



**GREATER ORLANDO
AVIATION AUTHORITY**

Orlando, Florida

**UNAUDITED
FINANCIAL STATEMENTS**

For the Nine Months Ended

June 30, 2022 and 2021

GOAA Finance

GREATER ORLANDO AVIATION AUTHORITY

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Authority Board
Orlando International Airport
(a Department of the Greater Orlando
Aviation Authority)
Orlando, Florida

We have reviewed the accompanying interim financial statements of Orlando International Airport (a department of the Greater Orlando Aviation Authority), which comprise the statements of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position, cash flows, and the related notes to the financial statements for each of the nine-month periods ended June 30, 2022 and 2021. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Greater Orlando Aviation Authority (the "Authority"). A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

As discussed in Note 1 of the notes to the interim financial statements, the interim financial statements of Orlando International Airport are intended to present the financial position and the changes in financial position, and cash flows of only that portion of the activities of the Authority that is attributable to the transactions of Orlando International Airport. They do not purport to, and do not, present fairly the financial position of the Authority as of June 30, 2022, and the changes in its financial position and its cash flows for the nine-month periods ended June 30, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

Authority Board
Orlando International Airport
(a Department of the Greater Orlando
Aviation Authority)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the Management Discussion & Analysis, Pension schedules, and Other Postemployment Benefit schedules that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Prior Period Statements of Net Position

The statement of net position of Orlando International Airport as of September 30, 2021, was audited by us, and we expressed an unmodified opinion on that statement in relation to the financial statements of the Authority as a whole in our report dated February 18, 2022, but we have not performed any auditing procedures since that date.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
August 12, 2022

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF NET POSITION - UNAUDITED
(in thousands)**

	June 30, 2022	September 30, 2021
ASSETS AND DEFERRALS		
Current Assets		
Cash and cash equivalents	\$ 410,501	\$ 338,932
Restricted cash and cash equivalents	211,102	319,562
Accounts and grants receivable, less allowance for uncollectibles of \$544 and \$541, respectively	31,861	28,816
Interest receivable	708	415
Due from other governmental agencies	10,925	8,164
Prepaid expenses and inventory	12,819	8,573
Total current assets	677,916	704,462
Noncurrent Assets		
Restricted assets		
Cash and cash equivalents	606,319	786,473
Accounts and grants receivable	16,748	13,381
Investments	250,385	237,118
Interest receivable	1,217	514
Due from other governmental agencies	34,528	16,590
Prepaid expenses	28,614	13,887
Total restricted assets	937,811	1,067,963
Unrestricted assets		
Investments	121,872	129,594
Employee postemployment benefits assets	4,625	4,625
Total unrestricted assets	126,497	134,219
Capital assets, net of accumulated depreciation		
Property and equipment	2,017,837	2,123,792
Property held for lease	174,964	188,986
Work in progress	2,894,601	2,629,154
Total capital assets, net of accumulated depreciation	5,087,402	4,941,932
Total noncurrent assets	6,151,710	6,144,114
Total assets	6,829,626	6,848,576
Deferred outflows of resources	13,648	14,989

(continued)

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF NET POSITION - UNAUDITED
(in thousands)**

	<u>June 30, 2022</u>	<u>September 30, 2021</u>
LIABILITIES, DEFERRALS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued liabilities	\$ 35,082	\$ 30,769
Unearned revenue	10,581	13,115
Deposits	11,241	8,815
Advance rent from tenants	9,434	14,961
Due to Orlando Executive Airport	629	669
Due to other governmental agencies	3,711	3,583
Accrued airline revenue sharing	39,977	89,589
Payable from restricted assets		
Accrued interest	31,996	64,889
Accounts payable and accrued liabilities	100,131	162,000
Revenue bonds payable, current	78,975	92,673
Total current liabilities	<u>321,757</u>	<u>481,063</u>
Noncurrent Liabilities		
Revenue bonds payable, long-term	3,101,771	3,041,427
FDOT indebtedness, long-term	50,241	50,241
Line of credit, long-term	43,292	251,238
Net pension liability	5,310	5,310
Other long-term liabilities	1,972	1,993
Total noncurrent liabilities	<u>3,202,586</u>	<u>3,350,209</u>
Total liabilities	<u>3,524,343</u>	<u>3,831,272</u>
Deferred inflows of resources	<u>25,524</u>	<u>25,524</u>
Net Position		
Net investment in capital assets	2,137,301	1,913,491
Restricted for		
Debt service	101,382	115,343
Capital acquisitions and construction	527,646	578,102
Total restricted	<u>629,028</u>	<u>693,445</u>
Unrestricted	527,078	399,833
Total net position	<u>\$ 3,293,407</u>	<u>\$ 3,006,769</u>

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Operating Revenues		
Airfield area	\$ 38,274	\$ 60,505
Terminal area	212,545	140,540
Ground transportation	171,908	99,763
Other buildings and grounds	27,061	16,250
Hotel	35,432	15,471
Rail station	3,173	3,014
Total operating revenues	488,393	335,543
Operating Expenses		
Operations and facilities	111,915	97,628
Safety and security	35,630	32,942
Administration	50,751	47,552
Hotel	23,238	13,618
Other	1,674	1,626
Total operating expenses	223,208	193,366
Operating income before depreciation	265,185	142,177
Depreciation	(127,429)	(137,840)
Operating income	137,756	4,337
Nonoperating Revenues (Expenses)		
Investment income	4,967	4,160
Net (decrease) increase in the fair value of investments	(13,857)	(6,747)
Interest expense and other financing charges	(89,853)	(16,220)
Participating airlines net revenue sharing	(39,977)	-
Passenger facility charges	73,609	55,981
Customer facility charges	28,604	18,792
Federal, state and other grants	152,020	18,188
Other	198	8,615
Total nonoperating revenues (expenses)	115,711	82,769
Income before capital contributions	253,467	87,106
Capital Contributions	33,171	16,786
Increase in net position	286,638	103,892
Total Net Position, Beginning of Period	3,006,769	2,784,656
Total Net Position, End of Period	\$ 3,293,407	\$ 2,888,548

