

Susquehanna Area Regional Airport Authority
Executive Committee
April 19, 2024
Minutes

A meeting of the Executive Committee of the Susquehanna Area Regional Airport Authority (SARAA or the Authority) was called to order by Mr. Leonard on Friday, April 19, 2024, at 8:00 a.m. Members of the committee present were:

William Leonard	Carolyn Van Newkirk
James Helsel	Nelva Wright
Erik Hume	

Also attending were: Timothy Edwards (Executive Director), Ryan Collins (Deputy Executive Director), Keith Bashore (SARAA Board), Lou Pirozzi (Deputy Director, Engineering & Planning), Michael Moskal (Deputy Director, Finance & Administration), Kevin Bryner (Deputy Director, IT), Scott Miller (Deputy Director, Marketing, PR & Advertising), Belinda Svrbely (Deputy Director, Operations, Security & Public Safety), Mick Burkett (Deputy Director, Human Resources) and Camille Springer (Executive Assistant).

Public Comments: None.

Minutes: The minutes of the March 22, 2024 Executive Committee were deemed approved.

Financials:

Mr. Moskal reported that comparative statistics will be from the 2024 budget. Total YTD revenue of \$7 million was \$393,000 under budget. Airline Revenue is under budget by \$120,000 YTD. DHL landing fees and apron rents were included in budget values so variances will persist throughout the year. Parking Revenue is under budget by \$177,000 YTD. Rental Car Revenues are \$150,000 under budget YTD. Total YTD expenses of \$5.9 million are \$121,000 over budget YTD. Personnel expenses are \$30,000 over budget YTD. Parking expenses are \$59,000 below budget YTD. Utilities are \$88,000 over budget YTD due to electricity costs being higher than budgeted. Net Operating Revenue of \$1.1 M YTD was \$514,000, or 31% below budget. Non-operating revenue & expenses total \$2.8 M resulting in a net variance to budget of \$2.7 M. When \$967,000 CARES/CRRSA & ARPA funds are applied, the net position is \$3.7 M. Debt Coverage Ratio of 1.64 on a 1.25 requirement includes CARES, CRRSA and ARPA draws. YTD enplanements are 6.7% above YTD 2023 enplanements. The CPE for March is \$12.08; the YTD CPE is \$13.01. March YTD Food & Gift Sales were 8% above YTD 2023. March YTD Hotel Sales were 3% above YTD 2023. March YTD Rental Car Sales were 2% below YTD 2023. March YTD Rental Car CFC's were 1% above YTD 2023 CFC's. The total 60 plus day receivables are 1.3% of total outstanding receipts. Frontier represents the largest 60 plus day balance and full remittance was received in April.

2023 Audit Report:

Mr. Wittgren reported that Forvis plans to issue four auditor's reports as follows:

- Generally Accepted Auditing Standards: Clean/Unmodified
- Government Auditing Standards: No compliance matters noted. One material weakness reported.
- Uniform Guidance: No compliance matters noted; no control matters reported.
- Passenger Facility Charge Audit Guide for Public Agencies: No compliance matters noted; no control matters reported.

2023 Financial Highlights: Operating revenues increased \$2.0 million, or 7.9%. Parking fees increased \$1.5 million. Concession fees increased \$524,000. Operating expenses (excluding depreciation) increased \$2.4 million, or 12.2%. Repairs and maintenance increased \$1.3 million; salaries, wages payroll taxes and benefits increased \$864,000. Operating income before depreciation expense was \$5.6 million for 2023 compared to \$6.0 million for 2022. Nonoperating revenues (expenses) increased \$3.0 million, or 215.0%. Interest expense decreased \$1.9 million primarily related to the 2022 bond refunding transaction. Insurance proceeds of \$937,000 were received related to a building that flooded. Capital contributions & grants decreased \$1.3 million, or 5.8%. Federal, state & local grants increased \$4.0 million related to a new Department of Commerce Grant. Contributions from lessees decreased \$5.4 million related to the prior year reversion of Building 501.

Asset Composition:

Total Assets: \$311,723,329

Total Liabilities: \$124,667,904

Total Operating Revenues: \$27,859,120

Operating Expenses (Excluding Depreciation): \$22,243,255

Summary of Required Communications: There was one audit adjustment proposed and recorded related to capital assets and accounts payable. Significant estimates include: Estimated useful lives used to depreciate capital assets; accrued environmental liabilities; fair value estimates used to record contributions from lessees; discount rates used to determine lease receivable & subscription liabilities. SARAA adopted GASB Statement No. 96, Subscription-Based Information Technology Agreement.

New GASB statements include:

- GASB Statement No. 100, Accounting Changes and Error Corrections (2024 effective date)
- GASB Statement No. 101, Compensated Absences (2024 effective date)
- GASB Statement No. 102, Certain Risk Disclosures (2025 effective date)

Adjournment: Mr. Leonard adjourned the meeting at 8:31 a.m.

Next Meeting: Friday, May 24, 2024, 8:00 a.m., **Harrisburg International Airport**

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer