEB Liability as a Percentage of Covered Payroll
June 30, 2024	June 30, 2024	5.59%	$276,606	$2,520,396	10.97%
June 30, 2023	June 30, 2023	3.93%	$222,159	$2,433,238	9.13%
June 30, 2022	June 30, 2022	3.93%	$213,927	$2,371,577	9.02%
June 30, 2021	June 30, 2021	3.91%	$271,015	$2,362,236	11.47%
June 30, 2020	June 30, 2020	3.91%	$257,184	$2,302,374	11.17%
June 30, 2019	June 30, 2019	2.10%	$112,007	$1,642,196	6.82%
June 30, 2018	June 30, 2018	2.10%	$104,692	$1,600,581	6.54%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Airport's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' 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 Honorable Mayor, City Council
and Burlington Airport Commission
City of Burlington, Vermont

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the Patrick Leahy Burlington International Airport (an enterprise fund of the City of Burlington, Vermont) (the Airport), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated January 24, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Airport'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport'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 a 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 a 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 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 or significant deficiencies may exist that have not been identified.

Marcum LLP / 9 Executive Park Drive / Suite 100 / Merrimack, NH 03054 / **Phone** 603.882.1111 / **marcumllp.com**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport's financial statements are free from 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Merrimack, NH
January 24, 2025

MARCUM
ACCOUNTANTS ▲ ADVISORS

REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES REQUIRED BY THE FEDERAL AVIATION ADMINISTRATION PASSENGER FACILITY CHARGE BRANCH

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor, City Council
and Burlington Airport Commission
City of Burlington, Vermont

Opinion on the Passenger Facility Charge Program

We have audited the Patrick Leahy Burlington International Airport (an enterprise fund of the City of Burlington, Vermont) (the Airport), for compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide) issued by the Federal Aviation Administration Passenger Facility Charge Branch, applicable to its Passenger Facility Charge Program that could have a direct and material effect on the Airport's passenger facility charge program for the year ended June 30, 2024. Our responsibility is to express an opinion the Airport's compliance based on our audit procedures.

In our opinion, the Airport complied, in all material respects, with the types of 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 the Passenger Facility Charge Program

We conducted our audit 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, and the requirements of the Federal Aviation Administration, Passenger Facility Branch (FAA). Our responsibilities under those standards and the FAA are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Airport 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 opinion on the Airport's passenger facility charge program. Our audit does not provide a legal determination of the Airport'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, regulations, contracts, and grants applicable to the Passenger Facility Charge Program.

Auditors' 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 to issue an opinion on the Airport'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 FAA will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance 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. 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 Airport'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 FAA, 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 Airport's internal control. 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, 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been 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.

Purpose of This Report

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 FAA's *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charges Required by the Federal Aviation Administration, Passenger Facility Charge Branch

We have audited the financial statements of the Patrick Leahy Burlington International Airport (an enterprise fund of the City of Burlington, Vermont) (the Airport), as of and for the year ended June 30, 2024, and have issued our report thereon dated January 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The accompanying Schedule of Passenger Facility Charges is presented for purposes of additional analysis as required by the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration, Passenger Facility Charge Branch 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

Merrimack, NH
January 24, 2025

CITY OF BURLINGTON, VERMONT
PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT
SCHEDULE OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED JUNE 30, 2024

Cash balance - July 1, 2023	$	8,591,096
Receipts		
Passenger facility charges collected		2,575,553
Interest earnings		987
Total receipts		2,576,540
Disbursements		
Project No. 96-01-I-00-BTV		(140,015)
Project No. 00-03-C-00-BTV		(56,231)
Project No. 10-04-C-00-BTV		(516,713)
Project No. 20-07-C-00-BTV		(292,261)
Project No. 22-08-C-00-BTV		(305,655)
Total disbursements		(1,310,875)
Increase in cash balance		1,265,665
Cash balance - June 30, 2024	$	9,856,761

See Note 10 for reconciliation of above cash to the restricted accounts presented in the financial statements.

