

ONTARIO INTERNATIONAL AIRPORT AUTHORITY

COMMISSION AGENDA – REGULAR MEETING



April 24, 2025, at 2:00 P.M.

Ontario International Airport Authority Administration Offices
1923 East Avion Street, Room 100, Ontario, CA 91761

Live YouTube Streaming for Listening Only: <https://www.youtube.com/@flyont/streams>

ALAN D. WAPNER
President

CURT HAGMAN
Vice President

RONALD O. LOVERIDGE
Treasurer

JIM W. BOWMAN
Secretary

JULIA GOUW
Commissioner

ATIF ELKADI
Chief Executive Officer

LORI D. BALLANCE
General Counsel

ADRIANNE FERNANDEZ
Deputy Commission Clerk

WELCOME TO A MEETING OF THE ONTARIO INTERNATIONAL AIRPORT AUTHORITY

- All documents for public review are on file at the Ontario International Airport Administration Offices located at 1923 E. Avion Street, Ontario, CA 91761.
- This meeting is streamed live from our YouTube channel at <https://www.youtube.com/@flyont/streams>. Streaming will be for listening only and not participation. Public Comments will be taken by email or in-person only. This is a pilot stream, so errors and bugs may occur. If you have any issues, feel free to email clerk@flyontario.com for resolution after the meeting.
- Anyone wishing to speak during public comment, or on an agenda item, will be required to fill out a Request to Address Card (blue slip). Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Deputy Commission Clerk will not accept blue slips after that time.
- You may submit public comments by e-mail to publiccomment@flyontario.com no later than 4:00 p.m. the day before the meeting. Please identify the Agenda item you wish to address in your comments. All e-mail comments will be included in the meeting record.
- Comments will be limited to 3 minutes. Speakers will be alerted when their time is up and no further comments will be permitted. Speakers are then to return to their seats.
- In accordance with State Law, remarks during public comment are to be limited to subjects within the Authority's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of the Commission Meeting Room will not be permitted. All those wishing to speak, including Commissioners and Staff, need to be recognized by the Authority President before speaking.
- Sign language interpreters, communication access real-time transcription, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. Any members of the public who require special assistance or a reasonable accommodation to participate may contact the Deputy Commission Clerk at (909) 544- 5307 or clerk@flyontario.com.

CALL TO ORDER (OPEN SESSION)

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA REVIEW

The Chief Executive Officer will go over all updated materials and correspondence received after the agenda was distributed to ensure Commissioners have received them.

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Agenda item contractors, subcontractors and agents may require member abstentions due to conflict of interests and financial interests. Commission Member abstentions shall be stated under this item for recordation on the appropriate item.

PUBLIC COMMENTS

The Public Comment portion of the Commission meeting is limited to a maximum of 3 minutes for each Public Comment. Under provisions of the Brown Act, the Commission is prohibited from taking action on oral requests.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION

CLOSED SESSION

- GC § 54956.9: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (1 matter)
- GC § 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer
- GC § 54957.6, CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representative: General Counsel or Outside Counsel
Unrepresented employee: Chief Executive Officer

REPORT ON CLOSED SESSION

General Legal Counsel

ANNOUNCEMENTS

2. 5K AT THE RUNWAY CHECK PRESENTATION TO THE USO

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time Commission votes on them, unless a member of the Commission requests a specific item be removed from the Consent Calendar for a separate vote. Members of the public wishing to address the Commission on items listed on the Consent Calendar will be given a total of 3 minutes each to address the items collectively.

3. APPROVAL OF MINUTES

Approve minutes for the Special OIAA Commissioner Meeting on March 17, 2025.

4. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended March 31, 2025.

5. COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

Approve additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Alan Wapner for the month of March, 2025.

6. PASSENGER FACILITY CHARGE, CUSTOMER FACILITY CHARGE, ANNUAL COMPLIANCE AUDIT AND SINGLE AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2024

Receive and file the Passenger Facility Charge, Customer Facility Charge, annual compliance audit and single audit for fiscal year ended June 30, 2024.

7. PFM FINANCIAL ADVISORS LLC FOR FINANCIAL CONSULTING SERVICES

Authorize the Chief Executive Officer (CEO) to execute an Agreement with PFM Financial Advisors LLC., for financial consulting services for three years, with two one-year extensions, in the amount not to exceed \$1,250,000 over the next five years.

8. AGREEMENT WITH H2 CONSULTING PARTNERS LLC FOR THE ROUTES WORLD EXHIBIT DESIGN AND BUILD SERVICES

Authorize the Chief Executive Officer (CEO) to execute an agreement with H2 Consulting Partners LLC for the Routes World Exhibit Design and Build services, for one year, with two possible one-year contract extensions, not to exceed \$174,500 annually, and authorize an increase in contract authority in the amount of up to \$35,500 for unforeseen services as needed. The total contract authority, including optional extensions and the additional contingency, shall not exceed \$559,000.

9. AMENDMENT TO THE EXISTING CONCESSIONS AGREEMENT WITH BREWERY X

Authorize the Chief Executive Officer (CEO) to negotiate and execute an Amendment to the existing Concession Agreement with Brewery X for an additional restaurant location to be operated in Terminal 4.