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Cash flows from operating activities		
Cash received from customers, tenants, and governmental agencies	\$ 477,098	\$ 333,617
Cash paid to suppliers and governmental agencies	(164,749)	(133,658)
Cash paid to employees for services	(58,014)	(56,851)
Cash paid to airlines	(89,589)	(24,314)
Other income	148	2,960
Net cash provided by operating activities	164,894	121,754
Cash flows from noncapital financing activities		
Operating grants	151,974	18,134
Net cash provided by noncapital financing activities	151,974	18,134
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	320,389	-
Proceeds from line of credit	121,532	85,324
Passenger facility charges - capital	71,146	45,902
Customer facility charges	27,740	17,175
Bond issuance costs	30,736	-
Principal payments - bonds and line of credit	(579,161)	(126,392)
Interest and other financing charges paid	(177,074)	(136,523)
Proceeds from sale of assets	97	5,712
Acquisition and construction of capital assets	(349,080)	(534,266)
Capital contributed by federal grants and state agencies	19,349	64,002
Net cash (used for) capital and related financing activities	(514,326)	(579,066)
Cash flows from investing activities		
Purchase of investments	(154,978)	(249,383)
Proceeds from sale and maturity of investments	135,576	754,723
Interest received	(185)	8,727
Net cash (used for) provided by investing activities	(19,587)	514,067
Net increase (decrease) in cash and cash equivalents	(217,045)	74,889
Cash and Cash Equivalents, Beginning of Period	1,444,967	1,111,456
Cash and Cash Equivalents, End of Period (1)	\$ 1,227,922	\$ 1,186,345
(1) Cash and Cash Equivalents – Unrestricted Assets	\$ 410,501	\$ 239,352
Cash and Cash Equivalents – Restricted Assets - Current	211,102	275,566
Cash and Cash Equivalents – Restricted Assets - Noncurrent	606,319	671,427
	\$ 1,227,922	\$ 1,186,345

(continued)

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 137,756	\$ 4,337
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	127,429	137,840
Participating airlines net revenue sharing	(39,977)	-
Other income	148	2,960
Decrease (Increase) in operating assets		
Accounts and grants receivable	(3,045)	2,583
Due from other governmental agencies	(2,761)	(251)
Prepaid expenses	(4,246)	(1,667)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued liabilities	4,715	2,527
Due to other governmental agencies	128	2,335
Accrued airline revenue sharing	(49,612)	(24,314)
Unearned revenue	(2,534)	(4,248)
Deposits	2,426	(4,140)
Advance rent from tenants	(5,527)	3,731
Due from other funds	15	35
Other liabilities	(21)	26
Total adjustments	27,138	117,417
Net cash provided by operating activities	\$ 164,894	\$ 121,754

Noncash Investing, Capital and Financing Activities

(Decrease) Increase in fair value of investments	\$ (13,857)	\$ (6,747)
Capital contributions from other governments	\$ 13,822	\$ (47,216)
Capitalized interest	\$ 868	\$ (3,046)
Amortization of bond premiums/discounts	\$ 24,060	\$ 4,782
Amortization of bond refunding losses	\$ (1,341)	\$ (875)

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose: The Orlando International Airport (MCO) functions as a self-supporting department operated by the Greater Orlando Aviation Authority (the Authority) and uses the accrual method of accounting. The Authority also operates Orlando Executive Airport (ORL). The department financial statements of ORL are presented separately.

Basis of Presentation and Accounting: The accompanying unaudited department financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included. Prior period amounts have been reclassified to conform to the current period presentations. Operating results for the nine-month period ended June 30, 2022, are not necessarily indicative of the results that may be expected for the year ending September 30, 2022. For further information, refer to the Authority's financial statements and footnotes thereto included in the Annual Comprehensive Financial Report for the year ended September 30, 2021.

2. CASH DEPOSITS AND INVESTMENTS

The Authority's cash and cash equivalents balances include amounts deposited with commercial banks in interest-bearing and non-interest-bearing demand deposit accounts, as well as the Florida State Board of Administration's (the SBA) Local Government Surplus Investment Pool, referred to as the Florida Prime (the "Florida Prime"). The commercial bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida (the Act).

The Act establishes guidelines for qualification and participation by banks and savings associations, procedures for the administration of the collateral requirements and characteristics of eligible collateral. Under the Act, the Authority's deposits in qualified public depositories are considered totally insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Act. Obligations pledged to secure deposits must be delivered to the State of Florida's Chief Financial Officer (State's CFO) or, with the approval of the State's CFO, to a bank, savings association, or trust company, provided a power of attorney is delivered to the State's CFO.

In accordance with generally accepted accounting principles, the Authority adjusts the carrying value of investments to fair value to be presented as a component of investment income. The fair value of investments is based on available market values. The Florida Prime operated by the SBA is a "2a-7 like" pool and is also presented in accordance with generally accepted accounting principles; therefore, it is not presented at fair value, but at its actual pooled share price which approximates fair value.

At June 30, 2022, and September 30, 2021, the fair value of all securities, regardless of the statement of net position-unaudited, classification was as follows (in thousands):

	June 30, 2022	September 30, 2021
U.S. Treasury and government agency securities	\$ 363,939	\$ 347,866
Asset backed securities	877	1,312
Corporate securities	7,441	17,535
Local government investment pool	5,984	5,971
Investment in money market funds	763,945	1,109,943
Total securities	<u>\$ 1,142,186</u>	<u>\$ 1,482,627</u>

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022**

2. CASH DEPOSITS AND INVESTMENTS (continued)

These securities are classified on the statements of net position - unaudited as follows (in thousands):

	June 30, 2022	September 30, 2021
Current Assets		
Cash and cash equivalents	\$ 410,501	\$ 338,932
Restricted cash and cash equivalents	211,102	319,562
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	606,319	786,473
Investments	250,385	237,118
Unrestricted assets:		
Investments	121,872	129,594
Total cash, cash equivalents and investments	1,600,179	1,811,679
Less cash on deposit	(457,993)	(329,052)
Total securities, at fair value	\$ 1,142,186	\$ 1,482,627

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of June 30, 2022, the Authority held the following investments, as categorized below, in accordance with generally accepted accounting principles (in thousands):

