

On **TUESDAY, FEBRUARY 2, 2021**, the **FINANCE COMMITTEE** of the Greater Orlando Aviation Authority met in the Carl T. Langford Board Room located in the main terminal building at the Orlando International Airport (MCO), One Jeff Fuqua Boulevard, Orlando, Florida. Chairman Good called the meeting to order at 1:16 p.m. The meeting was posted in accordance with Florida Statutes and a quorum was present.

Committee members present, M. Carson Good, Chairman  
Rafael E. Martinez, Vice Chairman  
Mayor Buddy Dyer, Board Member  
Mayor Jerry Demings, Treasurer (alternate)

Also present, Phillip N. Brown, Chief Executive Officer  
Kathleen Sharman, Chief Financial Officer  
Tianna Dumond, Director of Internal Audit  
Marie Dennis, Director of Finance  
Dianne Klaiss, Frasca & Associates, LLC  
Dan Gerber, Rumberger Kirk  
Doug Starcher, Nelson Mullins  
Daniel O'Keefe, MSL  
Larissa Bou, Recording Secretary

*For individuals who conduct lobbying activities with Aviation Authority employees or Board members, registration with the Aviation Authority is required each year prior to conducting any lobbying activities. A statement of expenditures incurred in connection with those lobbying instances should also be filed prior to April 1 of each year for the preceding year. Lobbying any Aviation Authority Staff who are members of any committee responsible for ranking Proposals, Letters of Interest, Statements of Qualifications or Bids and thereafter forwarding those recommendations to the Board and/or Board Members is prohibited from the time that a Request for Proposals, Request for Letters of Interests, Request for Qualifications or Request for Bids is released to the time that the Board makes an award. As adopted by the Board, lobbyists are now required to sign-in at the Aviation Authority offices prior to any meetings with Staff or Board members. In the event a lobbyist meets with or otherwise communicates with Staff or a Board member at a location other than the Aviation Authority offices, the lobbyist shall file a Notice of Lobbying (Form 4) detailing each instance of lobbying to the Aviation Authority within 7 calendar days of such lobbying. Lobbyists will also provide a notice to the Aviation Authority when meeting with the Mayor of the City of Orlando or the Mayor of Orange County at their offices. The policy, forms, and instructions are available in the Aviation Authority's offices and the web site. Please contact the Chief Administrative Officer with questions at (407) 825-7105.*

#### **MINUTES**

1. Upon motion by Mayor Dyer, second by Vice Chair Martinez, motion passed to accept the November 11, 2020, Finance Committee minutes, as written.

#### **PRESENTATION – FY 2020 AUDIT RESULTS**

2. Mr. Brown indicated that this item does not require action from the Finance Committee. He introduced Mr. O'Keefe who presented the audit results for Fiscal Year ending in September 30, 2020.

First, Mr. O'Keefe thanked Ms. Sharman and Ms. Dennis for their work and collaboration with the audit. He indicated that due to the COVID-19 pandemic, most of the audit was done remotely. The Aviation Authority demonstrated to have great controls in place to ensure that the necessary information was provided for the audit in a timely manner.

Following, Mr. O'Keefe indicated that the Board was provided various reports, some of them being the *Report on the Financial Statements and Comprehensive Financial Annual Report (CAFR)*, which are presented in accordance with General Accepted Accounting Principles (GAAP). The audit was conducted using auditing principles set forth by the American Institute of CPAs.

Proceeding with his presentation, Mr. O'Keefe referred to the *Report on Compliance for Each Major Federal Program, Major State Project, and the Passenger Facility Charge Program*. This is a required regulatory report. The audit demonstrated that there were no compliance issues or internal control issues related to those programs.

He moved on to discuss the *Report on Internal Control over Compliance* and stated there were no material weaknesses, no significant deficiencies, and no areas that require disclosure related to compliance findings.

Mr. O'Keefe indicated that there is also a Management Letter included with the report that is required by the rules of the Auditor General, which calls for specific items to be discussed, such as a Financial Condition Assessment. The letter states that there were no findings of substance and it reiterates the requirements that need to be followed related to Florida Statutes.

**PRESENTATION – FY 2020 AUDIT RESULTS (con't)**

Lastly, Mr. O'Keefe indicated that there is a report addressed to the Board called *Required Communication for those in Charge of Governance*, which guides the Board through the audit process. He confirmed that the audit did not reveal any significant uncorrected differences or corrections that need to be made to the financial statements.

Mr. Brown stated, for the record, that this is the first year, since he has been part of the Aviation Authority that we had an operating loss. He indicated that there was an operating loss of \$40.5 million since September 30, 2020. A large portion of the loss was due to depreciation, which is not a cash-out flow, but an operating expense. He communicated that we are substantially down in our operating income. Operating income, before depreciation, was positive, but it was significantly lower. Mr. Brown stated that even though the Aviation Authority has done a good job with its finances, there are still challenges (from a financial standpoint) that we will have to face through the rest of this year. He noted that last year we had five and half strong months of operations, which we do not have this year. Therefore, we will focus on managing the budget closely until we start to recover traffic. Most importantly, the Aviation Authority needs to be involved with the community at large to help get COVID-19 under control, because this is the foundation to be able to recover.

Mr. Brown further communicated that we have an unrestricted fund balance of \$348 million and the days' cash right now are 365. However, cost per enplaned passenger has increased from \$5.70 to \$9.9, which will impact our operations and stakeholders. At the present time, we have a remaining net of expenses and revenue of \$96 million, compared to \$178 million we had the prior year. This means that there will be some shared revenue with the airlines, but not to the level anticipated. Furthermore, there was a 41% decrease in enplaned passengers from 2019 to 2020. Mr. Brown indicated that the reason why he is providing this information is to make everyone aware that we need to be realistic with the challenges we will be facing moving forward.

Chairman Good stated that this has been an amazingly challenging time especially for the last half of the fiscal year. He stated that both Mr. Brown and staff deserve huge gratitude for all the work and hours put in and achieving such lean and healthy financials. He acknowledged that this will be a challenge for the next few months.

Chairman Good thanked Mr. O'Keefe for the presentation.

**CONSENT AGENDA**

3. Mr. Brown requested that Consent Agenda Items B and C be deferred to be considered at the next Finance Committee meeting scheduled for February 17, 2021.

Mr. Brown made a point to mention that Consent Agenda Item A was prepared by Ms. Tianna Dumond, Director of Internal Audit. The audit report shows that, even with limited staff and by working with all other departments, Ms. Dumond was able to recover \$8 million through the audit process over the last year. She was also key through the Auditor General's audit and was responsible for putting together all responses for said audit.

Upon motion by Mayor Dyer, second by Vice Chair Martinez, motion passed unanimously by roll call vote to approve the following:

- A. accept to approve the 2020-2021 Annual Audit Plan;
- B. deferred; and
- C. deferred.

**INFORMATION ITEM**

4. Mr. Brown indicated that the following items were provided for information only:

- A. Annual Report for the Fiscal Year Ended September 30, 2020
- B. Internal Audit Reports
- C. Aviation Authority's Comprehensive Annual Financial Report (Draft Copy) for the Year Ended September 30, 2020

**ADJOURNMENT**

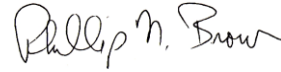
5. There being no further business to be considered, Chairman Good adjourned the meeting at 1:29 p.m.

*(Digitally signed on February 18, 2021)*



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Larissa Bou  
Recording Secretary



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Phillip N. Brown  
Chief Executive Officer