10. AGREEMENT WITH BREWERY X FOR CO-BRANDING AND REVENUE SHARING

Authorize the Chief Executive Officer (CEO) to negotiate and execute a Co-Branding and Revenue Sharing Agreement with Brewery X.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

11. AMENDMENT TO CHIEF EXECUTIVE OFFICER'S EMPLOYMENT AGREEMENT

CEO REPORT

CHIEF EXECUTIVE OFFICER UPDATES

COMMISSION MATTERS

PRESIDENT WAPNER

VICE PRESIDENT HAGMAN

TREASURER LOVERIDGE

SECRETARY BOWMAN

COMMISSIONER GOUW

ADJOURNMENT

AFFIDAVIT OF POSTING

I, Adrienne Fernandez, Deputy Commission Clerk of the Ontario International Airport Authority (OIAA), do hereby declare under penalty of perjury that the foregoing agenda has been posted at the administrative office and on the OIAA website in compliance to the Brown Act.

Date Posted: April 21, 2025

Posted Prior To: 2:00 P.M.

Signature: _____

Adrienne Fernandez

Adrienne Fernandez, Deputy Commission Clerk
Ontario International Airport Authority Commission Clerk

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



MEETING DATE: APRIL 24, 2025

SUBJECT: RELATIVE POTENTIAL CONFLICT OF INTEREST

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☒ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Declare Conflict of Interest pertaining to agenda items and contractors and/or subcontractors, which may require member abstentions due to possible conflicts of interest.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: In accordance with California Government Code 84308, members of the Ontario International Airport Authority Commission may not participate in any action concerning a contract where they have received a campaign contribution of more than \$250 in the prior twelve (12) months in 2024, or \$500 in 2025, and from an entity or individual if the member knows or has reason to know that the participant has a financial interest, except for the initial award of a competitively bid public works contract. This agenda contains recommendations for action relative to the following contractors:

Item No	Principals & Agents	Subcontractors
07	PFM Financial Advisors LLC.	<ul style="list-style-type: none">None
08	H2 Consulting Partners, LLC	<ul style="list-style-type: none">None

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

Originator:	Adrienne Fernandez, Deputy Commission Clerk
Originating Dept.:	Executive Division
Director Review:	N/A
Chief Review:	<i>Atif Ekadi</i>
CFO Review:	N/A
CEO Approval:	<i>Atif Ekadi</i>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: APRIL 24, 2025

SUBJECT: APPROVAL OF MINUTES

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☒ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Approve minutes for the OIAA Commissioners meeting on March 17, 2025.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: The OIAA Commission held a public meeting, and minutes were recorded in text. In accordance with OIAA's Records Retention Schedule, the OIAA must preserve these historical records in hard copy form for permanent retention.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Minutes

STAFF REVIEW AND APPROVAL:

Originator:	Adrienne Fernandez, Deputy Commission Clerk
Originating Dept.:	Executive Division
Director Review:	N/A
Chief Review:	<i>Atif Ekadi</i>
CFO Review:	N/A
CEO Approval:	<i>Atif Ekadi</i>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

**ONTARIO INTERNATIONAL AIRPORT AUTHORITY
SPECIAL COMMISSION MEETING
MINUTES
MARCH 17, 2025**

CALL TO ORDER

Vice President Hagman called the Ontario International Airport Authority Commission meeting to order at 2:00 p.m.

ROLL CALL

COMMISSIONERS:

PRESENT:

Alan D. Wapner, President
Ronald D. Loveridge, Treasurer
Julia Gouw, Commissioner

Curt Hagman, Vice President
Jim W. Bowman, Secretary

Curt Hagman, Vice President entered the meeting at 2:04 p.m.

A quorum of the OIAA Commissioners was present.

STAFF:

Chief Executive Officer Atif Elkadi
Deputy Commission Clerk Adrienne Fernandez

General Counsel Kevin P. Sullivan

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

AGENDA REVIEW/ANNOUNCEMENTS

1. INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

No conflicts of interests were declared.

PUBLIC COMMENT

President Wapner called for public comment.

Seeing no one come forward, President Wapner closed public comment.

CLOSED SESSION

PUBLIC COMMENT ON CLOSED SESSION

President Wapner called for public comment. Seeing no one come forward, he closed public comment.

CLOSED SESSION

- GC § 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer
- GC § 54957.6, CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representative: General Counsel or Outside Counsel
Unrepresented employee: Chief Executive Officer

President Wapner recessed the Open Session and called the Closed Session to order at 2:07 p.m. The Open Session reconvened at 3:10 p.m.

REPORT ON CLOSED SESSION

General Counsel Kevin P. Sullivan announced an amendment to the Chief Executive Officer's employee agreement will be presented to the OIAA Commission in April 2025. The current employee agreement will remain in effect until the amendment is considered at the April 2025, OIAA Commission Meeting.

CONSENT CALENDAR

2. APPROVAL OF MINUTES

Approved minutes for the OIAA Commissioner Meeting on February 27, 2025.

3. CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

Received and filed the Cash Disbursement Report (Bills/Payroll) for the month ended February 28, 2025.

4. COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

Approved additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Alan Wapner for the month of February, 2025.

5. CONTRACT AMENDMENT WITH THE GORDIAN GROUP INC., FOR A COMPREHENSIVE FACILITIES CONDITION ASSESMENT AT ONTARIO INTERNATIONAL AIRPORT

Authorized the Chief Executive Officer (CEO) to amend contract SCONT-000783, with The Gordian Group Inc., to add service scope for a campus-wide facilities condition assessment, over a three year term, initial year one of \$464,269, second year of \$45,543, and third year of \$46,993, for a not to exceed, total amount for all services of \$556,805.

