PEASE DEVELOPMENT AUTHORITY **PUBLIC AGENDA**
Tuesday, October 21, 2025 **Time: 8:00 a.m.**

Place: 55 International Drive – Board Conference Room
Watch Meeting Via Live Stream: https://townhallstreams.com/towns/pease_dev_nh

BOARD OF DIRECTORS' MEETING

AGENDA

I. Call to Order:

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of September 16, 2025 * (Parker)

III. Public Comment:

IV. Committees:
 A. Report:
  1. Audit Committee *

V. Old Business:
 A. Report:

  No items to report

VI. Consent Agenda Items:
 A. Consent Agenda Approvals * (Fournier):
  1. Portsmouth International Airport at Pease – Delos / PlaneSense – Snow Plowing Agreement * **(Conard)**
  2. Pease Development Authority - Legal Services * **(Ferrini)**
  3. Pease Golf Course – Galley Hatch Restaurant, Inc. d/b/a Grill 28 - Concession Agreement Amendment 8 * **(Fournier)**
  4. Pease Golf Course – Irrigation System Upgrade - National Lawn Sprinklers Inc. * **(Conard)**
  5. Lonza Biologics, Inc. – Parking License at 55 International Drive * **(Semprini)**
  6. Pease Development Authority - Snow Removal Services – Northeast Land Care* **(Parker)**
  7. Pease Development Authority – Lonza Biologics – Landscape Modification Concept Approval * **(Parker)**

 B. Consent Agenda Approval with Waiver * (Semprini):
  1. Pease Golf Course – Simulator System Upgrade – aboutGolf * **(Fournier)**
  2. Pease Development Authority - Northeast Land Care - Pavement and Driveway Improvements at 55 International Drive * **(Conard)**

VII. Finance:

A. Executive Summary *

B. Reports:

1. FY2025 Financial Report for the Two-Month Period Ending August 31, 2025 *
2. Cash Flow Projections for the Nine Month Period Ending June 30, 2026 *
3. Audit Presentation by Berry Dunn
   a. Executive Summary of Audit Engagement*
   b. Auditor Required Communications Letter *
   c. Management Representation Letter *
   d. Advisory Letter *

C. Approval:

1. Certified Annual Financial Statements and the Uniform Guidance Audit of Federal Awards Update * **(Ferrini)**

VIII. Licenses/Rights of Entry/Easements/Rights of Way:

A. Report *:

1. CDM Constructors Inc. and McFarland Johnson – Right of Entry - 165 Arboretum Drive
2. Skyhaven Flying Club – Flight Simulator – Right of Entry - Skyhaven Airport
3. International Association of Privacy Professionals – Right of Entry – 14 Aviation Avenue

IX. Leases:

A. Report *:

1. Sublease between One New Hampshire Avenue LLC and Beck Bode, LLC. At 1 New Hampshire Avenue (Suite #202)
2. Sublease between 100 International, LLC and Leeds Capital Group, LLC at 100 International Drive (Suite #358)
3. KOALD Design, LLC – 47 Durham Street – Exercise Last of Two One-Year Options
4. Two International Group, LLC – 2 International Drive – Exercise First of Six (6) Five -Year Options

B. Approval:

1. Aviation Avenue Group LLC – Lease Assignment - 100 New Hampshire Avenue * **(Fournier)**

X. Contracts:

A. Report *:

1. Portsmouth International Airport at Pease – Sunbelt Rental Inc. – Excavator Rental
2. Division of Ports and Harbors – Sunbelt Rental Inc. – Telehandler (Lull)
3. Skyhaven Airport – Clayton and Sons Construction –Shingle Replacement
4. Pease Golf Course – Page Street Leasing – Storage Container Purchase
5. Pease Golf Course – Dell Technologies – Four (4) Gaming Desktops for Simulator Use

6. Pease Golf Course – Voltrek – 2-year Renewal EV Charging Station Network and Assure
7. Pease International Tradeport – Livability Portsmouth - Advertisement

XI. Signs:

A. Report:

1. 111 New Hampshire LLC – 111 New Hampshire Avenue – Orbis Sibro, Inc. *

XII. Executive Director:

A. Reports:

1. Golf Course Operations *
2. Airport Operations *
   a) Portsmouth International Airport at Pease (PSM)
   b) Skyhaven Airport (DAW)
   c) Noise Line Report
      (i) September 2025 *

XIII. Division of Ports and Harbors:

A. Reports:

1. Division of Ports and Harbors Facilities Report *
2. Port Advisory Council Meeting Minutes of September 4, 2025 *
3. Portsmouth Fish Pier – Change Orders #5, #6 and #7 *

B. Discussion on Rye Harbor Marine Facility Study

XIV. New Business:

A. Report:

No items to report

B. Grant Applications Filed in September:

1. MARAD – PIDP Grant

XV. Special Event:

A. Report:

XVI. Upcoming Meetings:

Noise Compatibility	October 21, 2025 @ 6:30 p.m.
Board of Directors	November 18, 2025 @ 8:30 a.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XVII. Directors' Comments:

XVIII. Non-public Session: * (Conard)

1. Confidential IT Security Related Matters [NH RSA 91-A:3, II (j)] and
2. Consideration of Legal Advice [NH RSA 91-A:3, II (l)].

XIX. Vote of Confidentiality: * (Parker)

XX. Adjournment:

XXI. Press Questions:

XXII. Consultation with Counsel:

*	Related Materials Attached
**	Related Materials Previously Sent
***	Related Materials will be provided under separate cover
+	Materials to be distributed at Board Meeting
▭	Confidential Materials

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Parker:

I make a motion to accept the meeting minutes of the Board of Directors' meeting held on September 16, 2025.

N:\RESOLVES\2025\Approve Minutes 9-16-25 (10-21-25).docx

PEASE DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS' MEETING
MINUTES

Tuesday, September 16, 2025

Presiding:	Steve Duprey, Chairman
Present:	Neil Levesque, Vice Chair; Thomas G. Ferrini, Treasurer; Karen Conard, Steve Fournier; Susan B. Parker, and Brian Semprini
Attending:	Paul E. Brean, Pease Development Authority ("PDA") Executive Director; Anthony I. Blenkinsop, Deputy Director / General Counsel; Josh Wyatt, Deputy General Counsel; Suzy Anzalone, Director of Finance; Scott DeVito, Golf Course General Manager; Michael R. Mates, Director of Engineering; Jared Sheehan, Assistant Director of Engineering and Environmental Compliance; Richard Hartley, Acting Director of Ports and Harbors; Tom Maciel, Operations Manager, Division of Ports and Harbors; Ethan Murray, Terminal Operations Manager; Division of Ports and Harbors; Chasen Congreves, Business Development; Andrew Pomeroy, Manager of Aviation Compliance & Safety; Greg Siegenthaler, IT Director; and Raeline A. O'Neil, Executive Administrative Assistant
Minutes Prepared By:	Raeline A. O'Neil, Executive Administrative Assistant

AGENDA

I. Call to Order:

Chairman Duprey ("Duprey") called the meeting to order; the meeting commenced at **8:33 a.m.**

II. Acceptance of Meeting Minutes: Board of Directors' Meeting of August 19, 2025

Director Ferrini **moved** the **motion** and Director Parker **seconded** to **accept the meeting minutes of the Board of Directors' meeting held on August 19, 2025.**

Discussion: Director Conard abstained as she did not attend the August 19, 2025, meeting.

Disposition: Resolved **unanimous** vote (6-0) for; motion **carried**.

III. Public Comment:

Cora Quisumbing-King – Spoke against the ICE flights going in and out of Portsmouth International Airport at Pease ("PSM"), to the area being of the Abenaki and Wabanaki ancestry (past and present) and being stewards of the land.

Beryl Harper – Durham, NH - Spoke against the ICE flights going in and out of PSM, unless full blooded Native American we are immigrants or descendants of immigrants. Indicated shining light on ICE instead of allowing them to remain in shadows.

Ned Beecher – Tamworth, NH – Indicated the State has become unwelcome to many due to the political policies causing decline (30%) to tourism.

Megan Chapman – Albany, NH – Spoke to her work as a Human Rights lawyer who has handled immigration cases and conditions detainees have been kept (ICE contracted jails). She spoke to due process taking years for an individual to be afforded an opportunity to present case and be heard. PDA should not be complicit and needs to stand up to uphold the state Constitution. Ms. Chapman provided a couple of pages of photos related to the discussion.

Lisa Beaudoin – Executive Director for the NH Council of Churches read a formal statement speaking against the ICE flights going in and out of PSM, violation of human rights and trauma to the community/moral impact. Understood federal regulations limit [PDA's] direct control on who uses the airport, urged public opposition to the use of PSM for ICE transfer flights and for the communication of concerns with NH's delegation and Department of Homeland Security.

Gordon Humphrey – Provided a handout to the Board and requested information on determination of recourse there may be, since the August meeting. Spoke to the Constitution being inert unless it is given life and state of NH not a unit of Federal government. The PDA Board can act independently of the Federal government under the 10th Amendment [anti-] commandeering doctrine; stating PDA employees should not provide services to ICE.

Mattea Citarella – Stratham, NH - Spoke against the ICE flights going in and out of PSM, and the need to maintain due process and transparency. Asked PDA to do everything it can to prevent ICE from continuing to use PSM.

Brenda Berkel - Spoke to the need to support due process as part of the Constitution.

Heath Howard – (NH State Representative) Spoke at the August meeting and how there is history in state and Portsmouth going against orders of the Federal government. Asked the Board to fight back against the ICE flights, to do the right thing and stand up for the moral actions of the community. Spoke to flights out of Bedford (Hanscom) being shifted to PSM and asked Board to stop the flights like Bedford did.

Kendra Ford – Indicated in July ICE moved deportation flights from Hanscom to Pease and Seacoast volunteers tracked the flights; provided information on dates and estimated numbers of detainees observed. Spoke of PDA personnel covering badges, referenced the names of airlines utilized and dates of flights known in August and those from September 2nd through 4; after September 4th, flight operations were moved back to Hanscom.

David Holt – with Occupy New Hampshire Seacoast - Spoke against the ICE flights in and out of PSM, protection of the NH economy and losing individuals performing essential work. Lastly, spoke to the moral, ethical and economic reasons why the flights need to be stopped.

Gordon Humphrey further spoke to sanctuary cities referenced in his document that refuse to provide the services of employees to ICE; requested PDA Board declare PSM a sanctuary airport.

Duprey indicated after the last meeting the Board requested legal counsel to investigate the level/scope of control over PSM and the Board's ability to work within that. A memo was prepared (copies available) regarding the limitations. Further, no Pease employee has done anything to assist the [ICE] flights other than to check identifications at the gate for access to the tarmac. Duprey confirmed that there were Department of Homeland Security ("DHS") personnel present who were responsible for the custody of individuals being placed on a plane. Further, Duprey stated if the airport were closed due to loss of federal funding, this would present a significant impact on the economy as well.

Brean spoke to the in-depth review of the issue. The memo discusses operation of a publicly funded airport and reasons PDA has to allow government flights.

Duprey allowed an individual to speak to the Board regarding alleged video footage and photos of personnel on the airfield. The individual refused to identify herself.

Duprey indicated if there is documentation (video/photos) showing what has been referenced during public comment, to forward documentation to PDA Executive Director.

IV. Committees:

A. Report:

1. Port Committee

Director Levesque ("Levesque") spoke to the recent Port Committee meeting and the various discussions regarding increase to piloting fees; facilities update and FEMA award for the sea wall.

2. Golf Committee

Director Fournier ("Fournier") spoke to the recent Golf Committee meeting held with discussions pertaining to updates to simulators and extension to the Grill 28 agreement.

V. Old Business:

A. Report:

No Items to Report

VI. Consent Agenda Items:

A. Consent Agenda Approvals:

1. Portsmouth International Airport at Pease – Fennick McCredie Architecture – Terminal Building Façade Improvements

2. Portsmouth International Airport at Pease – Flight Information Display System
Gate Information Display System – Terminal Systems International, Inc.

3. **Portsmouth International Airport at Pease - Airfield Snow Removal Rotary Broom Bristle Replacement – MB Companies, Inc.**
4. **Pease International Tradeport – On-Call Electrical Service - Moulison Electric**
5. **Pease Development Authority - Legal Services**

Director Conard **moved** the **motion** and Director Fournier **seconded** that **the Pease Development Authority Board of Directors hereby moves that item numbers 1-5 from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.**

1. Portsmouth International Airport at Pease – Fennick McCredie Architecture – Terminal Building Façade Improvements
2. Portsmouth International Airport at Pease – Flight Information Display System Gate Information Display System – Terminal Systems International, Inc.
3. Portsmouth International Airport at Pease - Airfield Snow Removal Rotary Broom Bristle Replacement – MB Companies, Inc.
4. Pease International Tradeport – On-Call Electrical Service - Moulison Electric
5. Pease Development Authority - Legal Services

Discussion: None. **Disposition**: Resolved **unanimous** vote (7-0) for; motion **carried**.

VII. Finance:

No items to report

Suzy Anzalone, Finance Director, spoke to being in the middle of the audit and will present the July and August financial information at the October meeting.

VIII. Licenses/Rights of Entry/Easements/Rights of Way:

A. Report:

1. Herb Gillen Agency – Right of Entry – 119 Arboretum Drive

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," PDA entered into the following Right(s)-of-Entry:

1.	Name:	Herb Gillen Agency
	License:	Right of Entry
	Location:	119 Arboretum Drive (Parking Lot)
	Purpose:	Staging Logistics for Thunder Over New Hampshire Air Show
	Term:	August 20, 2025, through September 12, 2025

Director Fournier was consulted and granted his consent regarding this Right of Entry.

IX. Leases:

A. Report:

No items to report

X. Contracts:

A. Report:

1. **Pease Development Authority – WIN Waste Innovations – Exercise of Final One-Year Option**
2. **Portsmouth International Airport at Pease – Moulison Electric, Inc. – Emergency Electrical Repair**

In accordance with Article 3.9.1.1 of the PDA Bylaws, Brean reported on the following:

1.	Project Name:	WIN Waste Innovations
	Board Authority:	Authorized vote of Board of Directors on September 15, 2022
	Summary:	Providing non-hazardous solid waste removal services at Pease Development Authority facilities – exercise of Final One-year option
2.	Project Name:	Moulison Electric, Inc.
	Board Authority:	Director Ferrini
	Cost:	$9,536.80
	Summary:	Repair high voltage wiring caused by power outage at Portsmouth International Airport at Pease

Brean amended the cost of item #2 to be $16,190.48 as the labor charge had been inadvertently omitted in the original request.

XI. Signs:

A. Report:

No items to report

XII. Executive Director:

A. Reports:

1. Golf Course Operations

Scott DeVito ("DeVito"), General Manager, Pease Golf Course ("PGC") spoke to closing out August with record number of rounds played (12,833), eight (8) major events scheduled for the season at PGC, getting ready for the indoor season and facility projects discussed at the Golf Committee meeting. DeVito anticipates the irrigation bid will go out soon.

2. Airport Operations

- a) **Portsmouth International Airport at Pease (PSM)**
- b) **Skyhaven Airport (DAW)**
- c) **Noise Line Report**
  - (i) **August 2025**

Brean spoke to strong enplanements and has been informed by Breeze it will add a flight from Portsmouth, NH to Raleigh/Durham, North Carolina commencing in December. Also spoke about fuel sales and revenues associated with long-term parking lot usage.

Brean spoke to the four noise inquiries received in August as being related to military / associated aircraft and movement of military personnel.

Duprey spoke to the Air Show and the hard work of all PDA staff who assisted during the event.

Brean stated a video was made regarding the recent ANG refueling mission that Board members (Steve Fournier, Susan Parker and Brian Semprini attended) were invited to attend; video was played for the Board.

XIII. Division of Ports and Harbors:

A. Reports:

1. **Division of Ports and Harbors Facilities Report**
2. **Commercial Mooring Transfer – Reynolds to Pollock**
3. **Commercial Mooring Transfer – Lamprey to Devine**
4. **Commercial Mooring Transfer – McNamara to Fisher**
5. **Right of Entry – Roberts Energy, LLC – Bulk Fuel Deliveries**
6. **Port Advisory Council Meeting Minutes of June 11, 2025**

Hartley spoke to the facilities report and indicated repairs performed on the Global Sentinel vessel at the Market Street Terminal ("MST"), American Cruise Line having two port calls since the August meeting; and to the tonnage of Menhaden for local lobstering bait. Further, Hartley spoke of the submission of the MARAD PIDP Grant to indicate DPH is asking for just over $9 million to support various functions and equipment at MST; anticipate a response by mid-December.

Duprey inquired into the potential outcome of the grant; Hartley indicated DPH was in a good position to receive some, if not all. Further, while the grant does not require matching funds, DPH could match up to 18% through state funds allocated for the facility.

Hartley spoke to the Portsmouth Fish Pier ("PFP") [bait] cooler being installed and the flooring to be installed in the couple of days (operational as of September 23rd). Anticipate the fueling system at PFP to be operational within a week. Spoke to discussions regarding the supply of ice at the facility, the repair/replacement of hoists at the pier and utilizing a shared maintenance program for the upkeep of the facilities.

At Rye Harbor ("RH"), Hartley spoke to submission for assistance through various agencies (FEMA, NH Dept of Safety and Homeland Security) for restoration or improvement to the riprap damaged during previous storms.

Hartley will be seeking approval from the Capital Project Overview Committee for an expenditure of up to $125,000 from the Harbor Dredging Pier Maintenance Fund to expend funds for needed improvements to the floating/recreational pier. If approved, will request expenditure of the funds at the next Board meeting.

The final Rye Harbor Study will be presented to the Board by Tighe & Bond on October 14, 2025, at 5:30 p.m. in the PDA Board Conference Room.

A request was received from the Pilots Association seeking an increase to pilotage fees; increase occurs roughly every three years, seemingly a market increase.

Hartley spoke to float removal toward the end of October beginning of November and provided information pertaining to parking revenue and fuel sold at the harbors.

Maintenance is being performed at Hampton Harbor and looking to make improvements to an older [DPH] building onsite utilized by staff.

Hartley indicated DPH is waiting to hear on the security grant applied for a month or two ago and preparing forms for the DMV Day for the commercial fishermen in December to register for a variety of permits (i.e., fishing, commercial boat reg., mooring, pier use).

Dupery inquired with respect to mooring permit forms being made available online; Hartley spoke to working on an online mooring permit application which would require changes to the rules. Therefore, do not anticipate online [mooring] forms being available for the upcoming season.

Lastly, Hartley spoke to social media presence and DPH working toward establishing the Division with a social media presence to facilitate information being provided to the public.

Duprey inquired whether DPH knows the number of individuals/businesses that have mooring permits and follow-up may be necessary with second notices etc. so they can be kept informed of submission dates so they are not missed. Hartley spoke to rule requirements and looking at ways to improve customer service orientation to provide reminders (i.e., renewal time period or required information needed). Duprey spoke to a small amount of individuals who miss filings.

At the last meeting inquiry was made regarding the number of licenses and Hartley had obtained the following regarding lobster trap licenses being 28 licenses – 1,200 traps (22 with landings); 83 licenses – 600 traps (26 with sales); 197 licenses – 100 traps (33 landings) equating to a quarter of licenses having sales in 2024.

Duprey asked if determination could be made as to of these licenses how many utilize for their livelihood; Hartley indicated that information could not be ascertained. However, estimate the largest number of traps would be fulltime livelihood.

Duprey asked if it were known if these licenses were all for NH fishermen; Hartley indicated it is not known at this time if the NH license provided were for an individual/entity based out of New Hampshire, Massachusetts or Maine.

Levesque inquired into the Commercial Mooring Transfer from Reynolds to Pollock as Reynolds holds an ROE out of Rye Harbor; Hartley affirmed that the business, including commercial mooring, was sold.

Duprey asked if DPH receives a monetary breakdown regarding the transfers as to fee (i.e., mooring, gear, and vessel etc.); Hartley indicated DPH does not. Duprey spoke to the value the mooring is being transferred for and whether associated fees for the harbors could be incurred aside from just permit fee.

Ferrini provided an analogy of a store associated with a strip mall having its rent attached to a financial report regarding percentage of sales. Similarly, this may be achieved through rule modification to gain access to the information.

B. DPH Consent Agenda Approvals:

1. **Reappointment of Captain Chris Holt a Class I Pilot**
2. **Pda 700 SLIP PERMITS; STATE-OWNED RESTRICTED PIERS Rules, Final Adoption**
3. **Initial Proposed Amendment to the Schedule of Pilotage Fees and Pilotage Unit Rates**

Director Levesque moved the motion and Director Conard seconded that **the Pease Development Authority Board of Directors hereby moves that item numbers 1-3 from the Division of Ports and Harbors consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.**

1. Reappointment of Captain Chris Holt a Class I Pilot
2. Pda 700 SLIP PERMITS; STATE-OWNED RESTRICTED PIERS Rules, Final Adoption
3. Initial Proposed Amendment to the Schedule of Pilotage Fees and Pilotage Unit Rates

Discussion: None. **Disposition**: Resolved **unanimous** (7 -0) vote for; motion **carried**.

XIV. New Business:

A. Report:

No Items to report

B. Grant Applications Filed in August:

1. **Division of Ports and Harbors – Homeland Security – Security Upgrades**

XV. Special Event:

A. Report:

No items to report

XVI. Upcoming Meetings:

Audit Committee	October 14, 2025 @ 8:30 a.m.
Board of Directors (Rye Harbor Study Workshop)	October 14, 2025 @ 5:30 p.m.
Board of Directors	October 21, 2025 @ 8:30 a.m.
Noise Compatibility	October 21, 2025 @ 6:30 p.m.

All Meetings begin at 8:30 a.m. unless otherwise posted.

XVII. Directors' Comments:

XVIII. Adjournment:

Director Levesque **moved** the **motion** and Director Semprini **seconded** to **adjourn the Board meeting. Meeting adjourned at 9:48 a.m.**

Discussion: None. **Disposition**: Resolved **unanimous** (7-0) vote; motion **carried**.

XIX. Press Questions:

Steve Porter - Boston Globe had a couple follow-up questions regarding ICE:

1. **Clarification whether the flights were discontinued in the past 12 days at PSM.**

Brean indicated in the past 12 days does not believe there have been any ICE flights; PSM is a publicly funded airport and Homeland Security dictates where they will operate the flights and not aware of any [ICE] flights in the near future but Homeland Security for logistical reasons will move flights around.

2. **Asked Chairman if he could confirm that the detainees are in the custody of actual DHS employees and not contractors they are in the custody of and what would happen if a DHS employee were not with them.**

Brean indicated that DHS is onsite for any operation it has in Portsmouth. Porter inquired actual personnel; Brean affirmed.

XX. Consultation with Counsel:

Respectfully submitted,

Paul E. Brean

Paul E. Brean
Executive Director

PEASE DEVELOPMENT AUTHORITY
Tuesday, October 14, 2025

AUDIT COMMITTEE AGENDA

Time: 8:30 A.M. – Board Meeting Room
Place: 55 International Drive
Pease International Tradeport
Portsmouth, New Hampshire 03801

I. Call to Order *(Ferrini)*

II. Acceptance of Committee Meeting Minutes: October 15, 2024 *

III. Public Comment

IV. FY 2025 External Audit *(Suzy Anzalone, Katherine Balukas and Katherine Skrocki)*

A. Reports

1. Management Representation Letter *

2. Executive Summary of Audit Engagement *

3. Auditor Required Communication Letter *

4. Advisory Letter *

B. Approvals *(Conard)** +

1. Certified Financial Statements *
2. Uniform Guidance Audit of Federal Awards *

V. Next Meeting- TBD

VI. Director's Comments

VII. Adjournment

VIII. Press Questions

* **Related Materials Attached**
\+ **Proposed Motion**

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Fournier:

The Pease Development Authority Board of Directors hereby moves that item numbers _________ from the consent agenda list below be approved as a single consent agenda item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.

1. Portsmouth International Airport at Pease – Delos / PlaneSense – Snow Plowing Agreement * **(Conard)**
2. Pease Development Authority – Legal Services * **(Ferrini)**
3. Pease Golf Course – Galley Hatch Restaurant, Inc. d/b/a Grill 28 – Concession Agreement Amendment 8 * **(Fournier)**
4. Pease Golf Course – Irrigation System Upgrade – National Lawn Sprinklers Inc. * **(Conard)**
5. Lonza Biologics, Inc. – Parking License at 55 International Drive * **(Semprini)**

6. Pease Development Authority – Snow Removal Services – Northeast Land Care* **(Parker)**

7. Pease Development Authority – Lonza Biologics – Landscape Modification Concept Approval * **(Parker)**

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Conard:

The Pease Development Authority (PDA) Board of Directors approves of and authorizes the Executive Director to enter into an agreement with Delos, LLC (aka PlaneSense) for the purpose of providing snow plowing services on the ramp area of Delos's leasehold premises located at 115 Flightline Road at the Portsmouth International Airport at Pease for the period of November 1, 2025 through April 30, 2027; all in accordance with the draft agreement attached hereto.

N:\RESOLVES\2025\Delos – Snow Removal Agr (10-21-2025).docx

AGREEMENT

THIS AGREEMENT, made effective this ___ day of ____________, 2025, by and between the PEASE DEVELOPMENT AUTHORITY, an agency of the State of New Hampshire established pursuant to N.H. RSA 12-G:1 et. seq. with a principal place of business at 55 International Drive, Pease International Tradeport, Portsmouth, New Hampshire 03801 ("PDA") and Delos, LLC, with a principal place of business at 115 Flightline Road, Portsmouth, New Hampshire 03801 ("Delos").

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1) The PDA will furnish snow plowing services on the ramp area of Delos's leasehold premises at the Portsmouth International Airport at Pease, as designated on the attached Exhibit A (the "Premises"), in a manner consistent with its provision of snow plowing services on other ramp and apron areas at the airport under PDA control. All PDA snow plowing shall be performed by plow trucks; no shovel or hand clearing of snow shall be performed by the PDA on the Premises. The PDA is not responsible for the plowing of snow within ten (10) feet +/- of any building or equipment on the Premises.

2) The PDA will commence work as soon as it is able after snow on the Premises exceeds one (1) inch in depth. Delos shall be responsible for the removal of its equipment and personnel from the Premises prior to plowing operations on the Premises commencing.

3) This Agreement shall commence on the first plowable event following the effective date of this Agreement or November 1, 2025, whichever occurs first, and terminate on April 30, 2027 (winter seasons 2025 – 2026 and 2026 – 2027).

4) Delos shall pay to the PDA the total sum of Thirty Eight thousand One hundred Nighty Nine Dollars ($38,199.00) each winter season (winter seasons 2025-2026 and 2026-2027) for the work to be performed under this Agreement, regardless of the number of plowable snow events, payable in six (6) equal monthly installments on the first of each month, in advance, November 1st through April 1st each season this Agreement is in effect.

5) Delos's signature below constitutes its agreement to waive all claims against the PDA, including but not limited to claims of negligence, for any loss, damage, personal injury or death to Delos's employees, agents and invitees and the employees, agents and invitees of Delos's affiliates, caused by or occurring as a result of the PDA's performance of the plowing of the Premises, or the conduct of activities or the performance of responsibilities under this Agreement. Delos further agrees to defend and indemnify the PDA, its officers, board members, agents, and employees, from and against all suits, claims, demands or actions, liabilities, judgements, and costs (including attorney's fees) arising out of or in relation to PDA's performance pursuant to the terms of this Agreement. This provision shall survive termination of this Agreement.

6) This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors, and assigns.

7) Either party may terminate this Agreement upon sixty (60) days written notice to the other.

8) This Agreement is executed in a number of counterparts, each of which is an original and constitutes the entire agreement between the parties. This Agreement shall be construed according to the laws of the State of New Hampshire. No portion of this Agreement shall be understood to waive the sovereign immunity of the State, or the protections and limitations

within N.H. RSA Ch. 541-B. This Agreement shall not be amended or modified except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement, effective on the date first above written.

PEASE DEVELOPMENT AUTHORITY

Date:____________________ By:______________________________
Paul E. Brean, Executive Director

DELOS, LLC.

Date:____________________ By:______________________________
Print Name:______________________________
Title:______________________________

<u>**EXHIBIT A**</u>

Exhibit A — DESIGNED BY: MRM — DATE: 8/27/21 — SCALE: 1"=200'±

PEASE DEVELOPMENT AUTHORITY — 55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MOTION

Director Ferrini:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to expend funds in the amount of $2,474.50 for payment of legal services provided by Sheehan Phinney Bass & Green and Anderson Kreiger; all in accordance with the memorandum from Anthony I. Blenkinsop, Deputy Director / General Counsel, dated October 8, 2025; attached hereto.

N:\RESOLVES\2025\Legal Services (10-21-2025).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

To: Pease Development Authority Board of Directors

From: Anthony I. Blenkinsop, Deputy Director / General Counsel

Date: October 8, 2025

Re: Legal Services

Sheehan Phinney Bass & Green provided legal services to the Pease Development Authority ("PDA") for the month of September 2025, as follows:

September 1, 2025 – September 30, 2025	
(for Tradeport General Representation)	$ 755.50
(for Permit Implementation)	$ 975.00
	$1,730.50

Anderson Kreiger, LLP provided legal services to the PDA for the month of August, 2025, as follows:

August 1, 2025 – August 31, 2025	**$ 744.00**

This is a request for approval by the Board of Directors to authorize the Executive Director to expend funds for legal services rendered to Sheehan, Phinney, Bass & Green and Anderson Krieger in a total amount of **$2,474.50.**

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SHEEHAN PHINNEY

1000 Elm Street, 17th Floor
Manchester, NH 03101
603.668.0300

Pease Development Authority
Anthony Blenkinsop, Esq.
55 International Drive
Portsmouth, NH 03801

Invoice Date:	October 08, 2025
Invoice Number:	424217
Matter Number:	14713-10167
Billing Timekeeper:	Lynn J. Preston

REMITTANCE COPY

General Representation - Trade Port

Invoice Date	**Invoice Number**	**Balance Due**
Current Invoice		
10/08/25	424217	$755.50
Balance Due		$755.50

Please Remit to:

Mail To:
1000 Elm Street, 17th Floor
P.O. BOX 3701
Manchester, NH 03105-3701

Wire/ACH Instructions:
Bar Harbor Bank & Trust
82 Main Street
Bar Harbor ME 04609
ACCOUNT # 8330425805
ABA # FOR WIRE & ACH TRANSFERS: 011201759

LawPay: *To pay by Credit Card or eCheck, visit www.sheehan.com, scroll to the bottom and click LawPay*

Terms: Net 30

Interest accrued on balances over 30 days

SHEEHAN PHINNEY

1000 Elm Street, 17th Floor
Manchester, NH 03101
603.668.0300

Pease Development Authority
Anthony Blenkinsop, Esq.
55 International Drive
Portsmouth, NH 03801

Invoice Date:	October 08, 2025
Invoice Number:	424215
Matter Number:	14713-19658
Billing Timekeeper:	Lynn J. Preston

REMITTANCE COPY

Permit Implementation

Invoice Date	Invoice Number	Balance Due
Current Invoice		
10/08/25	424215	$975.00
Balance Due		$975.00

Please Remit to:

Mail To:
1000 Elm Street, 17th Floor
P.O. BOX 3701
Manchester, NH 03105-3701

Wire/ACH Instructions:
Bar Harbor Bank & Trust
82 Main Street
Bar Harbor ME 04609
ACCOUNT # 8330425805
ABA # FOR WIRE & ACH TRANSFERS: 011201759

LawPay: *To pay by Credit Card or eCheck, visit www.sheehan.com, scroll to the bottom and click LawPay*

Terms: Net 30

Interest accrued on balances over 30 days

ANDERSON KREIGER

Anderson & Kreiger LLP

50 Milk Street
21st Floor
Boston, MA 02109
(617) 621-6500
www.andersonkreiger.com
04-2988950

Anthony Blenkinsop, Deputy Director/General Counsel
Pease Development Authority
55 International Drive
Portsmouth, NH 03801

Issue Date : 9/11/2025
Bill # : 170468
Due Date : 10/11/2025 (Net 30)

RE : Federal Regulatory Advice

Fees

Date	Staff	Description	Billable Hours	Rate	Amount
Fees Subtotal			**1.20**		**$744.00**

Staff Summary

Name	Hours	Rate	Amount
David S. Mackey	1.20	$620.00	$744.00

Total $744.00
Previous Balance $496.00

Payments & Credits

Date	Type	Notes	Amount
3/26/2024	Payment	#88823	-$496.00

Payments & Credits -$496.00
Balance Due $744.00

We appreciate your prompt payment.

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Fournier:

In accordance with the recommendation from the Pease Golf Committee, the Pease Development Authority ("PDA") Board of Directors approves of and authorizes the Executive Director to enter into Amendment No. 8 of the Food and Beverage Service Concession Agreement with Galley Hatch Restaurant, Inc., d/b/a Grill 28 to amend and extend the term of the agreement through October 31, 2028; all in accordance with the memorandum from Executive Director Paul E. Brean dated October 8, 2025; attached hereto and incorporated herein.

N:\RESOLVES\2025\Galley Hatch Option to 2028 (10-21-2025).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

To: PDA Board of Directors

From: Paul E. Brean, A.A.E., Executive Director

Date: October 8, 2025

Subject: Golf Course Food and Beverage Management Service Concession Agreement

The Pease Development Authority and the Galley Hatch Restaurant, Inc., d/b/a Grill 28 ("GHR") are parties to a "Food and Beverage Management Service Concession Agreement at Pease Golf Course" regarding the operation of the Grill 28 restaurant. The agreement commenced April 1, 2009, and has been amended seven times. In 2023, via Amendment 7, the PDA Board approved a two-year extension which expires on October 31, 2025.

In 1991 when the Pease Golf Course opened, food and beverage was managed by a full time PDA Food and Beverage Manager, and all the support staff were PDA employees. Food service was limited to take-away cold sandwiches and a 12 seat full liquor bar. The majority of large golf tournaments and event functions hired their own caterers to provide food and beverages for participants due to limited space and equipment onsite.

Ultimately, a decision was made to contract out the food and beverage operation and a formal request for proposal ("RFP") for concession services was issued in 1996. As a result of the RFP, a Food and Beverage Service Concession Agreement was executed with Galley Hatch Catering Services, Inc. ("GHC") to provide daily food and beverage operations and serve as the exclusive caterer for all event functions held at the course. The concession contract was bid again in 2009 and GHC was awarded the contract a second time. On March 14, 2012, by virtue of an assignment GHR assumed the Food and Beverage Service Concession Agreement from GHC. The agreement with GHR has been extended various times since then, most recently in 2023, and currently expires on October 31, 2025.

The 2023 extension included various additional charges payable by GHR, including dumpster receptacle charge; electricity; propane gas charges; heat; cable / phone; cleaning services, chemicals and tent rental. GHR has expressed concern that these additional charges negatively impact its ability to operate on a year-round basis given a slowdown in business during the winter months. Additionally, since the 2023 extension, the PDA examined the possibilities for potential expansion of the kitchen and bathrooms at the Club House, as well as a larger event space. Such projects were very expensive and

GHR is not currently able to partner on any facility improvement projects. As such, potential expansion projects have been tabled at this time.

The concession contract and construction of a new clubhouse in 2010 has produced a successful food and beverage program that consists of year round full service dining, take-out, and function facilities. GHR is often recognized for the high quality food and beverage service it provides. The PDA has been pleased with GHR's operation of Grill 28 and has recognized an overall growth in food and beverage revenue since 2013. PDA staff believe there is value in continuing this partnership that has served customers well over the years.

With the foregoing in mind, PDA and GHR have discussed a three (3) year extension of the current agreement and believe such an extension would be in both parties' best interests. Grill 28 will continue to reimburse PDA seventeen percent (17%) of the total monthly gross sales for the term of the agreement. Additional modifications include:

- Grill 28 will be responsible for the purchase of certain front of the house equipment, restaurant supplies, and merchandise.
- Grill 28 will provide a dedicated staff member to attend all golf outings with pre-booked food and beverage as customer support.
- Grill 28 will use a specified parking diagram when using the driving range for parking for non-golf functions.
- Grill 28 will schedule a monthly meeting with the Pease Golf Course General Manger.
- Grill 28 will have use of the storage shed for the storage of all tables, chairs, portable bars, and any other miscellaneous items.
- Grill 28 will submit, in advance, any modifications to hours of operation for approval by the Pease Golf Course General Manger prior to implementation.
- Grill 28 will reimburse PDA $500 for any non-golf event scheduled to use the simulator room or driving range if the event cancels and the golf course is not notified in writing at least 48 hours in advance.

In order to ensure continued year-round operation, Grill 28 will no longer be responsible for the following expenses: dumpster receptacle charge; electricity; propane gas charges; heat; cable / phone; cleaning services, chemicals and tent rental.

As such, at the October 21, 2025, meeting of the PDA Board of Directors, I request authority to enter into an amendment of the concession agreement with GHR to extend the term of the agreement through October 31, 2028, with additional changes consistent with the above and the attached draft Amendment 8, with all other terms and conditions of the agreement to remain the same.

AMENDMENT NO. 8

FOOD AND BEVERAGE MANAGEMENT SERVICE CONCESSION AGREEMENT AT PEASE GOLF COURSE

Owner:	Pease Development Authority ("PDA")
Concessionaire:	Galley Hatch Restaurant, Inc. d/b/a Grill 28
Contract Date:	April 1, 2009

WHEREAS, Galley Hatch Restaurant, Inc. ("Grill 28" or "Concessionaire") assumed the April 1, 2009, Food and Beverage Service Concession Agreement at Pease Golf Course (the "Agreement") by virtue of an assignment from Galley Hatch Catering Services, Inc. dated March 14, 2012;

WHEREAS, the Agreement has been amended seven (7) previous times; and

WHEREAS, the parties desire to extend the term of this Agreement, as amended, by three (3) additional years and to include additional provisions regarding certain matters, including but not limited to certain cost allocations.

NOW THEREFORE, PDA and Grill 28 agree to this Amendment No. 8 to the Agreement, as follows:

1. Section 1, Paragraph 1 of Amendment 3 of the Agreement, as amended by Amendments 5, 6, and 7, is further amended to extend the term of the Agreement three (3) additional years, through October 31, 2028.

2. Section 2, subparagraphs a. through c. of Amendment 7, shall be deleted in their entirety and replaced with the following subparagraphs a. through i. to be incorporated into the Agreement:

   a. Grill 28 shall be responsible for the purchase of any front of the house equipment, restaurant supplies, and merchandise, not referenced in **<u>Exhibit 1</u>**, including, but not limited to glass / stemware; dinnerware; utensils; and bar necessities.

b. Grill 28 shall be responsible for reimbursing PDA seventeen percent (17%) of the total monthly gross sales for the term of the agreement.

c. Grill 28 shall reimburse PDA twenty-five percent (25%) of annual tent rental fees for the term of the agreement.

d. Grill 28 shall reimburse PDA $500 for any non-golf event scheduled to use the Simulator Room or driving range if the event cancels and the Pease Golf Course is not notified in writing at least 48-hours in advance of the event's scheduled start time.

e. Grill 28 will provide a dedicated staff member to attend all golf outings with pre-booked food and beverage as customer support for the event committee during the morning registration, while the event is on the course, and upon completion of the golf round.

f. Grill 28 shall use the parking diagram, see **Exhibit 2**, when using the driving range for vehicle parking for non-golf functions, which use of the driving range shall require the preapproval of the PDA in its sole discretion. Grill 28 shall also coordinate with Golf Shop staff for the removal of all the tee markers on the 10^{th} hole to the forward most part of the teeing area for permitted non-golf parking events.

g. Grill 28 shall schedule a monthly meeting with the Pease Golf Course General Manger. See **Exhibit 3** as non-exclusive list of items to be discussed.

h. Grill 28 shall use the storage shed, see **Exhibit 4**, for the storage of all tables, chairs, portable bars, and any other miscellaneous items currently being stored in the vinyl fenced area.

i. Grill 28 must submit any modifications to hours of operation to the Pease Golf Course General Manager in advance of any schedule changes. Once approved by the Pease Golf Course General Manger the agreed upon schedule may be implemented.

3. All other terms and conditions of the Agreement, as previously amended, shall remain in full force and effect and continue to be binding upon the Parties.

In Witness Whereof, PDA and Grill 28 have agreed to the aforementioned Amendment No. 8 to the Agreement made effective this ________ day of ___________, 2025.

Pease Development Authority

Witness:______________________

Date: __________

____
Paul E. Brean, Executive Director

Galley Hatch Restaurant, Inc.

