



CHERRY CAPITAL AIRPORT UPDATE
LEELANAU COUNTY
September 21, 2022

HIGHLIGHTS

Passenger Traffic

Passenger activity was back on track in 2021, as TVC set a new record for annual passenger counts with 602,606 travelers passing through the gates. Leisure travel was a huge contributor to this increase, as reductions in COVID restrictions allowed the community to once travel abroad. Business travel remained down, as the ability to meet remotely continues to curtail certain travel needs for in-person meetings.

17 Non-Stop Flight Destinations

TVC's airline partners continued to recognize Northern Michigan as a highly sought-after travel destination for those wanting to escape the confines of COVID and get away. As a result, the number of direct flight opportunities from TVC remained at 17, with hot spots such as Boston, Denver and Philadelphia showing strong passenger numbers throughout the summer months.

Airport Governance

Completed transition to an airport authority on October 1, 2021.

Safety and Security Enhancements:

Continued COVID-19 safety protocols.
Streamlined badge training process.

Ongoing Future Initiatives

PFAS impact studies related to federally mandated use of AFFF for fire suppression; Completion of GBAC Star Facility Accreditation; Continued efforts in renewable and green energy options in conjunction with future airport growth.



Construction & Expansion

New terminal expansion concept review completed. Financial planning and environmental review to be conducted in 2022-2023.

Long Term Parking Lot Expansion with an additional 424 spaces

Partnered with TSA to expand security checkpoint to (3) lanes, which included TSA investing \$3.2 million in new screening technology.

NORTHWEST REGIONAL AIRPORT AUTHORITY

Change in Airport Governance

On October 1, 2021, the Cherry Capital Airport transitioned from an airport commission, jointly owned by Grand Traverse and Leelanau counties, to an independent airport authority governance model.

This change will enable the newly formed Northwest Regional Airport Authority (NRAA) to streamline its management of the airport and become more operationally efficient, all while better serving the needs of travelers and the communities that surround the airport.