6. AMENDMENT TO AGREEMENT WITH HILTACHK MARKETING GROUP, LLC

Authorized the Chief Executive Officer (CEO) to execute an amendment with Hiltachk Marketing Group, LLC for marketing and creative advertising services; authorized an additional six-month extension to the end of the contract, and a spend increase of \$8,700,000 over the remaining extended term of the agreement.

7. AGREEMENT WITH BARICH INC., FOR ON-CALL INFORMATION TECHNOLOGY CONSULTING SERVICES

Authorized the Chief Executive Officer to execute an agreement with Barich, Inc. for on-call IT Management Consulting Services, with a total contract value not to exceed \$400,000. The contract includes an initial one-year term and three (3) one-year renewal options, exercisable solely at OIAA's discretion and in writing.

8. CONTRACT WITH MEAD & HUNT, INC., FOR INFORMATION TECHNOLOGY MANAGEMENT CONSULTING SERVICES

Authorized the Chief Executive Officer to execute an agreement with Mead and Hunt, Inc. for on-call information technology management consulting services, with a total contract value not to exceed \$300,000. The contract includes an initial one-year term and three (3) one-year renewal options, exercisable solely at OIAA's discretion and in writing.

MOTION: Moved by Secretary Bowman, seconded by Treasurer Loveridge, to approve the Consent Calendar. Motion carried by a 5 Yes/0 No vote.

CEO REPORT

CHIEF EXECUTIVE OFFICER UPDATES

Chief Executive Officer Elkadi provided updates on passenger traffic numbers, changes to flights, and general airport matters.

COMMISSIONER MATTERS

There were no Commission matters to report.

ADJOURNMENT

President Wapner adjourned the Ontario International Airport Authority Commissioners Meeting at 3:11 p.m.

RESPECTFULLY SUBMITTED:

APPROVED:

ADRIANNE FERNANDEZ,
DEPUTY COMMISSION CLERK

ALAN D. WAPNER, PRESIDENT

THIS PAGE INTENTIONALLY LEFT BLANK



MEETING DATE: APRIL 24, 2025

SUBJECT: CASH DISBURSEMENT REPORT (BILLS/PAYROLL)

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☒ Master the Basics ☐ Plan for the Future

RECOMMENDED ACTION(S): Receive and file the Cash Disbursement Report (Bills/Payroll) for the month ended March 31, 2025.

FISCAL IMPACT SUMMARY: The funding is approved in the Fiscal Year 2024-2025 budget.

BACKGROUND: In June 2024, the OIAA Board of Commissioners adopted an operating budget that is driven by strong aviation activity and financial performance realized by OIAA in FY2024. The operating budget was developed from OIAA goals and objectives and includes significant increases in resources to meet current and expected near-term growth.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. Cash Disbursement Report (Bills/Payroll) for the month ended March 31, 2025.

STAFF REVIEW AND APPROVAL:

Originator:	Celeste Heinonen, Senior Vice President, CFO
Originating Dept.:	Financial Accounting and Reporting
Director Review:	N/A
Chief Review:	<i>Celeste Heinonen</i>
CFO Review:	<i>Celeste Heinonen</i>
CEO Approval:	<i>Atif Elkadi</i>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: APRIL 24, 2025

AGENDA SECTION: CONSENT CALENDAR

SUBJECT: COMMISSIONER'S STIPENDS AS REQUIRED BY AUTHORITY BYLAWS

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☒ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Approve additional stipends per Article IV, Section 6 of the Authority's Bylaws for President Wapner for the month of March, 2025.

FISCAL IMPACT SUMMARY: OIAA operating revenue.

BACKGROUND: Article IV, Section 6 of the Authority's Bylaws states as follows:

"No Salary; Reimbursement for Expenses; Stipends. The members of the Commission shall receive no salary but shall be reimbursed for necessary expenses (including mileage in accordance with standard IRS mileage reimbursement rates) incurred in the performance of their duties. Additionally, Commissioners will receive a monthly stipend for each month of a calendar year in the amount of one thousand dollars (\$1,000.00), which amount will be deemed to address Commissioner participation for six (6) Authority-related business functions or events, such as attendance at each monthly Commission meeting, any standing committee meeting, any ad hoc committee meeting, briefings, and any other Authority-related business function or event. If a Commissioner participates in or attends a collective total of more than six (6) Commission meetings, any standing committee meetings, any ad hoc committee meeting, briefings, or any other Authority-related business function or event in a calendar month, then the Commissioner shall receive an additional stipend of one hundred fifty dollars (\$150.00) for each such additional matter, with the majority approval by the Commission."

During the month of March 2025, President Wapner attended fourteen (8) additional Authority-related business functions. Majority Commission approval is needed to approve payment of these additional stipends.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

Originator:	<u>Adrianne Fernandez, Deputy Commission Clerk</u>
Originating Dept.:	<u>Executive Division</u>
Director Review:	<u>N/A</u>
Chief Review:	<u><i>Atif Elkadi</i></u>
CFO Review:	<u><i>Celeste Heinonen</i></u>
CEO Approval:	<u><i>Atif Elkadi</i></u>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: APRIL 24, 2025

SUBJECT: PASSENGER FACILITY CHARGE, CUSTOMER FACILITY CHARGE, ANNUAL COMPLIANCE AUDIT AND SINGLE AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2024

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☒ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Receive and file the Passenger Facility Charge, Customer Facility Charge, annual compliance audit and single audit for fiscal year ended June 30, 2024.