Witness:______________________

Date: __________

____
John Tinios, President

P:\GOLF COURSE\GALLEY HATCH\Agreement\Amd No 8 Galley Hatch (09-30-2025).docx

Exhibit 1
Kitchen and Bar Equipment

Kitchen

8' x 10' Walk In Cooler
8' x 10" Walk In Cooler with 4' x 8' Walk In Freezer
Double Stack Convection Oven
Four Burner Gas Range Top
40" Hot Griddle Plate
24" Gas Grill Top
2 – Two basket Fryolators
3 – 4' Floor Food Service Coolers
7 – 8' Stainless Steel Counter Tops
60' Stainless Steel Storage Rack Systems
36" Reach In Freezer
Stainless Steel Salad Station
2 - Stainless Steel Sandwich Station
900 lb Ice Machine
Double Door Reach In Cooler
Portable Grease Filter Unit
High Temp Dish Washer Area
Double Bin Dish Washer Area
Reach In Hot Box
10 Gallon Electric Mixer
Stainless Steel Meat Slicer
8' Stainless Steel Outdoor Gas Grill

Bar

2 – Under Counter Reach In Bottle Coolers
Glass Washer
2 – Three Quarter Keg Beer Coolers
Beer Line Cooling System

Exhibit 2

EXHIBIT DEPICTING EVENT PARKING AREA AT PEASE GOLF COURSE

PEASE DEVELOPMENT AUTHORITY

EXHIBIT 3

Pease Golf Course/Grill 28

Monthly Checklist

Routine cleaning refers to tasks performed during each daily cleaning to the building. Such tasks shall include but, not limited to:

- ☐ Mop and maintain free of trash all surfaces in kitchen, sanitizing counter tops and sinks, storage areas near kitchen, basement storage areas and racks, and bar floors and storage areas
- ☐ Move all kitchen equipment to clean and degrease back of units, and walls of any grease and dirt build up
- ☐ Remove all items so as not to interfere with the air exchange units, regular dumpster service, or items that may cause a safety hazard
- ☐ Sweep and keep free of trash the function tent space, both inside and around perimeter
- ☐ Sweep and keep free of trash the patio space, both inside and around perimeter
- ☐ Wash entrance doors, and interior glass doors with window cleaner as needed
- ☐ Empty trash receptacles and replace liners. Disinfect as needed
- ☐ Empty and clean trash receptacles from tent, patio and take out window spaces
- ☐ Follow recycling separation guidelines
- ☐ Keep Function/Simulator space clear of tables, chairs, and any other miscellaneous items when not being used for a non-golf function, vacuum space if needed after non-golf function
- ☐ Clean and refill all paper products and soap dispensers
- ☐ Keep fire extinguishers, and electric panels freely accessible

*Recycling separation guidelines: dispose of plastic/glass/cans/cardboard and paper in the designated bins.

EXHIBIT 4

PROJECT: PEASE GOLF COURSE PROPOSED STORAGE SHED

DESIGNED BY: MCR DATE: 07/23/2025 SCALE: 1"=50'

PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Conard:

The Pease Development Authority ("PDA") Board of Directors authorize the Executive Director to execute a contract with National Lawn Sprinklers, Inc. of 645 North Broadway, White Plains, NY, 10603 in the amount of $1,244,500.00 with an additional 7% contingency fund, for a total authorized amount of $1,331,615.00, for the upgrade to the Pease Golf Course ("PGC") irrigation system; all in accordance with the memo of Scott DeVito, General Manager, PGC, dated October 10, 2025; attached hereto.

N:\RESOLVES\2025\ Golf - PGC Irrigation Upgrade (10-21-25).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

To: Paul Brean, A.A.E., Executive Director *PAB*

From: Scott DeVito, PGA General Manager *SD*

Date: October 10, 2025

Subject: Request to Replace Irrigation System on Upper Golf Holes

This memo is a request to enter a contract with National Lawn Sprinklers Inc., 645 North Broadway, White Plains, NY 10603, in the amount of $1,244,500.00, with an additional 7% contingency fund, for the replacement of the irrigation system at the Pease Golf Course ("PGC"), for a total authorized amount of $1,331,615.00.

The main irrigation lines being used to water the upper golf holes were originally installed by the Air Force in the mid 1950's, with most of the tie in lines and sprinklers being installed shortly after the Pease Development Authority took ownership of the golf course in 1991. Most of the work performed in the early 1990's was done by the golf course maintenance staff, and with limited funds most of the sprinkler heads installed were not intended for commercial use. Now, with the age of the system, many of the necessary replacement parts and supplies to repair breaks are no longer available which results in delays with repairs and damage to turf.

In 2022, a replacement irrigation plan was requested from Toro Golf Irrigation, PGC's current irrigation provider, at no cost to the golf course. The replacement plan includes a full list of water lines, valves, shut-offs, control panels, sprinkler heads and irrigation control boxes, with pricing. The plan's irrigation drawings show three phases of new irrigation infrastructure to be considered. PGC is requesting to do phases one and two during this project, which includes the upper golf holes of the golf course (1, 2, 9, 10, 11, 12,16, 17 & 18), along with adding new irrigation control boxes on the Blue Course, and adding a water aeration system to the main irrigation pond located on hole #14. It is anticipated that these two phases will commence November 2025, through April 2026, and October 15, 2026, through December 2026.

RFB 26-05 was placed for advertisement on Tuesday, September 16, 2025. Bids were opened on Thursday, October 9, 2025, 2:00 p.m. at the PDA main office. One bid was received:

National Lawn Sprinklers, Inc.: $1,244,500.00

Please seek authorization from the PDA Board of Directors to contract with National Lawn Sprinklers, Inc. in the amount of $1,244,500.00, for replacement of the irrigation system at PGC, with a 7% contingency fund for a total approved amount of $1,331,615.00. Thank you for your consideration of this matter.

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Semprini:

The Pease Development Authority Board of Directors hereby authorizes the Executive Director to finalize and execute Amendment No. 14 to the Parking License Agreement with Lonza Biologics, Inc. for parking spaces located at 55 International Drive; extending the Agreement from November 1, 2025, through October 31, 2026; all in accordance with the draft License Agreement Amendment No. 14, attached hereto.

N:\RESOLVES\2025\Lonza Parking – 55 Intl Dr (10-21-25).docx

License Agreement Amendment No. 14

Licensor:	Pease Development Authority ("PDA" or "Licensor")
Licensee:	Lonza Biologics, Inc. ("Lonza" or "Licensee")
Licensed Premises:	Parking area adjacent to 55 International Drive, Portsmouth, NH
License Date:	October 31, 2011

This License Agreement Amendment No. 14 made effective November 1, 2025, by and between PDA and Licensee:

WHEREAS, Licensee desires to extend its License, as amended, through October 31, 2026, for the continued use of certain parking area adjacent to 55 International Drive, Portsmouth, NH (the "Licensed Premises");

WHEREAS, PDA has agreed to extend the term of the License through October 31, 2026;

NOW THEREFORE, for good and valuable consideration, the receipt of which is acknowledged, the Parties agree to amend the License Agreement as follows:

1. The term of the License is extended for one (1) year from November 1, 2025, through October 31, 2026.

2. Licensee shall pay PDA a License Fee of Thirteen Hundred and 00/100 Dollars ($1,300.00) per month, in advance, for use of the Licensed Premises.

3. Smoking, including the use of e-cigarettes, is not permitted on the Licensed Premises. Licensee shall provide regular and routine notice of this prohibition to its permitted users of the Licensed Premises.

4. Pursuant to paragraph 4 of the License, Licensee shall conduct regular and routine inspections of the Licensed Premises, including but not limited to grass areas directly adjacent to all parking spots, no less than monthly, to removal and properly dispose of all trash/litter.

5. All other terms and conditions of the License as amended shall remain in full force and effect and continue to be binding upon the Parties.

Pease Development Authority

Date: ____________, 2025

By:______________________________
Paul E. Brean
Executive Director

Lonza Biologics, Inc.

Date: ______________, 2025

By:_________________________________
Duly Authorized
Print Name:___________________________
Title: _______________________________

P:\LONZA\Parking\Parking License Amd 14docx

EXHIBIT A

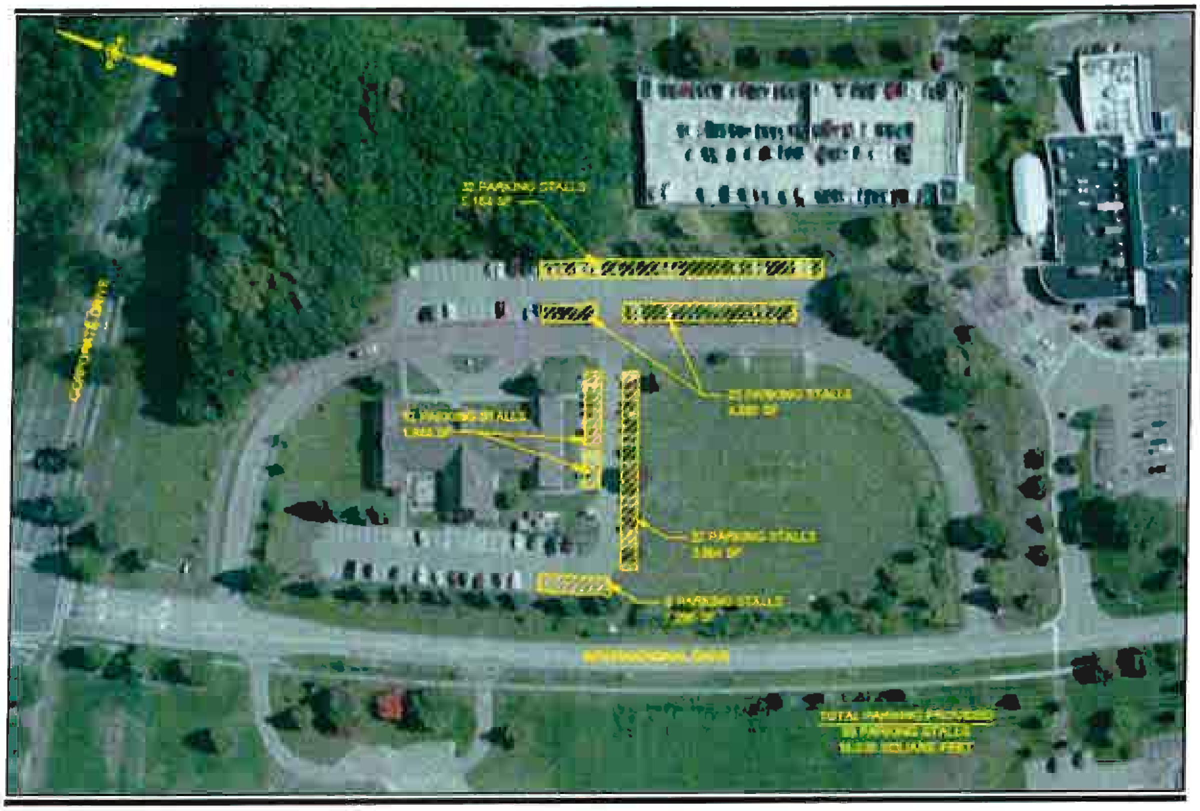

Exhibit Depicting Lonza Parking at 55 International Dr

DESIGNED BY: MRM DATE: 10/4/22 SCALE: 1"=120'±

PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

PEASE
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DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Parker:

The Pease Development Authority (PDA) Board of Directors approves of and authorizes the Executive Director to enter into a contract with New England Landcare ("NELC") for the purpose of providing snow plowing and removal services at certain PDA properties for a period of two (2) years, with two (2) one-year options to renew at the discretion of the PDA Executive Director; all in accordance with the memorandum of KC Conley, Manager of Airport Infrastructure & Facilities, dated October 9, 2025.

N:\RESOLVES\2025\Snow Removal Services (10-21-2025).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To:	Paul E. Brean, A.A.E., Executive Director PEB
From:	KC Conley, Manager of Airport Infrastructure & Facilities KC 10-9-25
Date:	October 9, 2025
Subject:	RFB 26-08 Snow Removal Services

The Pease Development Authority ("PDA") recently issued a Request for Bids (RFB) 26-08 to provide snow removal services at PDA maintained facilities. Two (2) bids were received and publicly opened on October 7, 2025, at 2:00 PM EST. Interested contractors were requested to provide hourly rates and unit costs and apply those to estimated quantities provided on the Bid From. The contract duration is two (2) years with two (2) one-year options to renew, exercisable at the discretion of the PDA Executive Director.

The responsive bids were:

New England Landcare (NELC)	$59,910.00
Piscataqua Landscaping and Tree Service	$62,150.00

NELC, provided the lowest cost and met all requirements of RFB 26-08. Therefore, this is to request approval from the PDA Board of Directors to award the Snow Removal Services Contract to NELC of Rochester, NH, consistent with its proposal submitted on October 7, 2025.

PEASE
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AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Parker:

The Pease Development Authority Board of Directors hereby approves of Lonza Biologics, Inc.'s ("Lonza") concept plan regarding landscaping modifications to Lonza's property at 101 International Drive; all in accordance with the terms and conditions set forth in the memorandum of Michael R. Mates, P.E., Director of Engineering, dated October 7, 2025; attached hereto.

N:\RESOLVES\2025\Lonza Concept Plan - Landscaping Modifications (10-21-25).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To: Paul E. Brean, A.A.E., Executive Director

From: Michael R. Mates, P.E., Director of Engineering MRM

Date: October 7, 2025

Subject: Lonza Tree Removal Along International Drive

There exists a significant stand of pine trees along International Drive that screen the Lonza building located at 101 International Drive which Lonza is proposing to remove and replace due to the trees' interference with Lonza's heating, ventilation and air conditioning ("HVAC") system. These trees are very tall and when they shed, the HVAC system pulls in heavy debris such as tree pollen and particulate that is negatively impacting the efficiency and effectiveness of the adjacent roof mounted air handling units. This in turn causes extensive maintenance and upkeep to keep Lonza's systems operational. As an alternative, Lonza has proposed to replace the pines with shorter maples as shown on the attached plans.

As this proposed work is visible from International Drive, the practice is to bring the proposal to the Board of Directors for concept approval. The proposed landscape changes will continue to meet the screening intent of PDA's Land Use Control's and allow Lonza to operate more efficiently.

At the October Board of Directors' meeting please ask the Board to approve Lonza's concept plan for landscaping changes along International Drive as described above. If concept approval is granted, site review approval will be done administratively. Staff has determined that the proposed landscaping does not impact traffic, safety, or intensity of use and can therefore be limited to an in-house review.

N:\ENGINEER\Board Memos\2025\Lonza Trees.docx

Proposed Tree Removal & Relandscaping

Road View – 101 International Dr

Lonza

Proposed Tree Removal & Relandscaping

Approximate tree rendering – 101 International Dr.

Lonza

Approximate rendering with focus on the existing tall pine trees that are proposed for removal and replaced with new maple trees. Landscaping to be similar to existing along 101 International Drive.

The tall pine trees are negatively impacting the roof top air handlining units due to excessive pollen and particulates.

MOTION

Director Semprini:

The Pease Development Authority ("PDA") Board of Directors hereby moves that item numbers _________ from the consent agenda with waivers listed below be approved as a single consent agenda with waivers item, and that the proposed motions included for each be incorporated into such approval as the operative motion for each item.

1. Pease Golf Course – Simulator System Upgrade – aboutGolf * **(Fournier)**

2. Pease Development Authority – Northeast Land Care – Pavement and Driveway Improvements at 55 International Drive * **(Conard)**

**NOTE: This motion requires 5 affirmative votes.
Roll Call Vote Required.**

PEASE
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DEVELOPMENT
AUTHORITY

55 International Drive Portsmouth, NH 03801

MOTION

Director Fournier:

The Pease Development Authority Board of Directors approves of and authorizes the Executive Director to enter into an agreement with aboutGolf for the purchase and installation of replacement equipment for the three (3) simulators at the Pease Golf Course, in a total amount not to exceed $48,928.24; all in accordance with the memorandum of Scott DeVito, PGA General Manager, dated October 9, 2025; attached hereto.

In accordance with the provisions of RSA 12-G:8 VIII, the Board justifies the waiver of the RFP requirement as the aboutGolf simulator hardware and software at Pease Golf Course is a proprietary system.

NOTE: This motion requires 5 affirmative votes.
Roll Call Vote.

N:\RESOLVES\2025\aboutGOLF simulators upgrade (10-21-25).docx

PEASE
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DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

To:	Paul Brean, Executive Director
From:	Scott DeVito, PGA General Manager
Date:	October 9, 2025
Subject:	Pease Golf Course Simulator Equipment Replacement

This memo is a request to enter into an agreement with aboutGolf Simulators of 352 Tomahawk Drive, Maumee OH 43537 in the amount of $48,928.24 for simulator equipment replacement and installation at the Pease Golf Course ("PGC"). PGC has been running aboutGolf Simulators since 2010 and recently signed a three-year software subscription with no rate increase. PGC is pleased with aboutGolf but has investigated other simulator systems over the years; each different simulator company requiring its own computers, ball reading systems, cables/wiring, and touch screen monitors. If PGC were to change companies, it is estimated the switchover cost would range from $35,000.00 to $45,000.00 per simulator.

aboutGolf would do the following work under the proposed agreement: setup three new computer systems (computers purchased separately by PDA for $6,400.00); replace and install the aboutGolf 3Trak ball sensor systems; move the player hitting stations forward; replace and relocated three projectors (new projectors also purchased separately by PDA); and calibrate each of three new game areas.

The existing computers and aboutGolf 3Trak systems have been in use for the last 7 years and are beginning to show signs of normal wear and tear as they run 12 to 14 hours a day during the indoor season of October through April. During the 2024/2025 indoor golf season, staff ran into computers freezing and 3 Trak systems not reading golf shots during customer use. The proposed work will address this situation and provide an improved playing experience.

At the October 21, 2025, Board of Directors' meeting please seek approval to contract with aboutGolf in an amount not to exceed $48,928.24 for PSG simulator replacement equipment and installation for the three simulators at PGC. Additionally, please seek a waiver the RFP process as the aboutGolf simulator system already in use at PSG is a proprietary system which would be very expensive to change as noted above.

Thank you for your consideration in this matter.

55 International Drive Portsmouth, NH 03801

MOTION

Director Conard:

The Pease Development Authority ("PDA") Board of Directors hereby authorizes the Executive Director to enter into an agreement with Northeast Land Care ("NELC") of Rochester, New Hampshire to repave and make improvements to the parking lot, driveway, and drive aisles controlled by PDA around the PDA offices at 55 International Drive, for a price not to exceed $281,518.40; all in accordance with the memorandum from Michael R. Mates, P.E., Director of Engineering; dated October 9, 2025, attached hereto.

In accordance with the provisions of RSA 12-G:8, VIII, the Board justifies the waiver of the RFP requirement as follows:

1. Lonza is undertaking parking lot repaving and improvements to its parking spaces at 55 International Drive this fall and has utilized NELC for landscaping and site work at its Tradeport properties and the work has been of high quality;

2. An economy of scale will be realized by combining this work with Lonza's;

3. Mobilization costs will be shared with Lonza;

4. Safety concerns will be addressed promptly, prior to winter asphalt plant closures; and,

5. Paving the entire area at 55 International Drive at the same time will result in a uniform paved surface with less seams and joints, prolonging the life of the pavement.

NOTE: This motion requires 5 affirmative votes.
Roll Call Vote.

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To: Paul E. Brean, A.A.E., Executive Director

From: Michael R. Mates, P.E., Director of Engineering MRM

Date: October 9, 2025

Subject: Parking and Driveway Improvements at 55 International Drive

---

The pavements at 55 International Drive, PDA Headquarters, are shared with Lonza through a license agreement that allows Lonza to use 99 parking spaces. The pavements were constructed in 1998 when the building was renovated. At that time, existing asphalt was overlaid, and new pavement was constructed to build the south and west parking lots. Through 27 years of use, all paved areas have deteriorated. Cracks and potholes have formed, and vegetation is growing through the cracks.

Lonza is responsible for maintaining its licensed parking areas and informed PDA of its plan to repave the areas under its control this fall. Staff recognized an opportunity to economically and efficiently replace the remaining paved areas and requested pricing from Lonza's contractor, Northeast Land Care, LLC ("NELC"). NELC provided a price of $281,518.40 to reconstruct the remainder of the parking lot and drive aisles (PDA controlled areas) at 55 International Drive and install a sidewalk tip-down as shown on the attached drawing.

We believe the quoted price is fair and reasonable and ask that you seek Board approval to waive the bid process and award the work to NELC. The waiver request is based on the following:

1. Lonza has utilized NELC for landscaping and site work at its Tradeport properties and the work has been of high quality;
2. An economy of scale will be realized by combining this work with Lonza's which work Lonza intends to undertake this fall;
3. Mobilization costs will be shared;
4. Safety concerns will be addressed promptly, prior to winter asphalt plant closures; and,
5. Paving the entire area at the same time will result in a uniform paved surface with less seams and joints, prolonging the life of the pavement.

At the October Board meeting, please request approval to enter into a contract with NELC for $281,518.40 to provide parking and driveway improvements at 55 International Drive and waive PDA's procurement process for the reasons described above.

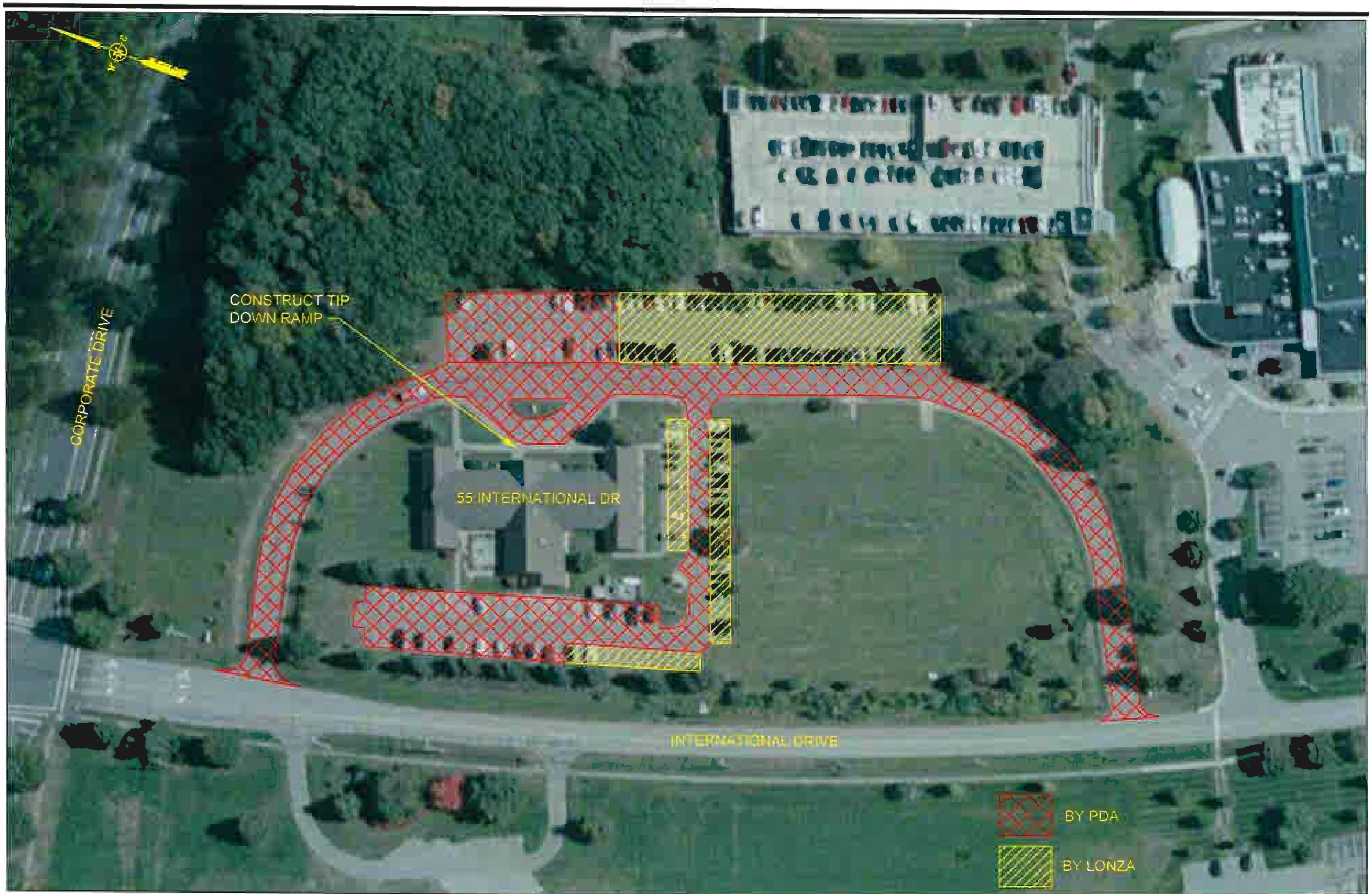


Exhibit Depicting Pavement Rehab at 55 International Drive

DESIGNED BY: MRM DATE: 10/7/25 SCALE: 1"=120'±

PEASE DEVELOPMENT AUTHORITY

55 INTERNATIONAL DRIVE, PORTSMOUTH, NH 03801

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To: Paul Brean, Executive Director

From: Suzy Anzalone, Director of Finance Suzy

Date: October 7, 2025

Subject: Executive Summary – Financial Reports

In anticipation of the upcoming October 21st Pease Development Authority Board meeting, the following is an Executive Summary of the financial results for the two months ended August 31, 2025:

Consolidated Results

Pease Development Authority - Consolidated

($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	4,551	4,288	262
Operating Expenses	2,977	3,304	327
Operating Income	**1,574**	**985**	**590**
Depreciation	1,433	1,455	22
Non Oper. (Inc)/Exp	(85)	(124)	(39)
Net Operating Income (Loss)	**226**	**(346)**	**573**

Consolidated operating revenues through August totaled $4.6 million, trending favorably by $262,000 (6.1%) over budgeted projections. Revenue line items trending higher than budget include fuel flowage fees, golf revenue and wharfage and dockage fees. Line items trending lower than budget through August include DPH fuel sales and parking revenue for both DPH and PSM.

Operating expenses through August totaled $3.0 million, trending favorably by $327,000 (9.9%) over budgeted projections. Cost overruns for the first two months of the fiscal year include equipment and facilities maintenance, navigational aids and supplies. Operating expenses trending lower than budget include wages and benefits, administrative expenses, utilities, professional services, marketing and fuel purchases.

Year-to-date Net Operating Income is $226,000 performing favorably against a budgeted loss of ($346,000).

Business Unit Performance

Portsmouth Airport

Portsmouth Airport (PSM) *incl Security*			
($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	694	611	83
Operating Expenses	632	717	85
Operating Income	**62**	**(106)**	**168**
Depreciation	844	846	2
Non Oper. (Inc)/Exp	(0)	(42)	(42)
Net Operating Income (Loss)	**(782)**	**(910)**	**128**

Portsmouth Airport revenues through August are trending $83,000 (13.6%) favorably, mainly driven by higher fuel flowage fees but offset by lower parking revenue. Operating expenses are favorable by $85,000 (11.8%) with wages and benefits, utilities, marketing and administrative expenses tending lower. Engineering services, equipment maintenance and navigational aids are trending higher than budget for the fiscal year.

Skyhaven Airport

Skyhaven (DAW)			
($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	42	41	1
Operating Expenses	58	51	(6)
Operating Income	**(16)**	**(11)**	**(6)**
Depreciation	70	71	1
Non Oper. (Inc)/Exp	0	0	0
Net Operating Income (Loss)	**(87)**	**(82)**	**(5)**

Skyhaven operating revenues are budget neutral through August. Operating expenses are $6,000 (12.5%) over budget and include cost overruns in fuel purchases and part-time wages.

Tradeport

Tradeport			
($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	1,960	1,981	(21)
Operating Expenses	67	122	55
Operating Income	1,893	1,860	34
Depreciation	127	132	5
Non Oper. (Inc)/Exp	(75)	(74)	1
Net Operating Income (Loss)	**1,842**	**1,803**	**39**

Tradeport revenues through August are trending slightly under budget (1.1% unfavorable). However, expenses are trending $55,000 favorably with cost underruns in building and facilities and professional services.

Golf Course

Pease Golf Course			
($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	1,336	1,151	185
Operating Expenses	666	688	21
Operating Income	670	463	206
Depreciation	67	67	0
Non Oper. (Inc)/Exp	0	0	0
Net Operating Income (Loss)	**603**	**397**	**206**

Golf course revenues for the first two months of the fiscal year are favorable by $185,000 (4.5%) driven by higher public play fee revenue. Expenses are under budget by $21,000 (3.1%). Cost underruns include wages, utilities and merchandise sales but are offset by higher expenditures in building materials, turf maintenance, equipment parts and supplies.

Division of Ports and Harbors (DPH)-Unrestricted

Division of Ports and Harbors (Unrestricted)			
($ 000's)	YTD Actual	YTD Budget	Variance Fav (unfav)
Operating Revenues	493	479	14
Operating Expenses	518	635	117
Operating Income	(24)	(156)	131
Depreciation	293	307	13
Non Oper. (Inc)/Exp	(9)	(6)	2
Net Operating Income (Loss)	**(309)**	**(456)**	**147**

Year-to-date revenues for the DPH are favorable by $14,000 (3.1%). Wharfage and dockage fees and registration fees are trending higher than budget but are offset by lower fuel sales and parking revenue. Operating expenses are favorable by $117,000 (18.4%) with cost underruns in wages, professional services and fuel purchases but offset by higher expenditures in building supplies, equipment maintenance and professional development.

Balance Sheet/Statement of Net Position (Consolidated)

($ 000's)	As of 8/31/2025	As of 8/31/2024
Assets		
Current Assets	29,300	24,170
Restricted Assets	1,620	1,594
Non-Current Assets	335,855	329,781
Total Assets	**366,774**	**355,545**
Deferred Outflows of Resources	**2,672**	**2,944**
Liabilities		
Current Liabilites	8,106	5,829
Non-Current Liabilities	11,900	10,451
Total Liabilities	**20,006**	**16,280**
Deferred Inflows of Resources	**218,696**	**219,970**
Net Position		
Net Invest. in Cap Assets	112,503	108,237
Restricted	1,489	1,438
Unrestricted	16,752	12,563
Total Net Position	**130,743**	**122,238**

The August balance sheet reflects $29.3 million in current assets which include $18.6 million in unrestricted cash (both PDA and DPH), $9.9 million in trade and lease receivables, and $0.8 million in inventory and prepaid expenses.

Restricted assets total $1.6 million and consist primarily of the Revolving Loan Fund which currently has 19 outstanding loans totaling $0.9 million in loans receivable.

Non-Current Assets include year-to-date capital expenditures in the amount of $394,000. Expenditures include NH Ave Right Hand Turn project, taxiway construction and design and various equipment purchases

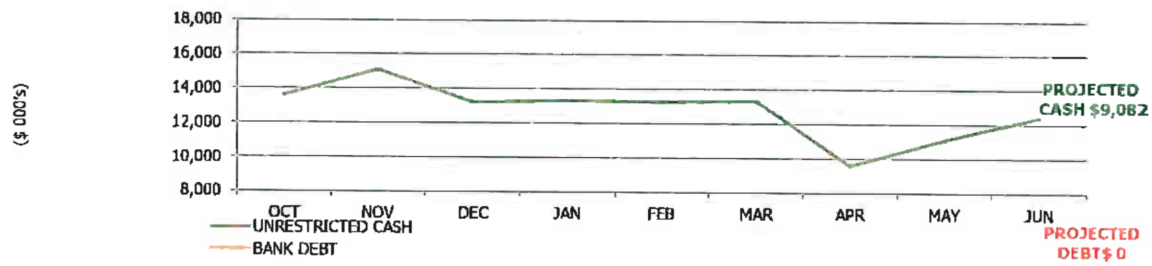
Current liabilities of $8.1 million represent trade accounts payable, retainage and accrued expenses for both operating and capital expenditures.

PDA Cash Flow Projections for the Ten-Month Period Ending June 30, 2026 (Excl. Division of Ports and Harbors)

During the next nine-month period, PDA cash inflows are projected at $22.6 million, mainly provided by operating revenues as well as $8.9 million in grant funding.

Cash outflows of $27.9 million during this same period include $12.9 million in both grant and non-grant related capital expenditures, as well as outflows from normal operating expenses and municipal service fee payments. Current projections indicate that the PDA will not need to draw on its line of credit over the next nine months and expects unrestricted cash to decrease to $9.0 million. The chart below outlines cash and debt balances over the next nine-month period.

PROJECTED CASH AND DEBT BALANCES – PEASE DEVELOPMENT AUTHORITY - EXCL. DPH

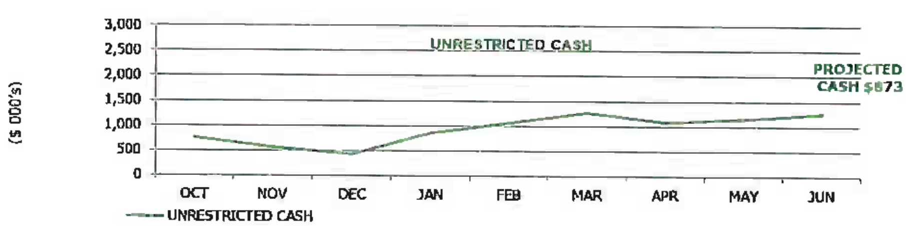


Cash Flow Projections for the Ten-Month Period Ending June 30, 2026 -Division of Ports and Harbors

During the next nine-month period, unrestricted cash inflows at the Division of Ports and Harbors are projected at $2.7 million, provided by operating revenues and fees, but also include $317,000 in grant funding.

Unrestricted cash outflows of $2.8 million during this same period include $625,000 in both grant and non-grant related capital expenditures, as well as outflows from normal operating expenses. Unrestricted cash is projected to decrease to approximately $0.9 million. The chart below outlines cash and debt balances over the next nine-month period.

PROJECTED CASH BALANCES – DIVISION OF PORTS AND HARBORS



Please let me know if you have any questions or require any additional information.

PEASE DEVELOPMENT AUTHORITY FY2026 FINANCIAL REPORT FOR THE TWO-MONTH PERIOD ENDING AUGUST 31, 2025

PEASE
INTERNATIONAL
PEASE DEVELOPMENT AUTHORITY
PORTSMOUTH NH

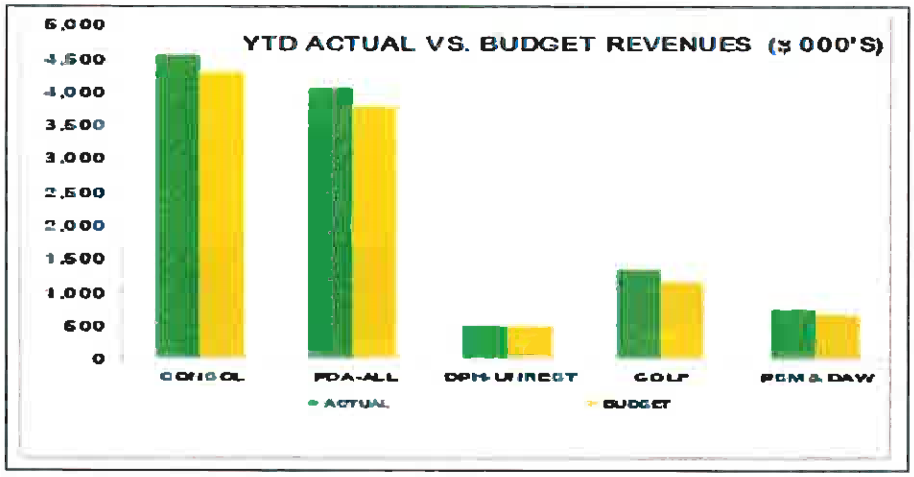
BOARD OF DIRECTORS MEETING
OCTOBER 21, 2025

PEASE DEVELOPMENT AUTHORITY
Revenues and Expenditures –Two Months Ended August 31, 2025

Trends:

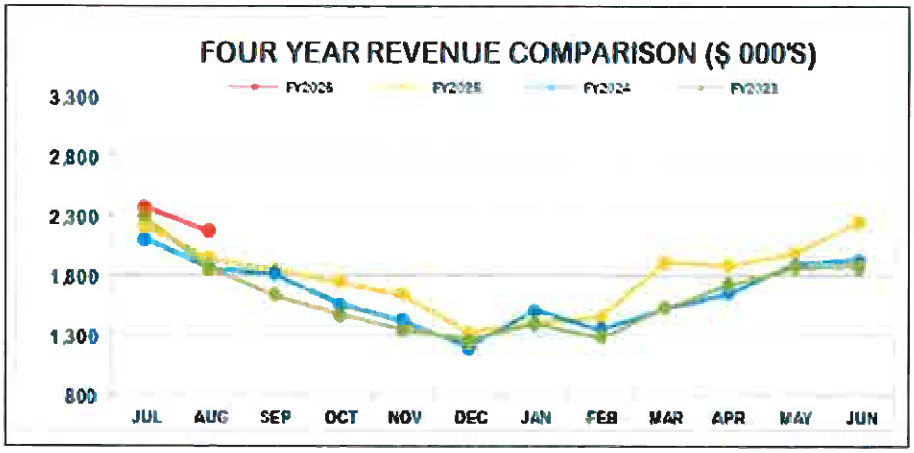
YTD revenue is 6.1% favorable

- Fuel flowage fees, golf fees, wharfage and dockage fees trending higher than budget
- Fuel sales and parking fees trending under budget



Trends:

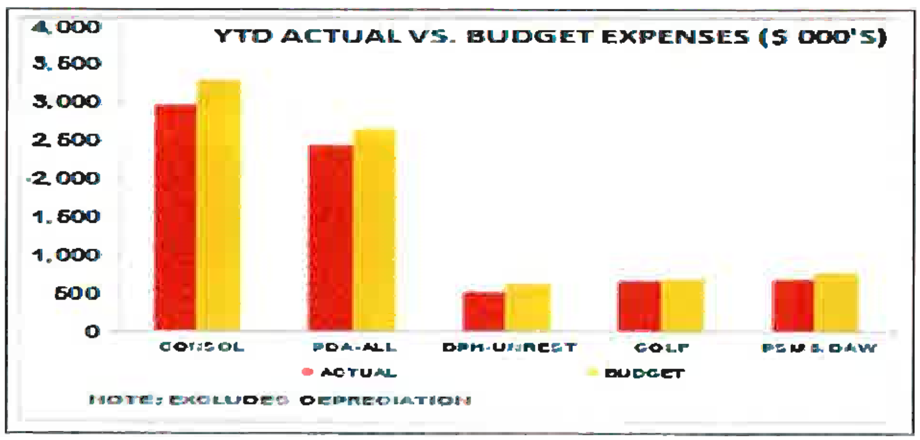
July revenues includes annual rent payment from tenant



Trends:

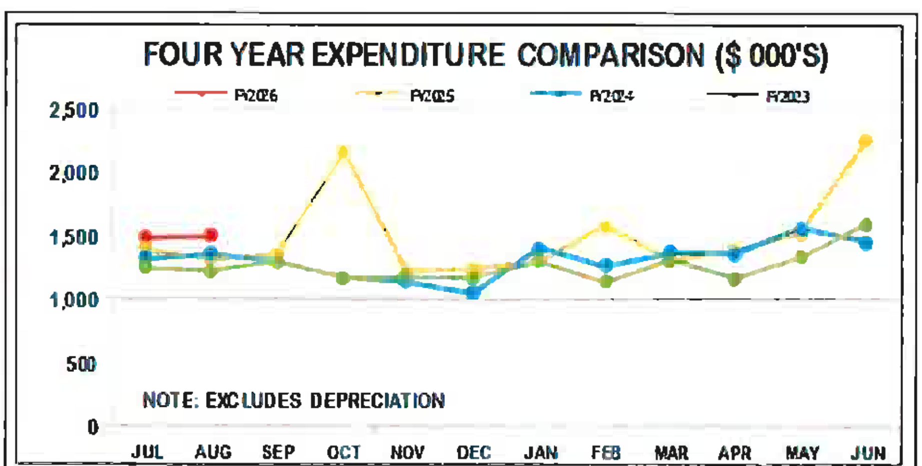
YTD Operating Expenses 9.9% favorable

- Wages & benefits, utilities, professional services, marketing and fuel purchases trending under budget.
- Offset by cost overruns in equipment and facilities maintenance.