PATRICK LEAHY BURLINGTON INTERNATIONAL AIRPORT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

I. Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued: *Unmodified*

Internal Control over Financial Reporting:

- Material weaknesses identified? ____ Yes _✓_ No
- Significant deficiencies identified? ____ Yes _✓_ None reported

Noncompliance material to financial statements noted? ____ Yes _✓_ No

Passenger Facility Charge Program

Internal Control over the Passenger Facility Charge Program:

- Material weaknesses identified? ____ Yes _✓_ No
- Significant deficiencies identified? ____ Yes _✓_ None reported

Type of Auditors' report issued on compliance: *Unmodified*

- Any audit findings disclosed that are required to be reported in accordance with the *Passenger Facility Charges Audit Guide for Public Agencies*? ____ Yes _✓_ No

II. Financial Statement Findings

None reported.

III. Findings and Questioned Costs

None reported.

BTV
PATRICK LEAHY
BURLINGTON
INTERNATIONAL AIRPORT

Patrick Leahy Burlington International Airport

April 2, 2025

Airport Commission Director's Report

Project NexT

Legislative Tours

Senate Commerce and Economic Development Committee

Lake Champlain Chamber of Commerce Legislative Breakfast

- Approximately 100 attendees including chamber members and legislators
- Emma Mulvaney-Stanak, Mayor of Burlington
- Lindsay Kurrle, Secretary of the Vermont Agency of Commerce and Community Development
- Kestrel Coffee Roasters

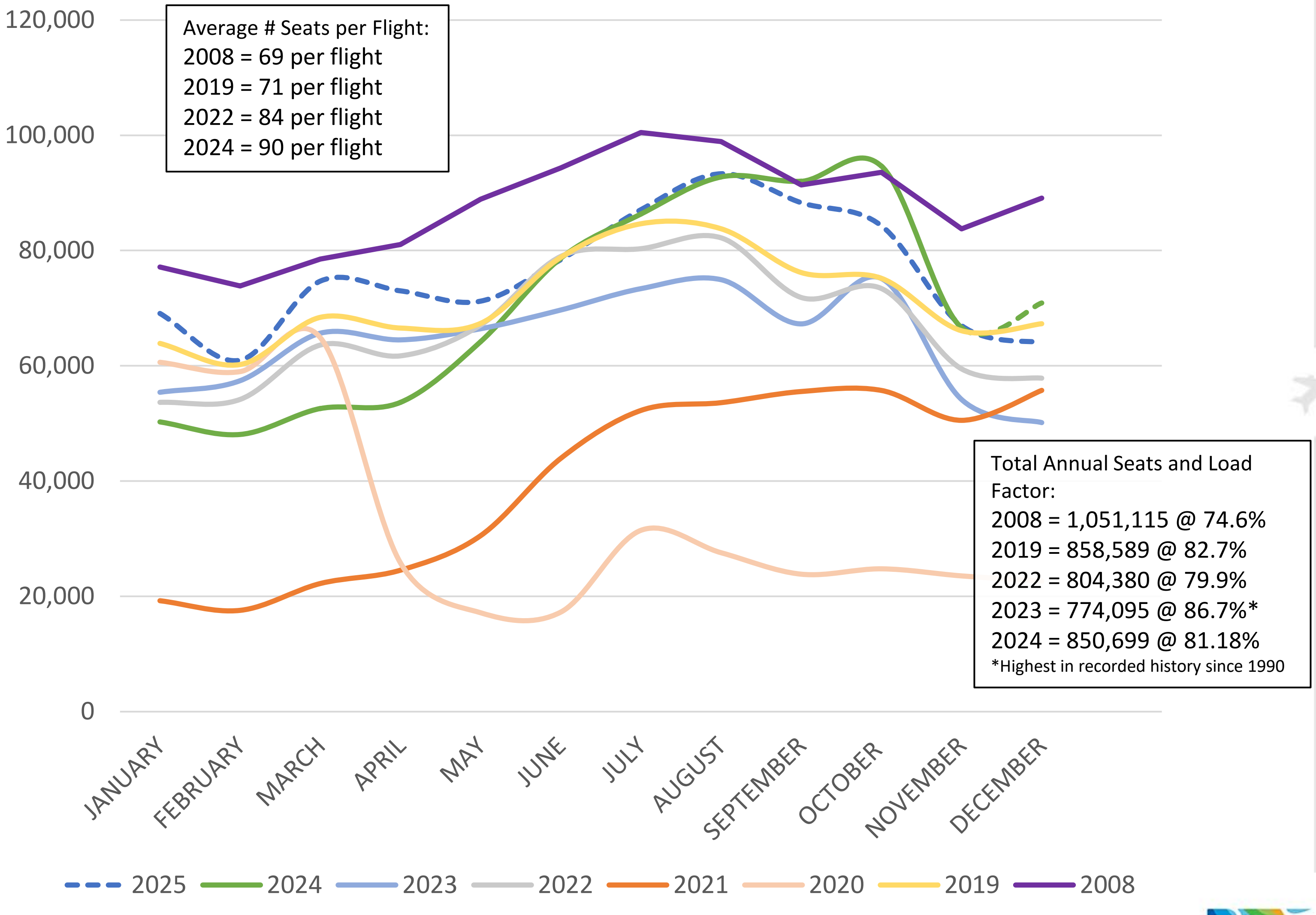
ACI-NA/AAAE Washington Legislative Conference

Upcoming Events and Items

- Events:
  - April 10 - Vermont Tourism Day April 10th
  - April 11 - LeahyBTV sponsored Coffee hour April 11th
  - May 5 - South Burlington City Council presentation May 5th
  - June - Celebration event for our terminal building
    - More info coming soon!
- New Hire for Customer Experience Manager
- Meeting with local businesses for Airport feedback

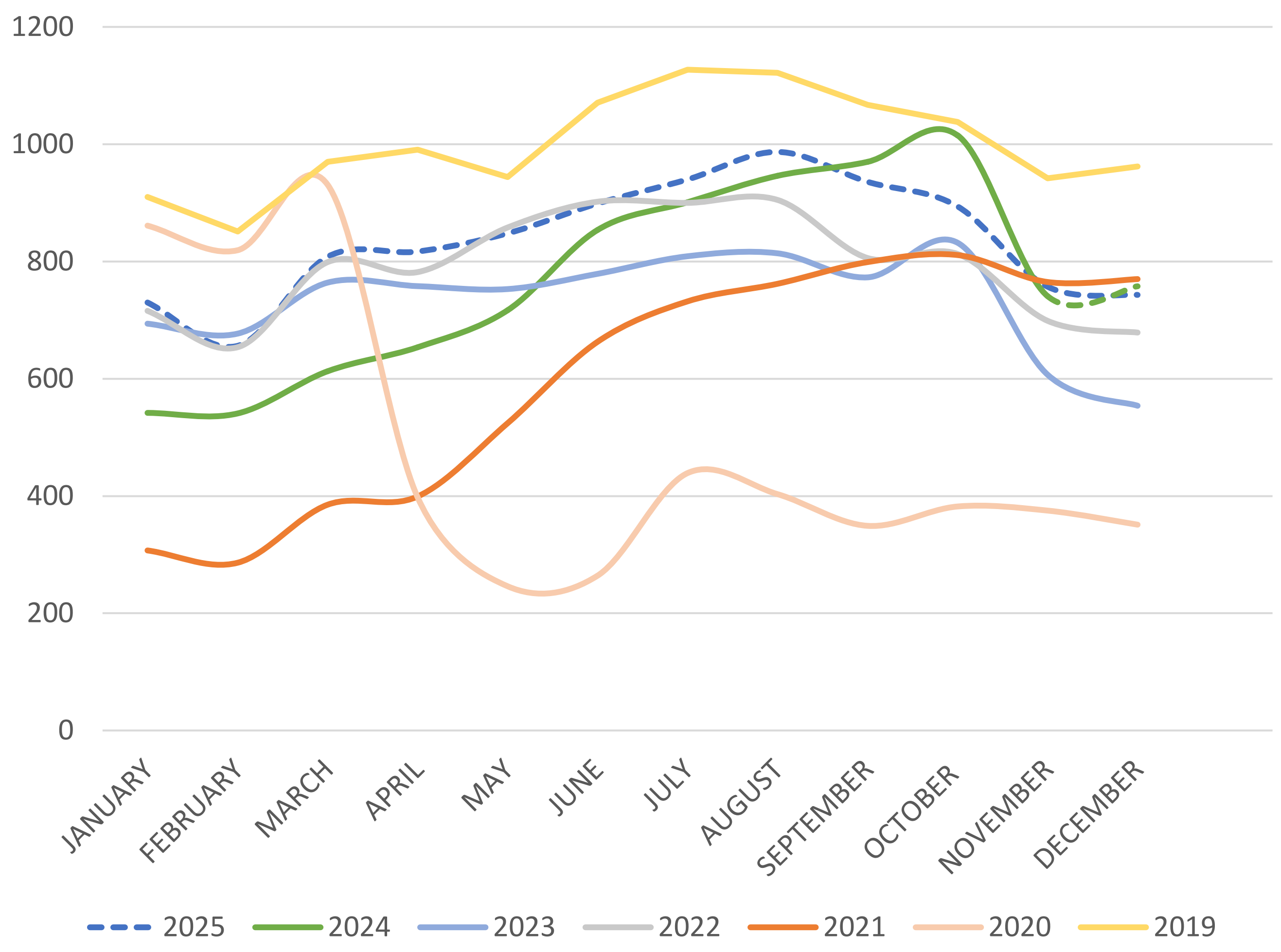
Scheduled Seats; Past and Projections

	2025	2024	2023	2022	2021	2020	2019
JAN	69,073	50,245	55,401	53,680	19,243	60,623	63,905
FEB	60,958	48,066	57,412	54,187	17,571	59,004	60,240
MAR	74,685	52,577	65,656	63,612	22,229	64,908	68,428
APR	72,994	53,671	64,497	61,736	24,541	25,790	66,566
MAY	71,207	64,163	66,423	67,070	30,532	17,126	67,379
JUN	78,405	78,672	69,679	78,974	43,954	17,236	78,828
JUL	87,086	86,352	73,387	80,312	52,270	31,442	84,658
AUG	93,323	92,765	74,942	82,198	53,620	27,551	83,786
SEP	88,294	92,016	67,270	71,852	55,555	23,823	76,194
OCT	84,294	94,651	75,143	73,411	55,743	24,753	75,193
NOV	66,966	66,633	54,148	59,481	50,552	23,524	66,096
DEC	64,010	70,888	50,137	57,867	55,753	22,648	67,316
TOTAL	911,295	850,699	774,095	804,380	481,563	398,428	858,589



Scheduled Departures; Projections