FISCAL IMPACT SUMMARY: N/A

BACKGROUND: The Ontario International Airport Authority (OIAA) is obligated by the Federal Office of the Inspector General and Federal Aviation Administration (FAA) to provide annual compliance audits on the Passenger Facility Charge (PFC) and Customer Facility Charge (CFC) Programs, and well as a single audit regarding use of federal grant funding. The Audits are to be conducted by an independent third party. OIAA's external auditors, Plante Moran, LLC, have audited and provided PFC, CFC and Single Audits for the year ending June 30th, 2024. Annual reports containing the audited financial statements or elements thereof are filed with the Office of the Inspector General, FAA, Municipal Securities Rulemaking Board (MSRB), and other interested parties.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS:

1. OIAA Federal Awards PFC Program Supplemental Information
2. OIAA Customer Facility Charge Program Compliance Report

STAFF REVIEW AND APPROVAL:

Originator:	Celeste Heinonen
Originating Dept.:	Financial Accounting and Reporting
Director Review:	N/A
Chief Review:	<i>Celeste Heinonen</i>
CFO Review:	<i>Celeste Heinonen</i>
CEO Approval:	<i>Atif Ekadi</i>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

Ontario International Airport Authority

Federal Awards and the Passenger Facility Charge Program Supplemental Information

June 30, 2024

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of Passenger Facility Charges Required by the Guide	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program: Report on Internal Control Over Compliance Required by the Uniform Guidance and the <i>Passenger Facility Charge Audit Guide for Public Agencies</i>	4-6
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Passenger Facility Charges	9
Notes to Schedule of Passenger Facility Charges	10
Schedule of Findings and Questioned Costs	11-13



Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Schedule of
Passenger Facility Charges Required by the Guide

Independent Auditor's Report

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

We have audited the financial statements of Ontario International Airport Authority (the "Authority") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 17, 2024, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 17, 2024.

The accompanying schedule of expenditures of federal awards and schedule of passenger facility charges are presented for the purpose of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* (the "Uniform Guidance"); the *Passenger Facility Charge Audit Guide for Public Agencies*; and the requirements in 14 CFR 158.63 (collectively, the "Guide"), and are 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 basic 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 expenditures of federal awards and the schedule of passenger facility charges collected and expended are fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

March 4, 2025

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*

Independent Auditor's Report

To Management and the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Ontario International Airport Authority (the "Authority") as of June 30, 2024 and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated December 17, 2024.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority'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 may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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*.

To Management and the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

December 17, 2024

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the *Passenger Facility Charge Audit Guide for Public Agencies*

Independent Auditor's Report

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program

Opinion on Each Major Federal Program and the Passenger Facility Charge Program

We have audited Ontario International Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2024. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide") for the year ended June 30, 2024. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The Authority's passenger facility charge program is identified in the schedule of passenger facility charges.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program and the passenger facility charge program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program and the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63. Our responsibilities under those standards, the Uniform Guidance and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program and the passenger facility charge program.

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance in the passenger facility charge program in accordance with the Guide, described in the accompanying schedule of findings and questioned costs as Finding 2024-001, to be a significant deficiency.

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.

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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

Plante & Moran, PLLC

March 4, 2025

Ontario International Airport Authority

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024				
Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Grant Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation:				
Airport Improvement Program	20.106	3-06-0175-050-2021	\$ -	\$ 253,645
COVID-19 American Rescue Grant	20.106	3-06-0175-051-2022	-	6,575,000
Airport Improvement Program	20.106	3-06-0175-053-2022	-	5,876,773
Airport Improvement Program	20.106	3-06-0175-054-2022	-	6,851,237
Airport Improvement Program	20.106	3-06-0175-055-2023	-	9,478,861
Airport Improvement Program	20.106	3-06-0175-056-2024	-	11,122,162
Total U.S. Department of Transportation			\$ -	\$ 40,157,678

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Ontario International Airport Authority (the "Authority") under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Ontario International Airport Authority

Schedule of Passenger Facility Charges

Year Ended June 30, 2024

Description	Adjusted Beginning Balance Unliquidated PFC	PFC Revenues ¹	Interest Earned	Expenditures Total	Ending Balance Unliquidated PFC ²
Revenues and Expenditures Month Ended July 31, 2023	\$ 26,294,266	\$ 1,111,194	\$ 2,134	\$ -	\$ 27,407,594
Revenues and Expenditures Month Ended August 31, 2023	27,407,594	1,141,422	78,719	-	28,627,735
Revenues and Expenditures Month Ended September 30, 2023	28,627,735	1,243,621	76,625	-	29,947,981
Revenues and Expenditures Month Ended October 31, 2023	29,947,981	1,129,966	88,175	-	31,166,122
Revenues and Expenditures Month Ended November 30, 2023	31,166,122	1,010,417	86,443	401,720	31,861,262
Revenues and Expenditures Month Ended December 31, 2023	31,861,262	761,744	86,144	-	32,709,150
Revenues and Expenditures Month Ended January 31, 2024	32,709,150	1,175,112	100,850	-	33,985,112
Revenues and Expenditures Month Ended February 29, 2024	33,985,112	1,093,028	91,353	-	35,169,493
Revenues and Expenditures Month Ended March 31, 2024	35,169,493	1,257,354	94,544	-	36,521,391
Revenues and Expenditures Month Ended April 30, 2024	36,521,391	1,278,024	108,172	-	37,907,587
Revenues and Expenditures Month Ended May 31, 2024	37,907,587	1,317,840	109,478	401,720	38,933,185
Revenues and Expenditures Month Ended June 30, 2024	38,933,185	1,294,356	101,769	-	40,329,310
		<u>\$ 13,814,078</u>	<u>\$ 1,024,406</u>	<u>\$ 803,440</u>	