Trends:

Oct 2024 – ARPA funded feasibility study expenses of $518k and ARPA funded architectural expenses for Rye Harbor retail improvements of $173k
June 2025: Year-end benefit accrual (sick time) adjustment



PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Revenues and Expenses
For the Two Months Ending August 31, 2025

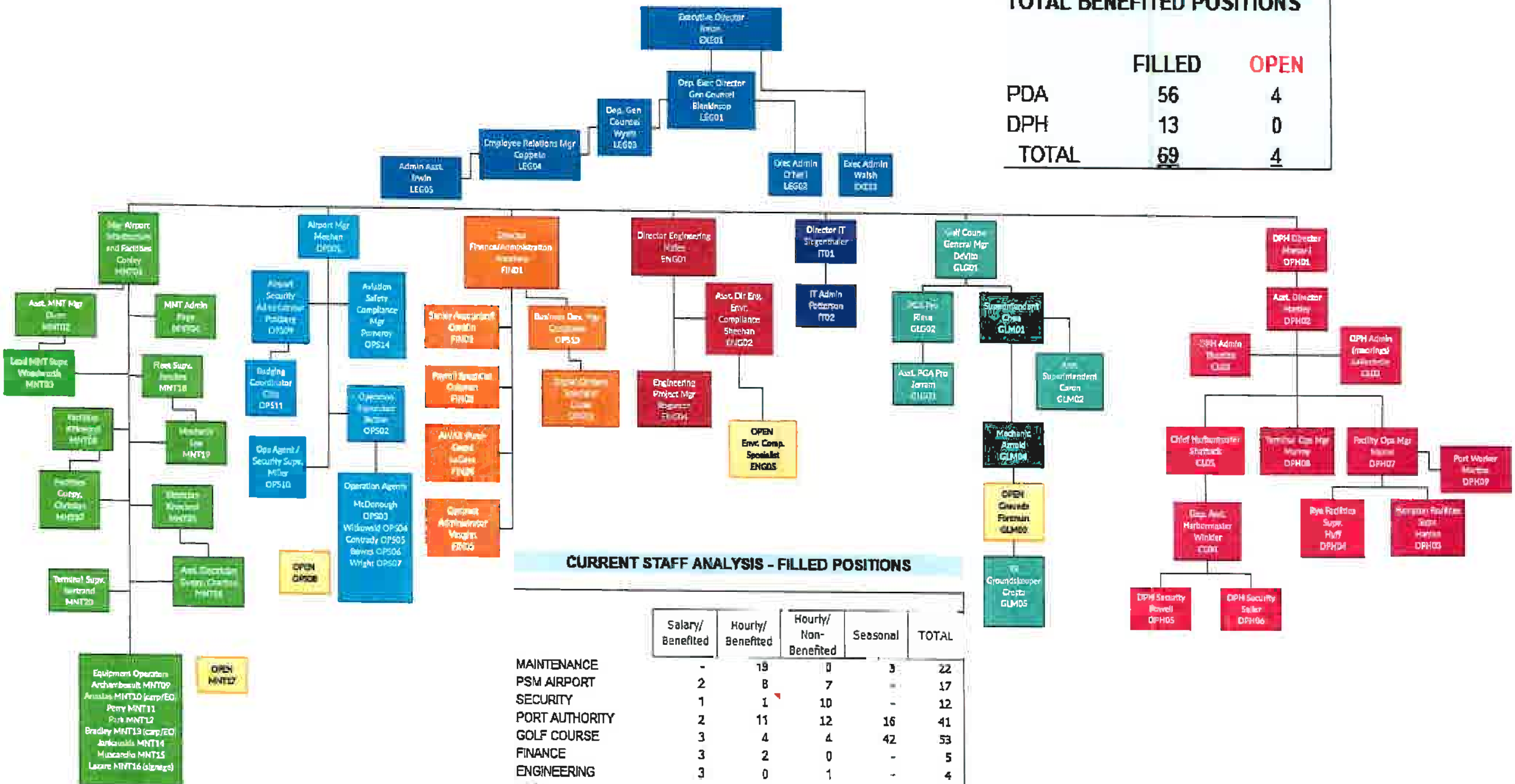
	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL								
FACILITIES	$1,023,767	$1,026,415	($2,648)	(0.3%)	$2,213,454	$2,226,368	($12,914)	(0.6%)
CARGO AND HANGARS	15,506	16,007	(500)	(3.1%)	32,173	31,949	223	0.7%
	1,039,273	1,042,422	(3,149)	(0.3%)	2,245,627	2,258,318	(12,691)	(0.6%)
CONCESSION REVENUE	56,680	44,055	12,625	28.7%	115,387	97,891	17,496	17.9%
FEE REVENUE								
AVIATION FEES	-	-	-	-	0	0	0	-
FUEL FLOWAGE	193,737	113,847	79,890	70.2%	407,893	307,558	100,335	32.6%
PSM TSA/LEO REVENUE	-	-	-	-	0	-	0	-
PSM SECURITY REVENUE	3,927	3,558	369	10.4%	7,327	7,117	211	3.0%
GOLF FEES	465,174	413,012	52,161	12.6%	961,294	802,054	159,241	19.9%
GOLF SIMULATORS	420	1,045	(625)	(59.8%)	785	2,724	(1,939)	(71.2%)
GOLF MEMBERSHIPS	58,632	58,250	382	0.7%	117,263	116,500	763	0.7%
GOLF LESSONS	9,233	6,260	2,973	47.5%	19,143	15,130	4,013	26.5%
MOORING FEES	38,835	37,500	1,335	3.6%	77,671	75,000	2,671	3.6%
PARKING	86,998	96,191	(9,193)	(9.6%)	171,044	205,898	(34,854)	(16.9%)
PIER USAGE FEES	5,802	4,517	1,285	28.4%	12,582	12,428	154	1.2%
REGISTRATIONS	18,282	28,303	(10,021)	(35.4%)	55,378	41,600	13,778	33.1%
TERMINAL FEES	-	-	-	-	-	-	-	-
WHARFAGE AND DOCKAGE	40,322	3,167	37,155	1173.3%	49,822	6,333	43,488	686.7%
	921,362	765,650	155,711	20.3%	1,880,202	1,592,342	287,860	18.1%
FUEL SALES	50,236	67,180	(16,944)	(25.2%)	95,265	146,382	(51,117)	(34.9%)
INTEREST INCOME								
LOAN INTEREST	2,087	2,500	(413)	(16.5%)	4,621	5,000	(379)	(7.6%)
OTHER REVENUES								
MERCHANDISE	59,410	65,413	(6,003)	(9.2%)	119,026	115,314	3,713	3.2%
ALL OTHER	43,882	25,771	18,111	70.3%	90,658	73,064	17,595	24.1%
	103,292	91,184	(12,108)	(13.3%)	209,685	188,377	(21,307)	(11.3%)
TOTAL OPERATING REVENUE	**2,172,930**	**2,012,991**	**159,940**	**7.9%**	**4,550,787**	**4,288,310**	**262,477**	**6.1%**
OPERATING EXPENSES								
WAGES AND FRINGE BENEFITS								
WAGES								
BENEFITED REGULAR	482,602	513,200	30,597	6.0%	944,042	1,008,132	64,090	6.4%
BENEFITED OVERTIME	19,154	19,566	412	2.1%	46,076	38,811	(7,265)	(18.7%)
NON-BENEFITED REGULAR	130,451	157,888	27,437	17.4%	278,972	304,004	25,032	8.2%
NON-BENEFITED OVERTIME	73	1,783	1,710	95.9%	2,994	4,647	1,653	35.6%
ACCRUED VACATION BENEFITS	3,511	2,425	(1,086)	(44.8%)	13,683	4,850	(8,833)	(182.1%)
ACCRUED SICK TIME BENEFITS	(4,049)	1,183	5,232	442.1%	20,119	2,367	(17,753)	(750.1%)
	631,743	696,045	64,302	9.2%	1,305,887	1,362,811	56,924	4.2%
WAGE TRANSFERS OUT	0	-	0	-	0	-	0	-
	631,743	696,045	64,302	9.2%	1,305,887	1,362,811	56,924	4.2%
BENEFITS								
DENTAL INSURANCE	6,146	5,905	(241)	(4.1%)	12,129	11,811	(319)	(2.7%)
HEALTH INSURANCE	137,752	135,910	(1,841)	(1.4%)	272,249	271,821	(428)	(0.2%)
LIFE INSURANCE	3,386	2,632	(755)	(28.7%)	5,884	5,263	(621)	(11.8%)
NEW HAMPSHIRE RETIREMENT	59,096	65,168	6,072	9.3%	117,565	130,227	12,662	9.7%
POST RETIREMENT BENEFITS	9,353	13,305	3,952	29.7%	18,706	26,611	7,905	29.7%
EMPLOYEE DRUG TEST	-	142	142	100.0%	358	283	(74)	(26.3%)
OPEB EXPENSE	-	-	-	-	-	-	-	-
EMPLOYER FICA	46,517	53,706	7,189	13.4%	94,452	104,731	10,280	9.8%
UNEMPLOYMENT INS	-	-	-	-	0	-	0	-
	262,250	276,768	14,518	5.2%	521,343	550,747	29,404	5.3%
BENEFIT TRANSFERS OUT	0	-	0	-	0	-	0	-
	262,250	276,768	14,518	5.2%	521,343	550,747	29,404	5.3%
TOTAL WAGES & BENEFITS	**893,993**	**972,813**	**78,820**	**8.1%**	**1,827,230**	**1,913,558**	**86,328**	**4.5%**

PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Revenues and Expenses
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
BUILDING AND FACILITIES								
AIRFIELD MAINTENANCE	851	7,875	7,024	89.2%	10,633	15,750	5,117	32.5%
COVID-19	-	-	-	-	-	-	-	-
SOIL & VEGETATION CONTROL	6,296	7,120	824	11.6%	37,498	37,982	483	1.3%
ENVIRONMENTAL TESTING	50	18,793	18,743	99.7%	9,102	37,508	28,406	75.7%
EQUIPMENT MAINTENANCE	35,858	23,488	(12,370)	(52.7%)	74,376	50,203	(24,173)	(48.2%)
FACILITIES MAINTENANCE	101,597	75,225	(26,373)	(35.1%)	172,961	151,598	(21,363)	(14.1%)
LANDSCAPING	4,585	5,998	1,413	23.6%	9,648	15,475	5,827	37.7%
NAVIGATION MAINTENANCE	6,556	458	(6,098)	(1330.4%)	13,201	917	(12,284)	(1340.0%)
OTHER EXPENSES	-	0	0	-	0	0	0	-
SECURITY	13,085	20,317	7,232	35.6%	20,606	40,633	20,027	49.3%
SNOW REMOVAL	0	250	250	100.0%	227	500	274	54.7%
EXPENSE TRANSFERS	-	-	-	-	-	-	-	-
	168,877	159,523	(9,354)	(5.9%)	348,251	350,566	2,315	0.7%
WAGE & BENEFIT TRANSFER IN	0	-	0	-	0	-	0	-
	168,877	159,523	(9,354)	(5.9%)	348,251	350,566	2,315	0.7%
GENERAL AND ADMINISTRATIVE								
BAD DEBT EXPENSE	-	-	-	-	-	-	-	-
BANK FEES	14,836	21,126	6,289	29.8%	32,017	44,688	12,671	28.4%
COMPUTER EXPENSES	20,977	10,308	(10,669)	(103.5%)	24,820	20,616	(4,205)	(20.4%)
DISCOUNTS AND LATE FEES	(485)	(321)	164	(51.1%)	(626)	(593)	32	(5.5%)
EQUIPMENT UNDER $5,000	3,195	8,246	5,051	61.3%	12,972	16,238	3,266	20.1%
FEES AND LICENSES	7,295	6,513	(782)	(12.0%)	14,229	12,959	(1,269)	(9.8%)
TRANSFER TO UNRESTRICTED	0	-	0	-	0	-	0	-
INSURANCE	42,708	42,386	(322)	(0.8%)	81,916	84,772	2,856	3.4%
OFFICE EQUIPMENT	1,849	2,375	526	22.2%	3,936	4,750	814	17.1%
PROFESSIONAL DEVELOPMENT	7,096	3,900	(3,196)	(81.9%)	7,144	7,800	656	8.4%
SUPPLIES	9,980	7,074	(2,905)	(41.1%)	21,506	14,558	(6,948)	(47.7%)
TELEPHONES AND COMMUNICATIONS	14,134	17,430	3,297	18.9%	29,496	34,847	5,351	15.4%
TRAVEL AND MILEAGE	1,540	3,489	1,949	55.9%	2,770	7,118	4,349	61.1%
OTHER EXPENSES	3,327	6,114	2,788	45.6%	6,967	12,211	5,244	42.9%
	126,451	128,641	2,189	1.7%	237,148	259,964	22,816	8.8%
	-	-	-	-	-	-	-	-
UTILITIES								
ELECTRICITY	56,682	76,612	19,929	26.0%	109,745	145,077	35,332	24.4%
ELECTRICITY TRANSFERS	-	-	-	-	-	-	-	-
HEATING OIL	-	0	0	-	0	0	0	-
NATURAL GAS	1,080	1,823	744	40.8%	2,318	4,279	1,960	45.8%
NATURAL GAS TRANSFERS	-	-	-	-	-	-	-	-
PROPANE	3,399	6,576	3,177	48.3%	4,765	9,025	4,259	47.2%
WASTE REMOVAL	7,042	6,900	(142)	(2.1%)	14,177	12,640	(1,537)	(12.2%)
WASTE REMOVAL TRANSFERS	-	-	-	-	-	-	-	-
WATER	2,961	7,186	4,225	58.8%	5,543	17,540	11,997	68.4%
WATER TRANSFERS	-	-	-	-	-	-	-	-
	71,164	99,097	27,933	28.2%	136,549	188,560	52,011	27.6%
PROFESSIONAL SERVICES								
AUDIT	13,886	7,888	(5,999)	(76.1%)	20,825	15,775	(5,050)	(32.0%)
INFORMATION TECHNOLOGY	21,438	22,135	697	3.2%	42,776	44,271	1,495	3.4%
LEGAL	25,779	15,887	(9,892)	(62.3%)	26,962	31,773	4,811	15.1%
LEGAL PERMIT IMPLEMENT	16,200	12,500	(3,700)	(29.6%)	16,200	25,000	8,800	35.2%
ADMINISTRATIVE SERVICES	25,171	62,663	37,492	59.8%	61,024	125,327	64,303	51.3%
	102,474	121,073	18,599	15.4%	167,787	242,146	74,359	30.7%
MARKETING AND PROMOTION								
ADVERTISING	3,059	4,267	1,208	28.3%	4,718	8,533	3,815	44.7%
OTHER MARKETING	10,376	29,288	18,913	64.6%	16,127	56,195	40,068	71.3%
FLIGHT INCENTIVES	-	-	-	-	-	-	-	-
	13,434	33,555	20,121	60.0%	20,846	64,729	43,883	67.8%
OTHER OPERATING EXPENSES								
COAST TROLLEY	12,490	12,500	10	0.1%	24,980	25,000	20	0.1%
FUEL	32,864	47,973	15,109	31.5%	72,306	102,643	30,338	29.6%
GOLF CART LEASE	35,289	34,737	(552)	(1.6%)	70,578	70,086	(491)	(0.7%)
MERCHANDISE	37,512	49,060	11,548	23.5%	70,947	86,485	15,538	18.0%
	118,154	144,270	26,116	18.1%	238,810	284,215	45,405	16.0%
TOTAL OPERATING EXPENSES	**1,494,548**	**1,658,971**	**164,423**	**9.9%**	**2,976,620**	**3,303,737**	**327,117**	**9.9%**
OPERATING INCOME/(LOSS)	**678,383**	**354,020**	**324,363**	**91.6%**	**1,574,167**	**984,573**	**589,594**	**59.9%**
DEPRECIATION	715,667	727,422	11,755	1.6%	1,432,659	1,454,843	22,184	1.5%
AMORTIZATION	-	-	-	-	-	-	-	-
NON-OPERATING (INCOME)/EXPENSES								
INTEREST EXPENSE	-	-	-	-	-	-	-	-
INTEREST INCOME	(41,261)	(41,042)	220	(0.5%)	(84,975)	(82,083)	2,892	(3.5%)
NON-OPERATING GRANT FUNDING	-	(20,868)	(20,868)	100.0%	-	(41,737)	(41,737)	100.0%
GAIN/LOSS ON ASSETS	-	-	-	-	-	-	-	-
OTHER NON-OPERATING	-	-	-	-	-	-	-	-
	(41,261)	(61,910)	(20,649)	33.4%	(84,975)	(123,820)	(38,845)	31.4%
NET OPERATING INCOME/(LOSS)	**3,977**	**(311,491)**	**315,468**	**(101.3%)**	**226,483**	**(346,460)**	**572,934**	**(165.4%)**

Pease Development Authority
Organization Chart

As of 10/1/2025



TOTAL BENEFITED POSITIONS

	FILLED	OPEN
PDA	56	4
DPH	13	0
TOTAL	69	4

CURRENT STAFF ANALYSIS - FILLED POSITIONS

	Salary/ Benefited	Hourly/ Benefited	Hourly/ Non-Benefited	Seasonal	TOTAL
MAINTENANCE	-	19	0	3	22
PSM AIRPORT	2	8	7	-	17
SECURITY	1	1	10	-	12
PORT AUTHORITY	2	11	12	16	41
GOLF COURSE	3	4	4	42	53
FINANCE	3	2	0	-	5
ENGINEERING	3	0	1	-	4
LEGAL	2	1	-	-	3
DAW AIRPORT	-	-	4	-	4
TECHNOLOGY	1	1	-	-	2
HUMAN RESOURCES	1	-	-	-	1
MARKETING	0	1	-	-	1
EXECUTIVE	1	2	1	-	4
	19	50	39	61	169

PEASE DEVELOPMENT AUTHORITY
Consolidated Statement of Net Position
For the Two Months Ending August 31, 2025

	2026 Ending	2025 Ending
ASSETS		
Cash and Investments	$18,553,848	$13,868,142
Accounts Receivable - Net	9,907,633	9,579,698
Inventories	375,208	377,623
Prepaids	339,373	217,951
	29,176,062	24,043,415
RESTRICTED ASSETS		
Cash and Investments	809,968	679,517
Current Receivables	3,870	0
Loans Receivable - NHFL		
Due within 1 Year	123,451	126,250
Due in more than 1 Year	805,724	914,183
TOTAL RESTRICTED ASSETS	1,743,012	1,719,949
NON-CURRENT ASSETS		
Leases Receivable-Net of Current Portion	222,788,605	221,147,554
Subscription Assets	563,434	396,818
Land & land Improvements	7,837,636	7,837,636
Construction-in-Process	9,158,666	10,416,936
Other Capital Assets - Net	95,506,358	89,982,380
TOTAL NON-CURRENT ASSETS	335,854,699	329,781,324
TOTAL ASSETS	**366,773,774**	**355,544,688**
DEFERRED OUTFLOWS OF RESOURCES		
Pension	1,135,056	1,576,375
OPEB	1,536,445	1,367,728
LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	6,828,413	4,543,032
Retainage	665,305	772,428
Current Portion of Subscription Liability	94,399	51,929
Unearned Revenues	516,199	432,030
Long-Term Liabilities		
Net Pension Liability	5,188,483	5,711,070
Net OPEB Liability	5,332,025	4,094,308
Subscription Liability, Net of current portion	330,609	285,291
Due In more than 1 Year	1,048,719	360,500
	20,004,152	16,250,587
RESTRICTED LIABILITIES		
Current Liabilities	2,155	29,851
Due within 1 Year	0	0
Due in more than 1 Year	0	0
	2,155	29,851
TOTAL LIABILITIES	**20,006,307**	**16,280,438**
DEFERRED INFLOWS OF RESOURCES		
Pension	301,220	134,849
OPEB	2,334,036	3,168,772
Lease Revenue	216,060,476	216,666,835
NET POSITION		
Net Investment in Capital Assets	112,502,660	108,236,952
Restricted For:		
Revolving Loan Fishery Fund	1,368,941	1,355,359
Harbor Dredging and Pier Maintenance	95,799	63,125
Foreign Trade Zone	23,867	19,364
Unrestricted	16,751,968	12,563,096
TOTAL NET POSITION	**130,743,235**	**122,237,897**

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - PORTSMOUTH AIRPORT *incl Security*
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2024	Budget YTD FY 2024	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	$111,342	$112,946	($1,604)	(1.4%)	$177,884	$181,119	($3,235)	(1.8%)
CARGO AND HANGARS	2,906	2,837	69	2.4%	5,758	5,609	149	2.7%
CONCESSION REVENUE	1,448	1,055	393	37.3%	6,638	6,089	549	9.0%
FEE REVENUE	231,770	150,766	81,004	53.7%	471,537	390,314	81,223	20.8%
FUEL SALES								
INTEREST								
MERCHANDISE								
OTHER REVENUE	9,166	13,975	(4,809)	(34.4%)	32,368	27,950	4,418	15.8%
TOTAL OPERATING REVENUES	356,632	281,579	75,053	26.7%	694,185	611,081	83,104	13.6%
EXPENSES								
WAGES AND FRINGE BENEFITS	136,018	141,968	5,950	4.2%	265,728	286,941	21,213	7.4%
BUILDING AND FACILITIES	93,734	74,967	(18,767)	(25.0%)	159,133	153,051	(6,082)	(4.0%)
GENERAL AND ADMINISTRATIVE	56,501	54,471	(2,030)	(3.7%)	98,810	108,203	9,393	8.7%
UTILITIES	37,261	50,676	13,415	26.5%	71,788	94,384	22,596	23.9%
PROFESSIONAL SERVICES	15,934	17,420	1,486	8.5%	29,644	34,840	5,196	14.9%
MARKETING AND PROMOTION	4,469	19,792	15,323	77.4%	7,220	39,583	32,363	81.8%
OTHER OPERATING EXPENSES								
TOTAL OPERATING EXPENSES	343,917	359,294	15,377	4.3%	632,323	717,002	84,679	11.8%
OPERATING INCOME	12,715	(77,715)	90,430	116.4%	61,862	(105,921)	167,783	158.4%
NON-OPERATING (INCOME) EXPENSE	(1)	(20,868)	(20,867)	-	(2)	(41,737)	(41,734)	-
DEPRECIATION	421,318	423,083	1,765	0.4%	843,835	846,167	2,332	0.3%
NET OPERATING INCOME	(408,602)	(479,930)	71,328	(14.9%)	(781,971)	(910,351)	128,380	(14.1%)

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - SKYHAVEN AIRPORT
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	12,600	13,170	(570)	(4.3%)	26,415	26,340	75	0.3%
CONCESSION REVENUE	0	500	(500)	(100.0%)	0	1,000	(1,000)	(100.0%)
FEE REVENUE	0	0	0	-	60	0	60	-
FUEL SALES	6,797	7,706	(908)	(11.8%)	14,939	13,233	1,706	12.9%
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	0	92	(92)	(100.0%)	100	183	(83)	(45.5%)
TOTAL OPERATING REVENUES	19,397	21,467	(2,070)	(9.6%)	41,514	40,756	758	1.9%
EXPENSES								
WAGES AND FRINGE BENEFITS	10,422	14,868	4,446	29.9%	23,137	20,775	(2,362)	(11.4%)
BUILDING AND FACILITIES	2,236	4,833	2,597	53.7%	8,945	9,667	721	7.5%
GENERAL AND ADMINISTRATIVE	3,205	2,531	(673)	(26.6%)	5,224	5,224	0	(0.0%)
UTILITIES	1,475	1,959	485	24.7%	2,936	4,002	1,065	26.6%
PROFESSIONAL SERVICES	820	701	(119)	(16.9%)	1,336	1,403	67	4.8%
MARKETING AND PROMOTION	0	192	192	100.0%	0	383	383	100.0%
OTHER OPERATING EXPENSES	8,046	5,899	(2,147)	(36.4%)	16,317	10,016	(6,301)	(62.9%)
TOTAL OPERATING EXPENSES	26,203	30,984	4,781	15.4%	57,896	51,469	(6,426)	(12.5%)
OPERATING INCOME	(6,806)	(9,517)	2,711	(28.5%)	(16,382)	(10,713)	(5,669)	52.9%
NON-OPERATING (INCOME) EXPENSE	-	-	-	-	0	-	0	-
DEPRECIATION	35,178	35,500	322	0.9%	70,357	71,000	643	0.9%
NET OPERATING INCOME	(41,984)	(45,017)	3,032	(6.7%)	(86,739)	(81,713)	(5,026)	6.2%

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - TRADEPORT OPERATIONS
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	$877,030	$878,181	($1,151)	(0.1%)	$1,960,337	$1,971,424	($11,087)	(0.6%)
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	-	-	-	-	-	-	-	-
FEE REVENUE	-	-	-	-	-	-	-	-
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	0	5,000	(5,000)	(100.0%)	0	10,000	(10,000)	(100.0%)
TOTAL OPERATING REVENUES	**877,030**	**883,181**	**(6,151)**	**(0.7%)**	**1,960,337**	**1,981,424**	**(21,087)**	**(1.1%)**
EXPENSES								
WAGES AND FRINGE BENEFITS	-	-	-	-	-	-	-	-
BUILDING AND FACILITIES	9,320	27,610	18,290	66.2%	21,961	55,466	33,505	60.4%
GENERAL AND ADMINISTRATIVE	2,274	3,135	861	27.5%	6,390	6,271	(120)	(1.9%)
UTILITIES	6,609	9,077	2,468	27.2%	13,384	17,916	4,531	25.3%
PROFESSIONAL SERVICES	94	8,430	8,336	98.9%	189	16,860	16,671	98.9%
MARKETING AND PROMOTION	0	83	83	100.0%	0	167	167	100.0%
OTHER OPERATING EXPENSES	12,490	12,500	10	0.1%	24,980	25,000	20	0.1%
TOTAL OPERATING EXPENSES	**30,788**	**60,836**	**30,048**	**49.4%**	**66,904**	**121,679**	**54,775**	**45.0%**
OPERATING INCOME	**846,242**	**822,345**	**23,897**	**2.9%**	**1,893,433**	**1,859,745**	**33,688**	**1.8%**
NON-OPERATING (INCOME) EXPENSE	(36,947)	(37,215)	(268)	0.7%	(75,341)	(74,430)	911	(1.2%)
DEPRECIATION	63,329	65,755	2,426	3.7%	126,657	131,510	4,853	3.7%
NET OPERATING INCOME	**819,861**	**793,805**	**26,056**	**3.3%**	**1,842,117**	**1,802,665**	**39,451**	**2.2%**

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - GOLF COURSE
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	55,233	42,500	12,733	30.0%	108,750	90,803	17,947	19.8%
FEE REVENUE	533,458	478,567	54,891	11.5%	1,098,485	936,408	162,078	17.3%
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	59,410	65,413	(6,003)	(9.2%)	119,026	115,314	3,713	3.2%
OTHER REVENUE	5,263	5,856	(593)	(10.1%)	9,869	8,735	1,134	13.0%
TOTAL OPERATING REVENUES	653,364	592,337	61,027	10.3%	1,336,131	1,151,259	184,872	16.1%
EXPENSES								
WAGES AND FRINGE BENEFITS	142,519	161,210	18,692	11.6%	305,035	319,347	14,313	4.5%
BUILDING AND FACILITIES	43,879	28,454	(15,425)	(54.2%)	109,184	85,465	(23,719)	(27.8%)
GENERAL AND ADMINISTRATIVE	30,482	30,305	(177)	(0.6%)	69,330	62,859	(6,470)	(10.3%)
UTILITIES	16,101	23,536	7,435	31.6%	30,371	47,538	17,167	36.1%
PROFESSIONAL SERVICES	4,146	3,647	(499)	(13.7%)	7,757	7,294	(463)	(6.4%)
MARKETING AND PROMOTION	3,166	5,538	2,373	42.8%	3,166	8,695	5,530	63.6%
OTHER OPERATING EXPENSES	72,800	83,797	10,997	13.1%	141,524	156,571	15,047	9.6%
TOTAL OPERATING EXPENSES	313,092	336,488	23,396	7.0%	666,367	687,771	21,404	3.1%
OPERATING INCOME	340,272	255,849	84,422	33.0%	669,764	463,488	206,276	44.5%
NON-OPERATING (INCOME) EXPENSE	-	0	0	-	0	0	0	-
DEPRECIATION	33,379	33,417	38	0.1%	66,758	66,833	75	0.1%
NET OPERATING INCOME	306,893	222,433	84,460	38.0%	603,006	396,655	206,352	52.0%

BUSINESS UNIT ANALYSIS	PRO SHOP	COURSE OPERATIONS	FOOD/BEV	SIMULATOR	TOTAL
OPERATING REVENUES	125,575	1,100,807	108,964	785	1,336,131
OPERATING EXPENSES*	86,202	514,717	56,648	8,800	666,367
OPERATING INCOME	39,373	586,090	52,316	(8,015)	669,764

*Excluding Depreciation

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - DIVISION OF PORTS AND HARBORS-UNRESTRICTED
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	$35,395	$35,289	$106	0.3%	$71,234	$69,825	$1,409	2.0%
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	-	0	0	-	0	0	0	-
FEE REVENUE	145,452	126,804	18,648	14.7%	287,375	243,990	43,385	17.8%
FUEL SALES	43,438	59,474	(16,036)	(27.0%)	80,326	133,149	(52,823)	(39.7%)
INTEREST	-	-	-	-	-	-	-	-
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	32,880	3,781	29,099	769.6%	54,408	32,062	22,346	69.7%
TOTAL OPERATING REVENUES	**257,166**	**225,349**	**31,817**	**14.1%**	**493,343**	**479,026**	**14,317**	**3.0%**
EXPENSES								
WAGES AND FRINGE BENEFITS	181,697	182,203	505	0.3%	347,146	364,622	17,476	4.8%
BUILDING AND FACILITIES	10,340	14,476	4,137	28.6%	26,027	28,875	2,848	9.9%
GENERAL AND ADMINISTRATIVE	16,047	14,551	(1,496)	(10.3%)	24,708	29,930	5,223	17.4%
UTILITIES	8,687	12,755	4,068	31.9%	16,620	22,534	5,915	26.2%
PROFESSIONAL SERVICES	18,166	47,819	29,653	62.0%	46,943	95,638	48,695	50.9%
MARKETING AND PROMOTION	0	217	217	100.0%	160	433	274	63.2%
OTHER OPERATING EXPENSES	24,818	42,074	17,256	41.0%	55,988	92,627	36,639	39.6%
TOTAL OPERATING EXPENSES	**259,755**	**314,095**	**54,339**	**17.3%**	**517,592**	**634,661**	**117,070**	**18.4%**
OPERATING INCOME	**(2,590)**	**(88,746)**	**86,156**	**(97.1%)**	**(24,249)**	**(155,635)**	**131,387**	**(84.4%)**
NON-OPERATING (INCOME) EXPENSE	(3,800)	(3,118)	682	(21.9%)	(8,551)	(6,236)	2,315	(37.1%)
DEPRECIATION	146,638	153,250	6,612	4.3%	293,401	306,500	13,099	4.3%
NET OPERATING INCOME	**(145,428)**	**(238,878)**	**93,450**	**(39.1%)**	**(309,099)**	**(455,900)**	**146,801**	**(32.2%)**

BUSINESS UNIT ANALYSIS	RYE HARBOR	HAMPTON HARBOR	PORTS. FISH PIER	MARKET ST.	HARBOR MGMT	ADMIN	TOTAL
OPERATING REVENUES	119,333	89,619	509	153,670	130,212	0	493,343
OPERATING EXPENSES*	132,824	74,406	15,138	91,524	102,779	100,921	517,592
*Excluding Depreciation							
OPERATING INCOME	**(13,491)**	**15,213**	**(14,629)**	**62,146**	**27,433**	**(100,921)**	**(24,249)**

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - FOREIGN TRADE ZONE
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	$0	$0	$0	-	$4,000	$4,000	$0	-
CARGO AND HANGARS								
CONCESSION REVENUE								
FEE REVENUE								
FUEL SALES								
INTEREST								
MERCHANDISE								
OTHER REVENUE								
TOTAL OPERATING REVENUES	0	0	0	-	4,000	4,000	0	-
EXPENSES								
WAGES AND FRINGE BENEFITS								
BUILDING AND FACILITIES								
GENERAL AND ADMINISTRATIVE	$292	104	(187)	(180.0%)	$292	208	(83)	(40.0%)
UTILITIES								
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	$0	875	875	100.0%	0	1,750	1,750	100.0%
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	292	979	688	70.2%	292	1,958	1,667	85.1%
OPERATING INCOME	(292)	(979)	688	(70.2%)	3,708	2,042	1,667	81.6%
NON-OPERATING (INCOME) EXPENSE	(1)	-	100.0%	(166.7%)	(2)	(1)	100.0%	(166.7%)
DEPRECIATION	-	-	-	-	-	-	-	-
NET OPERATING INCOME	(291)	(979)	688	(70.3%)	3,710	2,042	1,668	81.7%

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - HARBOR DREDGING
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS								
CONCESSION REVENUE								
FEE REVENUE	6,754	5,954	800	13.4%	15,418	14,514	904	6.2%
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST								
MERCHANDISE								
OTHER REVENUE	500	583	(83)	(14.3%)	1,150	1,167	(17)	(1.4%)
TOTAL OPERATING REVENUES	7,254	6,537	717	11.0%	16,568	15,680	888	5.7%
EXPENSES								
WAGES AND FRINGE BENEFITS								
BUILDING AND FACILITIES	0	2,232	2,232	100.0%	1,017	4,464	3,447	77.2%
GENERAL AND ADMINISTRATIVE	0	257	257	100.0%	25	513	488	95.1%
UTILITIES								
PROFESSIONAL SERVICES	-	-	-	-	-	-	-	-
MARKETING AND PROMOTION	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	0	2,489	2,489	100.0%	1,042	4,978	3,936	79.1%
OPERATING INCOME	7,254	4,048	3,206	79.2%	15,526	10,703	4,823	45.1%
NON-OPERATING (INCOME) EXPENSE	(459)	(708)	(250)	35.2%	(971)	(1,417)	(446)	31.5%
DEPRECIATION	6,128	6,167	38	0.6%	12,257	12,333	77	0.6%
NET OPERATING INCOME	1,584	(1,410)	2,995	(212.3%)	4,240	(214)	4,454	(2083.2%)

PEASE DEVELOPMENT AUTHORITY
Statement of Revenues and Expenses - REVOLVING LOAN FUND
For the Two Months Ending August 31, 2025

	Actual Aug FY 2026	Budget Aug FY 2026	Variance From Monthly Budget	% Variance	Actual YTD FY 2026	Budget YTD FY 2026	Variance From YTD Budget	% Variance
OPERATING REVENUES								
FACILITY RENTAL	-	-	-	-	-	-	-	-
CARGO AND HANGARS	-	-	-	-	-	-	-	-
CONCESSION REVENUE	-	-	-	-	-	-	-	-
FEE REVENUE	-	-	-	-	-	-	-	-
FUEL SALES	-	-	-	-	-	-	-	-
INTEREST	2,087	2,500	(413)	(16.5%)	4,621	5,000	(379)	(7.6%)
MERCHANDISE	-	-	-	-	-	-	-	-
OTHER REVENUE	-	42	(42)	(100.0%)	90	83	7	8.0%
	-	-	-	-	0	0	0	0
TOTAL OPERATING REVENUES	**2,087**	**2,542**	**(454)**	**(17.9%)**	**4,711**	**5,083**	**(372)**	**(7.3%)**
EXPENSES								
WAGES AND FRINGE BENEFITS	-	-	-	-	-	-	-	-
BUILDING AND FACILITIES	-	-	-	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	85	48	(38)	(78.9%)	85	95	10	10.5%
UTILITIES	-	-	-	-	-	-	-	-
PROFESSIONAL SERVICES	1,779	1,458	(320)	(22.0%)	2,682	2,917	234	8.0%
MARKETING AND PROMOTION	-	-	-	-	-	0	0	-
OTHER OPERATING EXPENSES	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	**1,864**	**1,506**	**(358)**	**(23.8%)**	**2,767**	**3,012**	**244**	**8.1%**
OPERATING INCOME	**224**	**1,036**	**(812)**	**(78.4%)**	**1,944**	**2,072**	**(128)**	**(6.2%)**
	-	-	-	-	-	-	-	-
NON-OPERATING (INCOME) EXPENSE	(35)	0	35	-	(71)	0	71	-
DEPRECIATION	-	-	-	-	-	-	-	-
NET OPERATING INCOME	**259**	**1,036**	**(777)**	**(75.0%)**	**2,015**	**2,072**	**(57)**	**(2.7%)**

REVOLVING LOAN FUND ($ 000's)	**BALANCE AT 8-31-2025**	**BALANCE AT 08-31-2024**
CASH BALANCES		
GENERAL FUNDS	442	316
SEQUESTERED FUNDS	-	-
	442	316
LOANS OUTSTANDING (19)		
CURRENT	123	126
LONG TERM	806	914
	929	1,040
TOTAL CAPITAL BASE	1,371	1,356
CAPTIAL UTILIZATION RATE -% *	67.8%	76.7%

**EXCLUDES SEQUESTERED FUNDS*

SUMMARY OF INTERGOVERNMENTAL RECEIVABLES
AS OF AUGUST 31, 2025

($000's)

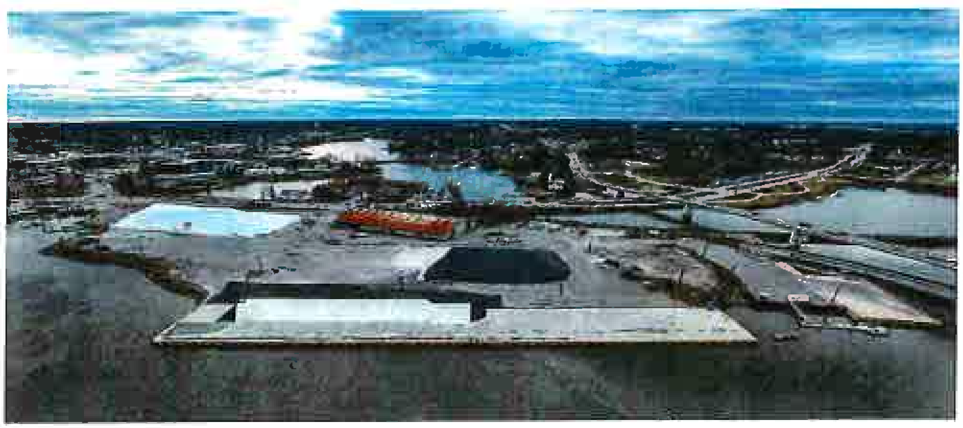
BUSINESS UNIT	TOTAL PROJECT	GRANT AWARD	EXPENDED TO DATE	PDA /DPH SHARE	RECEIVED TO DATE	BAL. DUE PDA/DPH	AMOUNT SUBMITTED
PORTSMOUTH AIRPORT & TRADEPORT	16,902	16,319	14,133	(575)	8,297	4,322	4,011
SKYHAVEN AIRPORT	1,921	1,709	213	(12)	176	26	0
DIVISION OF PORTS AND HARBORS	22,215	22,215	20,568	0	20,060	161	126
	41,038	40,243	34,914	(587)	28,533	4,509	4,137

SUMMARY OF CONSTRUCTION WORK IN PROCESS
AS OF AUGUST 31, 2025

($000's)

PROJECT NAME	BALANCE AT 06-30-25	CURRENT YEAR EXPENDITURES	TRANSFER TO PLANT IN SERVICE	NET CURRENT YEAR CHANGE	8/31/2025
PORTSMOUTH AIRPORT					.
ALPHA NORTH TAXIWAY RECONST-DESIGN (AIP 75)	345	-	-	-	345
ALPHA NORTH TAXIWAY RECONST(AIP 78 & 79)	5,833	19	-	19	5,852
ALPHA SOUTH TAXIWAY DESIGN (AIP 81)	154	50	-	50	204
NH AVE RIGHT HAND TURN LANE	160	129	-	129	289
SRE MTE & LIQUID DE-ICE TRUCK (AIP 77)	19	-	-	-	19
ARRIVALS HALL (NON-GRANT)	-	4	-	4	4
AIR TRAFFIC CONTROL TOWER (ATCT) DESIGN	447	14	-	14	461
LINE PAINT MACHINE	-	27	(27)	-	-
TERMINAL ACCESS CONTROL UPGRADE	84			-	84
PSM PAY FOR PARKING TECH UPGRADE	42	-	-	-	42
HAUL TRUCKS CONVERSION	16	-	-	-	16
AIRLINE AVE PARKING EXPANSION	80	-	-	-	80
EMERGENCY OPS CENTER EQUIPMENT	2	-	-	-	2
PSM TERMINAL REFACE	30	32	-	32	62
	7,212	**275**	**(27)**	**248**	**7,460**
SKYHAVEN AIRPORT					
TERMINAL APRON RECONSTRUCT	19	-	-	0	19
WILDLIFE PERIMETER FENCE	88	22	-	22	110
TERMINAL PARKING LOT RECONSTRUCT	83	1	-	1	84
	190	**23**	**0**	**23**	**213**
GOLF COURSE					
GROUNDSMASTER RIDING MOWER	-	46	(46)	-	-
GRILL 28 EXPANSION	112	-	-	-	112
IRRIGATION REPAIRS	17	-	-	-	17
	129	**46**	**(46)**	**0**	**129**
DIVISION OF PORTS AND HARBORS (DPH)					
FUNCTIONAL REPLACEMENT - BARGE DOCK	179	-	-	-	179
PFP BUILDING REPLACE (ARPA)	1,075	50	-	50	1,125
TRUCK SCALE-MARKET ST	52	-	-	-	52
	1,306	**50**	**0**	**50**	**1,356**
TOTAL	**8,837**	**394**	**(73)**	**321**	**9,158**

PEASE DEVELOPMENT AUTHORITY CASH FLOW PROJECTIONS FOR THE NINE MONTH PERIOD ENDING JUNE 30, 2026



BOARD OF DIRECTORS MEETING
OCTOBER 21, 2025

PEASE
INTERNATIONAL
PEASE DEVELOPMENT AUTHORITY

PEASE DEVELOPMENT AUTHORITY
CASH FLOW SUMMARY OVERVIEW
OCTOBER 1, 2025 TO JUNE 30, 2026

(EXCLUDING DIVISION OF PORTS AND HARBORS) ***($ 000's)***

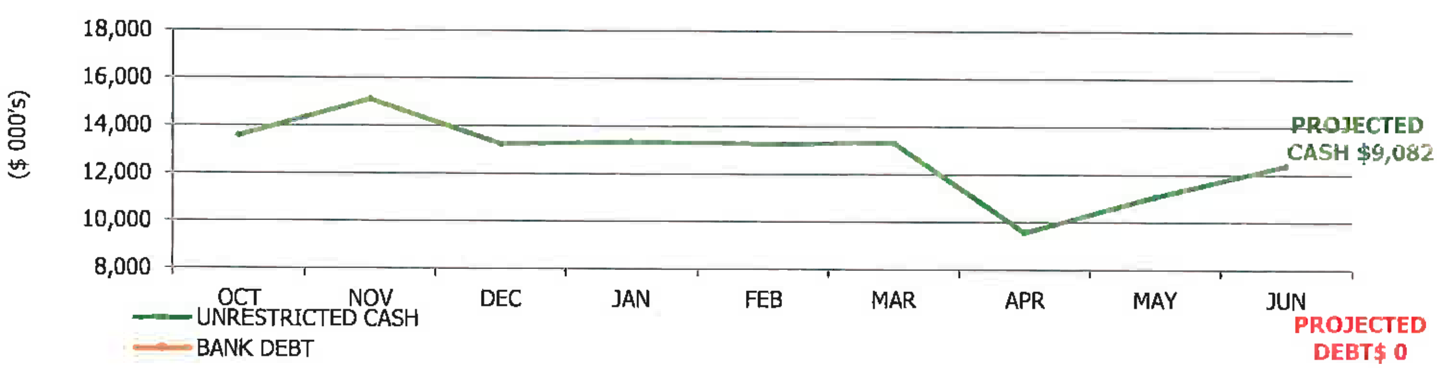
($000's)	AMOUNT
OPENING FUND BALANCE	14,388
SOURCES OF FUNDS	
GRANT AWARDS *(SEE PAGE 4)*	6,782
TRADEPORT TENANTS	8,966
MUNICPAL SERVICE FEE (COP)	2,241
GOLF COURSE FEE AND CONCESSION REVENUES	2,478
REVOLVING LINE OF CREDIT (PROVIDENT BANK)	0
PSM AIRPORT- LEASES, FUEL FLOWAGE FEES AND PARKING	1,932
SKY HAVEN AIRPORT HANGAR AND FUEL REVENUES	198
	22,597
USES OF FUNDS	
OPERATING EXPENSES	12,187
CAPITAL EXPENDITURES- NON-GRANT *(SEE PAGE 5)*	7,756
CAPITAL EXPENDITURES- GRANT *(SEE PAGE 4)*	5,160
MUNICIPAL SERVICE FEE (COP)	2,800
	27,903
NET CASH FLOW	(5,306)
CLOSING FUND BALANCE	9,082

TOTAL FUND BALANCES	BALANCE AT 9-30-2025	BALANCE AT 9-30-2024
UNRESTRICTED	14,388	12,496
DESIGNATED	14	14
TOTAL	14,402	12,510

DISCUSSION

AT THIS TIME, THE PDA DOES NOT ANTICIPATE THE NEED TO UTILIZE ITS' CREDIT FACILITIES WITH THE PROVIDENT BANK TO FINANCE PROJECTED NON-GRANT RELATED CAPITAL EXPENDITURES AND OR WORKING CAPITAL REQUIREMENTS.