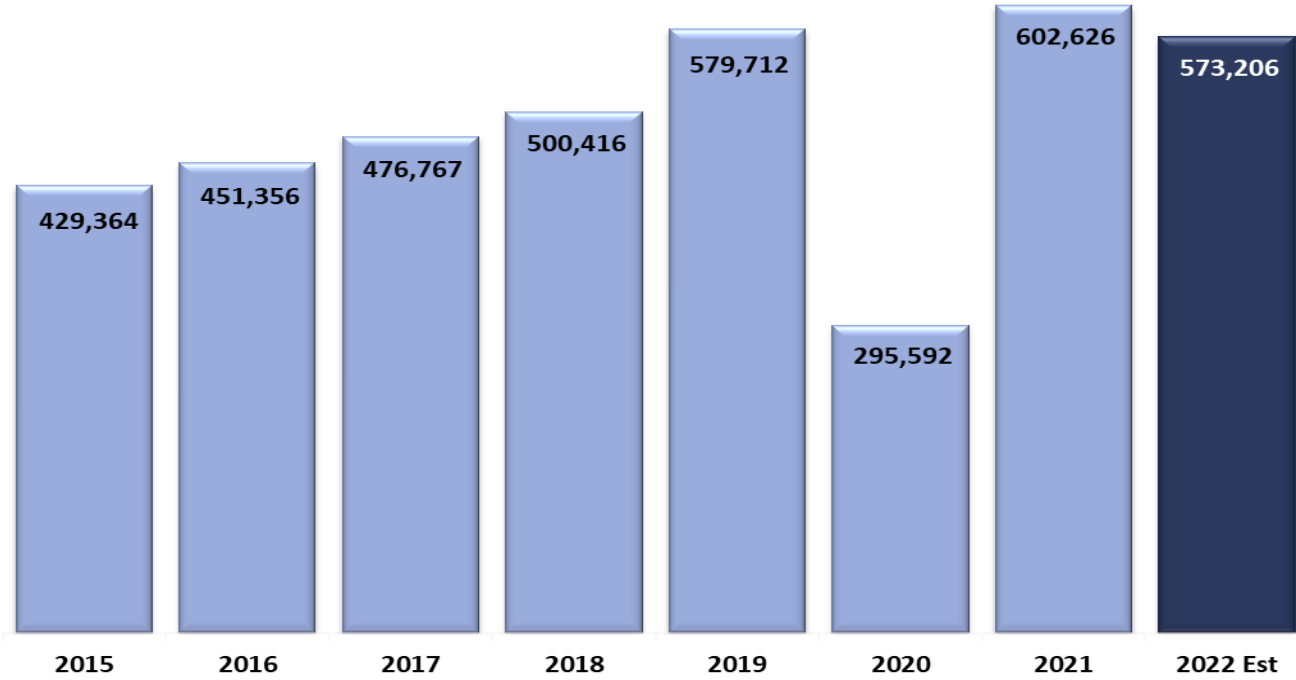


PASSENGER TRAFFIC

With 2020 reflecting a significant decrease in passenger traffic in due to the COVID-19 pandemic, TVC was able to have a breakout year in 2021 with 602,626 passengers passing through the gates at Cherry Capital Airport. The combination of having 17 non-stop destinations in conjunction with the desire for leisure travelers to get back in the air enabled TVC to record its best year ever in 2021.

For 2022, passenger traffic is estimated to be down slightly from 2021 due to reductions in seat availability and our airline partners working through crew and staff shortages. However, TVC still anticipates numbers to be very close to 2019, which currently ranks second best in regard to annual passenger traffic.

Total Passenger Traffic



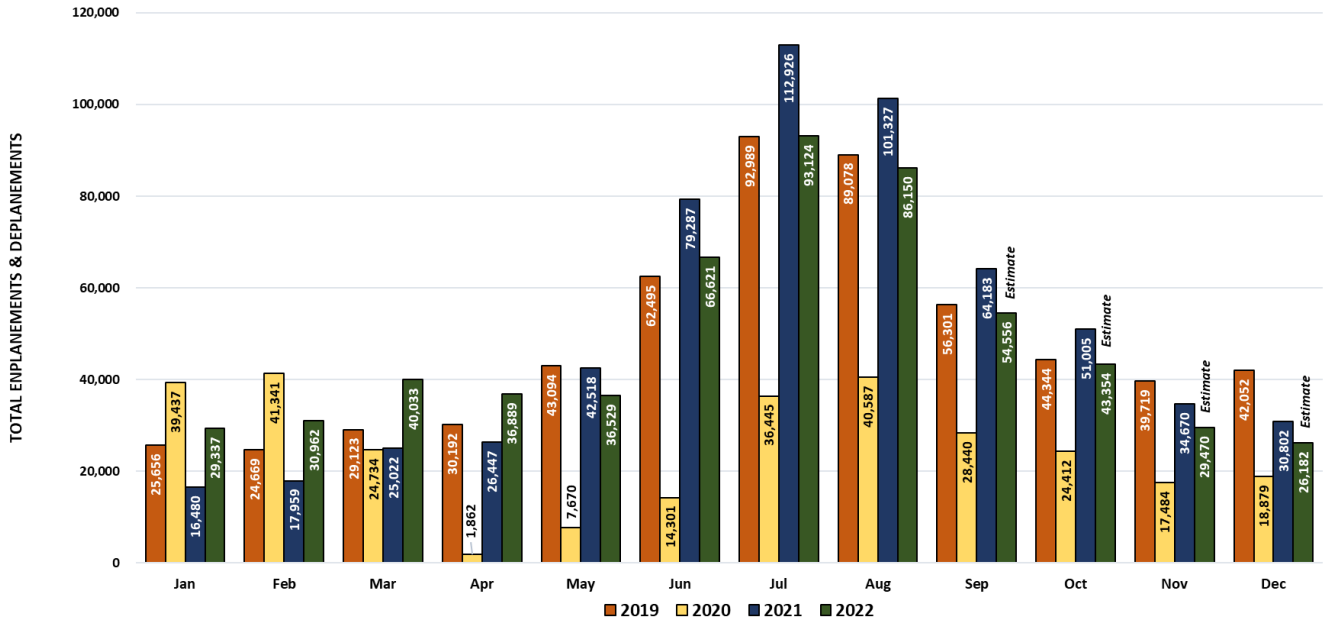
PASSENGER TRAFFIC

As the country worked its way free from COVID restrictions, travelers more than ever were looking for a way to escape from the solitude of being home. That was especially true for TVC's leisure air traveler.

TVC continued to offer 17 nonstop flights to cities across the United States from **Allegiant, American, Delta and United**. Destinations include Atlanta, Boston, Charlotte, Chicago, Dallas-Fort Worth, Denver, Detroit, Minneapolis-Saint Paul, Newark, New York (LaGuardia), Orlando, Philadelphia, Phoenix-Mesa, Punta Gorda, St. Pete-Clearwater, and Washington DC (Dulles and Reagan).