¹PFC revenues are reported using the accrual basis of accounting.

²Unliquidated PFCs are collections that have not been applied to approved PFC projects.

Notes to Schedule of Passenger Facility Charges

Year Ended June 30, 2024

Note 1 - General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of passenger facility charges (PFC's) and use of the resulting revenue on Federal Aviation Administration (FAA) approved projects.

On November 1, 2016, the Authority completed a transaction for the acquisition of Ontario International Airport (ONT) from the City of Los Angeles department know as Los Angeles World Airports (LAWA), pursuant to a Settlement Agreement executed on December 22, 2015.

In connection with the acquisition of ONT from LAWA, a \$70 million noninterest-bearing loan was due LAWA on the tenth anniversary of the closing. Subsequently, the parties agreed to modify the payment provisions of the settlement agreement. The revised agreement requires repayment to commence on the third anniversary from closing (November 1, 2019) by remitting to LAWA on an annual basis the sum of \$2 per enplaned passenger (in excess of 2,082,721 passengers), a sum not less than \$1 million or 100 percent of PFC's collected.

The Federal Extension, Safety and Security Act ("FAA Reauthorization Act") enacted on July 15, 2016, was intended, in part, to facilitate the change in control from LAWA to ONT. The FAA authorized PFC proceeds collected by ONT to be used to pay the required \$70 million purchase price installment due LAWA.

The Current PFC rate at ONT is \$4.50 (net of \$0.11 collection fee) per enplaned passenger.

Note 2 - Basis of Presentation

The accompanying schedule of Passenger Facility Charge (PFC) Revenues and Expenditures includes the PFC activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issue by the Federal Aviation Administration.

PFC expenditures may consist of direct project costs, administrative costs, debt service costs and bond financing costs, if requested in the application. Eligible expenditures not requested or approved in the application are not applied against PFC's collected. The accompanying Schedule of Passenger Facility Charges includes the eligible expenditures that have been applied against PFC's collected as of June 30, 2024.

Note 3 - Cash Basis Reconciliation

The following schedule reconciles the accrual basis of revenues presented to the cash basis revenues reported in the SOAR system:

	PFC Revenues
PFC Revenues - Accrual Basis	\$ 13,814,078
Less: PFC Revenues Received in Subsequent Fiscal Year	(2,168,882)
Add: Prior Fiscal Year PFC Revenues Received in Current Fiscal Year	1,880,452
PFC Revenues - Cash Basis	<u>\$ 13,525,648</u>

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.106	Airport Improvement Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$1,204,730

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

Passenger Facility Charge Program

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ Yes ☐ None reported

Type of auditor's report issued:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with AU-C 935?

☒ Yes ☐ No

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III – Federal Program Audit Findings

Reference Number	Finding & Questioned Costs
Current Year	None

Section IV – Passenger Facility Charge Program Findings

Reference Number	Finding & Questioned Costs
---------------------	----------------------------

2024-001 **Title and Assistance Listing Number of Federal Program - Passenger Facility Charge (PFC) Program**

Finding Type - Significant deficiency in internal control over compliance

Criteria - Section 158.63 requires that the Authority provide quarterly reports to carriers collecting PFC revenues for the organization, with a copy to the appropriate Federal Aviation Administration (FAA) airports office. The PFC quarterly report must include PFC revenue received from collecting carriers, interest earned, and expenditures for the quarter; cumulative PFC revenue received, interest earned, expenditures, and the amount committed for use on currently approved projects, including the quarter; the PFC level for each project (\$4.50) as specified in the final agency decision for that project; and the current project schedule. The report must be provided on or before the last day of the calendar month following the calendar quarter or other period agreed to by the organization and collecting carrier.

Condition - There were no controls in place to ensure the quarterly reports contained accurate information and were sent timely to the appropriate FAA airports office.

Context - There were no formal controls in place to ensure the quarterly reports were submitted timely.

Cause and Effect - The lack of a control to ensure the timely submission of quarterly reports to the appropriate FAA office could result in the Authority submitting incomplete, inaccurate, and late reports.

Recommendation - We recommend the Authority implement internal controls to ensure the complete and accurate quarterly reports are submitted timely.