Investment Maturities (in thousands) at June 30, 2022

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total	Level
U.S. Treasury and government agency securities	\$ 121,828	\$242,111	\$ -	\$ -	\$ 363,939	1
Asset backed securities	-	208	619	50	877	1
Corporate securities	4,309	3,132	-	-	7,441	1
Local government investment pool	5,984	-	-	-	5,984	N/A
Money market funds	763,945	-	-	-	763,945	N/A
	\$ 896,066	\$245,451	\$ 619	\$ 50	\$1,142,186	

As of June 30, 2022, the Authority had \$0.7 million of MCO funds invested in the Florida Prime and \$5.3 million invested in the Fixed Income Trust. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the SBA.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority generally holds investments to maturity, except for those portions of the portfolio that are actively managed by the Authority's Investment Advisor. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they become due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Investments under the Bond Resolution shall mature no later than needed, except for 1) investments in the Debt Service Reserve Account, which shall mature not later than fifteen years (unless such investment is redeemable at the option of the holder, in which event the maturity shall not exceed the final maturity date of the bonds secured by such investment), 2) investments in the Operation and Maintenance Fund and Operation and Maintenance Reserve Account shall mature within twelve months, and 3) investments in the Capital Expenditure Fund, the Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund shall mature within five years. Investments under the Amended and Restated Master Subordinated Indenture of Trust shall mature

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022**

2. CASH DEPOSITS AND INVESTMENTS (continued)

no later than needed, except for investments in the Reserve Fund, which shall mature not later than fifteen years from the date of such investment. The Authority portfolio holds a limited number of callable securities. The schedules above present the maturity date of the securities. According to the latest information available from the SBA, the dollar weighted average days to maturity (“WAM”) of the Florida Prime at June 30, 2022, is 28 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Florida Prime at June 30, 2022, is 71 days. According to the Florida Fixed Income Trust, the dollar weighted average days to maturity (“WAM”) of the Fixed Income Trust at June 30, 2022, is 33 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM. The weighted average life of of the Fixed Income Trust at June 30, 2022, is 74 days.

Credit Risk: The Authority’s general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. Authority policy limits the purchase of certain investments to specific rating requirements. Investment in commercial paper is limited to ratings of A-1, P-1, or F1 for short-term investments by two of the three rating agencies: S&P, Moody’s and Fitch (without regard to gradation). Investment in dollar denominated Corporate securities is limited to companies in the United States which are rated “A” or better by two of the three rating agencies (without regard to gradation). Investments held in obligations of U.S. government agencies were rated AAA by Fitch, Aaa by Moody’s and AA+ by S&P. Investments held in the portfolio as of June 30, 2022, were rated consistent with the Authority’s investment policy and bond resolutions. Funds invested in money market funds and the Florida Prime are rated AAAM by S&P. Funds invested with the Fixed Income Trust are rated AAAf by S&P.

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Authority’s investments are either held in the name of the Authority or held in trust under the Authority’s name.

Concentration of Credit Risk: Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. The Authority mitigates its concentration of credit risk by diversifying its investment portfolio. At June 30, 2022, and September 30, 2021, the Authority did not hold investments exceeding 5 percent of the total investment portfolio (including cash and cash equivalents), except those expressly permitted pursuant to GASB statement No. 40. The investment policy limits the maximum investment in any one issuer of commercial paper to \$5.0 million dollars.

Foreign Currency Risk Disclosure: The Authority invests only in securities that are denominated in U.S. dollars. According to the latest information available from the SBA, the Florida Prime was not exposed to any foreign currency risk during the period October 1, 2014 through June 30, 2022.

Valuation of Investments: The Authority utilizes the market approach to mark-to-market the fair value of its investment holdings.

GASB 72 established a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022

2. CASH DEPOSITS AND INVESTMENTS (continued)

GASB 72 generally requires investments to be measured at fair value. Investments not measured at fair value continue to include, for example, money market investments and “2a-7 like” external investment pools, such as the Florida Prime. GASB 72 requires disclosures be made about fair value measurements, the level of fair value hierarchy, and the valuation techniques. The Authority utilizes a third-party pricing service to mark-to-market holdings of U.S. Treasury securities, corporate securities, and government-sponsored enterprise securities, such as Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Association. The Authority derives pricing for commercial paper holdings directly from the custody statements for each account that has commercial paper holdings. Regarding fair value hierarchy disclosure, GASB 72 characterizes Level 1 inputs as quoted prices in active markets for identical assets or liabilities, therefore, the Authority has denoted Level 1 for each of the various holdings, except for money market and Florida Prime investments. Per the SBA, the Florida Prime meets all of the necessary criteria to elect to measure all of the investments in Florida Prime at amortized cost. Therefore, the Authority’s participant account balance is considered the fair value of its investment and is considered exempt from the GASB 72 fair value hierarchy disclosures.

GASB 79 states that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool’s Authority to impose liquidity fees or redemption gates).

According to the SBA, with regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that “The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case, may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409(4) provides Authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of June 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022**

3. RESTRICTED ASSETS

The amended and restated Master Subordinated Indenture of Trust authorizing the issuance of the revenue bonds for MCO require segregation of certain assets into restricted accounts. The composition of restricted accounts is as follows (in thousands):

Restricted Assets (in thousands)		
	June 30, 2022	September 30, 2021
Debt Service	\$ 281,777	\$ 336,848
Capital Acquisition	307,710	344,104
Bond Construction	224,996	356,320
Passenger Facility Charges	168,325	183,622
Customer Facility Charges	103,944	107,873
Operating Reserve	62,161	58,758
Total Restricted Assets	\$ 1,148,913	\$ 1,387,525

Reported in the accompanying financial statements as follows:

	June 30, 2022	September 30, 2021
Restricted Cash and Cash Equivalents - Current	\$ 211,102	\$ 319,562
Total Restricted Assets – Non Current	937,811	1,067,963
Total Restricted Assets	\$ 1,148,913	\$ 1,387,525

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GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022

4. CAPITAL ASSETS

A summary of capital asset activity for the nine months ended June 30, 2022, is as follows (in thousands):