PROJECTED CASH AND DEBT BALANCES



THE PDA RENEWED ITS REVOLVING LINE OF CREDIT (RLOC) WITH PROVIDENT BANK. THE PRINCIPAL LOAN AMOUNT IS $7 MILLION WITH A TERMINATION DATE OF DECEMBER 31,2028. THE TERMS ARE 1 MONTH FHLB (CLASSIC) PLUS 250 BASIS POINTS.

REVOLVING LINE OF CREDIT	Oct-25	Oct-24
CURRENT INTEREST RATE	7.00%	7.98%

PEASE DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOW *(EXCLUDING DIVISION OF PORTS AND HARBORS)* *($000's)*

CASH FLOW - PDA	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	14,388	13,597	15,120	13,241	13,338	13,274	13,332	9,575	11,074	14,388
SOURCES OF FUNDS										
GRANT AWARDS *(SEE PAGE #4)*	438	2,113	222	963	112	234	-	2,340	360	6,782
TRADEPORT TENANTS	970	1,021	971	970	1,036	973	997	1,027	1,001	8,966
MUNICIPAL SERVICE FEE	147	453	147	147	453	147	147	453	147	2,241
GOLF COURSE	353	205	74	139	72	105	331	558	641	2,478
PORTSMOUTH AIRPORT- (PSM)	3	3	3	3	6	3	3	3	3	30
PSM PAY FOR PARKING	36	50	56	74	82	109	168	62	39	676
PSM FLOWAGE FEES	120	194	93	95	90	165	138	172	159	1,226
SKYHAVEN AIRPORT	24	23	21	19	20	19	23	24	25	198
EXTERNAL FINANCING- NET	-	-	-	-	-	-	-	-	-	-
	2,091	4,062	1,587	2,410	1,871	1,755	1,807	4,639	2,375	22,597
USE OF FUNDS										
CAPITAL- GRANT RELATED *(SEE PAGE #4)*	990	340	185	185	60	-	2,600	400	400	5,160
CAPITAL- NONGRANT *(SEE PAGE 5)*	640	969	714	753	530	520	1,350	1,330	950	7,756
OPERATING EXPENSES	1,252	1,230	1,167	1,375	1,345	1,177	1,614	1,410	1,617	12,187
MUNICIPAL SERVICE FEE	-	-	1,400	-	-	-	-	-	1,400	2,800
	2,882	2,539	3,466	2,313	1,935	1,697	5,564	3,140	4,367	27,903
NET CASH FLOW	(791)	1,523	(1,879)	97	(64)	58	(3,757)	1,499	(1,992)	(5,306)
CLOSING FUND BALANCE	13,597	15,120	13,241	13,338	13,274	13,332	9,575	11,074	9,082	9,082

PEASE DEVELOPMENT AUTHORITY
GRANT REIMBURSEMENT CAPITAL EXPENDITURES *(EXCLUDING THE DIVISION OF PORTS AND HARBORS)* *($ 000's)*

GRANT FUNDED PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PORTSMOUTH AIRPORT										
NH HAVE RIGHT TURN LANE	100	50	25	25	-	-	-	-	-	**200**
ALPHA NORTH TAXIWAY CONSTRUCTION (AIP78&79)	800	200	100	100	-	-	-	-	-	**1,200**
TAXIWAY A SOUTH & HOLD BAY DESIGN	60	60	60	60	60	-	-	-	-	**300**
SRE- LIQUID DEICING & MTE (AIP 77)	-	-	-	-	-	-	1,600	-	-	**1,600**
	960	**310**	**185**	**185**	**60**	**-**	**1,600**	**-**	**-**	**3,300**
SKYHAVEN AIRPORT										
WILDLIFE FENCE DESIGN	20	20	-	-	-	-	-	-	-	**40**
TERMINAL PARKING LOT DESIGN	10	10		-	-	-	-	-	-	**20**
TERMINAL APRON CONSTRUCTION	-	-	-	-	-	-	1,000	400	400	**1,800**
	30	**30**	**-**	**-**	**-**	**-**	**1,000**	**400**	**400**	**1,860**
TOTAL GRANT REIMBURSEMENT PROJECTS	**990**	**340**	**185**	**185**	**60**	**-**	**2,600**	**400**	**400**	**5,160**

PEASE DEVELOPMENT AUTHORITY
GRANT RECEIPT AWARDS *(EXCLUDING THE DIVISION OF PORTS AND HARBORS)* *($ 000's)*

GRANT AWARDS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
PORTSMOUTH AIRPORT										
ARRIVALS HALL	-	350	-	-	-	-	-	-	-	**350**
NH HAVE RIGHT TURN LANE	285	-	150	-	40	-	-	-	-	**475**
ALPHA NORTH TAXIWAY CONSTRUCTION (AIP78&79)	-	1,700	-	900	-	180	-	-	-	**2,780**
TAXIWAY A SOUTH & HOLD BAY DESIGN	135	54	54	54	54	54	-	-	-	**405**
SRE- LIQUID DEICING & MTE (AIP 77)	-	-	-	-	-	-	-	1,440	-	**1,440**
	420	**2,104**	**204**	**954**	**94**	**234**	**-**	**1,440**	**-**	**5,450**
SKYHAVEN AIRPORT										
WILDLIFE FENCE DESIGN	18	-	18	-	18	-	-	-	-	**54**
TERMINAL PARKING LOT DESIGN	-	9	-	9	-	-	-	-	-	**18**
TERMINAL APRON CONSTRUCTION	-	-	-	-	-	-	-	900	360	**1,260**
	18	**9**	**18**	**9**	**18**	**-**	**-**	**900**	**360**	**1,332**
TRADEPORT										
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL GRANT RECEIPT AWARDS	**438**	**2,113**	**222**	**963**	**112**	**234**	**-**	**2,340**	**360**	**6,782**

PEASE DEVELOPMENT AUTHORITY

NON-GRANT CAPITAL EXPENDITURES *(EXCLUDING THE DIVISION OF PORTS AND HARBORS)*

($ 000's)

NON-GRANT CAPITAL PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
TECHNOLOGY AND OTHER										
PAYCHEX PAYROLL KIOSKS **	-	5	-	-	-	-	-	-	-	5
FIREWALL REPLACEMENTS**	-	15	-	-	-	-	-	-	-	15
SERVER REPLACEMENT**	-	-	10	-	-	-	-	-	-	10
	-	20	10	-	-	-	-	-	-	30
GOLF COURSE										
COURSE EQUIPMENT	-	98	-	168	-	-	-	-	-	266
GOLF COURSE NETTING**	-	50	-	-	-	-	-	-	-	50
SIM/FUNCTION ROOM UPGRADES**	90	-	-	-	-	-	-	-	-	90
CLUBHOUSE HVAC/GEOTHERMAL REPAIRS**	-	90	-	-	-	-	-	-	-	90
VIDEO SURVEILLANCE SYSTEM	-	-	-	-	-	20	20	-	-	40
IRRIGATION REPAIRS**	-	-	150	300	300	300	-	-	-	1,050
	90	238	150	468	300	320	20	-	-	1,586
PORTSMOUTH AIRPORT										
AIRLINE AVE PARKING EXPANSION	10	10	10	10	-	-	500	750	750	2,040
PAY FOR PARKING INFRASTRUCTURE UPGRADES	40	-	-	-	-	-	-	-	-	40
AIR TRAFFIC CONTROL TOWER CONSTRUCTION**	-	100	200	200	200	200	200	200	200	1,500
CONCRETE REPLACEMENT PROGRAM**	50	-	-	-	-	-	-	-	-	50
INFRASTRUCTURE REPAIRS-PSM**	-	150	-	-	-	-	-	-	-	150
N FUEL FARM PAVEMENT**	-	100	100	-	-	-	-	-	-	200
ARRIVALS HALL-CONSTRUCTION	-	133	-	-	-	-	-	-	-	133
	100	493	310	210	200	200	700	950	950	4,113
SKYHAVEN AIRPORT										
SRE DRIVEWAY PAVEMENT REPAIR**	-	30	-	-	-	-	-	-	-	30
FUEL SYSTEM CREDIT CARD **	-	-	-	-	5	-	-	-	-	5
TERMINAL APRON PAVEMENT-FUEL FARM PAD**	-	-	-	-	-	-	250	-	-	250
	-	30	-	-	5	-	250	-	-	285
SECURITY - PORTSMOUTH AIRPORT										
REPLACE BADGING WORKSTATIONS	18	-	-	-	-	-	-	-	-	18
CCTV FOR ATC TOWER**	15	-	-	-	-	-	-	-	-	15
ACCESS CONTROL SYSTEM	100	-	-	-	-	-	-	-	-	100
	133	-	-	-	-	-	-	-	-	133
SECURITY - SKYHAVEN AIRPORT										
GATE 3 NETWORKING**	7	-	-	-	-	-	-	-	-	7
	7	-	-	-	-	-	-	-	-	7
TRADEPORT										
STORMWATER UPGRADES	-	25	-	-	25	-	-	-	-	50
FLIGHTLINE ROAD CONSTRUCTION**	-	-	-	-	-	-	380	380	-	760
ASPHALT REPLACE-55 INTERNATIONAL**	-	100	182	-	-	-	-	-	-	282
ROOF REPLACEMENT-19 DURHAM**	50	-	-	-	-	-	-	-	-	50
	50	125	182	-	25	-	380	380	-	1,142
MAINTENANCE										
VEHICLE FLEET REPLACEMENT -MAINT**	-	63	-	75	-	-	-	-	-	138
BUILDING INFRASTRUCTURE **	-	-	50	-	-	-	-	-	-	50
SIGN PROGRAM APPLICATION TABLE**	-	-	12	-	-	-	-	-	-	12
DUMP TRUCK AND TRAILER**	260	-	-	-	-	-	-	-	-	260
	260	63	62	75	-	-	-	-	-	460
TOTAL NON-GRANT CAPITAL PROJECTS	640	969	714	753	530	520	1,350	1,330	950	7,756

NOTE: **PENDING BOARD APPROVAL

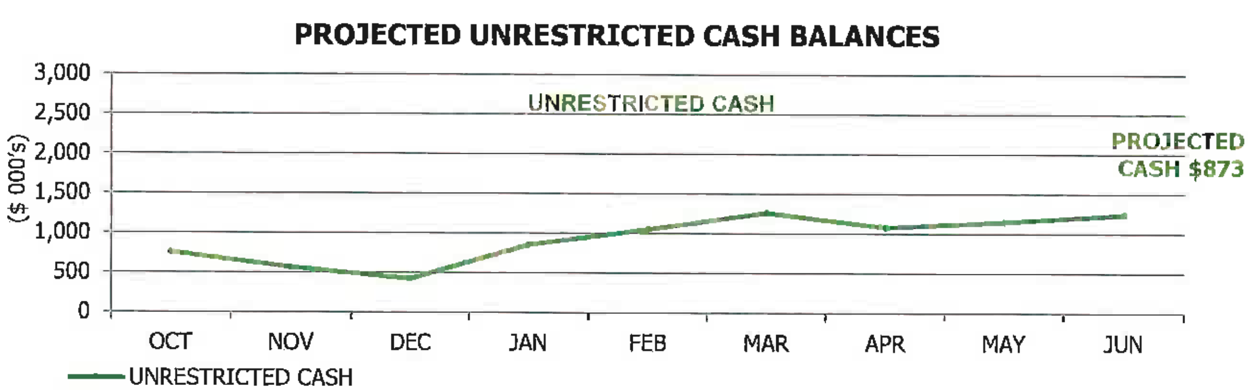
DIVISION OF PORTS AND HARBORS *(UNRESTRICTED FUNDS)*
CASH FLOW SUMMARY OVERVIEW
OCTOBER 1, 2025 TO JUNE 30, 2026

($ 000's)

($000'S)	AMOUNT
OPENING FUND BALANCE	**1,056**
SOURCES OF FUNDS	
FACILITY RENTALS AND CONCESSIONS	460
FUEL SALES	185
GRAND AWARD *(SEE PAGE 8)*	317
REGISTRATIONS / WHARFAGE	1,173
MOORING FEES	450
PARKING FEES	77
	2,662
USES OF FUNDS	
PERSONNEL SERVICES AND BENEFITS	1,458
FUEL PROCUREMENT	125
OPERATING EXPENSES	637
CAPITAL EXPENDITURES -GRANT *(SEE PAGE 8)*	356
CAPITAL EXPENDITURES -NON-GRANT *(SEE PAGE 8)*	269
	2,845
NET CASH FLOW	(183)
CLOSING FUND BALANCE	**873**

TOTAL FUND BALANCES	BALANCE AT 9-30-25	BALANCE AT 9-30-24
UNRESTRICTED FUNDS	1,056	989
DESIGNATED FUNDS	178	173
	1,234	1,162

CASH FLOW PROJECTION SENSITIVITIES INCLUDE: 1) ACCURACY OF CAPITAL EXPENDITURES FORECAST AND USE OF HARBOR DREDGING AND PIER MAINTENANCE FUND 2) SEASONAL REVENUE AND EXPENSE FLUCTUATIONS



DIVISION OF PORTS AND HARBORS *(UNRESTRICTED FUNDS)*
STATEMENT OF CASH FLOW

($000's)

CASH FLOW - DPH	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPENING FUND BALANCE	1,056	757	568	424	854	1,054	1,264	1,079	1,150	1,056
SOURCES OF FUNDS										
FACILITY RENTALS AND CONCESSIONS	57	39	45	50	41	53	53	73	49	**460**
FUEL SALES	45	20	20	10	7	7	12	17	47	**185**
MOORING FEES	-	-	-	100	150	150	50			**450**
PARKING FEES	12	-	-	-	-	2	10	17	36	**77**
GRANTS FUNDS RECEIVED & OTHER (*SEE PAGE #8*)	-	-	-	-	-	-	-	117	200	**317**
REGISTRATIONS / WHARFAGE	5	9	8	490	218	225	70	83	65	**1,173**
	119	68	73	650	416	437	195	307	397	**2,662**
USE OF FUNDS										
PERSONNEL SERVICES AND BENEFITS	154	152	149	160	157	161	162	184	179	**1,458**
FUEL PROCUREMENT	32	14	14	7	4	4	8	8	34	**125**
UTILITIES	8	7	11	10	13	9	10	9	10	**87**
GENERAL AND ADMINISTRATIVE	13	12	12	12	12	12	13	12	14	**112**
BUILDINGS AND FACILITIES	14	14	13	13	22	23	23	15	229	**366**
PROFESSIONAL SERVICES	8	8	8	8	8	8	8	8	8	**72**
CAPITAL- GRANT RELATED *(SEE PAGE # 8)*	-	-	-	-	-	-	156	-	200	**356**
CAPITAL- NONGRANT *(SEE PAGE # 8)*	189	50	10	10	-	10	-	-	-	**269**
	418	257	217	220	216	227	380	236	674	**2,845**
NET CASH FLOW	(299)	(189)	(144)	430	200	210	(185)	71	(277)	**(183)**
CLOSING FUND BALANCE	757	568	424	854	1,054	1,264	1,079	1,150	873	873

CAPITAL PROJECTS PRESENTED TO THE HOUSE PUBLIC WORKS AND HIGHWAYS COMMITTEE ON MARCH 10, 2025:

- MARKET STREET TERMINAL-MAIN WHARF DREDGING $1,417,000
- RYE AND HAMPTON HARBORS RIPRAP REPAIR $ 765,000
- MARKET STREET MARINE TERMINAL WAREHOUSE REMOVAL AND OFFICE REPLACEMENT $1,973,300

Note: The above projects were submitted in April 2024 as part of the State Capital Improvement Plan and approved on June 5, 2025

DIVISION OF PORTS AND HARBORS
CAPITAL EXPENDITURES *(GRANT AND NON-GRANT)*

($ 000's)

GRANT FUNDED PROJECTS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MARKET STREET TERMINAL										
FUNCTIONAL REPLACEMENT-BARGE DOCK	-	-							200	200
SECURITY CAMERA SYSTEM UPGRADE**	-	-	-	-	-	-	156	-	-	156
	-	-	-	-	-	-	156	-	200	356
HARBORS										
	-	-	-	-	-	-	-	-	-	-
PORTSMOUTH FISH PIER										
	-	-	-	-	-	-	-	-	-	-
TOTAL GRANT FUNDED PROJECTS	-	-	-	-	-	-	156	-	200	356

INTERNALLY FUNDED	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MARKET STREE TERMINAL										
TRUCK SCALE	-	50	-	-	-	-	-	-	-	50
HOISTS (5) - ALL LOCATIONS**	-	-	10	10	-	10	-	-	-	30
	-	50	10	10	-	10	-	-	-	80
HARBORS										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
PORTSMOUTH FISH PIER										
BUILDING REPLACEMENT (INTERNALLY FUNDED)	189	-	-	-	-	-	-	-	-	189
	189	-	-	-	-	-	-	-	-	189
TOTAL INTERALLY FUNDED PROJECTS	189	50	10	10	-	10	-	-	-	269

DIVISION OF PORTS AND HARBORS
GRANT RECEIPT AWARDS

($ 000's)

GRANT AWARDS	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
MARKET STREET TERMINAL										
FUNCTIONAL REPLACEMENT-BARGE DOCK	-	-							200	200
SECURITY CAMERA SYSTEM UPGRADE	-	-	-	-	-	-	-	117	-	117
	-	-	-	-	-	-	-	117	200	317
HARBORS										
STORM REPAIR - **RYE** (POSSBILE 75% FEMA REIMB)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
PORTSMOUTH FISH PIER										
BRACING & DECKING	-	-	-	-	-	-	-	-	-	-
BUILDING REPLACEMENT	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TOTAL GRANT RECEIPT AWARDS	-	-	-	-	-	-	-	117	200	317

DIVISION OF PORTS AND HARBORS *(RESTRICTED FUNDS)*
CASH FLOW SUMMARY OVERVIEW
OCTOBER 1, 2025 TO JUNE 30, 2026

($ 000's)

HARBOR DREDGING FUND

($ 000's)	AMOUNT
OPENING FUND BALANCE	**365**
SOURCES OF FUNDS	
PIER USAGE FEES	81
REGISTRATIONS	9
GRANT FUNDING	-
	90
USES OF FUNDS	
BUILDINGS AND FACILITIES	104
GENERAL AND ADMINISTRATIVE	6
PROFESSIONAL SERVICES	-
ALL OTHER- (CBOC)	25
	135
NET CASH FLOW	(45)
CLOSING FUND BALANCE	**320**

REVOLVING LOAN FUND

($ 000's)	AMOUNT
OPENING FUND BALANCE	**454**
SOURCES OF FUNDS	
LOAN REPAYMENTS	93
INTEREST INCOME-LOANS	30
INTEREST INCOME-FUND BALANCE	-
	123
USES OF FUNDS	
NEW LOANS PROJECTED	100
GENERAL AND ADMINISTRATIVE	6
PROFESSIONAL SERVICES	15
	121
NET CASH FLOW	2
CLOSING FUND BALANCE	**456**

FOREIGN TRADE ZONE

($ 000's)	AMOUNT
OPENING FUND BALANCE	**20**
SOURCES OF FUNDS	
FACILITY RENTALS	15
ALL OTHER	-
	-
	15
USES OF FUNDS	
GENERAL AND ADMINISTRATIVE	3
PROFESSIONAL SERVICES	-
OTHER	7
	10
NET CASH FLOW	5
CLOSING FUND BALANCE	**25**

TOTAL FUND BALANCES	BALANCE AT 9/30/25	BALANCE AT 9/30/24
HARBOR DREDGING	365	317
REVOLVING LOAN FUND	454	327
FOREIGN TRADE ZONE	20	19
	839	**663**

Executive Summary of Financial Audit Results as of June 30, 2025

Katharine Balukas, CPA*

Partner | BDMP Assurance, LLP
Principal | Berry, Dunn, McNeil & Parker, LLC

Katherine Skrocki

Senior | Berry, Dunn, McNeil & Parker, LLC

BerryDunn

Attest services are provided by BDMP Assurance, LLP, a licensed CPA firm.

October 21, 2025

Independent Auditor's Report

Management's Responsibility

- The preparation and fair presentation of the financial statements
- Design, implementation and maintenance of internal control over financial reporting
- Selection and use of appropriate accounting policies
- Evaluate whether there are conditions that raise substantial doubt about the Authority's ability to continue as a going concern

Independent Auditor's Report

Our Responsibility

- To express an opinion on the financial statements in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and *the Uniform Guidance*
- Designed to obtain reasonable assurance that the financial statements are free from material misstatement
- Select audit procedures, based on our assessment of material misstatement
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management
- Consider if there are substantial doubts about the Authority's ability to continue as a going concern

UNMODIFIED OPINION on the financial statements

Independent Auditor's Report

Our Responsibility

- Management's Discussion & Analysis and Required Supplementary Information
  - Presented as a supplement to the basic financial statements as required by the Governmental Accounting Standards Board
  - We have applied certain limited procedures to the MD&A preceding the financial statements and to other required supplementary information (RSI) which follows the financial statements in accordance with U.S. Generally accepted auditing standards
  - We do not express an opinion or provide assurance on the MD&A or the RSI

Required Auditor Communications

Accounting Policies

- Adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*
- No transactions lacked authoritative guidance
- All significant transactions were recorded in the correct period

Management's Judgment and Estimates

- Receivables in the Revolving Loan Fishing Fund are fully collectible
- Estimates used in the calculation of the net pension liability
- Estimates used in the calculation of the net OPEB liability

Corrected and Uncorrected Misstatements

- No significant audit adjustments
- No unrecorded audit adjustments that are required to be reported were noted

Auditor's Consideration of Internal Controls

Required Auditor Communications

- We considered internal control over financial reporting to design our audit procedures for the purpose of expressing an opinion on the financial statements.
- We do not express an opinion on the effectiveness of internal control.
- Our procedures are not designed to identify all deficiencies in internal control that might be a control deficiency, a significant deficiency or a material weakness; therefore there can be no assurance that all deficiencies have been identified.

Internal Controls

- **We did not identify any deficiencies in internal control that we consider to be material weaknesses.**
- However, material weaknesses or significant deficiencies in internal control may exist that were not identified.

Yellow Book Report

Internal Controls over Financial Reporting

- We considered the internal controls over financial reporting in connection with designing our audit procedures
- We did not perform an audit of the internal controls, therefore, we do not express an opinion of the internal controls over financial reporting

Compliance with Laws, Regulations, Contracts and Grant Agreements

- We performed certain tests of compliance with certain provisions of laws, regulations, contracts and agreements
- Focus on potential noncompliance that would be direct and material to the financial statements

Internal Control Matters

- We did not identify any control matters that we would consider to be material weaknesses
- Material weaknesses or significant deficiencies may exist that were not identified

Results of Compliance Testing

- We did not note any instances of noncompliance or other matters that are required to be reported
- We did not perform an audit of compliance, therefore, we do not express an opinion on compliance

Uniform Guidance

Results

Major Federal Programs tested in 2025

- U.S. Department of Treasury – Coronavirus – State and Local Fiscal Recovery Fund
- U.S. Department of Homeland Security – Federal Emergency Management Agency

Did not audit internal controls over compliance with major federal programs

Our audit opinion on the schedule of expenditures of federal awards is **UNMODIFIED**

We did not have any current year or prior year findings

Questions?

Katharine Balukas, CPA

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Principal | Berry, Dunn, McNeil & Parker LLC

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This communication is intended solely for the information and use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

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BDMP Assurance, LLP

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited the financial statements of Pease Development Authority (PDA or the Authority), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2025, and have issued our report thereon dated REPORT DATE. Professional standards require that we communicate to you the following information related to our audit.

<u>Our Responsibility under U.S. Generally Accepted Auditing Standards (U.S. GAAS), *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)</u>

As stated in our engagement letter dated April 7, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles (U.S. GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered PDA's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether PDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about compliance with the types of compliance requirements described in the Office of Management and Budget's *Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on PDA's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on PDA's compliance with those requirements.

U.S. GAAP provides for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis on pages 6 through 21 and the required supplementary information on pages 58 through 65, which supplement the basic financial statements, is to apply certain limited procedures in accordance with U.S. GAAS. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the schedule of expenditures of federal awards (supplementary information) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We were not engaged to report on the listing of Board of Directors on page 1 and financial highlights on page 2 (other information), which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information was not audited and we do not express an opinion or provide any assurance on it.

Planned Scope and Timing of the Audits

We conducted our audits consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks

In our engagement letter, we identified the risks we expected would meet the definition of "significant risks" pursuant to U.S. GAAS, which are risks toward the upper end of the risk spectrum based on their likelihood and potential magnitude. Through conclusion of our audit of the financial statements, we have not identified any additional significant risks.

Qualitative Aspects of PDA's Significant Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PDA are described in Note 2 to the financial statements. As disclosed in Note 3 to PDA's financial statements, PDA adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. At June 30, 2023, PDA recognized additional liabilities related to sick accruals amounted to $521,200, which are reported within nonconcurrent liabilities, with an offsetting decrease in net position. The impact of the adoption of the standard for the year ended June 30, 2023 was a decrease in net position of $521,200. The impact of the adoption of the standard was an increase in noncurrent liabilities of $595,227 as of June 30, 2024 and an increase in personnel services and benefits of $74,027 during the year ended June 30, 2024.

No other new accounting policies were adopted, and the application of existing policies was not otherwise changed during 2025. We noted no transactions entered into by PDA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates and Related Disclosures

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were:

- Management's conclusion that an allowance for doubtful accounts is not necessary for the Revolving Loan Fishery Fund receivables as of June 30, 2025 and 2024, which is based on the historical collection rates of these loans.
- The estimates used in the calculation of the net pension liability, deferred inflows of resources, and deferred outflows of resources related to the pension plan, which are based on actuarial information provided by the New Hampshire Retirement System (NHRS) and audited by Plante & Moran, PLLC.
- The estimates used in the calculation of the net other postemployment benefit (OPEB) liabilities, deferred inflows of resources and deferred outflows of resources related to the OPEB plans. The net OPEB liability and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the State of New Hampshire (the State) are based on information provided by Segal Consulting, the actuary engaged by the State. The net OPEB liability and related deferred inflows of resources and deferred outflows of resources related to the OPEB plan administered by the NHRS are based on actuarial information provided by the NHRS and audited by Plante & Moran, PLLC.

We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the PDA's financial statements relate to:

- The disclosure of leases in Note 10
- The disclosure of the cost-sharing multiple-employer defined benefit plan required by GASB Statement No. 68 in Note 18.
- The disclosures of the cost-sharing multiple-employer other postemployment benefits plans required by GASB Statement No. 75 in Notes 19 and 20.
- The disclosure of commitments and contingencies in Note 21.
- The disclosure of the COVID-19 considerations in Note 23.

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representation Requested from Management

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * * * * * * * * * * *

We sincerely appreciate the cooperation, courtesy, and working environment provided to our personnel by management and the employees of PDA during our engagement.

This communication is intended solely for the information and use of the Board of Directors and management and others within PDA and is not intended to be, and should not be, used by anyone other than these specified parties.

Manchester, New Hampshire
REPORT DATE

[Insert date]

BDMP Assurance, LLP
Certified Public Accountants
1000 Elm Street, 4th Floor
Manchester, NH 03101

This representation letter is provided in connection with your audit of the financial statements of Pease Development Authority (PDA), which comprise the statement of net position as of June 30, 2025, and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 7, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.

5) The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.

6) All related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

9) Guarantees, whether written or oral, under which PDA is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

   a) Access to all information, of which we are aware, is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, meeting minutes, and other matters;

   b) Additional information that you have requested from us for the purpose of the audit;

   c) Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings of Finance Committee, Audit Committee, and Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards (SEFA).

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects PDA and involves:

   a) Management;

   b) Employees who have significant roles in internal control; or

   c) Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud, or suspected fraud, affecting PDA's financial statements communicated by employees, former employees, vendors, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the identity of all PDA's related parties and the nature of all the related party relationships and transactions of which we are aware.

18) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented

20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.

21) PDA has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have appropriately identified, recorded, and disclosed all leases in accordance with GASBS No. 87.

24) We have appropriately disclosed or recognized conduit debt obligations and/or certain arrangements associated with conduit debt obligations in accordance with GASBS No. 91.

25) We have appropriately identified, recorded, and disclosed subscription-based information technology arrangements in accordance with GASBS No. 96.

26) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives

28) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

29) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

30) As art of your audit, you assisted with preparation of the financial statements and disclosures and SEFA. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures and SEFA.

31) PDA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral.

32) PDA has complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

33) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest and properly disclose all other joint ventures and other related organizations.

34) The financial statements include all fiduciary activities required by GASBS no. 84, as amended.

35) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended.

36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

37) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

38) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.

39) Provisions for uncollectible receivables have been properly identified and recorded.

40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net position, and allocations have been made on a reasonable basis.

41) Revenues are appropriately classified in the statement of revenues, expenses, and changes in net position.

42) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.

43) Capital assets are properly capitalized, reported, and, if applicable, depreciated or amortized.

44) We have appropriately disclosed the PDA's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

45) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

46) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any

significant assumptions and interpretations underlying the measurement and presentation of the RSI.

47) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the SEFA.

b) We acknowledge our responsibility for preparing and presenting the SEFA and related disclosures in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have charged costs to federal awards in accordance with applicable cost principles.

u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

v) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

w) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Very truly yours,

PEASE DEVELOPMENT AUTHORITY

Paul Brean
Executive Director

Susanne Anzalone, CPA
Director of Finance

BerryDunn
BDMP Assurance, LLP

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

In connection with our audit of the financial statements of Pease Development Authority (PDA or the Authority), a component unit of the State of New Hampshire as of and for the year ended June 30, 2025, we offer the following emerging issues that may be relevant to the Authority.

EMERGING ISSUES

Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements*

In April 2024, GASB issued guidance intended to enhance the clarity, consistency, and usefulness of financial statements for governments. The new enhancements are designed to enhance the effectiveness of governmental financial reports by focusing of essential information for decision-making and assessing a government's accountability and address certain application issues.

GASB Statement No. 103, *Financial Reporting Model Improvements* changes existing requirements related to:

- Management's discussion and analysis (MD&A)
- Unusual or infrequent items (previously known as extraordinary and special items)
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Major component unit information
- Budgetary comparison information

The requirements of GASB Statement 103, *Financial Reporting Model* are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

U.S. Office of Management and Budget (OMB) Uniform Guidance Changes

The OMB issued its final version of the changes to 2 C.F.R. Part 200 (Uniform Guidance) in the federal register on April 22, 2024. These changes will impact the uniform administrative requirements, cost principles, and audit requirements for federal award recipients. The changes are intended to improve uniformity and consistency in the implementation of the Uniform Guidance. Following are the key changes that may impact your organization:

- The Single Audit Act audit threshold increased from $750,000 to $1 million. Recipients of federal awards that expend less than $1 million in a fiscal year will not be required to have a single audit.
- The amount of subaward costs that can be counted within the modified total direct costs (MTDC) base increased from $25,000 to $50,000, which means recipients can recover more indirect costs from subawards.

- The de minimis indirect cost rate increased from 10 percent to 15 percent over MTDC. Recipients that do not have a negotiated indirect cost rate can use a higher rate to charge indirect costs to federal awards.
- The threshold for fixed-amount subawards requiring prior written approval from federal agencies has been raised from $250,000 to $500,000, providing recipients with increased flexibility.
- The acquisition value threshold for defining equipment has been raised from $5,000 to $10,000, reducing administrative burden for recipients. Similarly, the threshold for unused supplies has been increased from $5,000 to $10,000.

These changes go into effect for funding disbursed on or after October 1, 2024. The increase to the audit threshold cannot be adopted until audits for fiscal years ending on or after September 30, 2025, with no option to adopt this earlier.

Navigating Federal Funding Changes

As recent Executive Orders have ushered in sweeping changes and reductions across federal programs, not-for-profit organizations face an evolving landscape that demands proactive financial vigilance. These policy shifts present real risks to the stability and longevity of federally funded initiatives, making it essential for leaders to anticipate and prepare for potential disruptions.

Federal funding is often the cornerstone of vital community programs. Any changes or cuts can jeopardize both ongoing operations and the fulfillment of your organization's mission. Ignoring emerging risks can result in sudden shortfalls, loss of key services, and the inability to meet stakeholder expectations.

To protect your organization's future, it is crucial to:

- Continuously assess and monitor your exposure to federal funding risks.
- Stay informed on policy developments and Executive Orders that may impact funding streams.
- Implement strategic financial planning and scenario analysis for organizational resilience.

To support your efforts, we have developed a comprehensive Funding Risk Management eBook—an actionable guide that helps you identify vulnerabilities and craft effective risk mitigation strategies. In addition, our latest podcast features expert insights and practical tips on navigating the complex environment of federal funding changes.

You can access these resources using the following links:

- Template – Nonprofit Funding Risk Management eBook | BerryDunn
- Podcast – BerryDunn's Risk Assessment Tool Helps NFP's Prepare for Potential Funding Changes | BerryDunn

If you would like guidance on using these tools or want to discuss tailored strategies for your organization, our team is ready to assist you. Together, we can help advance your mission—no matter how the federal funding landscape evolves.

Procurement, Suspension & Debarment

The OMB, 2 C.F.R. Part 200 Compliance Supplement contains guidance related to procurement of goods or services related to federal assistance, federal grant programs and their respective recipients.

Organizations receiving federal funding must have documented procurement procedures. Those procedures should include policies and procedures related to conflicts of interest, procurement selection methodologies and the award and administration of contracts for services and goods related to federal program dollars. One requirement prohibits transactions to be purchased with federal dollars with any entity or individual that has been suspended or debarred or otherwise excluded from participating in federal programs. It is up to the Authority to verify that all employees and vendors paid more than $25,000 are not suspended or debarred.

This verification may be accomplished by checking the System for Award Management (SAM) formerly the Excluded Parties List System, maintained by the General Services Administration, collecting a certification from the vendor, or by adding a clause or condition to the transaction. Verification should be regular and ongoing throughout the year.

Establishing appropriate policies, procedures and controls over procurement to verify suspension and debarment is essential now more than ever. The Office of Inspector General (OIG) has the authority to impose civil monetary penalties if a restricted individual or entity is operating or providing services within a program receiving funding from any federal, state, or local government agency. To avoid civil monetary penalties, the OIG recommends entities routinely check the list of excluded individuals/entities on the OIG website to ensure that new hires, current employees, and vendors are not on the excluded list.

We recommend nonfederal entities introduce a regular process to verify employees and vendors are not included on the list. Documentation of each verification should be maintained in each employee's personnel file and vendor files to provide evidence that process has taken place. Consideration should also be given to including standard clauses or conditions in contracts and employment agreements certifying the individual is not on the federal suspension and debarment list.

For more information about suspension and debarment please visit our website for the full article Procurement and suspension and debarment | BerryDunn

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We sincerely appreciate the cooperation, courtesy, and working environment provided to our personnel by management and the employees of PDA during the engagement. We have previously discussed the comments and suggestions contained herein with management, and we will be pleased to discuss them further at your request.

This communication is intended solely for the information and use of the Board of Directors and management and others within PDA and is not intended to be, and should not be, used by anyone other than these specified parties.

Manchester, New Hampshire
REPORT DATE

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MOTION

Director Ferrini:

In accordance with the recommendation of the Audit Committee, the Pease Development Authority ("PDA") Board of Directors accepts and approves 1.) receipt of the draft Certified Financial Statements for the years ending June 30, 2025 and June 30, 2024, and the Uniform Guidance Audit of Federal Awards for the year ending June 30, 2025, *both attached in draft form,* all as otherwise prepared and submitted by the PDA's independent auditor Berry Dunn McNeil and Parker, LLC; and 2.) further authorizes the Executive Director to forward the Certified Financial Statements to the State of New Hampshire when final for inclusion in the Comprehensive Annual Financial Report.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Financial Statements,
Management's Discussion and Analysis,
and Required Supplementary Information

Years ended June 30, 2025 and 2024
With Independent Auditor's Reports

and

Reports Required by *Government Auditing Standards* and Uniform Guidance

Year ended June 30, 2025

PEASE
INTERNATIONAL
PEASE DEVELOPMENT AUTHORITY
PORTSMOUTH, NH

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Reports Required by *Government Auditing Standards* and Uniform Guidance

Year Ended June 30, 2025

Table of Contents

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Board of Directors

Stephen M. Duprey, Chairman
Appointed by the New Hampshire State Governor and Executive Council

Neil Levesque, Vice Chairman
Appointed by the New Hampshire Senate President

Thomas G. Ferrini, Treasurer
Appointed by the New Hampshire Speaker of the House

Karen Conard
Appointed by the City of Portsmouth

Brian Semprini
Appointed by the Town of Newington

Steve Fournier
Nominated by the Strafford County Legislation Delegation
Appointed by the New Hampshire State Governor, the New Hampshire Senate President and the New Hampshire Speaker of the House

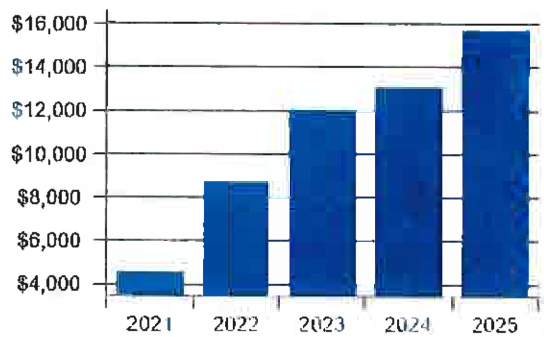
Susan B. Parker
Appointed by the Towns of Newington and Greenland

Paul E. Brean
Executive Director and Secretary
Hired by the Pease Development Authority Board of Directors

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)
Financial Highlights (Unaudited)
($ in Thousands)

	2021	2022	2023	2024	2025
Consolidated Operating Revenues					
Tradeport	$ 6,056	$ 7,249	$ 5,858	$ 5,934	$ 6,160
Ports and Harbors	2,477	2,774	3,146	2,630	2,849
Golf Course	3,384	3,489	3,899	3,944	4,031
Aviation	1,934	2,505	2,828	3,124	4,107
Total	$ 13,851	$ 16,017	$ 15,731	$ 15,632	$ 17,147

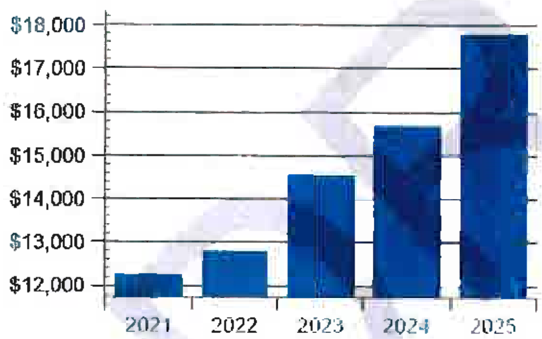
Unrestricted Cash and Cash Equivalents



- PDA currently has no outstanding debt, reflecting lower non-grant related capital expenditure requirements across all business units:

June 30		Amount
2021	$	-
2022		-
2023		-
2024		-
2025		-

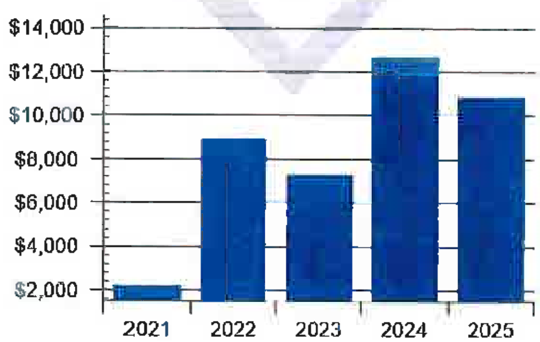
Operating Expenses (Excluding Depreciation)



- Capital assets excluding accumulated depreciation, primarily funded by third-party grants and include renovations to the Portsmouth International Airport, Portsmouth Tradeport, Ports and Harbors and Skyhaven Airport and have continued to increase during the past several fiscal years:

June 30		Amount
2021	$	216,304
2022		222,903
2023		232,022
2024		248,675
2025		262,113

Contributed Capital



- Net cash provided (used) by operating activities has fluctuated in the past few fiscal years due to the impact of adoption of leases:

June 30		Amount
2021	$	(5,521)
2022		(350)
2023		(1,646)
2024		(3,064)
2025		(2,942)

BerryDunn

BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements as listed in the table of contents.

In our opinion, the 2025 financial statements referred to above present fairly, in all material respects, the financial position of PDA as of June 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (U.S. 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PDA 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.

Changes in Accounting Principles

As discussed in Note 3 to the basic financial statements, PDA adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No.102, *Certain Risk Disclosures* during the year ended June 30, 2025. Our opinion is not modified with respect to those matters.

Prior Period Financial Statements

The financial statements of PDA as of and for the year ended June 30, 2024 were audited by Berry, Dunn, McNeil & Parker, LLC whose report, dated October 30, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PDA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 U.S. 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 U.S. 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 PDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PDA's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Required Supplementary Information

U.S. GAAP require that Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 6 to 21 and the required supplementary information on pages 58 to 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the listing of the Board of Directors on page 1 and financial highlights on page 2 but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basis financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

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

Manchester, New Hampshire
REPORT DATE

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)

This report identifies the Pease Development Authority's (PDA) financial position and describes PDA's financial activities over the past three fiscal years. This section of PDA's annual financial report is known as "*Management's Discussion and Analysis of Financial Condition and Results of Operations* (MD&A) and presents our discussion and analysis of PDA's financial performance during the fiscal years ended June 30, 2025, 2024 and 2023.

The MD&A is an analysis of the financial condition and operating results of PDA and is intended to introduce the basic financial statements and notes to those statements. The MD&A must be presented in every financial report that includes basic financial statements prepared in accordance with U.S. generally accepted accounting principles. It is intended to provide an objective and easily readable analysis of PDA's financial activities based on currently known facts, decisions, or conditions. This MD&A should be read in conjunction with PDA's financial statements and accompanying notes.

Overview of the Financial Statements

This annual report consists of three parts: a) Management's discussion and analysis of financial condition and results of operations; b) the basic audited financial statements which include notes explaining some of the information in the financial statements and provide detailed data; and c) required supplementary information.

PDA is a self-supporting entity and follows enterprise fund reporting; accordingly, the financial statements are presented using the accrual basis of accounting. The component unit financial statements offer short and long-term financial information about the activities and operations of PDA. These statements are presented in a manner similar to a private business.

The statements of net position show the financial position of PDA at the end of each fiscal year and include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The total net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, an increase in net position is one indicator of an institution's financial health.

The statements of revenues, expenses, and changes in net position report total operating revenues, operating expenses, nonoperating income (expense), contributed capital and the change in net position for the years ended June 30, 2025 and 2024.

The statements of cash flows summarize transactions involving cash and cash equivalents during each fiscal year. The statements provide an additional tool to assess the financial health of the institution and its ability to generate future cash flows to meet its obligations.

Change in Accounting Principle

As disclosed in Note 3 to the basic financial statements, in 2025 PDA adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The changes made to the basic financial statements to comply with the new accounting standards have been reported as an adjustment as of the beginning the year ended June 30, 2024. The impact of the adoption of the new accounting standard as of the beginning of the year ended June 30, 2024 was an increase in other noncurrent liabilities of $512,200, and a decrease in unrestricted net position of $512,200. The impact of the adoption of the new accounting standard resulted in an increase in other noncurrent liabilities of $512,200 as of June 30, 2024 and an increase in personnel services and benefits of $74,027 during the year ended June 30, 2024.

Current Assets

Current assets are those assets that are expected to be used (sold or consumed) within a year, unlike non-current assets. Current assets are reflected on the statements of net position and are listed in order of decreasing liquidity. The current asset position of an organization is important, both for assessing its financial strength and for gauging its operational efficiency.

Comparison of 2025 to 2024

Changes in Current Assets

($ in Thousands)	June 30, 2025	June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	$ 15,692	$ 13,056	$ 2,636	20.2
Accounts Receivable - Net	11,301	8,262	3,039	36.8
Other Current Assets	885	735	150	20.4
Total Current Assets	$ 27,878	$ 22,053	$ 5,825	26.4

PDA's current assets reflect an increase in operating cash of $2.6 million, or 20.2%, mainly resulting from cash flows from operations but offset by internally funded capital projects. The increase in accounts receivable of $3.0 million or 36.8% is the result of the year-end accrual of a grant funding request related to the Alpha North Taxiway construction project. Accounts receivable included an allowance for doubtful accounts of approximately 0.1% and 0.2% of total accounts receivable at June 30, 2025 and 2024, respectively.

Comparison of 2024 to 2023

Changes in Current Assets

($ in Thousands)	June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	$ 13,056	$ 11,986	$ 1,070	8.9
Accounts Receivable - Net	8,262	8,466	(204)	(2.4)
Other Current Assets	735	774	(39)	(5.0)
Total Current Assets	$ 22,053	$ 21,226	$ 827	3.9

PDA's current assets reflect an increase in operating cash of $1.1 million, or 8.9%. Resulting from cash flows from operations but offset by an increase in expenditures for internally funded capital projects. The year over year decrease in accounts receivable - net of (2.4)% reflects collection of prior year's receivables offset by an increase in lease receivables – short-term due to leases continuing to age out. Accounts receivable included an allowance for doubtful accounts of approximately 0.2% of total accounts receivable at June 30, 2024 and 2023, respectively.

Restricted Assets

Restricted assets represent amounts that are subject to externally imposed restrictions on their use by creditors, grantors, laws, regulations, or through constitutional restrictions or enabling legislation.

Comparison of 2025 to 2024

Changes in Restricted Assets

($ in Thousands)	June 30, 2025	June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	$ 777	$ 572	$ 205	35.8
Revolving Loan Fishery Fund Receivable	949	1,061	(112)	(10.6)
Accounts Receivable Other - Net	2	-	2	100.0
Total Restricted Assets	$ 1,728	$ 1,633	$ 95	5.8

Total restricted assets increased by $95,000 year over year, mainly resulting from the increase in restricted cash for the Revolving Loan Fishery Fund (RLF) but offset by a decrease in restricted receivables related to the RLF. Total cash and receivables associated with the RLF had a composite calculation of approximately $1.4 million and $1.3 million at June 30, 2025 and 2024, respectively. There were 19 and 20 individual loans outstanding at June 30, 2025 and 2024, respectively.

Comparison of 2024 to 2023

Changes in Restricted Assets

($ in Thousands)	June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Cash and Cash Equivalents	$ 572	$ 456	$ 116	25.4
Revolving Loan Fishery Fund Receivable	1,061	1,072	(11)	(1.0)
Accounts Receivable Other - Net	-	62	(62)	(100.0)
Total Restricted Assets	$ 1,633	$ 1,590	$ 43	2.7

Total restricted assets decreased by $43 thousand year over year, mainly resulting from the increase in restricted cash for harbor dredging and the RLF but offset by decreases in restricted receivables. Total assets associated with the RLF had a composite calculation of approximately $1.3 million and $1.1 million at June 30, 2024 and 2023, respectively. There were 20 individual loans outstanding at June 30, 2024 and 2023. The decrease in accounts receivable – other represents collection of funds from an unrestricted cash account for reimbursement of expenses.

Noncurrent Assets

Noncurrent assets represent capital acquisitions and other long term assets whose benefits will be realized over more than one year.

PDA independently develops and maintains the Tradeport. Through the Division of Port and Harbors (DPH), PDA maintains and develops New Hampshire's ports, harbors, and navigable tidal rivers. Capital expenditures typically extend the useful life of an asset and can be financed through internal funds, grant related funding or access to the capital markets.

Comparison of 2025 to 2024

Changes in Capital and Subscription Assets

($ in Thousands)	June 30, 2025	June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Land	$ 7,521	$ 7,521	$ -	-
Land Improvements	317	317	-	-
Facilities Improvements	225,000	212,615	12,385	5.8
Equipment	20,438	19,323	1,115	5.8
Construction in Process	8,836	8,899	(63)	(0.7)
Gross Capital Assets	262,112	248,675	13,437	5.4
Accumulated Depreciation	(148,572)	(140,810)	(7,762)	5.5
Total Capital Assets	113,540	107,865	5,675	5.3
Total Subscription Asset	563	397	166	41.8
Total Capital and Subscription Assets	$ 114,103	$ 108,262	$ 5,841	5.4

PDA/DPH's capital acquisitions (excluding sales/retirements) totaled approximately $13.4 million in 2025, primarily through support of either federal or state funded projects. The more significant capital projects at PDA included construction of the Portsmouth International Airport (PSM) Alpha North Taxiway, the PSM Arrivals Hall, Snow Removal Equipment purchases, engineering and design costs for the air traffic control tower and various other equipment purchases related to maintenance, airport and golf course equipment needs. Significant capital expenditures at the DPH included Portsmouth Fish Pier (PFP) Decking and Bracing and PFP Building Replacement.

Approximately $10.7 million of the total capital expenditures were either grant funded or supported by the State for purposes of Pease Development Authority Division of Port and Harbors (PDA-DPH).

PDA/DPH had commitments under construction contracts associated with state and federal grants totaling approximately $5.1 million and $8.9 million at June 30, 2025, and 2024, respectively. The more significant commitments under construction contracts at June 30, 2025, included $2.5 million for the DPH Functional Replacement of the Barge Dock and $1.6 million for the Reconstruction of the Terminal Apron at Skyhaven airport.

Subscription Assets of $563,000 and $397,000 at June 30, 2025, and June 30, 2024 respectively, reflect the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (*SBITA*s).

Comparison of 2024 to 2023

Changes in Capital and Subscription Assets

($ in Thousands)	June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Land	$ 7,521	$ 7,521	$ -	-
Land Improvements	317	-	317	100.0
Facilities Improvements	212,615	203,082	9,533	4.7
Equipment	19,323	17,193	2,130	12.4
Construction in Process	8,899	4,227	4,672	110.5
Gross Capital Assets	248,675	232,023	16,652	7.2
Accumulated Depreciation	(140,810)	(133,642)	(7,168)	5.4
Total Capital Assets	107,865	98,381	9,484	9.6
Total Subscription Asset	397	-	397	100.0
Total Capital Assets	$ 108,262	$ 98,381	$ 9,881	10.0

PDA/DPH's capital acquisitions (excluding sales/retirements) totaled approximately $16.7 million in 2024, primarily through support of either federal or state funded projects. The more significant capital projects at PDA included the PSM Arrivals Hall, Snow Removal Equipment purchases, and various other equipment purchases related to maintenance and golf course equipment needs. Significant capital expenditures through the DPH included the rehabilitation of the Main Wharf at Market Street, PFP Decking and Bracing and land improvements at both Rye and Hampton Harbor due to storm damage. Other DPH projects included fueling equipment replacements and design work for improvements at Rye Harbor and Portsmouth Fish Pier. Approximately $14.0 million of the total capital expenditures were either grant funded or supported by the State for purposes of PDA-DPH.

PDA/DPH had commitments under construction contracts associated with state and federal grants totaling approximately $8.9 million and $17.3 million at June 30, 2024 and 2023, respectively. The more significant commitments under construction contracts at June 30, 2024 included $2.6 million for the DPH Functional Replacement of the Barge Dock, $2.0 million for the improvements at Rye Harbor and Portsmouth Fish Pier, $1.6 million for DAW Terminal Apron Reconstruction, and $1.4 million for the PSM Arrivals Hall project.

Subscription Assets of $397,000 reflect the adoption of GASB Statement No. 96, *SBITA*s in 2024.

Comparison of 2025 to 2024

Changes in Lease Receivable, Noncurrent

	June 30, 2025	June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Lease receivable, Non-current	$ 222,789	$ 221,148	$ 1,641	0.7

Noncurrent assets include a lease receivable brought about by the adoption of the GASB 87 lease accounting standard. The balance represents the present value of expected lease payments for the remaining terms of all active long-term lease agreements, which will be received in more than one year. The increase of $1.6 million is reflective of additional leases or lease extensions granted during the fiscal year.

Comparison of 2024 to 2023

Changes in Lease Receivable, Noncurrent

	June 30 2024	Restated June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Lease receivable, Non-current	$ 221,148	$ 213,131	$ 8,017	3.8

Noncurrent assets include a lease receivable brought about by the adoption of the GASB 87 lease accounting standard. The balance represents the present value of expected lease payments for the remaining terms of all active long-term lease agreements, which will be received in more than one year. The increase of $8.0 million is reflective of additional leases or lease extensions granted during the fiscal year.

Current Liabilities

Comparison of 2025 to 2024

Changes in Current Liabilities

($ in Thousands)	June 30, 2025	June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Accounts Payable and Accrued Expenses	$ 2,146	$ 2,448	$ (302)	(12.3)
Accounts Payable for Capital Assets	5,249	2,234	3,015	135.0
Current Portion of Subscription Liability	95	52	43	82.7
Unearned Revenues	788	617	171	27.7
Total Current Liabilities	$ 8,278	$ 5,351	$ 2,927	54.7

Current liabilities include accounts payable, accounts payable for capital and unearned revenues related to lease revenues, golf course membership fees and annual mooring permits collected in advance. The increase of $2.9 million over the prior year is mainly the result of an increase in accounts payable for capital assets which included an accrual of $4.1 million for expenditures related to the PSM Alpha North Taxiway construction.

Comparison of 2024 to 2023

Changes in Current Liabilities

($ in Thousands)	June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Accounts Payable and Accrued Expenses	$ 2,448	$ 2,695	$ (247)	(9.2)
Accounts Payable for Capital Assets	2,234	1,800	434	24.1
Current Portion of Subscription Liability	52	-	52	100.0
Unearned Revenues	617	724	(107)	(14.8)
Total Current Liabilities	$ 5,351	$ 5,219	$ 132	2.5

Current liabilities include accounts payable, accounts payable for capital and unearned revenues related to lease revenues, golf course membership fees and annual mooring permits collected in advance. These liabilities remained consistent between 2023 and 2024.

Noncurrent Liabilities

Comparison of 2025 to 2024

Changes in Noncurrent Liabilities

($ in Thousands)	June 30, 2025	Restated June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Other Post Employment Benefits	$ 5,332	$ 4,094	$ 1,238	30.2
Net Pension Liability	5,188	5,711	(523)	(9.2)
Subscription Liability, net of Current Portion	331	285	46	16.1
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences – Net	777	701	76	10.8
Total Noncurrent Liabilities	$ 11,880	$ 11,043	$ 837	7.6

Non-current liabilities reflect an increase of $0.8 million, or 7.6%. The increase in other post-employment benefits (OPEB) of $1.2 million is mainly a result of changes in assumptions which included an increase in the estimated future cost of the State's Medicare plan, offset by an increase in the discount rate. The decrease in the net pension liability of ($523,000) is associated with a decrease in the proportionate share of the total liability. The retirement system realized a positive 8.8% return on investments in the fiscal year ended June 30, 2024, compared to a positive 8.2% return in the previous year. The three year, five year and 10 year investment returns for the periods ended June 30, 2024 were 3.4%, 7.7%, and 7.0%, respectively. The retirement system's assumed rate of investment return is 6.75%. The change in Compensated Absences – Net of $76,000 reflects the adoption of GASB Statement 101, *Compensated Absences* as noted in footnote 3.

Comparison of 2024 to 2023

Changes in Noncurrent Liabilities

($ in Thousands)	Restated June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Other Post Employment Benefits	$ 4,094	$ 5,836	$ (1,742)	(29.8)
Net Pension Liability	5,711	5,287	424	8.0
Subscription Liability, net of Current Portion	285	-	285	100.0
State of New Hampshire Account Payable	252	252	-	-
Compensated Absences – Net	701	92	609	662.0
Total Noncurrent Liabilities	$ 11,043	$ 11,467	$ (424)	(3.7)

The PDA decreased its total noncurrent liabilities outstanding during the fiscal year by approximately ($424,000) or (3.7)%. The decrease in OPEB is mainly a result of changes in assumptions which included an increase in the discount rate and updated per capita health care costs. The increase in the net pension liability is associated with a slight increase to the proportionate share of total liability. The increase in Compensated Absences – Net of $609,000 reflects the adoption of GASB Statement 101, *Compensated Absences*, as noted in footnote 3. The retirement system realized a positive 8.2% return on investments in the fiscal year ended June 30, 2023 compared to a negative (6.1)% return in the previous year. The three-year, five-year and 10-year investment returns for the periods ended June 30, 2023, 2022 and 2021 were 9.6%, 7.9% and 6.5%, respectively. The retirement system's assumed rate of investment return is 6.75%.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt and adding back any unspent proceeds.

Comparison of 2025 to 2024

Statements of Net Position

($ in Thousands)	June 30, 2025	Restated June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Current Assets	$ 27,878	$ 22,053	$ 5,825	26.4
Restricted Assets	1,728	1,633	95	5.8
Noncurrent Assets	336,892	329,409	7,483	2.3
Total Assets	366,498	353,095	13,403	3.8
Deferred Outflows of Resources	2,672	2,944	(272)	(9.2)
Current Liabilities	8,277	5,351	2,926	54.7
Noncurrent Liabilities	11,880	11,043	837	7.6
Total Liabilities	20,157	16,394	3,763	23.0
Deferred Inflows of Resources	218,696	219,970	(1,274)	(0.6)
Net Investment in Capital Assets	108,292	105,631	2,661	2.5
Restricted Net Position	1,466	1,379	87	6.3
Unrestricted Net Position	20,558	12,666	7,892	62.3
Total Net Position	$ 130,316	$ 119,676	$ 10,640	8.9

PDA's total assets increased by $13.4 million, or 3.8%, primarily due to the increase in capital investments as well as the long-term lease receivable balance resulting from additional leases that were entered into and lease extensions that were granted during the fiscal year. Higher unrestricted cash balances and grant receivables also contributed to the increase in total assets.

PDA's total liabilities increased by $3.8 million, or 23.0%, mainly resulting from an increase in accounts payable for capital assets which included an accrual for expenditures related to the PSM Alpha North Taxiway construction. The increase in the non-current liabilities is reflective of the change in OPEB resulting from changes in assumptions.

Deferred inflows of resources decreased by $(1.3) million, or (0.6)%, and reflect the impact of additional leases that were entered into and lease extensions that were granted during the fiscal year. The decrease also includes adjustments related to the calculation of changes in assumptions from OPEB.

Comparison of 2024 to 2023

Statements of Net Position

($ in Thousands)	Restated June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Current Assets	$ 22,053	$ 21,226	$ 827	3.9
Restricted Assets	1,633	1,590	43	2.7
Noncurrent Assets	329,407	311,512	17,895	5.7
Total Assets	353,093	334,328	18,765	5.6
Deferred Outflows of Resources	2,944	3,049	(105)	(3.4)
Current Liabilities	5,351	5,219	132	2.5
Noncurrent Liabilities	11,043	11,467	(424)	(3.7)
Total Liabilities	16,394	16,686	(292)	(1.7)
Deferred Inflows of Resources	219,970	213,258	6,712	3.1
Net Investment in Capital Assets	105,631	96,580	9,051	9.4
Restricted Net Position	1,379	1,336	43	3.2
Unrestricted Net Position	12,666	9,516	3,150	33.1
Total Net Position	$ 119,676	$ 107,432	$ 12,244	11.4

PDA's total assets increased $18.8 million, 5.6%, primarily due to the increase in capital investments as well as the long-term lease receivable balance resulting from additional leases that were entered into and lease extensions that were grant during the fiscal year. Higher unrestricted cash balances and the addition of subscription assets also attributed to the increase in total assets.

PDA's total liabilities decreased by $(0.3) million, or (1.7)%. Accounts payable increased by $0.2 million year over year, subscription liabilities increased by $0.3 million, while OPEB and net pension liability decreased by $(1.3) million.

Deferred inflows of resources increased by $6.7 million, or 3.1%, and reflect the change in deferred inflows due to additional leases that were entered into and lease extensions that were granted during the fiscal year. The value of deferred inflows reflects the present value of expected lease revenue for remaining terms of all active long-term lease agreements.

Change in Net Position

PDA charges various types of fees for the rental or usage of its land and facilities.

Comparison of 2025 to 2024

Statements of Revenues, Expenses, and Changes in Net Position

($ in Thousands)	June 30, 2025	Restated June 30, 2024	$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues				
Rental of Facilities	$ 7,729	$ 7,411	$ 318	4.3
Fee Revenues	7,334	5,979	1,355	22.7
Fuel Sales	446	610	(164)	(26.9)
Concession and other Miscellaneous	1,638	1,632	6	0.4
Total Operating Revenues	17,147	15,632	1,515	9.7
Operating Expenses				
Personnel Services and Benefits	10,614	9,245	1,369	14.8
Depreciation	7,835	7,189	646	9.0
Building and Facilities Maintenance	3,241	2,214	1,027	46.4
Professional Services	710	1,125	(415)	(36.9)
Other	3,217	3,099	118	3.8
Total Operating Expenses	25,617	22,872	2,745	12.0
Operating Loss	(8,470)	(7,240)	(1,230)	17.0
Nonoperating Income (Expense)				
Grant Revenue	850	32	818	2,556.3
Gain on Disposition of Assets	-	4	(4)	(100.0)
Interest Expense	(29)	(3)	(26)	866.7
Interest Income	527	562	(35)	(6.2)
Interest Income – Leases	6,940	6,781	159	2.3
Net Nonoperating Income	8,288	7,376	912	12.4
(Loss) Gain before Contributed Capital	(182)	136	(318)	(233.8)
Contributed Capital	10,823	12,628	(1,805)	(14.3)
Change in Net Position	10,641	12,764	(2,123)	(16.6)
Net Position at Beginning of Year, as previously stated	119,675	107,432	12,243	11.4
Cumulative Effect of Change in Accounting Principle	-	(521)	521	(100.0)
Net Position at Beginning of Year, Restated	119,675	106,911	12,764	11.9
Net Position at End of Year	$ 130,316	$ 119,675	$ 10,641	8.9

Total operating revenues increased $1.5 million, or 9.7%, year over year mainly resulting from increased revenues from airport parking, facility rent, fuel flowage fees and wharfage and dockage fees.

Total operating expenses increased by approximately $2.7 million, or 12.0% over the prior year. The increase of $1.4 million in personnel services and benefits reflects an increase in both full and part time wages driven by pay increases as well as the addition of two full time positions and increased health and dental costs. Adjustments to pension liability also contributed to the year over year increase. The increase in building and facilities represents significant engineering expenses which were grant funded. The grant reimbursement for these expenses is reflected in non-operating revenues. Depreciation expense also increased by $0.6 million year over year and represents larger scale projects placed into service. The decrease in professional services is due to lower legal and consulting services as well as an adjustment related to GASB 96 – *SBITA* as outlined in footnote 11.

The increase in grant revenue of $818,000, or 2,556.3%, reflects the receipt of funding from the American Rescue Plan Act (ARPA) for engineering and design services at Rye Harbor as well as funding for a feasibility study at Hampton and Seabrook Harbors. Funding was also received from Federal Emergency Management Agency (FEMA) for storm related expenditures at Rye Harbor which were incurred in a prior year.

The decrease in contributed capital of $(1.8) million, or (14.3)%, reflects decreases in federal grant and state funded construction projects over the prior year.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Management's Discussion and Analysis of Financial Condition
and Results of Operations (Unaudited)

Comparison of 2024 to 2023

Statement of Revenues, Expenses, and Changes in Net Position

($ in Thousands)	Restated June 30, 2024	June 30, 2023	$ Increase (Decrease)	% Increase (Decrease)
Operating Revenues				
Rental of Facilities	$ 7,411	$ 7,293	$ 118	1.6
Fee Revenues	5,979	5,969	10	0.2
Fuel Sales	610	939	(329)	(35.0)
Concession and other Miscellaneous	1,632	1,530	102	6.7
Total Operating Revenues	15,632	15,731	(99)	(0.6)
Operating Expenses				
Personnel Services and Benefits	9,245	8,156	1,089	13.4
Depreciation	7,189	6,839	350	5.1
Building and Facilities Maintenance	2,214	2,193	21	1.0
Professional Services	1,125	657	468	71.2
Other	3,099	3,534	(435)	(12.3)
Total Operating Expenses	22,872	21,379	1,493	7.0
Operating Loss	(7,240)	(5,648)	(1,592)	28.2
Nonoperating Income (Expense)				
Grant Revenue	32	-	32	100.0
Gain (Loss) on Disposition of Assets	4	-	4	100.0
Interest Expense	(3)	-	(3)	100.0
Interest Income	562	108	454	420.4
Interest Income – Leases	6,781	6,435	346	5.4
Net Nonoperating Income	7,376	6,543	833	12.7
Gain before Contributed Capital	136	895	(759)	(84.8)
Contributed Capital	12,628	7,279	5,349	73.5
Change in Net Position	12,764	8,174	4,590	56.2
Net Position at Beginning of Year, as previously stated	107,432	99,258	8,174	8.2
Cumulative Effect of Change in Accounting Principle	(521)	-	(521)	100.0
Net Position at Beginning of Year, Restated	106,911	99,258	7,653	7.7
Net Position at End of Year	$ 119,675	$ 107,432	$ 12,243	11.4

Total operating revenues decreased $(0.1) million, or (0.6)%, year over year mainly due to lower fuel sales (pricing and volume), offset by higher facility rental revenue. Total non-operating revenues increased by $0.8 million due to interest income received from leases and from financial institutions on interest-bearing cash accounts.

Total operating expenses increased by approximately $1.5 million, or 7.0%. The increase of $1.0 million in personnel services and benefits reflects an increase in both full and part-time wages driven by pay increases and an increase in part-time hours. The cost of benefits (health and dental and retirement) also contributed to the increase. The increase in professional services reflects higher advertising expenses, technology expenses, legal fees and costs related to an engineering study. Depreciation expense also increased by $0.3 million year over year. The decrease in other expenses reflects decreased costs for utilities and cost of goods sold for fuel purchases (pricing and volume).

The increase in contributed capital of $5.3 million, or 73.5%, reflects increases in federal grant and state funded construction projects mainly at the DPH which included the Main Wharf Replacement project and the PSM Arrivals Hall Project.

Economic Outlook

The economic impact of the COVID-19 pandemic continues to lessen as PDA sustains solid results in airline traffic, fuel flowage fees and pay for parking revenues. Tradeport facilities rent also remains strong. However, higher inflation continues to impact the cost of fuel, materials and supplies as well as outside contractor costs.

Contacting the PDA's Leadership Team

This financial report is designed to provide a general overview of PDA's finances and to demonstrate PDA's accountability for the grants that it receives. If you have questions about this report or need additional financial information, please contact Paul Brean, Executive Director, at 55 International Drive Portsmouth, NH 03801 via email at p.brean@peasedev.org or by telephone at 603.433.6088. Visit the PDA website at: www.peasedev.org.

Other members of the PDA's Leadership Team, effective July 1, 2025, include:

Anthony Blenkinsop
Deputy Director / General Counsel

Greg Siegenthaler
Director of Information Technology

Michael Mates
Director of Engineering

Scott Devito
Golf Course General Manager

Richard Hartley
Interim Director – Division of Ports and Harbors

Susanne Anzalone, CPA
Director of Finance

Tanya Coppeta
Employee Relations Manager

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PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statements of Net Position

June 30, 2025 and 2024

	2025	Restated 2024
Assets		
Current Assets		
Cash and Cash Equivalents	$ 15,691,558	$ 13,056,351
Accounts and Grants Receivable - Net	11,301,108	8,262,304
Other Current Assets	885,051	733,955
Total Current Assets	27,877,717	22,052,610
Restricted Assets		
Cash and Cash Equivalents	776,523	571,706
Loans and Accounts Receivable - Net	951,202	1,061,498
Total Restricted Assets	1,727,725	1,633,204
Noncurrent Assets		
Leases Receivable, net of current portion	222,788,605	221,147,554
Subscription Asset	563,434	396,818
Capital Assets	113,540,476	107,865,054
Total Noncurrent Assets	336,892,515	329,409,426
Total Assets	366,497,957	353,095,240
Deferred Outflows of Resources		
Other Postemployment Benefits (OPEB)	1,536,445	1,367,728
Pension	1,135,056	1,576,375
Total Deferred Outflows of Resources	2,671,501	2,944,103
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	2,146,135	2,447,726
Accounts Payable for Capital Assets	5,248,833	2,233,729
Current Portion of Subscription Liability	94,399	51,929
Unearned Revenues	788,379	617,468
Total Current Liabilities	8,277,746	5,350,852
Noncurrent Liabilities		
OPEB Liabilities	5,332,025	4,094,308
Net Pension Liability	5,188,483	5,711,070
Subscription Liability, net of current portion	330,609	285,291
Other Noncurrent Liabilities	1,028,600	952,583
Total Noncurrent Liabilities	11,879,717	11,043,252
Total Liabilities	20,157,463	16,394,104
Deferred Inflows of Resources		
OPEB	2,334,036	3,168,772
Pension	301,220	134,849
Lease Revenue	216,060,476	216,666,835
Total Deferred Inflows of Resources	218,695,732	219,970,456
Net Position		
Net Investment in Capital Assets	108,291,643	105,631,325
Restricted For:		
Revolving Loan Fishery Fund	1,366,926	1,286,326
Harbor Dredging and Pier Maintenance	79,302	76,859
Foreign Trade Zone	20,157	15,363
Unrestricted	20,558,235	12,664,910
Total Net Position	$ 130,316,263	$ 119,674,783

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

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statement of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Operating Revenues		
Rental of Facilities	$ 7,729,471	$ 7,410,743
Fee Revenues:		
Golf Course Operations	3,084,183	3,003,118
Mooring, Dockage, Pier Usage and Boat Registration	4,121,521	2,855,273
All Other	127,947	120,444
Total Fee Revenues	7,333,651	5,978,835
Fuel Sales	445,839	610,283
Concession and Other Miscellaneous	1,637,509	1,631,898
Total Operating Revenues	17,146,470	15,631,759
Operating Expenses		
Personnel Services and Benefits	10,613,831	9,245,255
Depreciation and Amortization	7,834,571	7,188,669
Building and Facilities Maintenance	3,241,492	2,213,525
General and Administrative	1,393,238	1,267,838
Utilities	855,343	817,604
Professional Services	710,141	1,125,022
All Other	968,779	1,013,366
Total Operating Expenses	25,617,395	22,871,279
Operating Loss	(8,470,925)	(7,239,520)
Nonoperating Income (Expense)		
Grant Revenue	850,229	32,000
Interest Income - Leases	6,940,116	6,781,073
Interest Income - Other	527,374	561,524
Interest Expense	(28,835)	(2,721)
Gain on Disposition of Capital Assets	-	4,000
Net Operating Income	8,288,884	7,375,876
(Loss) Gain before Contributed Capital	(182,041)	136,356
Contributed Capital	10,823,521	12,627,938
Change in Net Position	10,641,480	12,764,294
Net Position at Beginning of Year, as previously stated	119,674,783	107,431,689
Cumulative Effect of Change in Accounting Principle	-	(521,200)
Net Position at Beginning of Year, Restated	119,674,783	106,910,489
Net Position at End of Year	$ 130,316,263	$ 119,674,783

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

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statement of Cash Flows

For the Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Cash Flows From Operating Activities		
Cash Received from Customers	$ 14,898,305	$ 12,964,467
Cash Payments to Personnel for Services and Benefits	(10,294,464)	(9,470,635)
Cash Payments to Suppliers of Goods and Services	(7,545,663)	(6,557,527)
Net Cash Used by Operating Activities	(2,941,822)	(3,063,695)
Cash Flows From Noncapital Financing Activities		
COVID Funding Cash Received	850,229	32,000
Cash Flows From Capital And Related Financing Activities		
Contributed Capital Received	8,066,679	13,173,050
Payments for Acquisition of Capital Assets	(10,422,886)	(16,228,346)
Proceeds from Sale of Capital Assets	-	4,000
Interest on Subscription Liability	(28,835)	(2,721)
Principal Paid on Subscription Liability	(150,831)	(70,936)
Net Cash Used by Capital and Related Financing Activities	(2,535,873)	(3,124,953)
Cash Flows From Investing Activities		
Interest Income Received	7,467,490	7,342,597
Increase in Cash and Cash Equivalents	2,840,024	1,185,949
Cash and Restricted Cash - Beginning of Year	13,628,057	12,442,108
Cash and Restricted Cash - End of Year	$ 16,468,081	$ 13,628,057
Composition of Cash, Cash Equivalents, and Restricted Cash		
Cash and Cash Equivalents	$ 15,691,558	$ 13,056,351
Restricted Cash and Cash Equivalents	776,523	571,706
	$ 16,468,081	$ 13,628,057

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

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Statements of Cash Flows (Concluded)

For the Years Ended June 30, 2025 and 2024

	2025	Restated 2024
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	$ (8,470,925)	$ (7,239,520)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities		
Depreciation and Amortization	7,834,571	7,188,669
Compensated Absences - Net	76,017	87,157
Changes in Operating Assets, Deferred Outflow of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable	(1,812,717)	(8,286,310)
Other Current Assets	(151,096)	40,122
Deferred Outflows of Resources - OPEB	(168,717)	254,077
Deferred Outflows of Resources - Pension	441,319	(149,679)
Accounts Payable and Accrued Expenses	(301,591)	(247,451)
Unearned Revenues	170,911	(106,488)
OPEB Liabilities	1,237,717	(1,741,295)
Net Pension Liability	(522,587)	424,297
Deferred Inflows of Resources - Lease Revenue	(606,359)	5,725,506
Deferred Inflows of Resources - OPEB	(834,736)	1,080,978
Deferred Inflows of Resources - Pension	166,371	(93,758)
Net Cash Used by Operating Activities	$ (2,941,822)	$ (3,063,695)
Reconciliation of Noncash Activity:		
Contributed Capital Income	$ 10,823,521	$ 12,627,938
Less: Grants Receivable as of End of Year	(5,605,336)	(2,848,494)
Add: Grants Receivable as of Prior Year End	2,848,494	3,393,606
Contributed Capital Received	$ 8,066,679	$ 13,173,050
Acquisition of Capital Assets	$ 13,437,990	$ 16,661,941
Less: Accounts Payable for Capital Assets as of End of Year	(5,248,833)	(2,233,729)
Add: Payments of Short-Term Trade Accounts to Finance Acquisitions of Capital Assets	2,233,729	1,800,134
Payments for Acquisition of Capital Assets	$ 10,422,886	$ 16,228,346

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

1. *Reporting Entity*

The Pease Development Authority (PDA), a component unit of the State of New Hampshire (the State), is the successor entity to the Pease Redevelopment Commission (PRC). The PRC was created on March 21, 1989 by an act of the General Court of the State. The mandate of the PRC was to prepare a comprehensive plan for the conversion and redevelopment of Pease Air Force Base. The guiding principles of the plan were job creation, fiscal viability, economic development, and environmental quality.

Effective June 1, 1990, the PRC was dissolved and PDA was established as its successor with the goals of converting and redeveloping the Pease International Tradeport (Tradeport). PDA is a component unit of the State and is discretely presented in the Comprehensive Annual Financial Report of the State.

PDA is a body corporate and politic with a governing body of seven members. The Governor and State legislative leadership appoint four members and the City of Portsmouth (COP) appoints one member, the Town of Newington appoints one member and the Towns of Newington and Greenland jointly appoint one member.

Pursuant to Chapter 290, Laws of 2001, the New Hampshire State Port Authority (Port), a former agency of the primary State government, was transferred to PDA effective July 1, 2001. In doing so, the State authorized the transfer of functions, powers, and duties of the Port to PDA, acting through the Division of Ports and Harbors (PDA-DPH). The PDA-DPH is charged with the responsibility to: 1) plan for the maintenance and development of the ports, harbors, and navigable tidal rivers of the State; 2) foster and stimulate commerce and the shipment of freight; 3) aid in the development of salt water fisheries and associated industries; 4) cooperate with any federal agencies or departments in planning the maintenance, development, and use of the State ports, harbors, and navigable tidal rivers; and 5) plan, develop, maintain, use, and operate land transportation facilities within a 15-mile radius of the PDA-DPH headquarters in Portsmouth, New Hampshire.

As a result of the transfer of the Port to PDA, the Harbor Dredging and Pier Maintenance Fund was transferred to PDA. This fund was set up for the purposes of initiating and implementing harbor dredging projects and maintaining public piers. On July 1, 2001, also as a result of the transfer of the Port to the PDA, the Revolving Loan Fishery Fund was transferred to the PDA. The Revolving Loan Fishery Fund was established in July 1994 by the Port through a Federal Economic Development Administration grant in the amount of $810,000. The grant funds and related interest earned thereon provide a revolving loan fund to offer direct assistance to the fishing industry and to aid in the creation of economic opportunities within the industry.

Pursuant to Chapter 356, Laws of 2008, House Bill 65 was enacted by the State Legislature on July 11, 2008. The bill: 1) provides that service of non-classified employees of PDA shall be credited as continuous State service for all purposes; 2) makes PDA fund a nonlapsing fund for the benefit of PDA-DPH; 3) requires a biennial report of the PDA-DPH; and 4) repeals provisions relative to coordination with the Department of Resources and Economic Development, reports on economic development programs, and the Harbor Management Fund.

On May 12, 2008, the State, through House Bill 1168-FN-LOCAL, passed legislation that required the New Hampshire Department of Transportation (NHDOT) to negotiate a lease, which became effective November 1, 2008, with PDA for the operation of Skyhaven Airport (DAW) located in Rochester, New Hampshire. With the passage of Chapter 113, Laws of 2009, enacted on June 22, 2009, the NHDOT was directed to convey ownership of DAW to PDA. The law required that PDA accept ownership of, manage and operate DAW, and act as the official Airport owner, operator, and sponsor. PDA accepted this transfer of ownership, from and after July 1, 2009, with no liability relative to any regulatory matters or causes of action arising prior to November 1, 2008.

2. *Summary of Significant Accounting Policies*

Recently Adopted Accounting Pronouncements

During the year ended June 30, 2025, PDA adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The retrospective adjustments made to the basic financial statements to comply with the new accounting standards have been reported as an adjustment of prior periods, and the financial statements for the periods affected have been restated.

During the year ended June 30, 2025, PDA adopted new accounting guidance, GASB Statement No. 102, *Certain Risk Disclosures*. The adoption of the statement and related guidance during the year ended June 30, 2025 did not have a material impact of the financial statements of PDA.

Basis of Accounting

The accompanying financial statements of PDA were prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and as prescribed by GASB, which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. PDA uses enterprise fund reporting, which uses the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents, for purposes of the Statements of Cash Flows, include cash which is either held in demand deposit or short-term money market accounts, and highly liquid savings deposits and investments with original maturities less than three months from the date acquired.

PDA maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. PDA has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk on cash and cash equivalents.

Loans and Accounts Receivable

Loans and accounts receivable are carried at cost, less an allowance for doubtful accounts. Receivable balances also include outstanding loans from the Revolving Loan Fishery Fund, including principal plus accrued interest. Management provides an allowance for doubtful accounts based on an analysis of accounts that are delinquent based on payment terms. Accounts are written off when deemed uncollectible.