Views of Responsible Officials and Corrective Action Plan - The Authority is cognizant of the PFC activity reporting requirements to the air carriers and FAA, and the importance of submitting these reports timely and accurately. The Authority provided documentation during the audit showing that the PFC quarterly and cumulative data compiled for the FAA quarterly

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

report was reviewed timely prior to being input into the online collection form. Support was also provided to verify that all required PFC data was input into FAA online collection form. The Authority was not able to provide documentation of a review of the completed data submittal verifying the information submitted is accurate, approved and timely submitted. To remedy this oversight, the Authority will document the review of the submitted quarterly and cumulative data and acceptance by an appropriate manager.

Ontario International Airport Authority

Customer Facility Charge Program Compliance Report June 30, 2024

Independent Auditor's Reports

Report on Schedule of Customer Facility Charge Collections and Expenditures as Required
by California Government Code Section 50474.21 1

Report on Compliance for the Customer Facility Charge Program and Report on Internal
Control Over Compliance as Required by California Government Code Section 50474.21 2-3

Schedule of Customer Facility Charges 4

Notes to Schedule of Customer Facility Charges 5

Schedule of Findings and Questioned Costs 6



Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

Report on Schedule of Customer Facility Charge Collections and Expenditures as Required by California
Government Code Section 50474.21

Independent Auditor's Report

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

We have audited the basic financial statements of Ontario International Airport Authority as of and for the year ended June 30, 2024 and have issued our report thereon dated December 17, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to December 17, 2024.

The accompanying schedule of customer facility charges is presented for the purpose of additional analysis, as specified in the California Government Code, Section 50474.21 (the "Code"), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

March 4, 2025

Report on Compliance for the Customer Facility Charge Program and Report on Internal Control Over
Compliance as Required by California Government Code Section 50474.21

Independent Auditor's Report

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

Report on Compliance for the Customer Facility Charge Program

Opinion on the Customer Facility Charge Program

We have audited Ontario International Airport Authority's (the "Authority") compliance with the California Government Code Section 50474.21 (the "Code") applicable to the Authority's customer facility charge program for the year ended June 30, 2024.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that are applicable to the customer facility charge program for the year ended June 30, 2024.

Basis for Opinion on the Customer Facility Charge Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts applicable to the Authority's customer facility charge program.

Auditor's Responsibilities for the Audit of Compliance

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

To the Ontario International
Airport Authority Commissioners
Ontario International Airport Authority

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Plante & Moran, PLLC

March 4, 2025

Ontario International Airport Authority

Schedule of Customer Facility Charges

Year Ended June 30, 2024

Description	Adjusted Beginning Balance Unliquidated CFC	CFC Revenues ¹	Interest Earned	Expenditures Total	Ending Balance Unliquidated CFC ²
Revenues and Expenditures Month Ended July 31, 2023	\$ 897,312	\$ 281,534	\$ 64	\$ 143,241	\$ 1,035,669
Revenues and Expenditures Month Ended August 31, 2023	1,035,669	304,470	2,572	138,967	\$ 1,203,744
Revenues and Expenditures Month Ended September 30, 2023	1,203,744	298,974	2,445	156,030	\$ 1,349,133
Revenues and Expenditures Month Ended October 31, 2023	1,349,133	323,388	2,900	47,467	\$ 1,627,954
Revenues and Expenditures Month Ended November 30, 2023	1,627,954	300,006	4,482	167,754	\$ 1,764,688
Revenues and Expenditures Month Ended December 31, 2023	1,764,688	288,190	4,062	142,186	\$ 1,914,754
Revenues and Expenditures Month Ended January 31, 2024	1,914,754	280,934	5,051	141,127	\$ 2,059,612
Revenues and Expenditures Month Ended February 29, 2024	2,059,612	294,578	4,916	5,327	\$ 2,353,779
Revenues and Expenditures Month Ended March 31, 2024	2,353,779	331,960	5,137	254,173	\$ 2,436,703
Revenues and Expenditures Month Ended April 30, 2024	2,436,703	328,072	6,655	432,747	\$ 2,338,683
Revenues and Expenditures Month Ended May 31, 2024	2,338,683	342,144	5,886	757,271	\$ 1,929,442
Revenues and Expenditures Month Ended June 30, 2024	1,929,442	<u>336,610</u>	<u>5,703</u>	<u>313,579</u>	\$ 1,958,176
		<u>\$ 3,710,860</u>	<u>\$ 49,873</u>	<u>\$ 2,699,869</u>	

¹CFC revenues are reported using the accrual basis of accounting.

²Unliquidated CFCs are collections that have not been applied to approved CFC projects.

Notes to Schedule of Customer Facility Charges

Year Ended June 30, 2024

Note 1 - General

Assembly Bill (AB) 491 of the 2001-2002 California Legislature (Section 1936) authorized the imposition of Customer Facility Charges (CFC's) and use of CFC revenue to plan, finance, design, and construct on-airport consolidated rental car facilities (ConRAC).

On August 25, 2016, AB 2051 of the 2015-2016 California Legislature (Section 1939) repealed Section 1936 relating to rental passenger vehicles, modified definitions and terms for uniformity, and made conforming changes in the Legislature requiring rental companies to collect CFCs for specified purposes and requires airports to provide certain audits and reports regarding those fees to specified committees of the Legislature.

On October 4, 2016, the Board of Commissioners authorized the Authority's imposing obligation to collect and remit \$10.00 of CFCs from each concession or lease agreement that the Authority enters into with on-airport or off-airport car rental companies. This CFC collection was approved as part of the existing contracts to be continued through the Authority's acquisition of Ontario International Airport (ONT) on November 1, 2016 from the City of Los Angeles department known as Los Angeles World Airports (LAWA).