	2025	2024	2023	2022	2021	2020	2019
JAN	730	542	694	716	307	861	910
FEB	656	541	677	654	286	819	851
MAR	808	613	764	799	385	931	970
APR	817	654	758	782	399	398	991
MAY	848	717	753	858	524	246	944
JUN	899	854	779	902	663	264	1,071
JUL	940	901	809	900	732	439	1,127
AUG	987	946	814	905	762	403	1,122
SEP	936	970	773	806	799	349	1,067
OCT	894	1,015	832	813	811	382	1,038
NOV	757	741	607	699	765	375	942
DEC	743	758	554	679	770	351	962
TOTAL	10,015	9,341	8,814	9,513	7,203	5,818	11,995



Passenger Statistics

	2025	2024	2023	2022	2021	2020	2019
JAN	50,093	42,691	44,848	32,652	8,979	50,750	46,356
FEB	49,619	44,133	47,864	39,291	11,696	49,341	49,867
MAR	59,748	45,049	52,484	47,878	13,491	26,158	56,400
APR	58,395	46,158	52,018	46,485	19,563	1,448	54,340
MAY	56,966	50,972	52,471	48,564	26,325	3,911	55,209
JUN	62,724	61136	56,241	58,546	37,229	7,458	62,180
JUL	69,669	68,026	64,807	63,402	46,344	12,119	71,381
AUG	74,658	72,448	67,763	65,535	47,059	12,823	71,200
SEP	70,635	67,296	59,751	57,037	43,072	11,292	62,116
OCT	67,435	76,054	68,823	64,490	50,618	14,416	66,795
NOV	53,572	51,977	49,302	47,452	41,572	10,211	53,007
DEC	51,208	57,012	43,725	44,545	42,886	9,393	56,314
TOTAL	724,722	681,925	660,097	615,877	388,834	209,320	705,165