Capital Assets

Land, equipment, and buildings and facilities improvements are stated at cost. Depreciation is computed using a straight-line method over the estimated useful lives of the assets, which is principally 5 to 35 years. Capital asset acquisitions that equal or exceed $5,000 are capitalized. The cost of maintenance and repairs is charged against income as incurred, while significant renewals and betterments are capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset	Years
Buildings	35
Facilities Improvements	20
Equipment	5

Leases

In accordance with GASB Statement No. 87, *Leases*, the discounted value of future lease payments and receipts is included in deferred outflows or deferred inflows of resources, respectively. PDA has leases with third-party tenants who lease portions of the Tradeport owned and operated by PDA. The present value of these leases is valued at inception and periodically revalued in accordance with Statement No. 87 and presented as a deferred inflow of resources. These deferred inflows are amortized as lease revenue in a systematic and rational manner over the life of the lease. During the years ended June 30, 2025 and 2024, $7,098,283 and $6,933,287, respectively, was recognized as lease revenue.

Subscription-Based Information Technology Arrangements

PDA is party to two subscription-based information technology arrangements (SBITA). PDA recognizes a subscription liability and an intangible right of use subscription asset (subscription asset) in the statement of net position. PDA reports SBITA current expenditures in the statement of revenues, expenditures, and changes in net position. PDA recognizes subscription liabilities with an initial term greater than 12 months. PDA's SBITAs have subscription terms of three to five years with annual options to renew. For SBITAs with a maximum possible term of 12 months or less at commencement, PDA recognizes expenses based on the provisions of the arrangement.

At the commencement of a SBITA, PDA initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

Key estimates and judgments related to SBITAs include how PDA determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

PDA uses its current borrowing rate at the commencement date of the contract as the discount rate. The subscription term includes the noncancellable period during which PDA has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain PDA or vendor will exercise that option or to terminate if it is reasonably certain that PDA or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments only.

PDA monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported within noncurrent assets. Subscription liabilities are reported within current and long-term liabilities on the statements of net position.

Compensated Absences

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay. The liabilities for vacation and sick leaves are based on the amount earned but not used. The liability for sick leave is reflected within noncurrent liabilities while vacation leave is included in accounts payable and accrued expenses. The calculation is based on the salary rates in effect as of the date of the statements of net position.

Unearned Revenues

Unearned revenues include advance greens fees for the golf course, which are based upon a percentage allocation of the total days the course expects to operate. In addition, unearned revenues are recorded for mooring permits for the harbors and tidal waters and are based on the expiration date of the permit. Rental income received in advance is also classified as unearned revenues.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Hampshire Retirement System (NHRS) and additions to/deductions from the NHRS's fiduciary net position has been determined on the same basis as it is reported by the NHRS.

Other Postemployment Benefit

For the purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (OPEB), and OPEB expense, information about the fiduciary net position of the NHRS OPEB Plan and the State of New Hampshire OPEB Plan (the State OPEB Plan) have been determined on the same basis as they are reported by NHRS and the State OPEB Plan.

Net Position

Net position is presented in the following categories:

- *Net investment in capital assets* represents capital assets, net of long-and short-term debt that relates to the purchase of those assets.
- *Restricted for specific purpose* represents amounts that are expendable but whose use is subject to an externally imposed restriction.
- *Unrestricted* represents the remaining balance of net position after the above net position categories have been determined.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. PDA's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

Revenue Recognition

Income from rental of facilities is recognized over the term of the lease net of provisions for uncollectible accounts. Various other revenues are recorded when earned, which is generally when the related services are performed.

Operating and Nonoperating Income and Expenses

PDA distinguishes between operating revenues and expenses from nonoperating items in the preparation of its financial statements. PDA's principal operating revenues result from charges to tenants for the lease or license of property, providing services, and delivering goods.

Operating expenses for PDA include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating income (expense).

Contributed Capital

Federal grants, received on a reimbursement basis, are recorded as contributed capital when the related expenditures are capital related. Non-capital related grants consist of funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), American Rescue Plan Act (ARPA) and Federal Emergency Management Agency (FEMA) and are recognized as grant revenue on the statements of revenues, expenses, and changes in net position as nonoperating income.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

3. Change in Accounting Principle

The adoption of GASB Statement No. 101, *Compensated Absences* at July 1, 2023 required an increase in the amount recognized for other noncurrent liabilities of $521,200 with a corresponding decrease to net position. The impact of the adoption of the standard for the year ended June 30, 2024 was an increase in noncurrent liabilities of $595,227 with a corresponding decrease in net position and an increase in personnel services and benefits of $74,027 for the year ended June 30, 2024.

4. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, PDA's deposits may not be returned to it. State Statute RSA 12-G: 8 (XIII) empowers PDA to invest and reinvest its funds and take and hold property as security for the payment of funds so invested. PDA's investment policy is more restrictive than applicable New Hampshire law in that it restricts investments to the following: New Hampshire public deposit investment pool, federal agency securities, repurchase agreements, commercial paper, money market funds, and certificates of deposit. PDA's policy does not explicitly address custodial credit risk.

As of June 30, 2025 and 2024, substantially all of PDA's cash and equivalents were insured by the Federal Deposit Insurance Corporation and the Depositors Insurance Fund.

5. *Current Accounts and Grants Receivable - Net*

Current accounts and grants receivable - net was comprised of the following at June 30:

	2025	2024
Leases Receivable	$ 4,736,795	$ 4,519,975
Intergovernment	5,605,336	2,848,494
Tenants and Other	965,477	900,335
Allowance for Doubtful Accounts	(6,500)	(6,500)
	$11,301,108	$ 8,262,304

6. *Other Current Assets*

Other current assets was comprised of the following at June 30:

	2025	2024
Inventories	$ 411,528	$ 434,075
Prepaid Insurance	266,550	246,882
All Other	206,973	52,998
	$ 885,051	$ 733,955

7. *Restricted Cash and Cash Equivalents*

Restricted cash and cash equivalents was comprised of the following at June 30:

	2025	2024
Harbor Dredging and Pier Maintenance	$ 337,548	$ 328,143
Revolving Loan Fishery Fund	418,818	226,577
Foreign Trade Zone	20,157	16,986
	$ 776,523	$ 571,706

8. *Restricted Loans and Accounts Receivable*

Restricted loans and accounts receivable was comprised of the following at June 30:

	2025	2024
Revolving Loan Fishery Fund		
Due Within One Year	**$ 123,451**	$ 126,250
Due in More Than One Year	**825,881**	934,282
Tenants	**1,870**	966
	$ 951,202	$ 1,061,498

9. *Capital Assets*

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Disposals	Transfers	**Balance June 30, 2025**
Land	$ 7,520,786	$ -	$ -	$ -	**$ 7,520,786**
Land Improvements	316,850	-	-	-	**316,850**
Construction in Process	8,899,712	13,437,990	-	(13,500,326)	**8,837,376**
Total Non-Depreciable Assets	16,737,348	13,437,990	-	(13,500,326)	**16,675,012**
Buildings and Facilities Improvements	212,614,848	-	-	12,385,459	**225,000,307**
Equipment	19,322,773	-	-	1,114,867	**20,437,640**
Total Depreciable Assets	231,937,621	-	-	13,500,326	**245,437,947**
Less Accumulated Depreciation For:					
Land Improvements	-	(15,525)	-	-	**(15,525)**
Buildings and Facilities Improvements	(126,033,152)	(6,931,973)	-	-	**(132,965,125)**
Equipment	(14,776,763)	(815,070)	-	-	**(15,591,833)**
Total Accumulated Depreciation	(140,809,915)	(7,762,568)	-	-	**(148,572,483)**
	$ 107,865,054	$ 5,675,422	$ -	$ -	**$ 113,540,476**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Disposals	Transfers	Balance June 30, 2024
Land	$ 7,520,786	$ -	$ -	$ -	$ 7,520,786
Land improvements	-	-	-	316,850	316,850
Construction in Process	4,226,008	16,661,940	-	(11,988,236)	8,899,712
Total Non-Depreciable Assets	11,746,794	16,661,940	-	(11,671,386)	16,737,348
Buildings and Facilities Improvements	203,082,246	-	-	9,532,602	212,614,848
Equipment	17,193,239	-	(9,250)	2,138,784	19,322,773
Total Depreciable Assets	220,275,485	-	(9,250)	11,671,386	231,937,621
Less Accumulated Depreciation For:					
Buildings and Facilities Improvements	(119,609,441)	(6,423,711)	-	-	(126,033,152)
Equipment	(14,032,393)	(753,620)	9,250	-	(14,776,763)
Total Accumulated Depreciation	(133,641,834)	(7,177,331)	9,250	-	(140,809,915)
	$ 98,380,445	$ 9,484,609	$ -	$ -	$107,865,054

10. *Leases*

The total lease receivables were $227,525,400 and $225,667,529 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, PDA received $6,940,116 and $6,781,073, respectively, in interest revenue related to lease receivables.

The deferred inflows of resources represent principal payments to be received in the future. The total deferred inflows of resources amounted to $216,060,476 and $216,666,835 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, PDA recognized $7,098,283 and $6,933,287, respectively, in rental revenue amortized from the deferred inflows of resources.

PDA presently has 80 active agreements for its long-term ground and building leases. The majority of the agreements are ground leases tied to a per acre rate with rent adjusted annually based on the Consumer Price Index (CPI) for All Urban Consumers in the Boston-Cambridge-Newton area. Initial ground lease terms range from 20 to 40 years, with option periods that can extend the total lease term to between 50 and 75 years.

Building leases are generally based on a square foot rate with annual increases based on the same CPI index. Typical building leases, including option periods, normally do not exceed 50 years.

As annual rent amounts are adjusted, or if a new lease agreement is executed, the lease receivable and deferred inflows of resources will need to be recalculated in accordance with GASB Statement No. 87.

Long-term lease agreements existing prior to the GASB Statement No. 87, *Leases*, implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the implementation date. Long-term lease agreements entered into subsequent to the implementation date of July 1, 2020 were valued at the discounted value of future expected scheduled lease payments as of the commencement date of the individual lease. The discount rate for leases as of June 30, 2025 and 2024 was 6.98% and 8.04%, respectively. The expected future payments include extension option periods, as their exercise is reasonably certain.

At June 30, 2025, the projected minimum future revenue and interest from noncancelable rental agreements is approximately:

Year	Principal	Interest
2026	$ 4,736,795	$ 6,908,495
2027	4,818,420	6,761,325
2028	4,917,087	6,628,928
2029	5,011,817	6,457,480
2030	5,078,097	6,302,642
2031 - 2035	26,906,861	29,147,686
2036 - 2040	24,400,447	25,302,773
2041 - 2045	23,945,295	21,672,892
2046 - 2050	25,052,821	17,974,178
2051 - 2055	22,095,440	14,456,103
2056 - 2060	17,110,926	11,372,534
2061 - 2065	12,179,607	9,163,273
2066 - 2070	8,656,949	7,603,587
2071 - 2075	6,955,260	6,432,914
2076 - 2080	7,485,980	5,298,946
2081 - 2085	8,313,426	4,069,333
2086 - 2090	9,767,530	2,615,229
2091 - 2095	9,269,082	936,441
2096 - 2100	823,560	45,728
	$ 227,525,400	$ 189,150,487

11. *Software Subscriptions*

The total subscription assets were $563,434 and $396,818, net of accumulated amortization of $83,341 and $11,338, as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, PDA incurred $72,003 and $11,338, respectively, in SBITA amortization expense.

The following is a schedule by year of future minimum SBITA payments as of June 30, 2025:

Year	Payment	Interest	Principal
2026	$ 128,163	$ 33,764	$ 94,399
2027	128,163	26,268	101,895
2028	128,163	18,175	109,988
2029	128,162	9,436	118,726
Total minimum lease payments	$ 512,651	$ 87,643	$ 425,008

12. *Unearned Revenues*

Unearned revenues (which are recognized when cash, receivables or other assets are recorded prior to their being earned) consisted of the following at June 30:

	2025	2024
Mooring Permits	**$ 343,235**	$ 347,730
Golf Course Membership Fees	**293,158**	235,830
All Other	**151,986**	33,908
	$ 788,379	$ 617,468

Mooring permits and golf course membership fees are collected primarily during the months of January through March and amortized ratably over the corresponding seasons.

13. *Revolving Line of Credit Facility*

PDA currently has a $7,000,000 unsecured Revolving Line of Credit Facility (RLOC) secured through The Provident Bank, which matures December 31, 2028. The terms of the RLOC provide that a) the loan shall bear interest at a per annum rate equal to the 30-day Federal Home Loan Bank rate plus 250 basis points; and b) PDA shall maintain various covenants that are to be reported on an annual basis. The proceeds of any draw on the RLOC are to be used for general working capital purposes of PDA and cash flow needs for capital projects. There were no amounts outstanding on this RLOC as of June 30, 2025 and 2024.

14. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended June 30, 2025 was as follows:

	Balance June 30, 2024	Additions	Reductions	**Balance June 30, 2025**	Due in One Year
Other Postemployment Benefits	$ 4,094,308	$ 1,237,717	$ -	**$ 5,332,025**	$ -
Net Pension Liability	5,711,070	-	(522,587)	**5,188,483**	-
State of New Hampshire Account Payable	252,250	-	-	**252,250**	-
Subscription Liability	285,291	181,169	(135,851)	**330,609**	94,399
Compensated Absences - Net	700,333	76,017	-	**776,350**	-
	$11,043,252	$ 1,494,903	$ (658,438)	**$11,879,717**	$ 94,399

Noncurrent liability activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due in One Year
Other Postemployment Benefits	$ 5,835,603	$ -	$(1,741,295)	$ 4,094,308	$ -
Net Pension Liability	5,286,773	424,297	-	5,711,070	-
State of New Hampshire Account Payable	252,250	-	-	252,250	-
Subscription Liability	-	408,156	(122,865)	285,291	51,929
Compensated Absences - Net	613,176	87,157	-	700,333	-
	$11,987,802	$ 919,610	$(1,864,160)	$11,043,252	$ 51,929

15. *Municipal Service Fees*

Effective July 1, 1998, PDA entered into an amended municipal services agreement with COP and the Town of Newington to provide various municipal services, including police, fire, and public works at the Tradeport. This agreement specifies that PDA, through its tenant's payments, shall pay COP a fee for the cost of services equal to the amount that would have been paid annually as *ad valorem* taxes excluding any school tax component in respect to such property within the Airport District. COP is responsible for service costs owed to the Town of Newington. This agreement excludes, as part of the allocated area, the space occupied by PDA and any space for public use in the Portsmouth International Airport (PSM) Terminal. The agreement includes completed facilities other than PDA's golf course or airport terminals within the Airport District operated by PDA for public or other use. This agreement shall continue to be in force until one of the parties terminates the agreement in writing.

Any tenant located outside the Airport District, unless otherwise exempt from taxation, shall pay to COP a payment in lieu of taxes in accordance with the provisions of the New Hampshire law.

16. *Airport Joint Use Agreement*

The Department of the Air Force and PDA are parties to an Airport Joint Use Agreement (Agreement) regarding the required use of the airport facilities at the Tradeport by the New Hampshire Air National Guard, as well as for other occasional government aircraft. Subject to the terms and conditions of the Agreement, the federal government has the use of the airport facilities in common with other users of the airport together with all necessary and conventional rights of ingress and egress to and from the related facilities located at the airport.

The federal government is responsible for the functions detailed in the Agreement, including, but not limited to, the following: air traffic control services, aircraft fire protection and crash rescue. PDA is responsible for certain services and functions, including, but not limited to, the following: maintenance of certain facilities, utilities, and other related services in connection with maintaining an airport facility in accordance with Federal Aviation Administration (FAA) requirements. The current Agreement, which expired on September 30, 2018, is currently under review by both parties.

17. *Risk Management*

PDA is exposed to various risks of loss at the Tradeport and DAW related to torts; theft of, damage to and destruction of assets; and natural disaster for which the PDA carries insurance.

PDA has a comprehensive airport liability insurance policy that will provide coverage generally up to $50,000,000 for each occurrence and in the aggregate in any one annual period of insurance. Other insurance coverage includes automotive, crime, employment practices, fire, general liability, pollution, theft, and workers' compensation. Settlements did not exceed coverage amounts during fiscal years 2025 and 2024.

In addition to purchasing insurance coverages, PDA maintains a risk transfer program. The PDA's agreements and leases include requirements to provide insurance coverage and coverage provisions, which include: 1) naming PDA as an additional insured; 2) naming PDA as loss payee on property coverage; 3) a waiver of subrogation; and 4) providing that such coverages be primary and non-contributing with respect to coverage PDA maintains.

18. *Defined Benefit Pension Plan*

Plan Description

PDA participates in the NHRS, which, as governed by RSA 100-A, is a cost-sharing multiple-employer contributory public employee defined benefit pension plan qualified under section 401(a) of the Internal Revenue Code (Code) and funded through a trust, which is exempt from tax under Code section 501(a). NHRS is a contributory, defined benefit plan providing service, disability, death and vested retirement benefits to members and their beneficiaries. NHRS retired members receive a lifetime pension. Substantially all full-time state employees, public school teachers and administrators, permanent firefighters, and permanent police officers within the State are eligible to participate in NHRS. RSA 100-A specifies the benefit terms provided to the members of NHRS.

Although benefits are funded by member contributions, employer contributions, and trust fund assets, NHRS computes benefits on the basis of members' Average Final Compensation (AFC) and years of creditable service. Unlike a defined contribution plan, NHRS benefits provided to members are not dependent upon the amount of contributions paid into NHRS or the investment return on trust assets.

To qualify for a normal service retirement, members must have attained the age of 60 years old. However, a member who commenced service on or after July 1, 2011 shall not receive a service retirement allowance until attaining the age of 65. The member may receive a reduced allowance after age 60 if the member has at least 30 years of creditable service. The allowance shall be reduced based on a formula, for each month by which the date on which benefits commence precedes the month after which the member attains 65 years of age, by ¼ of one percent.

For members retiring prior to the age of 65, the yearly pension amount is 1.67% of AFC, multiplied by years of creditable service. For members retiring at 65 or older, the yearly pension amount is 1.52% of AFC, multiplied by years of creditable service. For members vested prior to January 1, 2012, AFC is based on the highest three years of creditable service. For members not vested prior to January 1, 2012, or hired on or after July 1, 2011, AFC is based on a member's highest five years of creditable service. At age 65, the yearly pension amount is recalculated with an appropriate graduated reduction based on years and months of creditable service that the member has at the time of retirement.

Contributions Required and Made

The Retirement Plan is financed by contributions from the members, PDA, and investment earnings. Contributions required to cover that amount of cost not met by the members' contributions are determined by a biennial actuarial valuation by the Retirement Plan's actuary. By statute, the Board of Trustees of NHRS administers the plan and is responsible for the certification of employer and member contribution rates.

Commencing July 1, 2011, all Group I employees are responsible to accrue contributions at 7.00% while Group II (Police) employees accrue contributions at a rate of 11.55%. In terms of the employer share of contributions made to the Retirement Plan, the pension contribution rate for Group I employees was 13.75% for the two-year period beginning July 1, 2021 and ending June 30, 2023 and 13.27% for the two-year period beginning July 1, 2023 and ending June 30, 2025. For Group II employees, effective July 1, 2021, the contribution rate was 30.67% and remained fixed through June 30, 2023. Effective July 1, 2023, the contribution rate was 28.68% and will remain fixed through June 30, 2025.

For the years ended June 30, 2025 and 2024, contributions to NHRS were $727,153 and $714,314, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, PDA reported a liability of $5,188,483 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The net pension liability was rolled forward from June 30, 2023 to June 30, 2024. PDA's proportion of the net pension liability was based on a projection of PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2024, PDA's proportion of the net pension liability was 0.1001%.

At June 30, 2024, PDA reported a liability of $5,711,070 for its proportionate share of the net pension liability. The net pension liability is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net pension liability was rolled forward from June 30, 2022 to June 30, 2023. PDA's proportion of the net pension liability was based on a projection of PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the net pension liability was 0.1020%.

For the years ended June 30, 2025 and 2024, PDA recognized pension expense of $812,256 and $895,176, respectively.

At June 30, 2025, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ 72,429
Change in assumptions	-	60,724
Difference between expected and actual experience	115,504	1,043
Changes in proportion and differences between employer contributions and share of contributions	292,399	167,024
Contributions subsequent to the measurement date	727,153	-
	$ 1,135,056	$ 301,220

At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ 82,592	$ -
Change in assumptions	150,312	-
Difference between expected and actual experience	145,930	2,295
Changes in proportion and differences between employer contributions and share of contributions	483,224	132,554
Contributions subsequent to the measurement date	714,317	-
	$ 1,576,375	$ 134,849

Amounts reported as deferred outflows related to pensions resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2026	$ (116,504)
2027	291,809
2028	(3,019)
2029	(65,603)
	$ 106,683

Actuarial Assumptions

The collective total pension liability at June 30, 2025 was determined by a roll forward of the actuarial valuation as of June 30, 2024, using the following actuarial assumptions, which apply to 2023 measurements:

Actuarial Cost Method	Entry- Age Normal
Amortization Method	Level Percentage-of - Payroll, Closed
Remaining Amortization Period	Multiple periods of 17 - 20 years
Asset Valuation Method	5 Year smoothed market for funding purposes; 20% corridor
Investment Rate of Return	6.75% net plan investment expense, including inflation for 2024 and 2023 valuations
Salary Rate Increase	6.00% and 5.40% averages, including inflation, 2024 and 2023 valuations, respectively
Price Inflation	2.25% and 2.00% for the 2024 and 2023 valuations, respectively
Wage Inflation	3.00% and 2.75% for the 2024 and 2023 valuations, respectively

Mortality rates were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale MP-2021, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2016 – June 30, 2019.

The actuarial assumptions for contributions made in the year ended June 30, 2024 were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2023. The actuarial assumptions for contributions made in the year ended June 30, 2023 were based on the results of an actuarial experience study for the period from July 1, 2015 – June 30, 2019.

Long-Term Rates of Return

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.

Following is a table presenting target allocations and the geometric real rates of return for each asset class:

Asset Class	Target Allocation 2023	Target Allocation 2024	Weighted Average Long-Term Expected Real Rate of Return 2023	Weighted Average Long-Term Expected Real Rate of Return 2024
Broad US Equity (1)	30.00 %	24.00 %	5.40 %	5.40 %
Global Ex-US Equity (2)	20.00	16.00	5.65	5.65
Total Public Equity	50.00	40.00		
Core US Fixed Income	25.00	25.00	2.15	2.15
Real Estate Equity	10.00	10.00	4.00	4.00
Private Equity	10.00	10.00	6.65	6.65
Total Private Market Equity	20.00	20.00		
Private Debt	5.00	10.00	5.05	5.05
Infrastructure	-	5.00	-	4.35
Inflation	-	-	2.50	2.50
	100.00 %	100.00 %		

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the 2024 and 2023 valuations. The projection of cash flows used to determine the discount rate assumed that 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. For purposes of the projection, member contributions and employer service cost contributions are projected based on the expected payroll of current members only. Employer contributions are determined based on the pension plan's actuarial funding policy and as required by RSA 100-A:16. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to 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 Analysis

The following presents PDA's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what PDA's proportionate share of the 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PDA's Proportionate Share of the Net Pension Liability	$ 7,254,087	$ 5,188,483	$ 3,467,771

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at https://www.nhrs.org.

The pension plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

Changes in Assumption for Purposes of Contribution Rates

On July 1, 2016, the Board of Trustees of NHRS announced a change to adopt revised actuarial assumptions based on the results of a five-year experience study conducted by the retirement systems consulting actuary. Included in these changes was the lowering of the assumed rate of return from 7.75% to 7.25%. This rate was used to set employer contribution rates for fiscal years 2023, 2024, and 2025. On June 9, 2020, the Board of Trustees voted to reduce the retirement system's investment assumptions, lowering the assumed rate of return from 7.25% to 6.75%. By statute, this valuation will determine employer contribution rates for fiscal years 2024 and 2025.

19. *Other Postemployment Benefits - New Hampshire Retirement System*

Plan Description

In addition to providing pension benefits, NHRS administers a cost-sharing multiple-employer defined postemployment medical subsidy healthcare plan designated in statute (RSA 100-A:52, RSA 100-A:52a and RSA 100-A:52-b) by membership type. The membership types are Group II Police Officer and Firefighters, Group I Teachers, Group I Political Subdivision Employees and Group I State Employees. The NHRS OPEB Plan provides a medical insurance subsidy to qualified retired members. The medical subsidy is a payment made by NHRS to the former employer or their insurance administrator toward the cost of health insurance for a qualified retiree, his/her qualified spouse, and his/her certifiably dependent children with a disability who are living in the household and being cared for by the retiree. Under specific conditions, the qualified beneficiaries of members who die while in service may also be eligible for the medical subsidy. For qualified retirees not eligible for Medicare the subsidy amounts were $375.56 for a single-person plan and $751.12 for a two-person plan. For those qualified retirees eligible for Medicare, the amounts were $236.84 for a single-person plan and $473.68 for a two-person plan. There have been no increases in the monthly maximum subsidy amounts since July 1, 2007. The plan is closed to new entrants.

Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of State service in order to qualify for health coverage benefits. These and similar benefits for active employees are authorized by RSA 21-I: 30 and provided through the Employee and Retiree Benefit Risk Management Fund (the Fund), which is the State's self-insurance fund implemented in October 2003 for active State employees and retirees.

Contributions Required and Made

The State Legislature has indicated it plans to only partially fund (on a pay-as-you-go basis) the annual required contribution (ARC), an actuarially determined rate.

Plan members are not required to contribute to the OPEB Plans. PDA makes annual contributions to the OPEB Plans equal to the amount required by RSA 100-a: 52. For all Group I employees, effective July 1, 2021 the annual contribution rate was 0.78% and remained fixed through June 30, 2023. Effective July 1, 2023 the annual contribution rate was 0.58% and will remain fixed through June 30, 2025. Effective July 1, 2021, the contribution rate was 3.21% and remained fixed through June 30, 2023. Effective July 1, 2023, the contribution rate was 2.60% and will remain fixed through June 30, 2025.

PDA's contributions to NHRS for the OPEB Plans for the years ended June 30, 2025 and 2024 were $38,665 and $36,168, respectively, which were equal to its ARC.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, PDA reported a liability of $230,943 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2023 and a measurement date of June 30, 2024. The net OPEB liability was rolled forward from June 30, 2023 to June 30, 2024. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2024, PDA's proportion of the net OPEB liability was 0.0743%.

At June 30, 2024, PDA reported a liability of $271,712 for its proportionate share of the net OPEB liability. The net OPEB liability is based on an actuarial valuation performed as of June 30, 2022 and a measurement date of June 30, 2023. The net OPEB liability was rolled forward from June 30, 2022 to June 30, 2023. PDA's proportion of the net OPEB liability was based on a projection of the PDA's long-term share of contributions to NHRS relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the net OPEB liability was 0.0795%.

For the years ended June 30, 2025 and 2024, PDA recognized OPEB (income) expense of $(4,219) and $43,945, respectively.

At June 30, 2025, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment earnings on OPEB plan investments	$ -	$ 55
Contributions subsequent to the measurement date	38,665	-
	$ 38,665	$ 55

At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual investment earnings on OPEB plan investments	$ 327	$ -
Contributions subsequent to the measurement date	36,168	-
	$ 36,495	$ -

Amounts reported as deferred outflows related to OPEB resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2026	$ (488)
2027	722
2028	(186)
2029	(103)
	$ (55)

Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of June 30, 2024, using the following actuarial assumptions, which apply to 2023 measurements:

Actuarial Cost Method	Entry- Age Normal
Amortization Method	Level Percentage-of - Payroll, Closed
Remaining Amortization Period	Not applicable, under statutory funding
Investment Rate of Return	6.75% net of investment expenses, including inflation
Salary Rate Increase	6.00% and 5.40% averages, including inflation, 2024 and 2023 valuations, respectively
Price Inflation	2.25% and 2.00% valuations for 2024 and 2023, respectively
Wage Inflation	3.00% and 2.75% valuations for 2024 and 2023, respectively
Healthcare Cost Trend Rates	Not applicable, given the benefits are fixed stipends
Aging Factors	Not applicable, given the benefits are fixed stipends

Mortality rates used in the June 30, 2021 valuation were based on the Pub-2010 Healthy Retiree Mortality Tables with credibility adjustments for each group (Police and Fire combined) and projected fully generational mortality improvements using Scale 2021, based on the results of the most recent actuarial experience study, which was for the period of July 1, 2019 – June 30, 2023.

Long-Term Rates of Return

The long-term expected rate of return on OPEB 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.

Following is a table presenting target allocations and the geometric real rates of return for each asset class:

Asset Class	Target Allocation 2023	Target Allocation 2024	Weighted Average Long-Term Expected Real Rate of Return 2023	Weighted Average Long-Term Expected Real Rate of Return 2024
Broad US Equity (1)	30.00 %	24.00 %	5.40 %	5.40 %
Global Ex-US Equity (2)	20.00	16.00	5.65	5.65
Total Public Equity	50.00	40.00		
Core US Fixed Income	25.00	25.00	2.15	2.15
Real Estate Equity	10.00	10.00	4.00	4.00
Private Equity	10.00	10.00	6.65	6.65
Total Private Market Equity	20.00	20.00		
Private Debt	5.00	10.00	5.05	5.05
Infrastructure	-	5.00	-	4.35
Inflation	-	-	2.50	2.50
	100.00 %	100.00 %		

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75% for the 2024 and 2023 valuations. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made under the current statute by RSA 100-A:16. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the collective total OPEB liability.

Sensitivity Analysis

The following presents PDA's proportionate share of the net OPEB liability calculated using the discount rate of 6.75%, as well as what PDA's proportionate share of the 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:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
PDA's Proportionate Share of the Net Pension Liability	$ 252,648	$ 230,943	$ 215,947

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NHRS annual report available from NHRS' website at https://www.nhrs.org.

The OPEB plan's fiduciary net position has been determined on the same basis used by NHRS. NHRS's financial statements are prepared using the accrual basis of accounting. Both plan member and employer contributions are recognized in the period in which contributions are legally due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Investments in both domestic and non-U.S. securities are valued at current market prices and expressed in U.S. dollars. NHRS uses a trade-date accounting basis for these investments. Investments in non-registered commingled funds are valued at net asset value as a practical expedient to estimate fair value.

20. Other Postemployment Benefits - The State of New Hampshire

Plan Description

RSA 21-I:30 specifies that the State provide certain health care benefits for retired employees and their spouses through a single-employer (primary government and component units) defined benefit plan. These benefits include group hospitalization, hospital medical care, surgical care, and other medical care. Substantially all of the State's employees who were hired on or before June 30, 2003 and have 10 years of service may become eligible for these benefits if they reach normal retirement age while working for the State and receive their pensions on a periodic basis rather than in a lump sum. During fiscal year 2004, legislation was passed that requires State Group I employees hired on or after July 1, 2003 to have 20 years of state service in order to qualify for retiree health benefits. During fiscal year 2011, legislation was passed that requires Group II employees to have 20 years of State service to qualify for retiree health benefits. Additionally, during fiscal year 2012, legislation was passed requiring Group I employees hired after July 1, 2011 to have 25 years of State service and increasing Group I and II employees hired after July 1, 2011.

These and similar benefits for active employees and retirees are authorized by RSA 21-I:30 and provided through the Employee and Retiree Benefit Risk Management Fund which is the State's self-insurance internal service fund. The state OPEB Plan funds the cost of medical and prescription drug claims by charging actuarially developed working rates to State agencies for participating employees, retirees, and eligible spouses. An additional major source of funding for retiree benefits is from the NHRS medical subsidy payment described in Note 19. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State administers the plan. It does not issue a separate stand-alone financial report.

Contributions Required and Made

The State Legislature has indicated it currently plans to only fund the plan to cover benefit payments (on a pay-as-you-go basis). PDA's contributions to the State for the OPEB Plans for the years ended June 30, 2025 and 2024 were $124,774 and $132,384, respectively, which were equal to PDA's share of benefit payments.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, PDA reported a liability of $5,101,082 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2022 (adjusted forward using standard actuarial techniques), and a measurement date of June 30, 2024. The OPEB liability was rolled forward from December 31, 2022 to June 30, 2024. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2024, PDA's proportion of the State OPEB Plan's liability was 0.3746%.

At June 30, 2024, PDA reported a liability of $3,822,596 for its proportionate share of the State OPEB Plan liability. The OPEB liability is based on an actuarial valuation performed as of December 31, 2022 (adjusted forward using standard actuarial techniques), and a measurement date of June 30, 2023. The OPEB liability was rolled forward from December 31, 2022 to June 30, 2023. PDA's proportion of the OPEB liability was based on a projection of the PDA's long-term share of contributions to the State relative to the projected contributions of all participating employers as actuarially determined. At June 30, 2023, PDA's proportion of the State OPEB Plan's liability was 0.3692%.

For the years ended June 30, 2025 and 2024, PDA recognized OPEB expenses (credits) of $401,923 and $(281,634) respectively.

At June 30, 2025, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 1,021,890	$ 2,119,639
Differences between expected and actual experience	-	211,885
Changes in proportion and differences between employer contributions and share of contributions	351,116	2,457
Contributions subsequent to the measurement date	124,774	-
	$ 1,497,780	$ 2,333,981

At June 30, 2024, PDA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 637,037	$ 2,912,962
Differences between expected and actual experience	-	250,896
Changes in proportion and differences between employer contributions and share of contributions	561,813	4,914
Contributions subsequent to the measurement date	132,384	-
	$ 1,331,234	$ 3,168,772

Amounts reported as deferred outflows related to OPEB resulting from PDA contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2026	$ (343,507)
2027	(502,776)
2028	(114,692)
	$ (960,975)

Actuarial Assumptions

The collective total OPEB liability was determined by a roll forward of the actuarial valuation as of December 31, 2023, using the following actuarial assumptions, which apply to 2024 measurements:

Actuarial Cost Method	Entry- Age Normal
Amortization Method	Level Percentage-of - Payroll, Closed
Remaining Amortization Period	30 years
Investment Rate of Return	Not applicable as there are no invested assets
Salary Rate Increase - Group I	14.75% decreasing over 12 years to an ultimate level of 3.25%
Salary Rate Increase - Group II	27.75% decreasing over 8 years to an ultimate level of 4.25%
Discount rate	3.93% for the June 30, 2024 valuation, 3.65% for the June 30, 2023 valuation
Price Inflation	3.25% per year
Wage Inflation	2.75% per year

- Medical
  - Non-Medicare: 11.20% in 2023, 7.70% in 2024, then 7.00% decreasing by 0.25% each year to an ultimate level of 4.50% per year. For 2023, 7.50% decreasing by 0.25% each year to an ultimate level of 4.50% per year.
  - Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, then 5.50% decreasing by 0.25% per year to an ultimate level of 4.50% per year. For 2023, N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%.
- Prescription Drugs
  - Non-Medicare: 24.60% in 2023, 3.90% in 2024, then 9.50% decreasing by 0.50% each year to an ultimate level of 4.50% per year. For 2023 valuation, 10.5% decreasing by 0.50% each year to an ultimate level of 4.50% per year.
  - Medicare: 0.00% through 2024, then 40.44% in 2025, 9.38% in 2026, 6.72% in 2027, 7.63% in 2028, 7.34% in 2029, and 7.07% in 2030, then 5.50% decreasing by 0.25% per year to an ultimate level of 4.50% per year. For 2023, N/A through the contract period, then 6.75% in 2026 decreasing by 0.25% per year to an ultimate of 4.50%.
- Contributions
  - Retiree contributions are expected to increase with a blended medical, prescription drugs and administrative expense trend.

Mortality rates were based on the following:

- Pre-retirement - PubG-2010 Headcount - Weighted Employee General Mortality Tables for Group I and PubS-2010 Headcount - Weighted Employee Safety Mortality Tables for Group II projected generationally for males and females with scale MP-2019; the same mortality tables were used for the 2024 valuation.
- Postretirement:
  - Healthy: PubG-2010 Headcount-Weighted Healthy Retiree General Mortality Tables for Group I and PubS-2010 Headcount-Weighted Healthy Retiree Safety Mortality Tables for Group II projected generationally for males and females with Scale MP-2019; the same mortality tables were used for the 2024 valuation.
  - Disabled: PubNS-2010 Headcount-Weighted Non-Safety Disabled Retiree Mortality Tables for Group I and PubS-2010 Headcount-Weighted Safety Disabled Retiree Mortality Tables for Group II projected generationally for males and females with Scale MP-2019; the same mortality tables were used for the 2024 valuation.
- The following scale factors for each member classification are applied to all mortality tables:

	Group I	Group II
Scale - Male	101%	96%
Scale - Female	109%	99%

Discount Rate

Because the State OPEB Plan is not funded, the discount rate is based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher as shown in the Bond Buyer 20-Bond General Obligation Index (3.93% as of June 30, 2024 and 3.65% as of June 30, 2023). This determination is in accordance with GASB Statement No. 75.

Changes in Assumptions

The discount rate was increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. The trend assumptions were revised to reflect known changes in claims experience. For the 2023 assumptions, the discount rate was increased from 3.54% to 3.65% as of June 30, 2023. The trend assumptions were revised to reflect known changes in claims experience and future expectations. Medicare medical and prescription dug costs were updated to reflect the estimated impact of the Inflation Reduction Act of 2022 on Medicare prescription drug plans.

Sensitivity Analysis

The following presents PDA's proportionate share of the net OPEB liability at June 30, 2025 calculated using the discount rate of 3.93%, as well as what PDA's proportionate share of the 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 rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
PDA's Proportionate Share of the Net OPEB Liability	$ 5,921,143	$ 5,101,082	$ 4,441,676

The following presents PDA's proportionate share of the net OPEB liability calculated using the current trend rates, as well as what PDA's proportionate share of the OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	1% Decrease	Current Trend Rates	1% Increase
PDA's Proportionate Share of the Net OPEB Liability	$ 4,286,063	$ 5,101,082	$ 6,143,368

21. Commitments and Contingencies

Subsurface Investigation

During site subsurface investigations conducted at the Market Street Terminal (performed, in part, to support storm water system improvements), the PDA-DPH's environmental consultant found several areas of subsurface soils contaminated with significant levels of the heavy metal mercury. Initial investigations reveal that this contamination is most likely associated with a commercial wood preservation process that was located on a portion of the site and probably operated on the site sometime after 1875 and terminated operations before the State acquired title to the property in the 1960's and prior to July 1, 2001 when PDA-DPH operations were transferred from the State to the PDA. The completed study has been submitted to the New Hampshire Department of Environmental Services and management is awaiting its review and comment. As of June 30, 2025, no liability has been recorded for future pollution remediation obligations, as the amount of any such liability is not reasonably determinable.

Grant Administration

PDA receives federal grants, which are subject to review and audit by the grantor agencies. Although these audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements would not have a material effect on the financial statements.

Construction Contracts

PDA had commitments under construction contracts associated with federal grants totaling approximately $5,143,000 and $8,866,000 at June 30, 2025 and 2024, respectively. The more significant commitments under construction contracts at June 30, 2025 included $2.5 million for the DPH Functional Replacement of the Barge Dock, $1.6 million for the DAW Terminal Apron Reconstruction, and $0.5 million for the NH Ave Right Hand Turn Lane.

Litigation

During 2025, two companies have filed a lawsuit against PDA alleging PDA's policies and actions targeted Rye Harbor Lobster Pound. The companies contend that rights of entry and concession agreements entered into between PDA and Rye Harbor Lobster Pound are unlawful. PDA filed a motion to dismiss arguing that many of the claims are barred by sovereign immunity, qualified immunity, and/or official immunity; several of the claims are not viable as a matter of law; and that the individuals have not alleged sufficient facts to maintain any of their clauses of action. On September 5, 2025, a hearing was held on the motions to dismiss. This case is not covered by PDA's insurance. It is not possible to predict the outcome of the litigation at the time of the report.

From time to time, PDA is involved in pending or threatened lawsuits encountered in the normal course of business. Management of PDA believes that the ultimate outcome of these matters, to the extent not covered by insurance, will not have a material impact on PDA's financial position or operations.

Joint Stipulation of Dismissal - Conservation Law Foundation

On November 10, 2016, in an action brought under the Citizen Suit provision of the Clean Water Act (CWA), the Conservation Law Foundation (CLF) filed a complaint in the United States District Court for the District of New Hampshire (the "court") against PDA, its Executive Director, and Board Members, alleging certain violations of the CWA's permitting requirements. The matter is captioned Conservation Law Foundation, Inc. v. Pease Development Authority, et al., Civil Action No. 1:16-cv-00493-SM. In particular, the Complaint alleged PDA failed to obtain and comply with a Small Municipal Separate Storm Sewer System (Small MS4) permit and the associated permit requirements. CLF's Compliant sought injunctive relief and civil penalties.

On January 11, 2019, the Court issued a Joint Notice of Settlement. Elements of the Settlement, which became effective March 9, 2019, (the Effective Date), require that the PDA shall:

1. Design and implement various measures concerning the PDA Small MS4 including:
   - Submit an application for and supplementary information related to a National Pollutant Discharge Elimination System (NPDES) Permit, renewal, or modification, for coverage of discharges subject to the Small MS4 permitting program;
   - Design and implement:
     - A public education and outreach program;
     - An illicit discharge detection and elimination system;
     - A construction and post-construction runoff and control programs; and
     - A pollution prevention and good housekeeping program;
   - Provide annual reporting to the CLF
2. Within five years of the Effective Date, remove a minimum of five acres of Impervious Surface, as defined. As of June 30, 2020, the five acres had been removed.
3. Pay to CLF $800,000 as full and complete satisfaction of CLF's claim for attorneys' fees and costs incurred or to be incurred, including any future attorneys' fees and costs related to the implementation or monitoring of compliance with the Settlement. As of June 30, 2020, the full $800,000 had been paid.