Under Section 1939, the Authority can change the amount and basis for collecting CFCs from the current \$10.00 per contract level to a maximum of \$9.00 per transaction day, up to a 5-day maximum. Also, changes made to the amount and basis for collecting the CFCs would have to be initiated by January 1, 2018 by submitting certain information to the State of California (State) for approval.

Note 2 - Basis of Presentation

The accompanying schedule of customer facility charge (CFC) revenues and expenditures (the "Schedule") includes the CFC activity of the Authority for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of the California Government Code Section 50474.21 (the "Code").

CFC expenditures may consist of direct project costs, administrative costs, debt service, cost to operate common use transportation systems, and related financing costs. The accompanying Schedule includes the eligible expenditures that have been applied against CFCs collected as of June 30, 2024.

Note 3 - Summary of Significant Accounting Policies

The accompanying schedule of customer facility charge (CFC) revenues and expenditures includes the CFC activity of the Authority and is presented on the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when earned, and eligible expenditures are recognized when the related good or services are provided or incurred.

Ontario International Airport Authority

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Reference Number	Finding
N/A	None

THIS PAGE INTENTIONALLY LEFT BLANK



MEETING DATE: APRIL 24, 2025

SUBJECT: PFM FINANCIAL ADVISORS LLC FOR FINANCIAL CONSULTING SERVICES

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☐ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to execute an Agreement with PFM Financial Advisors LLC for financial consulting services for three years, with two one-year discretionary extensions, in the total amount not to exceed \$1,250,000.00 over the next five years.

FISCAL IMPACT SUMMARY: Funding for this contract is approved under the Fiscal Year 2024-2025 budget. Funding for subsequent years will be requested through the annual budget process.

BACKGROUND: The financial services contract provides the Ontario International Airport Authority (OIAA) with internal financial consulting support focused on long-term financial planning and strategic funding. The contracted firm assists with financial modeling, budgeting, and forecasting to guide major decisions and ensure fiscal sustainability. Additionally, they support the OIAA in preparing for and securing funding for capital improvement projects, including potential bond issuances, grant applications, or other financing mechanisms.

PROCUREMENT: On December 9, 2024, the OIAA issued a Request for Proposal (2024-RFP-52) seeking Financial Services for the Ontario International Airport. The deadline for proposal submissions was January 16, 2025, by which time three (3) responsive proposals were received. The RFP Evaluation Panel thoroughly reviewed and scored all responsive proposals and recommended that two (2) firms advance to the interview stage. Following the interviews, the panel finalized their evaluations and recommends awarding the contract to PFM Financial Advisors LLC.

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: None

STAFF REVIEW AND APPROVAL:

Originator:	Celeste Heinonen
Originating Dept.:	Financial Accounting and Reporting
Director Review:	N/A
Chief Review:	<i>Celeste Heinonen</i>
CFO Review:	<i>Celeste Heinonen</i>
CEO Approval:	<i>Atif Ekadi</i>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.

ONTARIO INTERNATIONAL AIRPORT AUTHORITY



MEETING DATE: APRIL 24, 2025

SUBJECT: AGREEMENT WITH H2 CONSULTING PARTNERS LLC FOR THE ROUTES WORLD EXHIBIT DESIGN AND BUILD

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☐ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to execute an agreement with H2 Consulting Partners LLC for the Routes World Exhibit Design and Build services, for one year, with two possible one-year contract extensions, not to exceed \$174,500 annually, and authorize an increase in contract authority in the amount of up to \$35,500 for unforeseen services as needed. The total contract authority, including optional extensions and the additional contingency, shall not exceed \$559,000.

FISCAL IMPACT SUMMARY: Partial funds for this contract are available in the FY 2025 Budget. Funding for the remainder years will be requested through the annual budget process for the 25-26FY.

BACKGROUND: Ontario International Airport (ONT) operates in a highly competitive environment, serving as a key gateway for travelers in Southern California and beyond. Routes World 2025 will bring together decision-makers from airlines, airports, and destinations, offering a platform for networking and planning potential air service routes. This is particularly significant for ONT, as expanding air service options remains a top priority. The exhibit space offers a venue for ONT to strengthen existing relationships with airlines and cultivate new partnerships with potential carriers for future service. This event distinguishes ONT from its competitors, reinforces its global connectivity, and underscores its commitment to linking the Inland Empire to the world.

PROCUREMENT: On January 24, 2025, The OIAA issued a Request for Proposals (RFP) seeking a firm to provide Routes World Exhibit Design/Build services for the Marketing Department. The proposal submissions deadline was February 21, 2025, by which time two (2) proposals were received. The RFP evaluation panel thoroughly reviewed and scored all submitted proposals, subsequently recommending two (2) firms proceed to the interview stage. Following the interviews, the panel finalized their evaluations and unanimously recommended awarding the contract to H2 Consulting Partners LLC.

The recommended contract is for a one-year term, with two optional one-year extensions, not to exceed \$174,500 annually. To allow flexibility for unforeseen services that may be required in support of Routes World event deadlines, staff is also requesting an increase to the contract authority in the amount of up to \$35,500. This additional amount is intended to cover any unforeseen, time-sensitive services not included in the original contract scope. If approved, the total not-to-exceed contract authority, including all optional extensions and the requested contingency, would be \$559,000.