	Balance October 1, 2021	Additions and Reclas- sifications	Deductions	Balance June 30, 2022
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 253,742	\$ -	\$ -	\$ 253,742
Assets Held for Future Use	89,698	-	-	89,698
	<u>343,440</u>	<u>-</u>	<u>-</u>	<u>343,440</u>
Other Property and Equipment				
Buildings	1,118,094	921	-	1,119,015
Improvements	2,267,538	3,443	-	2,270,981
Equipment	452,045	2,973	(951)	454,067
Motor vehicles	107,109	79	(9)	107,179
	<u>3,944,786</u>	<u>7,416</u>	<u>(960)</u>	<u>3,951,242</u>
Accumulated Depreciation				
Buildings	(327,761)	(30,437)	-	(358,198)
Improvements	(1,516,386)	(55,258)	-	(1,571,644)
Equipment	(277,027)	(22,674)	950	(298,751)
Motor vehicles	(43,260)	(5,001)	9	(48,252)
	<u>(2,164,434)</u>	<u>(113,370)</u>	<u>959</u>	<u>(2,276,845)</u>
Net Property and Equipment	<u>2,123,792</u>	<u>(105,954)</u>	<u>(1)</u>	<u>2,017,837</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	4,473	-	-	4,473
	<u>4,473</u>	<u>-</u>	<u>-</u>	<u>4,473</u>
Other Property and Equipment				
Buildings	904,235	29	-	904,264
Improvements	81,312	-	-	81,312
Equipment	9,715	8	-	9,723
	<u>995,262</u>	<u>37</u>	<u>-</u>	<u>995,299</u>
Accumulated Depreciation				
Buildings	(724,361)	(13,078)	-	(737,439)
Improvements	(77,047)	(950)	-	(77,997)
Equipment	(9,341)	(31)	-	(9,372)
	<u>(810,749)</u>	<u>(14,059)</u>	<u>-</u>	<u>(824,808)</u>
Net Property and Equip - Held for Lease	<u>188,986</u>	<u>(14,022)</u>	<u>-</u>	<u>174,964</u>
Construction Work in Progress				
Capital Assets Not Depreciated	2,629,154	269,119	(3,672)	2,894,601
	<u>2,629,154</u>	<u>269,119</u>	<u>(3,672)</u>	<u>2,894,601</u>
Net Capital Assets	<u>\$ 4,941,932</u>	<u>\$ 149,143</u>	<u>\$ (3,673)</u>	<u>\$ 5,087,402</u>

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5. LEASE AND CONCESSION AGREEMENTS

The Authority's operations consist of agreements for the use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements consist of (a) one year, cancelable space and use permits, and (b) non-cancelable agreements for land, buildings, terminal space and concessions, which expire between the years 2022 and 2067. Minimum future revenues do not include contingent revenues, which may be received under agreement for the use of land and buildings based on revenue or fuel flow fees earned.

The Authority has a 50-year lease with Brightline Trains Florida, LLC, formerly known as Virgin Trains USA Florida, LLC, which expires in 2067. The terms of this lease extend beyond the current Operation and Use Agreement with the City of Orlando, expiring in 2065, whereby responsibility for operating the Airport would revert to the City. Upon termination of the Operation and Use Agreement with the City and the Authority, the City shall be deemed to be the lessor and bound by all provisions of the lease.

In March 2021, the Authority Board approved supplemental relief in the amount of \$19.2 million for certain In-Terminal Concessions (ITC). The resolution authorized the waiver of 75% of the minimum annual guarantee for June 2021 to September 2021. ITC with 75% or more of their revenue from international passengers may be eligible for a waiver of 87.5% instead of 75%. The resolution also provided a deferral of the April and May 2021 minimum annual guarantee until September 2021, which is convertible to a waiver upon timely payment of the minimum annual guarantees through October 1 and November 1, 2021. In addition, in October 2021, the Authority Board extended the relief to certain ITCs from October 1, 2021 to January 31, 2022. As of the date of this report, it is undetermined whether or not the Authority Board will provide additional supplemental relief.

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6. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the nine months ended June 30, 2022, is as follows (in thousands):

	Balance October 1, 2021	Additions	Deductions	Balance June 30, 2022	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds Public Offerings						
Senior Lien Bonds						
Series 2009C (NON-AMT)	\$ 5,080	\$ -	\$ (5,080)	\$ -	\$ -	\$ -
Series 2010A (NON-AMT)	51,325	-	(2,495)	48,830	1,535	47,295
Series 2011B (AMT)	12,675	-	(12,675)	-	-	-
Series 2011C (NON-AMT)	27,765	-	(27,765)	-	-	-
Series 2011D (Taxable)	3,405	-	(3,405)	-	-	-
Series 2012A (AMT)	37,065	-	(37,065)	-	-	-
Series 2015A (AMT)	185,430	-	(4,285)	181,145	3,670	177,475
Series 2016A (AMT)	63,750	-	(1,620)	62,130	670	61,460
Series 2016B (NON-AMT)	95,060	-	(1,930)	93,130	2,025	91,105
Series 2016C (Taxable)	68,745	-	(660)	68,085	675	67,410
Series 2019A (AMT)	1,125,455	-	(10,470)	1,114,985	28,430	1,086,555
Series 2022A (AMT)	-	183,100	-	183,100	-	183,100
Series 2022B (Taxable)	-	64,050	-	64,050	-	64,050
Series 2022C (AMT)	-	8,665	-	8,665	-	8,665
Series 2022D (NON-AMT)	-	19,735	-	19,735	-	19,735
Series 2022E (Taxable)	-	11,490	-	11,490	-	11,490
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	43,720	-	(5,370)	38,350	5,640	32,710
Series 2017A Priority Subordinated (AMT)	923,830	-	(79,255)	844,575	-	844,575
Total Bonds from Public Offerings	<u>2,643,305</u>	<u>287,040</u>	<u>(192,075)</u>	<u>2,738,270</u>	<u>42,645</u>	<u>2,695,625</u>
Direct Placement						
Senior Lien Bonds						
Series 2013A (AMT)	29,530	-	(29,530)	-	-	-
Series 2016D (Taxable)	27,323	-	(8,050)	19,273	15,598	3,675
Total Bonds from Direct Placement	<u>56,853</u>	<u>-</u>	<u>(37,580)</u>	<u>19,273</u>	<u>15,598</u>	<u>3,675</u>
Total Revenue Bonds	2,700,158	287,040	(229,655)	2,757,543	58,243	2,699,300
Add unamortized premiums/(discounts)	302,718	33,349	(24,059)	312,008	-	312,008
Net Revenue Bonds	<u>3,002,876</u>	<u>320,389</u>	<u>(253,714)</u>	<u>3,069,551</u>	<u>58,243</u>	<u>3,011,308</u>
Special Purpose Facilities Bonds						
Series 2018CFC (Taxable)(Direct Placement)	131,224	-	(20,029)	111,195	20,732	90,463
Total Outstanding Bonds	<u>3,134,100</u>	<u>320,389</u>	<u>(273,743)</u>	<u>3,180,746</u>	<u>78,975</u>	<u>3,101,771</u>
FDOT Indebtedness (Direct Borrowing)	50,241	-	-	50,241	-	50,241
Lines of Credit (Direct Borrowing)	251,238	121,532	(329,478)	43,292	-	43,292
Net Pension Liability	5,310	-	-	5,310	-	5,310
Advanced Rent from Tenants (1)	14,961	92,168	(97,695)	9,434	9,434	-
Other Liabilities						
Compensated Absences (1)	5,324	1,125	(698)	5,751	5,052	699
Pollution Remediation Liability (1)	2,051	377	(426)	2,002	729	1,273
Total Other Liabilities	<u>7,375</u>	<u>1,502</u>	<u>(1,124)</u>	<u>7,753</u>	<u>5,781</u>	<u>1,972</u>
Total Noncurrent Liabilities	<u>\$ 3,463,225</u>	<u>\$ 535,591</u>	<u>\$ (702,040)</u>	<u>\$ 3,296,776</u>	<u>\$ 94,190</u>	<u>\$ 3,202,586</u>

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6. NONCURRENT LIABILITIES (continued)

- (1) Advance rent from tenants due within one year is included with current advanced rents from tenants on the statement of net position; compensated absences and pollution remediation liabilities due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

Principal and Interest Requirements to Maturity:

A schedule of debt maturities is as follows (in thousands):

PUBLIC OFFERINGS

Revenue Bonds	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 42,645	\$ 106,210	\$ 148,855
	2024	62,490	122,123	184,613
	2025	64,330	119,102	183,432
	2026	67,290	115,952	183,242
	2027	69,345	112,661	182,006
	2028-2032	334,185	516,365	850,550
	2033-2037	404,495	431,287	835,782
	2038-2042	485,005	326,146	811,151
	2043-2047	561,135	204,004	765,139
	2048-2052	516,995	77,373	594,368
	2053-2055	130,355	4,918	135,273
Total Revenue Bonds		<u>\$ 2,738,270</u>	<u>\$ 2,136,141</u>	<u>\$ 4,874,411</u>
Add unamortized premiums and (discounts)		312,008		
Net Revenue Bonds – Public Offerings		<u>\$ 3,050,278</u>		

DIRECT PLACEMENT

Revenue and Special Bonds	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 36,330	\$ 3,950	\$ 40,280
	2024	25,134	3,005	28,139
	2025	22,213	2,210	24,423
	2026	22,992	1,430	24,422
	2027	23,799	523	24,322
Total Revenue and Special Bonds		<u>\$ 130,468</u>	<u>\$ 11,118</u>	<u>\$ 141,586</u>
Add unamortized premiums and discounts		-		
Net Revenue and Special Bonds – Direct Placement		<u>\$ 130,468</u>		
Total Outstanding Bonds		2,868,738	<u>\$ 2,147,259</u>	<u>\$ 5,015,997</u>
Add unamortized premiums and (discounts)		312,008		
Total Net Outstanding Bonds		<u>\$ 3,180,746</u>		

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6. NONCURRENT LIABILITIES (continued)

DIRECT BORROWING

FDOT Indebtedness	2022*	\$	-
	2023*		2,510
	2024		2,565
	2025		2,622
	2026		2,679
	2027-2040		39,865
Total FDOT Indebtedness			<u>\$ 50,241</u>
Lines of Credit	2022**	\$	-
	2023		43,292
Total Lines of Credit			<u>\$ 43,292</u>

* The FDOT Indebtedness payments originally due in fiscal years 2021 and 2022 have been deferred as a result of an amendment to the joint participation agreement.

** The Lines of Credit due in fiscal year 2022 were excluded from current liabilities, as these can be repaid with other long-term credit lines. Additionally, it is the Authority’s intention to repay this debt with proceeds from a future Bond issue.

7. PLEDGED REVENUES

Airport Facilities Revenue Bonds (Senior Lien Bonds)

The Authority issues Airport Facilities Revenue Bonds under and pursuant to the Amended and Restated Airport Facilities Revenue Bond Resolution, authorizing Airport Facilities Revenue Bonds of the City of Orlando, Florida adopted by the governing board of the Authority, on September 16, 2015, having an effective date of May 1, 2017 (the “Bond Resolution”). As of June 30, 2022, the Authority has outstanding \$3.1 billion in Airport Facilities Revenue Bonds issued from 2010 to 2022, and payable through October 1, 2054. Proceeds from the Airport Facilities Revenue Bonds provided financing for various airport capital projects and refunding for previously issued debt.

The Airport Facilities Revenue Bonds are secured by a senior lien on and pledge of airport revenues, net of specified operating expenses, along with certain other revenues to the extent they are expressly pledged by the Authority (e.g. Available PFC Revenues). The Authority has agreed to maintain rates and charges each year to provide (i) Net Revenues plus any Transfers (each as defined in the Bond Resolution), equal to at least 1.25 times the sum of the aggregate debt service on all outstanding senior lien Airport Facilities Revenue Bonds each fiscal year, and (ii) Net Revenues plus any Transfers and Subordinated Pledged Revenues (as defined in the Bond Resolution), equal to at least 1.00 time on all debt outstanding under the Bond Resolution.