As of June 30, 2025, the application and supplementary information noted above has been submitted to the EPA for review. The noted programs have been designed and their implementation continues.

On October 6, 2020, the Conservation Law Foundation and the Pease Development Authority filed a Stipulation of Dismissal in the case of Conservation Law Foundation, Inc. v. Pease Development Authority, et al, case number 1:16-cv-00493-SM, in the United States District Court for the District of New Hampshire. This filing concluded the ongoing litigation between the parties concerning the permitting and handling of stormwater at the Pease Tradeport, which had been stayed during the implementation of the parties' settlement agreement reached in early 2019. The District Court entered the dismissal as a judgment on October 19, 2020.

22. *Certain Risk Disclosures*

In accordance with GASB Statement No. 102, *Certain Risk Disclosures*, PDA has evaluated its exposure to risks arising from concentrations and constraints that may make PDA vulnerable to a substantial impact. The evaluation includes an assessment as to whether a concentration or constraint exists and is known prior to the issuance of the financial statements; the concentration or constraint makes the government vulnerable to the risk of a substantial impact; and an event or events associated with the concentration or constraint has occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. As of June 30, 2025, PDA did not identify any concentrations or constraints to which it is exposed.

23. *COVID-19 Considerations*

In November 2021, PDA was awarded a grant from the State of New Hampshire's Governor's Office for Emergency Relief and Recovery (GOFERR) under the ARPA State and Local Fiscal Recovery Funds (SLFRF) in the amount of $1,450,064. In June 2025 and 2024, an additional $513,091 and $2,000,000 was awarded to PDA under the SLFRF, respectively. The grants were to be spent on various projects at the Division of Ports and Harbors as outlined in the grant agreements. At June 30, 2025 and 2024, PDA has expended $2,390,984 and $884,548, respectively. As of June 30, 2025, PDA has $1,116,757 remaining to be expended through December 30, 2026. These grant revenues are recorded within Contributed Capital on the Statements of Revenue, Expenses, and Changes in Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Required Supplementary Information (Unaudited)

Schedule of Collective Net Pension Liability

The following information is as of June 30:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Employer Proportion of the Collective Net Pension Liability	0.1001%	0.1020%	0.0922%	0.0966%	0.0965%	0.0872%	0.0911%	0.1014%	0.1032%	0.1074%
Employer's Proportionate Share of the Collective Net Pension Liability	$ 5,188,483	$ 5,711,070	$ 5,286,773	$ 4,279,644	$ 6,170,435	$ 4,197,804	$ 4,384,392	$ 4,986,400	$ 5,489,977	$ 4,255,991
Employer's Covered - Employee Payroll	$ 5,011,000	$ 4,748,871	$ 4,323,000	$ 4,515,000	$ 4,261,000	$ 3,735,000	$ 3,765,000	$ 3,803,000	$ 3,848,000	$ 3,430,000
Employer's Proportionate Share of the Collective Net Pension Liability as a % of the Employer's Covered	103.54%	120.26%	122.29%	94.79%	144.81%	112.39%	116.45%	131.12%	142.67%	124.08%
Plan Fiduciary Net Position as a % of the Total Pension Liability	70.33%	67.18%	65.12%	72.22%	58.72%	65.59%	64.73%	62.26%	58.30%	65.47%

Information above is presented as of the measurement date for the respective reporting periods.

Required Supplementary Information (Unaudited) (Continued)

Schedule of Employer Contributions (Pension Plan)

The following information is for the years ended June 30:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Required Employer Contribution	$ 727,153	$ 714,317	$ 671,003	$ 593,320	$ 499,733	$ 489,081	$ 439,882	$ 452,516	$ 413,003	$ 417,908
Actual Employer Contribution	$ 727,153	$ 714,317	$ 671,003	$ 593,320	$ 499,733	$ 489,081	$ 439,882	$ 452,516	$ 413,003	$ 417,908
Excess / (Deficiency) of Employer Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Employee Payroll	$ 5,421,000	$ 5,011,000	$ 4,748,871	$ 4,323,000	$ 4,515,000	$ 4,261,000	$ 3,735,000	$ 3,765,000	$ 3,803,000	$ 3,848,000
Employer Contribution as a % of the Employer's Covered-Employee Payroll	13.41%	14.25%	14.13%	13.72%	11.07%	11.48%	11.78%	12.02%	10.86%	10.86%

Information above is presented as of the measurement date for the respective reporting periods.

Notes to the Required Supplementary Information (Pension Plan)

Notes: The roll-forward of the total pension liability from June 30, 2023 to June 30, 2024 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments.

The roll-forward of the total pension liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total pension liability from June 30, 2015 to June 30, 2016 reflects expected service cost and interest reduced by actual benefit payments.

Actuarial determined contribution rates for the 2016-2017 biennium were determined based on the June 30, 2013 actuarial valuation.

Actuarial determined contribution rates for the 2018-2019 biennium were determined based on the June 30, 2015 actuarial valuation.

Actuarial determined contribution rates for the 2019-2020 biennium were determined based on the June 30, 2017 actuarial valuation.

Actuarial determined contribution rates for the 2020-2021 biennium were determined based on the June 30, 2019 actuarial valuation.

Actuarial determined contribution rates for the 2022-2023 biennium were determined based on the June 30, 2021 actuarial valuation.

Actuarial determined contribution rates for the 2024-2025 biennium were determined based on the June 30, 2023 actuarial valuation.

Actuarial determined contribution rates for the 2026-2027 biennium were determined based on the June 30, 2025 actuarial valuation.

Required Supplementary Information (Unaudited) (Continued)

Schedule of Collective Net Other Postemployment Benefits (OPEB) Liability (NHRS OPEB PLAN)

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer Proportion of the Collective Net OPEB Liability	0.0743%	0.0795%	0.0719%	0.0891%	0.0891%	0.0803%	0.0840%	0.0946%	0.0961%
Employer's Proportionate Share of the Collective Net OPEB Liability	$ 230,943	$ 271,712	$ 271,671	$ 356,789	$ 390,020	$ 352,220	$ 384,676	$ 432,717	$ 465,117
Employer's Covered Employee Payroll	$ 2,369,767	$ 2,526,999	$ 2,212,535	$ 2,648,784	$ 2,579,327	$ 2,269,615	$ 2,311,755	$ 2,523,561	$ 2,499,949
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered - Employee Payroll	9.75%	10.75%	12.28%	13.47%	15.12%	15.52%	16.64%	17.15%	18.61%
Plan Fiduciary Net Position as a % of the Total OPEB Liability	14.01%	12.80%	10.64%	11.06%	7.74%	7.75%	7.53%	7.91%	5.21%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

Required Supplementary Information (Unaudited) (Continued)

Schedule of Employer Contributions (NHRS OPEB Plan)

The following information is as of June 30:

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Required Employer Contribution	$ 38,665	$ 36,168	$ 43,489	$ 39,283	$ 51,285	$ 50,499	$ 45,758	$ 45,795	$ 56,092
Actual Employer Contributions	$ 38,665	$ 36,168	$ 43,489	$ 39,283	$ 51,285	$ 50,499	$ 45,758	$ 45,795	$ 56,092
Excess/(Deficiency) of Employer Contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered Employee Payroll	$ 2,512,164	$ 2,369,767	$ 2,526,999	$ 2,212,535	$ 2,648,784	$ 2,579,327	$ 2,269,615	$ 2,311,755	$ 2,523,561
Employer Contribution as a % of the Employer's Covered-Employee Payroll	1.54%	1.53%	1.72%	1.77%	1.94%	1.96%	2.02%	1.98%	2.22%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of PDA's fiscal year for the respective reporting periods.

Notes to the Required Supplementary Information (NHRS OPEB Plan)

Notes: The roll-forward of the total OPEB liability from June 30, 2023 to June 30, 2024 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from June 30, 2016 to June 30, 2017 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

Schedule of Collective Net OPEB Liability (STATE OPEB PLAN)

The following information is as of June 30:

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Employer Proportion of the Collective Net OPEB Liability	0.3746%	0.3692%	0.3449%	0.3433%	0.3438%	0.2940%	0.3616%	0.3501%	0.3345%
Employer's Proportionate Share of the Collective Net OPEB Liability	$ 5,101,082	$ 3,822,596	$ 5,563,932	$ 7,021,875	$ 7,651,974	$ 5,277,888	$ 6,907,205	$ 7,806,000	$ 9,618,388
Employer's Covered-Employee Payroll	$ 5,011,000	$ 4,748,871	$ 4,323,000	$ 4,515,000	$ 4,261,000	$ 3,735,000	$ 3,765,000	$ 3,803,000	$ 3,848,000
Employer's Proportionate Share of the Collective Net OPEB Liability as a % of the Employer's Covered-Employee Payroll	101.80 %	80.49 %	128.71 %	155.52 %	179.58 %	141.31 %	183.46 %	205.26 %	249.96 %
Plan Fiduciary Net Position as a % of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule is intended to show 10 years. Additional years will be added as they become available.

Information above is presented as of the measurement date for the respective reporting periods.

Notes to the Required Supplementary Information (State OPEB Plan)

There are no assets accumulated in a trust that meets the criteria in GASB 75 paragraph 4 to pay related benefits.

Changes of assumptions: Changes in assumptions reflect trend assumption revisions to reflect current experience and future expectations. The discount rate increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. The discount rate increased from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

Notes: The roll-forward of the total OPEB liability from December 31, 2023 to June 30, 2024 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2022 to June 30, 2023 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2021 to June 30, 2022 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2020 to June 30, 2021 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2019 to June 30, 2020 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2018 to June 30, 2019 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

The roll-forward of the total OPEB liability from December 31, 2017 to June 30, 2018 reflects expected service and interest costs reduced by actual benefit payments, refunds, and administrative expenses for the plan year.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Pease Development Authority (PDA), a component unit of the State of New Hampshire, which comprise the statement of net position as of June 30, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements, which collectively comprise PDA's basic financial statements, and have issued our report thereon dated REPORT DATE.

Report on Internal Control Over Financial Reporting

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

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on Compliance and Other Matters

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

Manchester, New Hampshire
REPORT DATE

BerryDunn

BDMP Assurance, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pease Development Authority's (PDA) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's *Compliance Supplement* that could have a direct and material effect on each of PDA's major federal programs for the year ended June 30, 2025. PDA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, PDA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Board of Directors
Pease Development Authority
(A Component Unit of the State of New Hampshire)

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 PDA'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 U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the PDA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the basic financial statements of PDA as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise PDA's basic financial statements. We have issued our report thereon dated REPORT DATE, 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 basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Manchester, New Hampshire
REPORT DATE

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Transportation			
Direct:			
Airport Improvement Program			
3-33-0016-074-2022	20.106		$ 475,398
X-A004(979)	20.106		35,630
3-33-0016-075-2023	20.106		20,563
3-33-0016-076-2023	20.106		1,840,007
SBG-15-XX-2024	20.106		3,761
3-33-0016-XXX-2024	20.106		3,252
SBG-15-13-2023	20.106		56,236
SBG-15-15-2023	20.106		62,773
3-33-0016-078-2024	20.106		3,456,812
3-33-0016-079-2024	20.106		1,284,392
3-33-0016-081-2025	20.106		138,608
Total U.S. Department of Transportation			7,377,432
U.S. Department of Treasury			
Passed Through State of New Hampshire:			
Coronavirus - State and Local Fiscal Recovery Funds	21.027	N/A	2,390,984
U.S. Department of Homeland Security			
Passed Through State of New Hampshire:			
Federal Emergency Management Agency	97.036	N/A	440,088
Total Expenditures of Federal Awards			$ 10,208,504

The accompanying notes are an integral part of this schedule.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Pease Development Authority (PDA) during the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of PDA, it is not intended to, and does not, present the net position, changes in net position or cash flows of PDA.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

PDA has not elected to use the 10% de minimis indirect cost rate.

PEASE DEVELOPMENT AUTHORITY
(A Component Unit of the State of New Hampshire)

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes _X_ None Reported
Noncompliance material to financial statements noted?	____ Yes _X_ No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ Yes _X_ No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	____ Yes _X_ None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	____ Yes _X_ No

Identification of Major Programs:

AL Number(s)	Name of Federal Program or Cluster
21.027	U.S. Department of Treasury Coronavirus - State and Local Fiscal Recovery Fund
97.036	U.S. Department of Homeland Security Federal Emergency Management Agency

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	_X_ Yes ____ No

Section II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*

None noted.

Section III. Findings for Each Major Federal Program

None noted.

PEASE INTERNATIONAL DEVELOPMENT AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: Paul E. Brean, Executive Director

DATE: October 8, 2025

SUBJECT: Licenses / ROEs / Easements / Rights of Way

****

In accordance with the "Delegation to Executive Director: Consent, Approval and Execution of License Agreements," PDA entered into the following Right-of-Entry:

1. Name: CDM Constructors Inc. and McFarland Johnson
   License: Right of Entry
   Location: Arboretum Drive (Pipeline Corridor)
   Purpose: Wetlands Inspection Purposes
   Term: September 15, 2025, through September 19, 2025

2. Name: Skyhaven Flying Club
   License: Right of Entry
   Location: Skyhaven Airport Terminal Building
   Purpose: Housing and Using a Flight Simulator
   Term: October 1, 2025, through September 30, 2026; exercising one-year period pursuant to ROE approved by the Board of Directors on September 12, 2024.

3. Name: International Association of Privacy Professions
   License: Right of Entry
   Location: 14 Aviation Avenue (Old Pan Am Hangar Lot)
   Purpose: Vehicle Parking
   Term: October 1, 2025, through March 30, 2026

Director Fournier was consulted and granted his consent regarding these Rights of Entry.

P:\BOARDMTG\2025\License Report (10-21-2025).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: Paul E. Brean, Executive Director PEB

DATE: October 8, 2025

SUBJECT: Lease Report

****

In accordance with the "Delegation to Executive Director: Consent, Approval of Sub-Sublease Agreements" PDA approved the following subleases:

1. Tenant: Beck Bode, LLC
   Space: One New Hampshire Avenue, LLC (Suite #202)
   Use: Office and related uses
   Term: Five-year term with targeted commencement October 1, 2025, with two (2) five-year options

2. Tenant: Leeds Capital Group, LLC
   Space: 100 International Drive (Suite #358)
   Use: Office and related uses
   Term: Five (5) Years, Commencing August 1, 2025, with two (2) three-year options

3. Tenant: KOALD Design, LLC
   Space: 47 Durham Street
   Term: Exercise last of two one-year options to October 31, 2027

4. Tenant: Two International Group, LLC
   Space: 2 International Drive
   Term: Exercise first of six (6) five-year options to June 23, 2031

The Delegation to Executive Director: Consent, Approval of Sub-sublease Agreements also requires the consent of one member of the PDA Board of Directors. In this instance, Director Fournier was consulted and granted his consent.

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PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

MOTION

Director Fournier:

The Pease Development Authority Board of Directors hereby approves and authorizes the Executive Director to finalize and execute any and all documents necessary to complete a lease assignment from Aviation Avenue Group LLC to Wenberry Associates LLC for the premises located at 100 New Hampshire Avenue and relieves Aviation Avenue Group LLC of its liability under the lease pursuant to Section 19.4 of the lease, excluding those provisions of the lease that by their terms survive termination or expiration of the lease; all as more fully described in the memorandum of Paul E. Brean, Executive Director, dated October 9, 2025; attached hereto and incorporated herein.

N:\RESOLVES\2025\Aviation Ave Group to Wenberry Assoc – Lease Assignment – 100 NH Avenue (10-21-25).docx

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To: Pease Development authority Board of Directors

From: Paul E. Brean, A.A.E., Executive Director

Date: October 9, 2025

Subject: 100 New Hampshire Avenue

Aviation Avenue Group LLC ("AAG"), is the developer and owner of an approximately 100,000 square foot building located at 100 New Hampshire Avenue. AAG leases 100 New Hampshire Avenue, an almost 11 acre parcel, from the Pease Development Authority pursuant to ground lease which began on October 31, 2023. The ground lease has a base term of 30 years, and eight 5-year and one 4-year extension options, for a maximum term of 74-years. AAG is interested in selling the building to Wenberry Associates LLC ("Wenberry"), a New Hampshire-based commercial real estate investment firm majority owned and controlled by James F.L. Kenney.

With the sale of the building, AAG intends to assign its ground lease with the PDA to Wenberry and seek a release of any further liability under the ground lease from the PDA, except for those provisions of the lease that expressly survive termination or expiration of the lease. A copy of the assignment is attached. An assignment of the lease with a release requires the consent of the PDA Board of Directors. Wenberry intends to utilize the leasehold consistent with the permitted uses under the lease. Wenberry is also interested in potential future development in the undeveloped areas of the leasehold parcel.

Wenberry is one of four companies owned and controlled by James F.L. Kenney that invest in commercial properties within the State of New Hampshire. Mr. Kenney's companies have a diverse commercial real estate and tenant portfolio, as set forth in the attached documents provided by AAG and Wenberry. In addition, Mr. Kenney has prior experience at Pease, including the redevelopment of 282 Corporate Drive approximately 25 years ago and an interest in 177 Corporate Drive (occupied by Tighe & Bond).

Given Wenberry's sponsor's familiarity with the Tradeport and commercial development and leasing in the New Hampshire seacoast region, I support this assignment. At the Board's October 21, 2025, meeting, please consider the request of AAG to assign its lease to Wenberry Associates LLC, and to be released from any further liability under the ground lease, except for those provisions of the lease that expressly survive termination or expiration of the lease.

Phone: 603.433.6088 Fax: 603.427.0433 www.peasedev.org

MEMORANDUM

To:	Paul Brean Executive Director Pease Development Authority ("PDA") 55 International Drive Portsmouth, NH 03801
From:	Aviation Avenue Group LLC ("AAG") 210 Commerce Way, Suite 300 Portsmouth, NH 03801
Date:	September 30, 2025
Subject:	Request for Approval of Assignment of Lease and Release of Liability

Dear Mr. Brean,

Pursuant to Article 19 of the Ground Lease dated October 31, 2023 (the "Lease"), between the Pease Development Authority as Lessor and Aviation Avenue Group LLC as Lessee concerning certain real property located at 100 New Hampshire Avenue, Portsmouth, NH (as the same is further defined in the Lease, the "Leased Premises"), AAG hereby formally requests the PDA's approval of AAG's assignment of its leasehold interest in the Leased Premises, along with all associated liabilities and obligations under the Lease, to Wenberry Associates LLC, or its affiliate under common control ("Assignee").

This request is made in accordance with the rights granted to AAG under Section 19.2 of the Lease, which permits assignment of the Lease subject to the terms and conditions therein. Furthermore, AAG respectfully requests that in connection with said assignment, the PDA release AAG from all liability under the Lease, as permitted under Section 19.4. We are requesting that this approval be granted administratively, but if that is not possible, we are requesting that this topic be added to the agenda for the regularly schedule PDA Board Meeting on October 21, 2025.

The assignment is intended to ensure the continued development and operation of the Leased Premises in accordance with the Lease and PDA's objectives for the Tradeport. AAG and Wenberry Associates LLC are committed to a smooth transition.

The proposed assignee, Wenberry Associates LLC, is a New Hampshire-based commercial real estate investment firm majority owned and controlled by James F. L. Kenney. Mr. Kenney has over 30 years of experience in international finance and commercial property development, including prior redevelopment projects within the

Pease Tradeport. Wenberry Associates LLC and its affiliated entities currently manage a portfolio of approximately 24 properties across the state, with CP Management overseeing day-to-day operations since 2001. The group has a long-term investment outlook and intends to maintain and potentially expand the high-quality warehouse facilities at 100 New Hampshire Avenue. A letter from Mr. Kenney, as well as several references are included in this submission.

Please let us know if any additional documentation or information is required to facilitate your review and approval of this request. We appreciate your consideration and look forward to working with you to complete this transition in a timely and cooperative manner.

Sincerely,

Joe Geoghegan
Manager
Aviation Avenue Group LLC

Approved by:

Paul Brean
Executive Director
Pease Development Authority

TO WHOM IT MAY CONCERN

This letter is in relation to the proposed transfer of the Ground Lease from Aviation Avenue Group, LLC to Wenberry Associates, LLC for a parcel of land located at 100 New Hampshire Avenue in the Pease Tradeport.

Wenberry recently sold a property in Portsmouth NH (the old J.J. Newberry building) and intends doing a section 1031 exchange to replace the property which was originally purchased in 1994. We used ProCon construction to redevelop the site on Congress St. and Fleet St. Bottomline was one of our first tenants before outgrowing the 32,000 SF and moving to Pease.

Wenberry is one of four companies majority owned and controlled by myself (James F. L. Kenny) the others being Sarnia Properties, Inc., Sarnia Seacoast, LLC and Bucephalus, LLC all of which invest in commercial property within the State of New Hampshire. About 24 properties in all. CP Management handle all the day to day property management (since May 2001).

The group's previous experience in Pease stretches back about 25 years when we redeveloped 282 Corporate Drive (the old Officers club) and later sold it to Attorney Bob Shaines (before the opportunity of doing a 1031 exchange expired).

In addition, as an investor in 177 Pease, LLC (one of six passive investment funds we participate in apart from the wholly owned properties that we own outright) we have an interest in the Tighe and Bond building at 177 Corporate Drive.

Sarnia Properties, Inc. was incorporated in 1993, a year after I relocated to the United States from Europe after a 15 year career overseas with a US Multinational. I had various positions such as Financial Director of the International division (which sold office equipment to over 90 countries worldwide), Regional Controller for Southern Europe and lastly head of World Wide Logistics. I qualified as a British Chartered Accountant with Coopers and Lybrand in 1975 (now Price Warehouse Coopers), the British equivalent of a CPA. Two references are attached.

Although we ceased redevelopment work about 7 years ago we focused on improving the quality of the portfolio and have a number of national and regional tenants that include Best Buy, Tractor Supply, Staples, ConvenientMD (4), Fritto Lay, Dollar stores, banks etc.

We intend being long term investors in 100 NH Ave., appreciating the two credit tenants and the high quality/modern spec. warehouse they have committed to. We are also interested in the potential to add another 80,000 SF of warehouse to the site in years to come.

We would appreciate your approval to have the Ground Lease assigned to Wenberry and are ready to answer any further questions you may have.

Sincerely

9/21/2025

CONSENT OF LESSOR AND
AGREEMENT CONCERNING ASSIGNMENT OF LEASE

THIS CONSENT AND AGREEMENT (the "**Agreement**") effective this _____ day of _____________, 2025 (the "**Effective Date**") by and between Pease Development Authority, an agency of the State of New Hampshire created pursuant to RSA Chapter 12-G, having a principal mailing address of 55 International Drive, Portsmouth, New Hampshire 03801 ("**Lessor**"), Aviation Avenue Group LLC, a New Hampshire limited liability company, having a mailing address of 210 Commerce Way, Suite 300, Portsmouth, NH, 03801 ("**Lessee**" or "**Assignor**") and Wenberry Associates, LLC, a New Hampshire limited liability company, having a mailing address of One Haven Court, Portsmouth, NH 03801 ("**Assignee**").

WHEREAS, Lessee and Lessor entered into a certain Lease dated October 31, 2023 (the "**Lease**"), notice of which Lease is recorded at the Rockingham County Registry of Deeds at Book 6536, Page 599, with respect to land and improvements thereon situated at 100 New Hampshire Avenue, Portsmouth, New Hampshire, consisting of land area of approximately 10.95 acres (the "Land"), on which Assignor constructed an approximately 101,936 square foot building with improvements (the "Building"); and

WHEREAS, Assignor and Assignee have entered into a certain Purchase Agreement dated September 15, 2025 (the "**Purchase Agreement**"), whereby Assignee has the right to acquire all of Assignor's right and interest in the Land and Lease, along with Assignor's right, title, and interest in the Building (collectively the "**Premises**"), and

WHEREAS, from and after the closing of the transaction contemplated under the Purchase Agreement, Lessee will be deemed to have assigned to Assignee, and Assignee will be deemed to have assumed from Lessee, all of Lessee's rights and obligations under the Lease (such assignment and assumption being referred to herein as the "**Assignment**"); and

WHEREAS, Lessee and Assignee have requested that Lessor consent to the Assignment and accept Assignee as the Lessee under the Lease.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor, Lessee and Assignee agree as follows:

1. **Consent.** Lessor, subject to the covenants, agreements, terms, provisions and conditions contained in the Lease and this Agreement, hereby consents to the Assignment, and agrees to accept the Assignee as the Lessee under the Lease effective as of the date of such Assignment (the "**Assignment Date**").

2. **Assignee's Covenants.** Assignee covenants that from and after the Assignment Date, and throughout the term of the Lease:

   a. Assignee will fully, faithfully and timely perform all of Lessee's obligations under the Lease; and

b. Assignee will use the Premises only for uses permitted under the Lease or allowed by Lessor.

3. **Lessor's Representations.** Lessor hereby represents to Assignee to the best of its knowledge that as of the Effective Date:

a. the Lease is in full force and effect;

b. neither Lessor nor Assignor is in default in the performance of or compliance with any provision of the Lease;

c. Lessor has not received any notice of default or termination of the Lease;

d. the Lease, as set forth herein, is a complete statement of the agreement of the parties thereto with respect to the leasing of the Premises;

e. there is no prepaid rent and no security deposit; and

f. rent in the amount of $18,024.87 was last paid on October ___, 2025 and has been paid through October 31, 2025.

4. **Assignor's Representations.** Assignor hereby represents to Assignee to the best of its knowledge and belief that as of the Effective Date:

a. the Lease is in full force and effect;

b. neither Lessor nor Assignor is in default in the performance of or compliance with any provision of the Lease;

c. the Assignor has not received any notice of default or termination of the Lease;

d. the Lease, as set forth herein, is a complete statement of the agreement of the parties thereto with respect to the leasing of the Premises;

e. there is no prepaid rent and no security deposit;

f. Assignor took possession of the Premises on or about November 1, 2023, the date of Assignor's Assumption;

g. the Assignor has not sold, transferred, assigned, hypothecated or pledged its interest under the Lease or the rent received thereunder.

5. **Notices.** Any notices required under the Lease or with respect to this Agreement shall be sent (a) if to Lessor, to 55 International Drive, Portsmouth, New Hampshire 03801, (b) if to Lessee, to 210 Commerce Way, Suite 300, Portsmouth, NH, 03801, and (c) if to Assignee, to One Haven Court, Portsmouth, NH 03801.

6. **Contingency.** The Parties' obligations hereunder shall only commence if and when the transaction contemplated under the Purchase Agreement has closed, at which time the Assignor shall provide written notice of the closing to Pease Development Authority. If the transaction has not closed as of December 1, 2025, Assignor shall provide notice of the same to Pease Development Authority, Assignee shall have no further obligation under the Lease, and the parties shall have no further obligation under this Consent of Lessor and Agreement Concerning Assignment of Lease.

7. Pursuant to the provisions of Article 19.4 of the Lease, the parties agree that with the exception of Lessee's obligations that expressly survive expiration or termination of the Lease, including but not limited to the obligations to indemnify, defend, and hold harmless and to make any monetary payment to Lessor which accrued up to and prior to the Assignment Date, as more specifically set forth in the Lease, Lessee/Assignor shall be released from any and all obligations or liability under the Lease.

[Signature pages follow.]

Signed this ____ day of _____________, 2025.

Pease Development Authority
(Lessor)

____
Witness

By:___________________________
Name: Paul E. Brean
Title: Executive Director, duly authorized

STATE OF ______________
COUNTY OF _________________

On this the _____ day of _____________, 2025, before me the undersigned officer, personally appeared Paul E. Brean as Executive Director of Pease Development Authority, personally known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same for the purposes contained therein on behalf of the development authority.

Before me,

____
Notary Public
My commission expires:

[Signature page to Consent of Lessor.]

Signed this ____ day of ________________, 2025.

Aviation Avenue Group LLC,
a New Hampshire limited liability company
(Lessee/Assignor)

____
Witness

By:___________________________
Name:
Title:

STATE OF ______________
COUNTY OF _________________

On this the _____ day of _____________, 2025, before me the undersigned officer, personally appeared ___________________, as duly authorized _________________ of Aviation Avenue Group LLC, personally known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same for the purposes contained therein on behalf of the said limited liability company.

Before me,

____
Notary Public
My commission expires:

[Signature page to Consent of Lessor.]

Signed this ____ day of _________________, 2025.

Wenberry Associates, LLC,
a New Hampshire limited liability company
(Assignee)

____
Witness

By:_________________________
Name:
Title:

STATE OF ______________
COUNTY OF _________________

On this the _____ day of _____________, 2025, before me the undersigned officer, personally appeared ___________________, as duly authorized __________________ of Wenberry Associates, LLC, personally known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same for the purposes contained therein on behalf of the said limited liability company.

Before me,

____
Notary Public
My commission expires:

[Signature page to Consent of Lessor.]

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Agreement**") is made and entered into this _____ day of _____________, 2025 (the "**Effective Date**") by and between Aviation Avenue Group LLC, a New Hampshire limited liability company, having a mailing address of 210 Commerce Way, Suite 300, Portsmouth, NH, 03801 ("**Assignor**") and Wenberry Associates, LLC, a New Hampshire limited liability company, having a mailing address of One Haven Court, Portsmouth, NH 03801 ("**Assignee**") (Assignor and Assignee are collectively referred to herein as the "**Parties**").

WITNESSETH:

WHEREAS, Assignor, as Lessee, and Pease Development Authority, as Lessor, entered into a certain Lease dated October 31, 2023 (the "**Lease**") for property located at 100 New Hampshire Avenue, Pease International Tradeport, Portsmouth, Rockingham County, New Hampshire, consisting of approximately 10.95 acres, on which Assignor constructed an approximately 101,936 square foot building with improvements (the "**Property**"). Notice of which Lease is recorded at the Rockingham County Registry of Deeds at Book 6536, Page 599; and

WHEREAS, Assignor and Assignee have entered into a certain Purchase Agreement dated September 15, 2025 (the "**Purchase Agreement**"), whereby Assignee has the right to acquire all of Assignor's right, title, and interest in the Property and the Lease (the "**Premises**");

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. **Assignment.** Assignor, in accordance with the provisions of Article 19 of the Lease, does hereby grant, convey, assign, transfer, and set over unto Assignee, effective as of the Effective Date, all of Assignor's right, title and interest in, under and to the Lease, which assignment Assignee hereby accepts.

2. **Assumption.** Assignee hereby accepts the foregoing assignment and, in consideration thereof, Assignee hereby covenants and agrees that, on and after the Effective Date, Assignee shall assume, observe, perform, fulfill and be bound by all terms, covenants, conditions and obligations of the Lease that arise on and after the Effective Date and are to be observed, performed and fulfilled by the lessee named therein on and after the Effective Date in the same manner and to the same extent as if Assignee were the lessee named therein.

3. **Indemnity.** Assignor agrees to indemnify, protect, defend and hold harmless Assignee from and against any and all liabilities, claims, demands, actions, losses, costs and expenses (including reasonable attorneys' fees and costs) arising out of or relating to Assignor's failure to perform any of Assignor's obligations that accrued pursuant to the Lease prior to the Effective Date.

Assignee agrees to indemnify, protect, defend and hold harmless Assignor from and against any and all liabilities, claims, demands, actions, losses, costs and expenses (including reasonable attorneys' fees and costs) arising out of relating to Assignee's obligations that accrued pursuant to the Lease on or after the Effective Date.

Pease Development Authority is intended to be and is a third-party beneficiary of the above-referenced indemnities and such other covenants and agreements as are contained herein.

4. **Contingency.** The Parties' obligations hereunder shall only commence if and when the transaction contemplated under the Purchase Agreement has closed, at which time the Assignor shall provide written notice of the closing to Pease Development Authority. If the transaction has not closed as of December 1, 2025, Assignor shall provide notice of the same to Pease Development Authority, Assignee shall have no further obligation under the Lease, and the Parties shall have no further obligation under this Assignment and Assumption of Lease.

5. **Successors and Assigns.** Subject to the provisions of the Lease and any required consent or approval of Pease Development Authority, this Agreement and all covenants and agreements contained herein as well as all other documents provided for herein shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

6. **Further Action.** The Parties each agree to execute such notices, directions, instruments, and documents, and to take such other actions as the other reasonably requests to effectively ensure that the requesting party has the benefit of the transfers and transactions provided and/or contemplated herein including prompt forwarding of all funds, documents, and instruments received in respect to the Lease after the date hereof.

[Signature pages follow.]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed as of the date first above written and that the Parties' respective signatories, whose signatures appear below, have been and are on the date of this Agreement, duly authorized by all necessary and appropriate action to execute this Agreement.

Aviation Avenue Group,
a New Hampshire limited liability company

____
Witness

By:_____________________________
Name:
Title:

STATE OF ______________
COUNTY OF ________________

On this the _____ day of ______________, 2025, personally appeared the above-named ____________________, as Manager of Aviation Avenue Group LLC, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained as such Manager of Aviation Avenue Group LLC, and on behalf of the said limited liability company.

Before me,

____
Notary Public
My commission expires:

[Signature page to Assignment and Assumption of Lease]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have caused this Agreement to be executed as of the date first above written and that the Parties' respective signatories, whose signatures appear below, have been and are on the date of this Agreement, duly authorized by all necessary and appropriate action to execute this Agreement.

Wenberry Associates, LLC
a New Hampshire limited liability company

____
Witness

By:_________________________
Name:
Title:

STATE OF _____________
COUNTY OF _______________

On this the _____ day of _____________, 2025, personally appeared the above-named __________________, as Manager of Wenberry Associates, LLC known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purposes therein contained as such Manager of Wenberry Associates, LLC and on behalf of the said limited liability company.

Before me,

____
Notary Public
My commission expires:

DRAFT

[Signature page to Assignment and Assumption of Lease]

PEASE INTERNATIONAL DEVELOPMENT AUTHORITY

55 International Drive, Portsmouth NH 03801

MEMORANDUM

TO: Pease Development Authority Board of Directors

FROM: Paul E. Brean, Executive Director

DATE: October 8, 2025

SUBJECT: Contract Reports

****

In accordance with Article 3.9.1.1 of the PDA Bylaws, PDA is pleased to report the following:

1. Project Name: Sunbelt Rental, Inc.
   Board Authority: Director Ferrini
   Cost: $4,179.57
   Summary: One-week rental of an excavator with hydraulic hammer to remove a large section of concrete on its (139) main parking ramp south of the terminal. This location has been identified as a target in PDA's yearly concrete replacement program.

2. Project Name: Sunbelt Rental, Inc.
   Board Authority: Director Ferrini
   Cost: $3,436.26
   Summary: Rental of a telehandler (lull) to assist DPH with the removal of navigation aids in the waterways from October 14, 2025, through November 4, 2025.

3. Project Name: Clayton and Sons Construction
   Board Authority: Director Ferrini
   Cost: $6,400.00
   Summary: Shingle Replacement on Skyhaven Airport Terminal roof.

4. Project Name: Page Street Leasing
   Board Authority: Director Ferrini
   Cost: $3,850.00
   Summary: Storage container purchase for the storage of function equipment (tables, chairs, portable bar etc.) at the Pease Golf Course.

Phone: 603.433.6088 Fax: 603.427.0433 www.peasedev.org

5. Project Name: Dell Technologies
Board Authority: Director Ferrini
Cost: $6,559.96
Summary: Purchase of four (4) Dell Gaming desktops required for simulator use.

6. Project Name: Voltrek
Board Authority: Director Ferrini
Cost: $2,570.00
Summary: Two-year renewal of the Network and Assure for the EV Charging Stations at Pease Golf Course.

7. Project Name: Livability Portsmouth
Board Authority: Director Ferrini
Cost: $7,745.00
Summary: One-year online subscription for advertising Pease International Tradeport and Portsmouth International Airport at Pease.

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

Memorandum

To: Paul Brean, Executive Director PaB

From: Michael R. Mates, P.E., Director of Engineering MRM

Date: October 10, 2025

Subject: Sign Revision Report of Orbis Sibro, Inc. at 111 New Hampshire Avenue

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In accordance with my authority under the "Delegation to Building Inspector: Consent and Approval of Minor Revisions to Existing Signs" adopted by the PDA Board of Directors on June 20, 2005, I am reporting the following:

Orbis Sibro, Inc. is the new subtenant at 111 New Hampshire Avenue. They are proposing to modify the existing signage to reflect the change in tenancy. They will use the same sign structure at the entrance to the facility replacing the logos on both sides of the sign with new. Attached are details that reflect the new signage.

This sign revision meets all of the following conditions:

1. The request is limited to in kind replacement when required for maintenance, revision to sign graphics reflecting a new name or logo for an existing tenant, or revision to sign graphics to reflect a change in tenancy.
2. No substantive change in size or style of the sign.
3. Consistent with the terms and conditions of the original sign approval.
4. All other conditions of the PDA Land Use Controls are satisfied.

Director Fournier has reviewed the sign revisions and has given his approval. At the upcoming PDA Board of Directors' meeting, please report this approved sign revision.

\\pdafile\COMMON\ENGINEER\Board Memos\2025\Orbis Sign .docx

Phone: 603.433.6088 Fax: 603.427.0433 www.peasedev.org

FASTSIGNS.

599 Lafayette Road, Unit 5 603-380-7924
Portsmouth, NH 03801 2449@fastsigns.com

Client: ORBIS	
Address: 111 NH AVE	
Order #: 1948	
Scale:	
Designer:	
File:	
Dimension: 73"w x 28"h	
Usable Artwork: Yes	No
Artwork Comments:	
Quantity: 1	
Approved By:	
Date: 8/19/25	

Please review all aspects of the artwork reflected herein, including design, layout, spelling, etc. Please call or email us with any changes or questions. Only once we have received your approval will we proceed with the job as it appears in this document.

FASTSIGNS

599 Lafayette Road, Unit 5 603-380-7924

Portsmouth, NH 03801 2449@fastsigns.com

Client:
Address:
Order #:
Scale: NOT TO SCALE
Designer:
File:
Dimension: 32"w x 12"h
Usable Artwork: Yes No
Artwork Comments:
Quantity: 1
Approved By:
Date: 7/20/25

Please review all aspects of the artwork reflected herein, including design, layout, spelling, etc. Please call or email us with any changes or questions. Only once we have received your approval will we proceed with the job as it appears in this document.

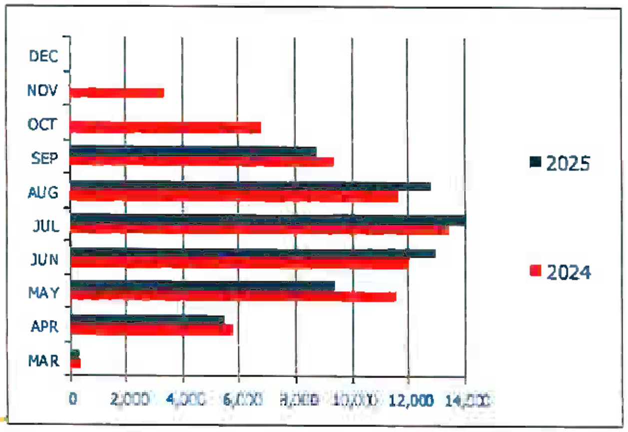
FASTSIGNS®
599 Lafayette Road, Unit 5 603-380-7924
Portsmouth, NH 03801 2449@fastsigns.com

Client:	
Address:	
Order #:	
Scale: NOT TO SCALE	
Designer:	
File:	
Dimension:	
Usable Artwork: Yes	No
Artwork Comments:	
Quantity: 1	
Approved By:	
Date: 7/29/25	

Please review all aspects of the artwork reflected herein, including design, layout, spelling, etc. Please call or email us with any changes or questions. Only once we have received your approval will we proceed with the job as it appears in this document.