CEQA COMPLIANCE AND LAND USE APPROVALS: The proposed professional services agreement with the Consultant is not a “project” within the meaning of Section 15378 of the CEQA guidelines because there is no potential for the Consultant’s consulting work to result in a direct or indirect physical change in the environment. As a result, the activity is not subject to CEQA.


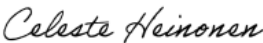

STAFFING IMPACT (# OF POSITIONS): The proposed action will not create any permanent positions in the OIAA.

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

Originator:	Eren Cello, Senior Vice President, Communications and Marketing
Originating Dept.:	Communications and Marketing
Director Review:	N/A
Chief Review:	
CFO Review:	
CEO Approval:	

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: APRIL 24, 2025

SUBJECT: AMENDMENT TO THE EXISTING CONCESSIONS AGREEMENT WITH BREWERY X

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☐ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to negotiate and execute an Amendment to the existing Concession Agreement with Brewery X for an additional restaurant location to be operated in Terminal 4.

FISCAL IMPACT SUMMARY: The anticipated revenue generated from the additional Terminal 4 location will be consistent with the current revenue-sharing terms of Agreement ONT-20-10035 for the Brewery X Terminal 2 location that was authorized by the Ontario International Airport Authority (OIAA) Commission on November 14, 2023, for a ten-year term agreement, set to expire November 13, 2033, with the option of two (2) five-year options to extend. The addition of a Brewery X restaurant location in Terminal 4 is expected to contribute positively to the OIAA's overall non-aeronautical revenue growth.

BACKGROUND: Brewery X currently operates a successful location in Terminal 2 and has significantly enhanced the passenger experience through their locally inspired food & beverage offerings. The Brewery X brand has become a flagship tenant reflecting the spirit of Southern California. To build on this success, and to meet increasing passenger demand, OIAA seeks to add a second Brewery X-operated concessions space in Terminal 4 consistent with the current revenue-sharing terms of Agreement ONT-20-10035.

The proposed Brewery X restaurant expansion in Terminal 4 will mirror the current model in Terminal 2 and allow for increased visibility and access to passengers traveling through both Terminals. This Amendment would authorize Brewery X to operate in Terminal 4 under consistent concession and operational terms as outlined in the existing Agreement ONT-20-10035.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A


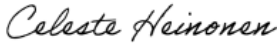

STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

Originator:	Elisa J Grey
Originating Dept.:	Revenue Management
Director Review:	N/A
Chief Review:	
CFO Review:	
CEO Approval:	

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.



MEETING DATE: APRIL 24, 2025

SUBJECT: CO-BRANDING AND REVENUE SHARING AGREEMENT WITH BREWERY X

RELEVANT STRATEGIC OBJECTIVE: ☒ Invest in ONT ☐ Master the Basics ☒ Plan for the Future

RECOMMENDED ACTION(S): Authorize the Chief Executive Officer (CEO) to negotiate and execute a Co-Branding and Revenue Sharing Agreement with Brewery X.

FISCAL IMPACT SUMMARY: The co-branding relationship between the Ontario International Airport Authority (OIAA) and Brewery X is expected to generate new incremental revenue for the OIAA, promote Ontario International Airport's (ONT's) brand throughout Southern California, and leverage existing advertising and partnership strategies. Staff estimates that within the first full year of the proposed agreement, 24,000 co-branded beverage units will be sold with revenue to the OIAA projected at approximately \$300,000.

BACKGROUND: Since opening its location in Terminal 2, Brewery X has served as a key partner in enhancing ONT's food & beverage offerings. Building on the strong alignment between ONT and Brewery X, the two parties have developed a co-branded beer called "Come Fly With Me". The product is intended to represent the spirit of travel and the local flavor of Southern California, while creating a unique avenue for non-aeronautical revenue growth. The beer will be sold at ONT and through a variety of regional retail and entertainment venue locations to generate incremental OIAA revenue and expand ONT's brand presence across the region.

Under the terms of the proposed deal, Brewery X will produce the beer while the OIAA will lead logistics, marketing, and distribution efforts within the ONT primary catchment area. Revenue sharing to the OIAA will occur on a per-unit basis as follows: \$6/case, \$10/keg and \$1.50/six-pack.

PROCUREMENT: N/A

CEQA COMPLIANCE AND LAND USE APPROVALS: N/A




STAFFING IMPACT (# OF POSITIONS): N/A

IMPACT ON OPERATIONS: N/A

SCHEDULE: N/A

ATTACHMENTS: N/A

STAFF REVIEW AND APPROVAL:

Originator:	<u>Elisa J Grey</u>
Originating Dept.:	<u>Revenue Management</u>
Director Review:	<u>N/A</u>
Chief Review:	<u></u>
CFO Review:	<u></u>
CEO Approval:	<u></u>

This Agenda Report has been reviewed by OIAA General Counsel.

The Agenda Report references the terms and conditions of the recommended actions and request for approval. Any document(s) referred to herein, which are not attached or posted online, may be reviewed prior to or following scheduled Commission meetings in the Office of the Clerk of the Commission. Hours to review are between 8:30 a.m. and 4:30 p.m., Monday through Friday, although these hours and review procedures may be modified. In that case, the documents may be requested by email at clerk@flyontario.com.