Events of default for bonds issued under the Bond Resolution include nonpayment events, bankruptcy events, and noncompliance with covenants. No assets have been pledged as collateral and no rights of acceleration exist under the Bond Resolution. In the event of default, the Authority shall, if demanded by the trustee, account for all Revenues, moneys, securities, and funds pledged by the Resolution, pay over to the Trustee all moneys, securities and Funds held in any Fund or account under the Resolution and, as received, all Revenues which the Trustee shall first apply to Operation and Maintenance expenses, including payment of reasonable charges of expenses of the Trustee and reasonable fees and disbursements to counsel, and then to payment of interest and principal and redemption price due on the Bonds in order of priority.

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7. PLEDGED REVENUES (continued)

Total principal and interest remaining on the Airport Facilities Revenue Bonds as of June 30, 2022, is \$4.9 billion with annual requirements ranging from \$184.4 million due in fiscal year 2023 to \$20.0 million in the final year, with the highest requirement of \$188.3 million in the fiscal year 2024. For the nine months, ended June 30, 2022, principal and interest requirements were \$150.6 million. The revenues pledged for the year were \$475.3 million. This represents \$424.4 million in Net Revenues as calculated per the Bond Resolution and \$50.9 million of Available PFC Revenues as a direct offset of PFC debt service as authorized under the Bond Resolution.

Priority Subordinated Indebtedness

The Bond Resolution authorizes the Authority to issue Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness. To date, the Authority has issued and has outstanding under the Amended and Restated Master Subordinated Indenture of Trust, dated as of July 1, 2016 (the “Master Subordinated Indenture”) both Priority Subordinated Indebtedness and Secondary Subordinated Indebtedness. As of June 30, 2022, the Authority’s outstanding Priority Subordinated Indebtedness is comprised of (i) the outstanding Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016 and 2017A and (ii) the FDOT Indebtedness. As of June 30, 2022, the Authority’s outstanding Secondary Subordinated Indebtedness is comprised of the Lines of Credit.

Priority Subordinated Indebtedness is secured by a lien on and pledge of Pledged Subordinated Revenues (as defined in the Master Subordinated Indenture) that is subordinate to the pledge of senior lien Airport Facilities Revenue Bonds, and senior to the lien of Secondary Subordinated Indebtedness. The Authority has agreed to maintain rates and charges each year to provide (i) Net Revenues plus any Transfers (each as defined in the Bond Resolution), equal to at least 1.10 times the sum of the aggregate debt service on all aggregate annual subordinated debt each fiscal year, under the Bond Resolution.

Events of default for bonds issued under the Master Subordinated Indenture include nonpayment events, bankruptcy events, and noncompliance with covenants. No assets have been pledged as collateral and no rights of acceleration exist under the Master Subordinated Indenture.

Special Purpose Facilities Bonds:

Customer Facility Charge Taxable Revenue Note

The Authority authorized the \$160,000,000 Taxable Revenue Note (CFC Ground Transportation Project) Series 2018, dated March 29, 2018 (the “Series 2018 Note”), of which a portion is due April 1 and October 1 of each year beginning in 2020 through 2027. The coupon interest rate is 3.48% due semi-annually on April 1 and October 1. The \$160.0 million proceeds were drawn over 18 months, by September 30, 2019. Total principal and interest remaining on the note as of June 30, 2022 is \$122.1 million. For the nine months ended June 30, 2022, interest requirements were \$3.1 million. As of June 30, 2022, the outstanding principal balance is \$111.2 million.

The repayment of the \$160.0 million in Taxable Revenue Note (CFC Ground Transportation Project) issued in 2018 is payable solely from customer facility charges revenue. Proceeds from the note provided financing for the purpose of paying or reimbursing the Authority for a portion of the costs and expenses of financing, designing, constructing, operating, relocating and maintaining the CFC Ground Transportation Project, funding all or a portion of the CFC Stabilization Fund Requirement, and certain costs of issuance. Any bonds issued pursuant to this indenture including the Series 2018 Note are not issued under, and are not subject to the Bond Resolution, and are not secured by the Revenues as defined by the Bond Resolution.

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7. PLEDGED REVENUES (continued)

In the event of default, the applicable default rate shall apply to the outstanding principal balance of the note and any additional bonds or refunding bonds for which a default rate is provided, until the event of default no longer exists. No assets have been pledged as collateral and no rights of acceleration exist for this issue.

8. FDOT INDEBTEDNESS

On November 5, 2014, the Authority entered into a Joint Participation Agreement (JPA), as amended, between the Authority and the Florida Department of Transportation (FDOT), under which FDOT, combined with other FDOT grants will provide total funding of approximately \$211.0 million, of which the Authority is required to reimburse FDOT for \$52.7 million of the funds provided by FDOT under the JPA, and the balance will be a grant. The proceeds of the loan will be used to pay for portions of the Intermodal Terminal Facility (ITF) that are related to the construction of the passenger rail terminal being developed as part of the ITF adjacent to the Automated People Mover system. Under the JPA, the Authority is obligated to repay the FDOT Loan with no interest commencing January 30, 2020 through 2039. On December 30, 2020, the Florida Department of Transportation (FDOT) executed an amendment agreeing to defer the principal payments due on the FDOT Loan for fiscal years 2021 and 2022 as a result of the effects of the COVID-19 pandemic. The final payment has now been extended to January 30, 2039, due to the two year deferral. As of June 30, 2022, and September 30, 2021, respectively, the Authority had an outstanding loan balance of \$50.2 million and \$50.2 million.

Based on the JPA, upon any event of default, FDOT may cause the Authority to remit to FDOT funds sufficient to enable the Authority to satisfy its obligations.

9. LINE OF CREDIT INDEBTEDNESS

On July 31, 2019, the Authority entered into a new revolving credit agreement with Wells Fargo Bank, National Association to provide the Authority with a \$50 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was three years, with an expiration date of July 29, 2022. As of June 30, 2022, and September 30, 2021, respectively, the Authority has drawn \$0 and \$35,556,000 on this line of credit. As of June 30, 2022, and September 30, 2021, respectively, the unused portion of this line of credit was \$50,000,000 and \$14,444,000.