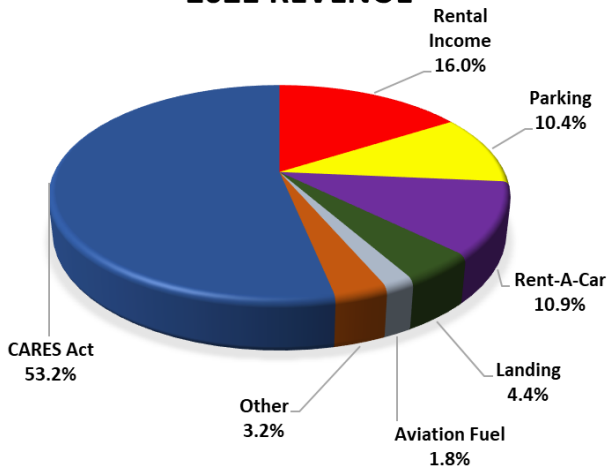
MONTHLY PASSENGER MOVEMENTS
2019 - 2022



2021 FINANCIAL HIGHLIGHTS

The NRAC's total Net Position increased by \$7.4M for the annual audit period ending December 31, 2021. As of this same date, total assets of the NRAC exceeded its total liabilities by \$74.6M.

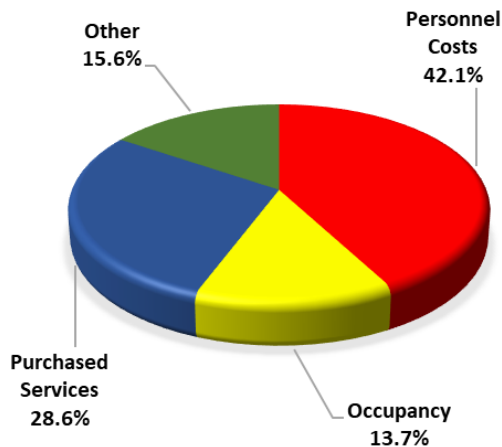
2021 REVENUE



Operating Revenues:

	\$	%
Rental Income	\$ 2,432,209	16.0%
Parking	1,578,892	10.4%
Rent-A-Car	1,658,529	10.9%
Landing	665,059	4.4%
Aviation Fuel	276,627	1.8%
Other	484,918	3.2%
CARES Act	8,065,595	53.2%
Total	\$ 15,161,829	100%

2021 EXPENSES



Expenses:

	\$	%
Personnel Costs	\$ 2,833,923	42.1%
Occupancy	921,847	13.7%
Purchased Services	1,922,948	28.6%
Other	1,046,098	15.6%
Total	\$ 6,724,816	100%

2021 FINANCIAL HIGHLIGHTS

	<u>2021</u>	<u>2020</u>	<u>2019</u>
OPERATING REVENUE:			
Rental Income	\$ 2,432,209	\$ 1,997,061	\$ 2,610,554
Parking	1,578,892	980,476	1,626,424
Rent-A-Car	1,658,529	814,398	1,267,991
Landing	665,059	460,166	613,451
Aviation Fuel	276,627	181,638	225,088
Other	484,918	326,745	394,583
CARES Act	8,065,595	3,928,509	-
Total Operating Revenue	\$ 15,161,829	\$ 8,688,993	\$ 6,738,091
OPERATING EXPENSES:			
Personnel Costs	\$ 2,833,923	\$ 2,530,652	\$ 2,474,516
Occupancy	921,847	770,957	792,292
Purchased Services	1,922,948	1,631,953	2,085,269
Other	1,046,098	892,603	1,215,323
Total Operating Expenses	\$ 6,724,816	\$ 5,826,165	\$ 6,567,400
OPERATING INCOME (LOSS)	\$ 8,437,013	\$ 2,862,828	\$ 170,691
Depreciation	3,541,609	3,486,206	3,312,948
Non-Operating Expenses/(Revenue)	50,016	46,546	54,419
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 4,845,388	\$ (669,924)	\$ (3,196,676)
CAPITAL CONTRIBUTIONS & CHARGES	2,597,819	1,741,058	4,342,068
CHANGE IN NET POSITION	\$ 7,443,207	\$ 1,071,134	\$ 1,145,392



Northern Michigan's Favorite Way to Fly