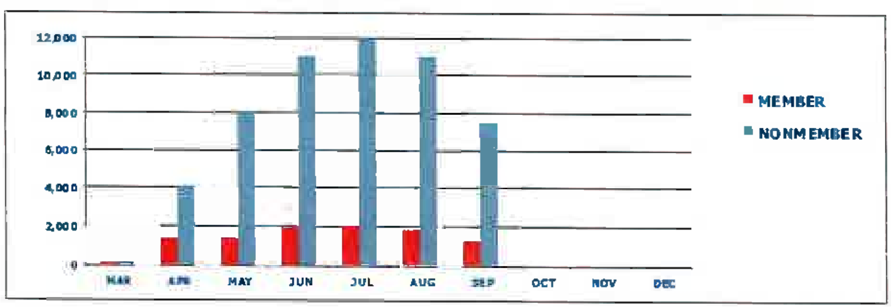
KEY GOLF COURSE BENCHMARKING DATA – SEPTEMBER 2025

ROUNDS OF GOLF PLAYED (SEASON)



	2025 SEASON	2024 SEASON	2023 SEASON
ROUNDS PLAYED	63,751	74,251	73,897
RAIN DAYS	37	55	58

2025 MEMBER / NONMEMBER ROUNDS (SEASON)



GOLF SIMULATOR REVENUES	FY 2026	FY 2025
JULY	$365	$120
AUGUST	$420	$165
SEPTEMBER	$1,062	$390
OCTOBER		$3,212
NOVEMBER		$12,631
DECEMBER		$18,395
JANUARY		$24,692
FEBRUARY		$22,331
MARCH		$21,888
APRIL		$6,299
MAY		$895
JUNE		$480
	$1,847	$111,497

GRILL 28 GROSS SALES	FY 2026	CONCESSION FEES EARNED (17%)	FY 2025	CONCESSION FEES EARNED (17%)
JULY	307,912	52,345	282,315	47,994
AUGUST	324,897	55,232	299,823	50,970
SEPTEMBER	254,383	43,245	249,293	42,380
OCTOBER		0	197,547	33,583
NOVEMBER		0	128,372	21,823
DECEMBER		0	150,458	25,578
JANUARY		0	108,049	18,368
FEBRUARY		0	87,732	14,914
MARCH		0	118,939	20,220
APRIL		0	157,787	26,824
MAY		0	235,577	40,048
JUNE		0	312,323	53,095
	$887,192	$150,823	$2,328,215	$395,797

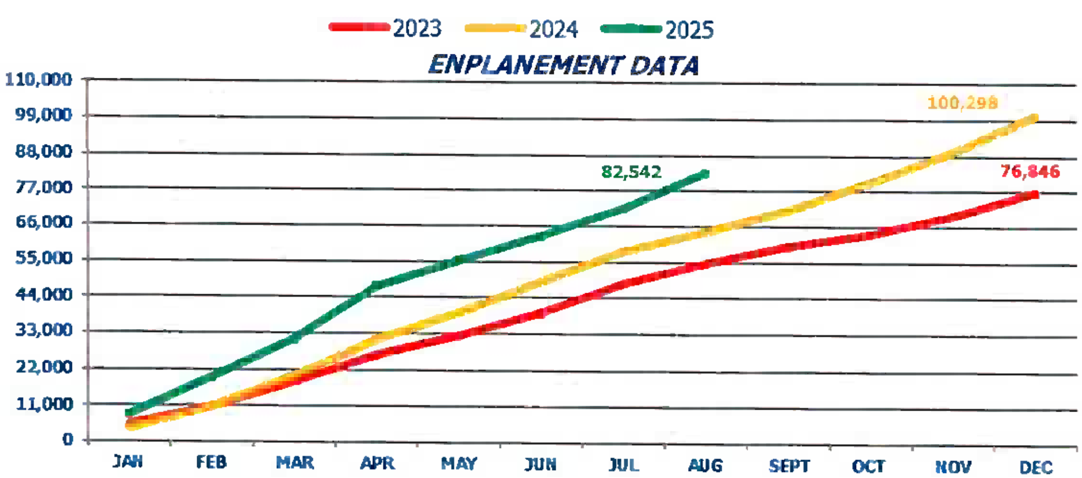
2025 ROUNDS- SEASON	
MEMBER	9,833
NONMEMBER	53,918
TOTAL	**63,751**

2024 ROUNDS- SEASON	
MEMBER	10,725
NONMEMBER	63,526
TOTAL	74,251

CLUB/ COURSE FUNCTIONS	FY 2026 YTD	FY 2025 YTD
GROUPS 20-59	34,621	31,475
TOURNAMENT PLAY	130,277	157,656
LEAGUES	43,539	42,135
FOOD AND ROOM FEES THRU JULY	140,985	118,433

AIRPORT REPORT
PERIOD ENDING AUGUST 2025

AUG ENPLANEMENTS	2025
Scheduled Enplanements	6,145
Chartered Enplanements	4,943
Total Enplanements	**11,097**
2025 Enplanements YTD	**82,542**



REVENUE PARKING-AUG	$34,468
	926 Transactions @ $37.22
AUG FUEL FLOWAGE FEES	$193,432.02
Total Gallons	1,758,472.90
CRAF and DOD	78%
Commercial	8%
General Aviation	14%

- **Government Shut Down Impact**
  - **FAA**
  - **TSA**
  - **CBP**
  - **ARFF**
- **Grant Projects**
  - **Airport Layout Plan Update**
  - **Taxiway Alpha**
- **ATCT Contract Award**
- **Enterprise Concession Fees: Apr., May, June $25,057.89**

PSM DAW
PEASE
AIRPORT
MANAGEMENT

36 Airline Ave., Portsmouth, NH 03801
603.433.6536

Memorandum

To: John Meehan, Airport Manager

From: Sandy McDonough, Airport Community Liaison

Date: October 2, 2025

Re: Noise Report for September 2025

Portsmouth International Airport at Pease ("PSM") received 13 noise inquiries in September, 2025.

- September 2, 2025: A Newington resident called concerning the Blue Angels arrival to Runway 16. The residence is very close to the approach end of the Runway and a plume of smoke remained around their house for a period of time; neighbors thought their house was on fire.
- September 4, 2025: A Portsmouth resident who lives close to the airport called about excessive noise of the Airshow aircraft; they wish the Air Show had not come to Portsmouth.
- September 4, 2025: A Portsmouth resident called concerning noise from the jets practicing for the airshow. They asked if the Blue Angels could practice over the ocean and not over Portsmouth.
- September 4, 2025: A Durham resident near Adams Point, called concerning loud jet activity while the Blue Angels were practicing from 12:00 p.m. and 2:00 p.m.
- September 4, 2025: A Portsmouth resident called concerning noise from the Airshow aircraft during the practice show on Friday and wanted to know when it would stop.
- September 5, 2025: A Dover resident called concerning airport noise that had been frightening his newborn over the past few months; a follow up call was made and a message left.
- September 5, 2025: A Newington resident called concerning the noise Airshow aircraft reaching 85+dB (using an official decibel measuring Apps) inside the house; the resident lives under the flight path for Runway 16, and said the jets were unbearable.
- September 5, 2025: A Portsmouth resident called concerning the hideous noise of the loud jets flying over their house; caller indicated they did not need a return call.
- September 8, 2025: A Boxford, Massachusetts resident called, and submitted an email, concerning the noise of 10 to 20 planes over their house within 25 minutes various times during the day over the past month. After researching the location of the residence, it was determined that it was most likely air traffic deriving from Boston Logan International Airport (BOS). During the return call, the resident indicated that they also followed up with BOS, who stated there had been increased air traffic over that area due to a runway closure caused by construction.

- September 17, 2025: A Portsmouth resident called about the noise of a non-medical helicopter (Bell 429 Global Ranger) that allegedly flew within 600' of the resident's home office while they were trying to conduct a zoom meeting. The helicopter was over the water and not over their house, however, bodies of water can intensify the noise.
- September 17, 2025: A Portsmouth resident called concerning the noise of a Military E3TF practicing touch and go's. There were multiple, varying types of aircraft in the pattern that day; air traffic control keeps traffic separated by utilizing both sides of the airport.
- September 22, 2025: A Durham resident called with a request to spread out the traffic that practice touch and go's at the airport to help with the noise of the aircraft.

All noise inquiries submitted to the noise line are received and responded to unless it specifies otherwise.

PEASE
INTERNATIONAL
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

To: Pease Development Authority Board of Directors

From: Richard Hartley, Acting Director Ports and Harbors

Date: October 21, 2025

SUBJECT: PORTS AND HARBORS PDA BOARD NOTES

Market Street Terminal:

- **Vessel/ Cargo Report:**
  - *American Glory* – 88 Passengers
  - *American Independence* – 72 Passengers
  - *American Patriot* – 247 Passengers (2 Calls)
  - *Ocean Venture* – 450,000 lbs. Menhaden (Pogies)

- **Functional Replacement/ Pier Extension:**
  - Piles (Section 10), Riprap (section 404), and Channel (Section 408) permitting completed.
  - Awaiting US Army Corps of Engineers Dredging (Section 103) permit review to be completed. Upon completion it will be forwarded to EPA for their 90-day review.

- Modified location of first responder dock with on-call engineering firm to better suit all parties (Terminal, first responders, commercial users and tenants)

Marine Facilities:

- Fall/Winter clean-up, pre-storm preparation is underway. Facilities team is drafting a storm plan in preparation for major weather events.

- **Portsmouth Fish Pier:**
  - Fuel: LRE has brought both diesel and gasoline fuel systems fully online - looking forward to revenue from fuel sales.
  - Building: Weekly punch list walk-through with BPS/ AME - closing out last items.
  - Bait Cooler: Right of Entry w/ commercial fishermen using cooler is being finalized - working through user list, warranty requirements, bait cooler wall protection, insurance, etc.

- **Rye Harbor:**
  - Requesting use of State approved HDPM fund to replace 99 ft floating dock.
  - Office door repaired in preparation for winter season.
  - September figures for Rye Harbor:
    - Cars Parked – 873
    - Vessels Launched – 80
    - Fuel:
      - Unleaded: 1,765.66 gallons
      - Diesel: 3,356.068 gallons
  - 05NOV Floating Dock removal day

- **Hampton Harbor:**
  - September figures for Hampton Harbor:
    - Cars Parked - 1,237 vehicles.
    - Vessels Launched - 105 vessels
  - Fuel:
    - Unleaded: 3,046.581 gallons
  - 06 NOV is Floating Dock removal day

Harbor Management

- Preparing for the removal of nav aids and forms for 2026 mooring reapplication season
- Awarded the Homeland Security Port Security Grant for security cameras.
- Completed federally mandated audit of Facility Security Plan.
- Working w/legal to auction DPH surplus and seized vessels.
- Chief and Deputy Harbor Masters completing yearly Law Enforcement training for certifications.

Division of Ports and Harbors Advisory Council
555 Market St.
Portsmouth, NH 03801
Tel 603-436-8500
Fax 603-436-2780

PORT ADVISORY COUNCIL MEETING MINUTES
WEDNESDAY SEPTEMBER 4, 2025 4:00 PM

PRESENT: Chris Snow, Chair
Mike Donahue, Vice-Chair
Erik Anderson
Bill McQuillen
Chris Ward
Richard Hartley, Assistant Port Director
Ethan Murray, Terminal Operations Manager
Tomas Macie, Facility Operations Manager

1. CALL TO ORDER

Chair Snow called the meeting to order at 4:00 PM.

2. APPROVE MINUTES

McQuillen made a motion to approve the June 11, 2025 minutes, Anderson seconded. No discussion, a vote was taken, all were in favor and the motion passed.

3. FINANCE REPORT

The Finance Report for the Fiscal Year ending June 2025 was included in the packet. Snow commented on the highlighted loss in the report, noting it does not include grant funding received by the Division. Hartley confirmed, explaining that the software system requires non-operating revenues (such as grants) to be reported outside of the normal revenue category. Hartley reported that fee increases and fuel sales at Hampton and PFP are expected to improve revenue. Next year, the Division is budgeting to be just under even, factoring in the addition of a full-time Port Worker. Snow noted that, with ARPA funding, the Division appears to have finished the year in the positive. Hartley reported that Ethan Murray continues to pursue additional revenue opportunities, meeting weekly with various companies regarding future terminal usage. Further discussion included the potential for a third tenant, opportunities to increase dock utilization during the summer, review of the "Other Operating Expenses" line, and the increase of the fuel flowage rate to $0.16 per gallon. Donahue inquired about June expense lines, noting wages and fringe benefits were $134,202 (~80%) over budget. Buildings and Facilities were $51,837 (250%) over budget. Donahue suggested a portion of this may be related to amounts billed by PDA for services provided. Hartley will review these items and report back. Additional discussion included the PIDP MARAD Grant (Small Ports) application. The Division is applying for approximately $10 million for Market Street Terminal improvements, with State funds used as the required cost share if awarded. The Division submitted a Security Grant application for cameras and fencing for on Aug 15th, awaiting results.

PISCATAQUA RIVER VESSEL TRANSIT REPORT

The June, July, and August 2025 report was included in the packet. Captain Chris Holt was present and reported that the reports are typical with August being a little slower. There will be an uptick with winter coming, especially for oil and road salt ships.

4. NEW BUSINESS

Initial Proposed Pilotage Fees- Hartley read a memo, which was also provided to the Council in the packet, regarding a proposed increase in Pilotage Fees. Hartley asked for a motion to recommend the fee increase to the PDA Board of Directors. In order to start discussion, Donahue made a motion to recommend the initial proposed rates to the PDA, Anderson seconded the motion. Discussion included the following:

- It has been 3 years since the last fee increase, 2023
- The increase is to keep up with cost of living and CPIW
- A thorough review was completed by the Division and all of the increases are in line with the CPIW.
- There are a couple that were higher to bring them in line with market
- Concern over impact to ships deciding whether to use this Port
- Competitiveness of the new rates
- Eventual retirement of existing pilots, and process for training and hiring of pilots (a 5-year process)
- The number of appointed pilots should be 3
- Prices for electronics equipment has risen
- Question on doing annual reviews rather than 3 years- the 3 year review is the most efficient for the Pilots and the ships

Captain Holt went on to report that every 3 years or so they do a rate increase and a comparative report. For the comparison, the fees for a specific ship is compared with what the fees would be for a daytime transit using Boston, MA and Portland, ME. Based on that comparison, the new proposed rates are still less than the other locations' current rates (which are also going up in 2026). The fees that have an increase of over 15% are the detention rates, and findings show that the current rate does not seem to have had no effect on anyone for cancellations. Also, it is taking longer for ships to be tied up on the shoreside at the Port location. The other rate that went up is the transit fee, mainly pertaining to shifting in the river, meaning docking at one facility and then the ship shifts to a second dock up river. The fee for bringing a ship in and shifting a ship was adjusted to be equal because the work for each is about the same. Anderson asked about the statutory requirements for adopting new fees, Donahue reported that the PDA has the final authority to adopt fees.

After discussion a vote was taken and all were in favor of recommending the Initial Proposed Pilotage fees to the PDA Board of Directors at the September meeting. If approved, a public hearing will be held and public comment period will remain open for 30 days. After that a final proposal will be presented to the PDA Board for approval to become effective Jan 1, 2026.

5. DIRECTOR'S REPORT

A. Hartley provided updates on the following items:

1. Rye Harbor Study-Tighe & Bond will finalize their report and will present their findings to the public and to the PDA Board of Directors at the same time, date to be determined. As a reminder, the Study was funded with Ports and Harbors Operating funds.
2. Portsmouth Fish Pier, Building/Bait Cooler, weekly report attached*- Fuel has been delivered and should be available to the public on or around 9/11. Hoist placement discussions regarding hoists in proximity to available ladders. Maciel is working with the fishermen to determine a solution. Research is being done on options to obtain a new hydraulic hoist. The bait cooler will be delivered to PFP around 9/8 installed immediately and a new floor laid Sept 15&16. As a reminder, the existing floor was damaged during construction and contractor is responsible for the repair. A sleek floor is key to keeping the floor clean. Discussions on bringing an ice production facility (of some sort) to the fish pier by an outside contractor. There is a meeting at PFP on Sept 10 at 4PM with all stakeholders and the ice company.
3. Functional Replacement Barge Dock Project – the Division is waiting on the Army Corp Dredging Permit which is in review and ACOE plans to submit this to EPA and they will have up to 90 days to respond. This is the last permit required before the project can go out to bid. Offshore disposal for dredge spoils is Isles of Shoals North.
4. NH Commercial Fisherman's Association - the Division has a new communication plan with this group through an email distribution list.
5. Foreign-Trade Zone- the Division has received more inquiries this year than in previous years. The Division has teamed with BEA as they have expertise with the program as Port staff is continuing with their training. Most times the interested company will engage a FTZ consultant expert to assist them.
6. The Division is doing a review of efficiency of the existing and possible future mooring programs.
7. Maciel is working on FEMA funding for seawall repair funding in Rye, leveraging the state funds towards the cost share.
8. Anderson asked about the Coast Guard Buoy Tending Program, the newest information is that the CG is taking a pause. It is unknown if this pausing and they are still going to remove them, or if they are going to reassess. Hartley reported that the CG was just awarded $23 Billion in funds which are targeted towards National Security.

B. The Council was provided with a list of items that were presented to the PDA Board of Directors at the June and August, 2025 meetings, as shown below. On a side note, printed copies of the PDA Board items are no longer being printed for the Council meeting packet but are available to view online at the PDA website, or in person at the Port office. A question on who, from PDA, heard the appeals, it was Director Fournier.

- **From the June 17, 2025 PDA Board meeting:**
  - **i. Reports:**

1. Facility Report – June 17, 2025
2. Commercial Mooring for Hire-Wentworth by the Sea Dockside Condo Association
3. Right of Entry-Seacoast Maritime Charters, Rye Harbor
4. Commercial Mooring Transfer-Nugent to Nardello
5. Rye Harbor Study Amendment 1

ii. **Approvals:**

1. Pda 700 Rules, Final Proposal
2. Market St. Terminal, Schedule of Rates, Rules and Regulations
3. Northeast Scale-Truck Scale Replacement
4. Lakes Region Environmental-Hampton convert diesel to gasoline
5. Appeal on 2 moorings – John Cacese and Derek Fisher (both were denied)

- **From the August 19, 2025 PDA Board meeting:**

i. **Reports:**

1. Facility Report – August 19, 2025
2. Hampton Charter ROE-Walsh's Deep Sea Fishing Inc.
3. Rye Harbor- Bauer Right of Entry Fee Increase

ii. **Approvals:**

1. Hampton Harbor – NH DOT's Ocean Blvd Improvements and Land and Water Conservation Fund Encumbrance
2. Conditional Approval - Pda 700 – Slips Permits State-Owned Restricted Piers
3. Portsmouth Fish Pier – Right of Entry- Bait Cooler Users

6. COMMITTEE REPORTS

- Business Development/FTZ- Donahue indicated there is upcoming Port Executive training in Portland. Overall the Port is looking at the budget for training, this would include harbormaster and security. Donahue mentioned there could be an opportunity for other folks to visit the class on one day during the training. Nice to hear the BEA is working with the Port on the FTZ program.
- Dredging- no report
- Fisheries- Anderson reported on the colder water in the Gulf of Maine last meeting that was having an impact on the lobster resource. This year the lobsters seemed to be closer to shore. The price is staying strong. There are still some ground fish boats that are doing well with what they do. There are some regulatory issues that have been suspended for now, but will have to be dealt with in the future. Hartley thanked Anderson for helping him out at the last board meeting regarding the question on how many fishermen are making more than 51% of their income from fishing. The information is not available to the public, however there is some research being done on what information can be provided, such as how many licenses have been issued. Discussion on the F & G Chief of Marine Fisheries retirement of Cheri Patterson, the NH Commercial Fishing Organization is going to recommend Renee Zobel to replace her as she is well known and well respected among the group.

- <u>Government</u>- McQuillen mentioned that federal grants are opening up and NOFO's are going out but application timelines are reduced. Still waiting on clarifying what FEMA will reimburse for related to certain projects, specifically surrounding climate and climate change. Discussion on emergency management processes for the City, and the Fire Chief is the designated representative for the program.
- <u>Moorings</u>- Snow indicated the mooring permit applications are being updated, harbormasters are done offering new permits, and shorefront permits are still being accepted. The commercial mooring permit renewal applications will be sent out mid-October in plenty of time for folks to take advantage of the annual Commercial Fishing Day at the DMV.
- <u>Marine Facilities</u>- Ward indicated things are going well at the harbors and the fish pier. Anderson said the Seabrook Coop is in negotiations with the Town of Seabrook who oversees that facility to ensure continued operations.

7. <u>OLD BUSINESS</u>
   No old business.

8. <u>PUBLIC COMMENT</u>
   No public present.

9. <u>PRESS QUESTIONS</u>
   No press present

10. <u>ADJOURNMENT</u>
    The meeting adjourned at 5:25 PM

PEASE
INTERNATIONAL
PORTS AND HARBORS

555 Market Street, Suite 1 Portsmouth, NH 03801

TO: Pease Development Authority ("PDA"), Board of Directors

FROM: Richard Hartley, Assistant Director of Ports and Harbors R. Hartley

DATE: October 9, 2025

SUBJECT: Portsmouth Commercial Fish Pier, Replacement Building, Change Orders 5, 6 & 7

The Division of Ports and Harbors (the "Division") proceeded with three change orders at the Portsmouth Commercial Fish Pier Building Project as described below. These change orders were approved by Vice Chair Neil Levesque and Executive Director Paul Brean.

Change order 5-Time Extension. This was necessary to allow time for the bait cooler unit to be delivered.

Change order 6-Replacement of valve for sewer service.

Change order 7-Large debris vacuum truck use and work related to the sewer service valve.

The fully executed change orders are attached for reference.

CHANGE ORDER NO.: 05 – Revised – Time Extension Only

Owner:	Pease Development Authority, Division of Ports & Harbors	Owner's Project No.:	
Engineer:	Appledore Marine Engineering LLC	Engineer's Project No.:	5346
Contractor:	Bonnette, Page & Stone Corporation	Contractor's Project No.:	
Project:	Portsmouth Fish Building Replacement		
Contract Name:	Portsmouth Fish Building Replacement		
Date Issued:	9/10/2025	Effective Date of Change Order:	9/10/2025

The Contract is modified as follows upon execution of this Change Order:

Description:

Bonnette, Page and Stone (BPS) requests an adjustment to the Schedule (Time Extension Only) for the Portsmouth Fish Pier project currently scheduled for substantial completion on August 19, 2025. Due to design changes, several rounds of submittal review and additional information requests, and an increase in manufacturing lead times, the delivery and installation of the Bait Cooler has been delayed until mid to late September.

Attachments:

Below the signature blocks and attached is additional discussion and supporting documentation including the Bait Cooler submittal review log, and delivery correspondence from the supplier.

Change in Contract Price	Change in Contract Times
Original Contract Price: $ 991,845.00	Original Contract Times: Substantial Completion: July 31, 2025 Ready for final payment: August 31, 2025
Increase from previously approved Change Orders No. 1 to No. 4 $ 23,810.25	Increase from previously approved Change Orders No.1 to No 4: Substantial Completion: August 19, 2025 Ready for final payment: September 17, 2025
Contract Price prior to this Change Order: $ 1,015,655.25	Contract Times prior to this Change Order: Substantial Completion: August 19, 2025 Ready for final payment: September 17, 2025
Increase this Change Order: $ 0.00	[Increase] [Decrease] this Change Order: Substantial Completion: 25 days Ready for final payment: 25 days
Contract Price incorporating this Change Order: $ 1,015,655.25	Contract Times with all approved Change Orders: Substantial Completion: September. 23, 2025 Ready for final payment: October 28, 2025

Recommended by Engineer (if required)	Accepted by Contractor
By: T B B	Jeff Cloutier
Title: Engineer / Owner's Representative	Project Manager, Bonnette Page & Stone
Date: 08/06/2025	8/05/25
Authorized by Owner	**Approved by Funding Agency (if applicable)**
By:	
Title: Paul E. Bryan Executive Director	
Date: 8/13/2025	

Additional Discussion

We estimate an extension of 25 working days to complete the project. The revised Substantial Completion date would be September 23, 2025.

The design of the Bait Cooler was to be a Delegated Design per Specification 114000 to include certain fixtures and specifications as outlined in 114000 and Contract Addendum 2. BPS engaged a refrigeration manufacturer to design the cooler enclosure and refrigeration equipment.

The design went through four (4) submittals. Submittal review initially resulted in a design change to the access to the cooler (sliding door initially recommended, overhead door access was rejected based on code interpretation, and final design includes swinging doors). The reviews also resulted in requests for additional information that required additional time to prepare, submit and have reviewed. Several items raised during the review process were hoped to have been resolved during the time the Bait Cooler and equipment was being manufactured to save review time as they were not material to the Cooler itself (conduit sizing and locations, electrical routing, heat trace, lighting, etc.)

Please let us know if you require any additional information or documentation to process this request.

- End

Bonnette Page and Stone Corp.

Job #: 806 Building Replacement at Portsmouth Commercial Fish Pier

All Submittals

Spec Section	#	Rev.	Title	Type	Status	Responsible Contractor	Final Due Date	Submit By	Location	Received From	Received Date	Ball In Court	Approvers	Response	Sent Date	Returned Date	Due Date	Distributed Date
114000 - Foodservice Equipment	114000-1	3	114000 - Bait Cooler Resubmit (3)	Shop Drawing	Closed	Alternative Sales Corp.	07/17/2025			Mike Williams			Travis Baker (Appledore Marine Engineering)	Approved as Noted	07/03/2025	07/11/2025	07/17/2025	07/11/2025
114000 - Foodservice Equipment	114000-1	2	114000 - Bait Cooler Resubmit (2)	Shop Drawing	Closed	Alternative Sales Corp.	06/20/2025			Mike Williams			Travis Baker (Appledore Marine Engineering)	Revise and Resubmit	06/06/2025	06/16/2025	06/20/2025	06/16/2025
114000 - Foodservice Equipment	114000-1	1	114000 - Bait Cooler Resubmit with Air Curtain Added	Shop Drawing	Closed	Alternative Sales Corp.	06/03/2025			Mike Williams			Travis Baker (Appledore Marine Engineering)	Revise and Resubmit	05/20/2025	05/30/2025	06/03/2025	05/30/2025
114000 - Foodservice Equipment	114000-1	0	114000 - Bait Cooler	Shop Drawing	Closed	Alternative Sales Corp.	01/28/2025			Mike Williams			Travis Baker (Appledore Marine Engineering)	Revise and Resubmit	01/14/2025	01/30/2025	01/28/2025	01/30/2025

Jeff Cloutier

From:	MWilliams <mwilliams@alternativesales.net>
Sent:	Wednesday, July 23, 2025 1:28 AM
To:	Jeff Cloutier
Subject:	Fish Pier Shipping Info
Follow Up Flag:	Flag for follow up
Flag Status:	Flagged

Hi Jeff,

Sorry for the delay the walk in will be shipping by 9/4 if not a couple days earlier. We'll be receiving the box on site and plan to be done erecting the box within a week of receiving it. Any questions please let me know.

Cheers!
Mike Williams
Alternative Sales Corp.
Restaurant Equipment and Design
www.alternativesales.net
P: 603-347-2904
C: 603-365-9200
E: mwilliams@alternativesales.net

Alternative Sales Corp.
Restaurant Equipment and Design

CHANGE ORDER NO.: 06

Owner:	Pease Development Authority, Division of Ports & Harbors	Owner's Project No.:	
Engineer:	Appledore Marine Engineering LLC	Engineer's Project No.:	5346
Contractor:	Bonnette, Page & Stone Corporation	Contractor's Project No.:	
Project:	Portsmouth Fish Building Replacement		
Contract Name:	Portsmouth Fish Building Replacement		
Date Issued:	9/16/2025	Effective Date of Change Order:	9/16/2025

The Contract is modified as follows upon execution of this Change Order:

Description:

The Change Order serves to replace the valve for the sewer service to the site/building which was identified as in need of replacement.

Attachments:

1. **Potential Contract Change Order and Backup**

Change in Contract Price	Change in Contract Times
Original Contract Price: $ 991,845.00	Original Contract Times: Substantial Completion: July 31, 2025 Ready for final payment: August 31, 2025
Increase from previously approved Change Orders No. 1 to No. 5 $ $23,810.25	Increase from previously approved Change Orders No.1 to No 5: Substantial Completion: Sept. 23, 2025 Ready for final payment: October 28, 2025
Contract Price prior to this Change Order: $ 1,015,655.25	Contract Times prior to this Change Order: Substantial Completion: Sept. 23, 2025 Ready for final payment: October 28, 2025
Increase this Change Order: $ 3,113.00	[Increase] [Decrease] this Change Order: Substantial Completion: 2 days Ready for final payment: 2 days
Contract Price incorporating this Change Order: $ 1,018,768.25	Contract Times with all approved Change Orders: Substantial Completion: Sept. 25, 2025 Ready for final payment: October 30, 2025

	Recommended by Engineer (if required)	Accepted by Contractor
By:		Jeff Cloutier
Title:	Engineer / Owner's Representative	Project Manager, Bonnette Page & Stone
Date:	9/12/2025	9/11/25
	Authorized by Owner	**Approved by Funding Agency (if applicable)**
By:		
Title:	Executive Director	
Date:	9/15/25	

Bonnette Page and Stone Corp.
51 Church St
Laconia, New Hampshire 03246
Phone: +16035243411

PCO #006

Project: 806 - Building Replacement at Portsmouth Commercial Fish Pier

Prime Contract Potential Change Order #006: CE #017 - Sewer Valve Replacement

TO:	Pease Development Authority 555 Market Street Portsmouth, New Hampshire 03801	**FROM:**	Bonnette, Page & Stone Corp. 51 Church Street Laconia, New Hampshire 03246
PCO NUMBER/REVISION:	006 / 0	**CONTRACT:**	1 - Building Replacement at Portsmouth Fish Pier
REQUEST RECEIVED FROM:	Travis Baker (Appledore Marine Engineering)	**CREATED BY:**	Jeff Cloutier (Bonnette, Page & Stone Corp.)
STATUS:	Pending - In Review	**CREATED DATE:**	9/11/2025
REFERENCE:		**PRIME CONTRACT CHANGE ORDER:**	None
FIELD CHANGE:	No		
LOCATION:		**ACCOUNTING METHOD:**	Amount Based
SCHEDULE IMPACT:	2 days	**PAID IN FULL:**	No
EXECUTED:	No	**SIGNED CHANGE ORDER RECEIVED DATE:**	
		TOTAL AMOUNT:	$3,113.00

POTENTIAL CHANGE ORDER TITLE: CE #017 - Sewer Valve Replacement

CHANGE REASON: Existing Condition

POTENTIAL CHANGE ORDER DESCRIPTION: *(The Contract Is Changed As Follows)*
CE #017 - Sewer Valve Replacement

- Remove and Replace 2" Check Valve In Sewer Man Hole
- Pump And Clean Inside Man Hole
- Remud Frame and Cover

ATTACHMENTS:
check valves proposal.doc

#	Budget Code	Description	Amount
1	02-200.O Site Construction.Other	Sewer Valve Replacement	$2,500.00
2	01-101.O Superintendent.Other	Supervision	$380.00
3		P&P Bond	$29.00
4		CM Fee	$204.00
		Grand Total:	**$3,113.00**

Vanessa Swasey (Appledore Marine Engineering)	**Pease Development Authority**	**Bonnette, Page & Stone Corp.**
600 State Street, Suite E	555 Market Street	51 Church Street
Portsmouth, New Hampshire 03801	Portsmouth, New Hampshire 03801	Laconia, New Hampshire 03246

SIGNATURE DATE | SIGNATURE DATE | SIGNATURE DATE

LUPOLI EXCAVATORS, L.L.C.

56 Lafayette Road
North Hampton, New Hampshire 03862
Phone 603-964-1949 □ Fax 603-964-4740
E-Mail: lupolixcavators@aol.com

PROPOSAL

PROPOSAL SUBMITTED TO: Jeff	DATE: September 9, 2025
NAME: Bonnette Page And Stone	EMAIL:
STREET: 51 Church Street	JOB NAME: Portsmouth Fish Pier
CITY: Laconia	STREET: Pierce Island
STATE: NH	CITY: Portsmouth

We hereby submit the following quotation on the above referenced project:

1) Remove and Replace 2" Check Valve In Sewer Main Hole
2) Pump And Clean Inside Man Hole
3) Remud Frame and Cover

TOTAL $2,500.00

NOTES:

1) No Winter Conditions In Base Bid
2) **Any Unforeseen Circumstances Not Outlined In This Proposal To Be Billed Time And Material Or By Change Order**

Initial________

Note: Price of bituminous concrete pavement is based on the NHDOT price of liquid asphalt. This price is Subject to sudden fluctuation which may require price adjustment per NHDOT standard specifications.

The following items are not included in the above referenced proposal unless specifically stated in said proposal:

- No permits, fees or bonds (including Town, City or State) tapping fees for water, sewer, etc.
- No "EPA Storm Water Program" (Federal or State) included.
- No police detail if required.
- No ledge or boulder excavation larger than one cubic yard.
- No unsuitables if encountered.
- No demolition or abatement.
- No Hazmat.
- No de-watering if necessary.
- No concrete work.
- No layout.
- No landscaping or lawn maintenance.
- No trees, shrubs, plantings, etc.
- No warranty on seeding and/or hydroseeding if there is no irrigation system in place or proper lawn maintenance is not performed by others.
- No winter conditions.
- Price is good for 15 days of proposal
- This proposal is based upon current fuel rates, a fuel surcharge may be added for fuel related items (i.e.; plastic, transportation, asphalt, etc.) at the actual start time of project. Fuel surcharges may be added at each requisition.

All material is guaranteed to be as specified. ***Any alterations or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate.*** **All agreements are contingent upon strikes, accidents or delays beyond our control. This proposal subject to acceptance within 30 days and is void thereafter at the option of the undersigned.**
Terms Net 30. A finance charge of 1.50 percent per month (18.00 percent per year) will be added to accounts over 30 days past due. The purchaser agrees to pay all costs and expenses of collection including reasonable Attorney fees.

Authorized Signature: *Nathan Lupoli*
LUPOLI EXCAVATORS, L.L.C.

ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as agreed.

ACCEPTED:

SIGNATURE:______________________________

DATE:______________________

SIGNATURE:______________________________

CHANGE ORDER NO.: 07

Owner:	Pease Development Authority, Division of Ports & Harbors	Owner's Project No.:	
Engineer:	Appledore Marine Engineering LLC	Engineer's Project No.:	5346
Contractor:	Bonnette, Page & Stone Corporation	Contractor's Project No.:	
Project:	Portsmouth Fish Building Replacement		
Contract Name:	Portsmouth Fish Building Replacement		
Date Issued:		Effective Date of Change Order:	

The Contract is modified as follows upon execution of this Change Order:

Description:

The Change Order is for additional services to inspect and service sewer line to the site/building.

Please see discussion on page 2 for details.

Attachments:

1. **Potential Contract Change Order and Backup**

Change in Contract Price	Change in Contract Times
Original Contract Price: $ 991,845.00	Original Contract Times: Substantial Completion: July 31, 2025 Ready for final payment: August 31, 2025
Increase from previously approved Change Orders No. 1 to No. 6 $ 26,923.25	**Increase** from previously approved Change Orders No.1 to No 6: Substantial Completion: Sept. 25, 2025 Ready for final payment: October 30, 2025
Contract Price prior to this Change Order: $ 1,018,768.25	Contract Times prior to this Change Order: Substantial Completion: Sept. 25, 2025 Ready for final payment: October 30, 2025
Increase this Change Order: $ 1,453.00	**[Increase] [Decrease]** this Change Order: Substantial Completion: 0 days Ready for final payment: 0 days
Contract Price incorporating this Change Order: $ 1,020,221.25	Contract Times with all approved Change Orders: Substantial Completion: Sept. 25, 2025 Ready for final payment: October 30, 2025

Recommended by Engineer (if required)		Accepted by Contractor
By:	T.B.B. [signature]	Jeff Cloutier JHCCE [signature]
Title:	Engineer / Owner's Representative	Project Manager, Bonnette Page & Stone
Date:	10/08/2025	9/30/25
	Authorized by Owner	**Approved by Funding Agency (if applicable)**
By:	[signature]	
Title:	[illegible] Executive Director	
Date:	10/8/2025	

Initial inspection of the site's sewer service by the City of Portsmouth indicated that a valve in an on-site manhole was likely not operating properly.

Change Order #6 was approved in anticipation of removing and replacing a 2" check valve in the sewer manhole, pumping and cleaning inside the manhole, and re-mudding the frame and cover.

During the cleaning of the manhole and inspection of the valve, it was determined that the valve was in good working condition, however no flow was generated from the building back to the manhole. An attempt was made to camera the line but the limited length of the camera cable did not allow the clog to be located.

A field decision was made by BPS to have the sitework contractor, Lupoli Excavators, have a vac truck on-site to remove the clog. The clog removal was successful, however, the nature of the clog was not determined. The sewer line is currently operating properly.

This Change Order is for the additional vac truck and associated man hours. The Change Order includes a credit for the replacement valve that was not installed.

PCO #007

Bonnette Page and Stone Corp.
51 Church St
Laconia, New Hampshire 03246
Phone: +16035243411

Project: 806 - Building Replacement at Portsmouth Commercial Fish Pier

Prime Contract Potential Change Order #007: CE #018 - Vac Truck Work for Sewer Line

TO:	Pease Development Authority 555 Market Street Portsmouth, New Hampshire 03801	**FROM:**	Bonnette, Page & Stone Corp. 51 Church Street Laconia, New Hampshire 03246
PCO NUMBER/REVISION:	007 / 0	**CONTRACT:**	1 - Building Replacement at Portsmouth Fish Pier
REQUEST RECEIVED FROM:	Jeff Cloutier (Bonnette, Page & Stone Corp.)	**CREATED BY:**	Jeff Cloutier (Bonnette, Page & Stone Corp.)
STATUS:	Pending - In Review	**CREATED DATE:**	9/30/2025
REFERENCE:		**PRIME CONTRACT CHANGE ORDER:**	None
FIELD CHANGE:	No		
LOCATION:		**ACCOUNTING METHOD:**	Amount Based
SCHEDULE IMPACT:	0 days	**PAID IN FULL:**	No
EXECUTED:	No	**SIGNED CHANGE ORDER RECEIVED DATE:**	
		TOTAL AMOUNT:	$1,453.00

POTENTIAL CHANGE ORDER TITLE: CE #018 - Vac Truck Work for Sewer Line

CHANGE REASON: Existing Condition

POTENTIAL CHANGE ORDER DESCRIPTION: *(The Contract Is Changed As Follows)*
CE #018 - Vac Truck Work for Sewer Line
Additional Time and Material for PCCO #5.
Includes Credit for sewer valve that was not used.

ATTACHMENTS:
additional work for CO 6 Change Order.doc

#	Budget Code	Description	Amount
1	02-200.O Site Construction.Other	Vac Truck Work for Sewer PCCO #5	$1,338.00
2		P&P Bond	$14.00
3		CM Fee	$101.00
		Grand Total:	**$1,453.00**

Vanessa Swasey (Appledore Marine Engineering)
600 State Street, Suite E
Portsmouth, New Hampshire 03801

SIGNATURE DATE

Pease Development Authority
555 Market Street
Portsmouth, New Hampshire 03801

SIGNATURE DATE

Bonnette, Page & Stone Corp.
51 Church Street
Laconia, New Hampshire 03246

SIGNATURE DATE

LUPOLI EXCAVATORS, L.L.C.

56 Lafayette Road North Hampton, NH 03862 -2405
Phone 603-964-1949 Fax 603-964-4740
E-Mail: lupolixcavators@aol.com

Change Order

CHANGE ORDER TO:	Jeff	DATE:	September 23, 2025
NAME:	Bonnette Page & Stone	PHONE: EMAIL:	
STREET:	Church Street	JOB NAME	Portsmouth Fish Pier
CITY:	Laconia	STREET:	Pierce Island
STATE:	New Hampshire	CITY:	Portsmouth

<u>Additional Time and Material For CO 6</u>

Additional Pump Truck & 1 ½ Hour Extra on Vac Truck		$750.00
3 ½ Hours Extra For Foreman & Labor		$788.00
	TOTAL	$1,538.00
Credit For Valve		-$200.00
	TOTAL	**$1,338.00**

Authorized Signature: *Nathan Lupoli*
LUPOLI EXCAVATORS, L.L.C.

ACCEPTANCE OF CHANGE ORDER

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as agreed.

ACCEPTED:

DATE:____________________

SIGNATURE:____________________

SIGNATURE:____________________

PEASE
INTERNATIONAL
DEVELOPMENT
AUTHORITY

55 International Drive, Portsmouth NH 03801

RIGHT TO KNOW UPDATE: Effective January 1, 2018, RSA 91-A, the Right to Know Law was modified to include that "If a member of the public body believes that any discussion in a meeting of the body, including in a nonpublic session, violates this chapter, the member may object to the discussion. If the public body continues the discussion despite the objection, the objecting member may request that his or her objection be recorded in the minutes and may then continue to participate in the discussion without being subject to the penalties of RSA 92-A:8, IV or V. Upon such request, the public body shall record the member's objection in its minutes of the meeting. If the objection is to a discussion in nonpublic session, the objection shall also be recorded in the public minutes, but the notation in the public minutes shall include only the members name, a statement that he or she objected to the discussion in nonpublic session, and a reference to the provision of RSA 91-A:3, II, that was the basis for the discussion."

MOTION

Director Conard:

The Pease Development Authority Board of Directors will enter non-public session pursuant to NH RSA 91-A:3 for the purpose of discussing:

1. Confidential IT Security Related Matters [NH RSA 91-A:3, II (j)]; and
2. Consideration of Legal Advice [NH RSA 91-A:3, II (l)].

NOTE: Roll Call vote required.

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PEASE
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55 International Drive, Portsmouth NH 03801

MOTION

Director Parker:

Resolved, pursuant to NH RSA 91-A:3, the Pease Development Authority Board of Directors hereby determines that the divulgence of information discussed and decisions reached in the non-public session of its October 21, 2025, meeting related to IT security related matters; and the consideration of legal advice from legal counsel are confidential matters which, if disclosed publicly, would render the proposed actions ineffective and further agrees that the minutes of said meeting be held confidential until, in the opinion of a majority of the Board of Directors, the aforesaid circumstances no longer apply.

NOTE: Roll Call Vote Required; this requires 5 affirmative votes.

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