On July 31, 2019, the Authority entered into a new revolving credit agreement with Bank of America N.A. to provide the Authority with a \$150 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFC, Authority funds and other permanent funding sources. The initial term of the line of credit was for three years, with an expiration date of July 29, 2022. As of June 30, 2022, and September 30, 2021, respectively, the Authority has drawn \$0 and \$96,290,000 on this line of credit. As of June 30, 2022, and September 30, 2021, respectively, the unused portion of this line of credit was \$150,000,000 and \$53,710,000.

On June 29, 2018, the Authority entered into a revolving credit agreement with Wells Fargo Bank, National Association to provide the Authority with a \$175 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. On April 23, 2021, the Authority amended the revolving credit agreement with Wells Fargo Bank, N.A. to provide the Authority with a \$225 million line of credit as of and after June 1, 2021. The term of the line of credit expires on December 1, 2022. As of June 30, 2022, and September 30, 2021, respectively, the Authority has drawn \$0 and \$55,290,000 on this line of credit. As of June 30, 2022, and September 30, 2021, respectively, the unused portion of this line of credit was \$225,000,000 and \$169,710,000.

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9. LINE OF CREDIT INDEBTEDNESS (continued)

In the event of default for the 2018 Wells Fargo Bank, N.A., the default rate shall be a fluctuating rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time plus four percent (4.0%), (ii) the Federal Funds Rate in effect at such time plus five percent (5.0%), and (iii) ten percent (10.0%).

On June 29, 2018, the Authority entered into a new revolving credit agreement with Bank of America, N.A., to provide the Authority with a \$75 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. On April 23, 2021, the Authority amended the revolving credit agreement with Bank of America, N.A. to provide the Authority with a \$125 million line of credit as of and after June 1, 2021. The term of the line of credit expires on December 20, 2022. As of June 30, 2022, and September 30, 2021, respectively, the Authority has drawn \$43,292,000 and \$64,102,000 on this line of credit. As of June 30, 2022, and September 30, 2021, respectively, the unused portion of this line of credit was \$81,708,000 and \$60,898,000.

In the event of default for the 2018 Bank of America, N.A., the line of credit shall be charged a rate per annum equal to three percent (3%) plus the greatest of (1) the U.S. prime rate of interest published in the "Money Rates" section of the Wall Street Journal for the last day of the calendar month immediately preceding the calendar month in which the Default occurred; (2) the SIFMA Index Rate plus the Tax-Exempt Applicable Spread; or (3) the Federal Funds Rate published by the U.S. Federal Reserve Bank for the last day of the calendar month immediately preceding the calendar month in which the Default occurred plus fifty (50) basis points (0.50%).

On November 6, 2015, the Authority entered into a revolving credit agreement with PNC Bank, N.A., to provide the Authority with a \$100 million line of credit. The line of credit is to be used as interim financing for capital projects in anticipation of the issuance of long-term bonds and/or receipt of grants, PFCs, CFCs, Authority funds and other permanent funding sources. The initial term of the line of credit was for one year. Effective October 25, 2019, the expiration date was extended to November 6, 2020. The Authority paid off the PNC Bank, N.A. line of credit on November 4, 2020. As of June 30, 2022, and September 30, 2021, respectively, the Authority had a \$0 outstanding balance.

In the event of a default for the 2019 Bank of America, N.A., and the 2019 Wells Fargo Bank, N.A., these lines of credit shall bear interest at a rate per annum equal to three percent (3%) plus the greatest of (1) the U.S. prime rate of interest published in the "Money Rates" section of the Wall Street Journal for the last day of the calendar month immediately preceding the calendar month in which the default occurred; (2) the LIBOR Daily Floating Rate plus one hundred (100) basis points (1.0%); or (3) the Federal Funds Rate published by the U.S. Federal Reserve Bank for the last day of the calendar month immediately preceding the calendar month in which the default occurred plus fifty (50) basis points (0.50%). Once such default is cured to the reasonable satisfaction of the bank, this line of credit shall bear interest at the rate otherwise payable. The default rate shall also apply from acceleration until the amounts payable hereunder or any judgment thereon is paid in full.

The default rate shall also apply from acceleration until the amounts payable under the credit agreement or any judgement thereon is paid in full.

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10. REFUNDING BOND ISSUANCES AND DEFERRED AMOUNTS

On February 22, 2022, the Authority issued \$8.7 million in Airport Facilities Refunding Revenue Bonds, Series 2022C (AMT) (the “Series 2022C Bonds”) with a true interest rate of 1.63%. From the \$8.7 million issuance, \$1.2 million premium and the \$0.2 million of Authority funds, \$10.0 million was deposited into the Bank of New York Mellon escrow account to refund the outstanding \$9.8 million of Airport Facilities Refunding Revenue Bonds, Series 2011B and pay associated interest of \$0.2 million. The remaining Series 2022C Bond proceeds of \$0.1 million were used to pay related issuance costs. The average life of the Series 2022 Bonds is 4.25 years.

On February 22, 2022, the Authority issued \$19.7 million in Airport Facilities Refunding Revenue Bonds, Series 2022D (NON-AMT) (the “Series 2022D Bonds”) with a true interest rate of 1.64%. From the \$19.7 million issuance, \$4.1 million premium and the \$0.5 million of Authority funds, \$24.1 million was deposited into the Bank of New York Mellon escrow account to refund the outstanding \$23.7 million of Airport Facilities Refunding Revenue Bonds, Series 2011C and pay associated interest of \$0.4 million. The remaining Series 2022D Bond proceeds of \$0.2 million were used to pay related issuance costs. The average life of the Series 2022D Bonds is 6.51 years.

On February 22, 2022, the Authority issued \$11.5 million in Airport Facilities Refunding Revenue Bonds, Series 2022E (TAXABLE) (the “Series 2022E Bonds”) with a true interest rate of 2.60%. From the \$11.5 million issuance and the \$0.2 million of Authority funds, \$11.6 million was deposited into the Bank of New York Mellon escrow account to refund the outstanding \$1.8 million of Airport Facilities Refunding Revenue Bonds, Series 2011D, \$9.4 million of Airport Facilities Refunding Revenue Bonds, Series 2012A and pay associated interest of \$0.5 million. The remaining Series 2022E Bond proceeds of \$0.1 million were used to pay related issuance costs. The average life of the Series 2022E Bonds is 6.33 years.

The Authority reported long term debt deferred loss from the following bonds (in thousands):

	June 30, 2022	September 30, 2021
Long Term Debt Deferred Loss (Gain):		
Series 2011B	\$ -	\$ 111
Series 2011C	-	669
Series 2011D	-	37
Series 2012A	-	91
Series 2016C	4,888	5,234
Series 2016D	52	140
Total Long Term Debt Net Deferred Loss	<u>\$ 4,940</u>	<u>\$ 6,282</u>

11. BOND ISSUANCES (OTHER THAN REFUNDING ISSUES)

On February 22, 2022, the Authority issued \$183.1 million in Airport Facilities Revenue Bonds, Series 2022A (AMT) (the “Series 2022A Bonds”) with a true interest cost of 3.27%. The Series 2022A Bonds were issued for the purpose of providing funds to finance a portion of the 2022 Project (consisting of improvements to the Airport System, including the acquisition, design, construction, and equipping of the new South Terminal Complex and certain capital projects in the North Terminal Complex and other airport facilities and associated infrastructure), refinance certain draws made on certain existing lines of credit used to finance a portion of the 2022 Project and associated interest, fund a deposit to the composite reserve subaccount, and pay certain costs of issuance. The average life of the Series 2022A Bonds is 19.74 years.

On February 22, 2022, the Authority issued \$64.1 million in Airport Facilities Revenue Bonds, Series 2022B (Taxable) (the “Series 2022B Bonds”) with a true interest cost of 3.26%. The Series 2022B Bonds were issued for the purpose of providing funds to finance a portion of the 2022 Project (consisting of improvements to the Airport System, including the acquisition, design, construction, and equipping of the new South Terminal

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11. BOND ISSUANCES (OTHER THAN REFUNDING ISSUES) (continued)

Complex and certain capital projects in the North Terminal Complex and other airport facilities and associated infrastructure), refinance certain draws made on certain existing lines of credit used to finance a portion of the 2022 Project and associated interest, fund a deposit to the composite reserve subaccount, and pay certain costs of issuance. The average life of the Series 2022B Bonds is 15.41 years.

12. CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as capital contributions. Capital contributions consisted of the following for the nine months ended June 30 (in thousands):

	2022	2021
Federal Grants	\$ 7,613	\$ 152
State Grants	23,765	15,429
Other	1,793	1,205
Total Capital Contributions	\$ 33,171	\$ 16,786

13. AIRLINE RATES BY RESOLUTION

Effective November 1, 2013, the Authority began operating under a Resolution Relating to Airline Rates and Charges and Airline Operating Terms and Conditions For the Use Of Facilities And Services At Orlando International Airport, adopted by the Authority Board October 16, 2013 and amended and restated as of August 10, 2016 and subsequently amended and restated as of August 28, 2019 (the “Resolution”).

The Resolution, which has no expiration date, provides for a compensatory rate-making methodology for use of the terminal facilities, including certain activity based charges for use of the baggage system, and a residual rate-making methodology to establish landing fees for the use of the airfield. Any airline may commit to use certain terminal space on an exclusive or preferential basis and, as a result, pay a fixed monthly charge for such space. Otherwise, airlines pay for terminal space assigned by the Authority on a per use basis.

Effective November 1, 2013, airlines had the option to sign a Rate and Revenue Sharing Agreement (“Rate Agreement”), whereby the airline affirmatively agreed to the Resolution and the rate-setting methodology therein, and further agreed not to challenge the rates and charges calculated under the Resolution’s rate-setting methodology through any judicial or regulatory process throughout the term of the agreement which expired on September 30, 2016. Airlines that sign, and comply with the terms of a Rate Agreement with the Authority are entitled to share in certain revenues remaining after the payment of all Authority debt service and operating expenses, including fund deposit requirements (“Net Remaining Revenue”).

Effective October 1, 2019, the Authority entered into a five year Rate and Revenue Sharing Agreement that expires on September 30, 2024. For this agreement the Authority receives the first \$55 million of Net Remaining Revenues for all five years, with participating airlines sharing in a pool of the next \$10 million of all Net Remaining Revenues. Net Remaining Revenue after the first \$65 million, will be split 50/50 between The Authority and the participating airlines.

14. OUTSTANDING CONTRACT COMMITMENTS

As of June 30, 2022, the Authority had entered into construction contracts, related to MCO, totaling approximately \$4.3 billion for construction, engineering services and equipment, approximately \$234.5 million of which remains unincurred. Grants, passenger facility charges, and customer facility charges will be utilized to fund a portion of these projects.

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15. CONTINGENT LIABILITIES

Grants: The Authority receives grants from federal and state assistance programs. Amounts received or receivable under these programs are subject to audit and adjustment. The amount, if any, of disallowed costs, including amounts already collected, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Construction Disputes: As the Terminal C programs near substantial completion, the Aviation Authority does not anticipate any litigation at this time.

16. ENVIRONMENTAL LIABILITIES

The Authority has certain polluted sites primarily from chemical and fuel spills, asbestos, and former landfills, whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced, with monitoring being completed as necessary. The Authority recorded a pollution remediation liability as of October 1, 2008, measured at \$2.2 million, using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts.

The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in the financial statements as they become probable. The summary of the environmental activity for the nine months ended June 30, 2022, related to MCO is as follows (in thousands):

	Balance 10/1/21	Additions or Adjustments	Payments Current Year	Balance 06/30/22
Pollution Remediation Liability	\$ 2,051	\$ 377	\$ (426)	\$ 2,002
Net Pollution Remediation Liability Recorded	<u>\$ 2,051</u>	<u>\$ 377</u>	<u>\$ (426)</u>	<u>\$ 2,002</u>
Reported as follows (shown as Pollution Remediation Liability on Note 6)				
Due within one year	\$ 757	\$ 398	\$ (426)	\$ 729
Due after one year	1,294	(21)	-	1,273
	<u>\$ 2,051</u>	<u>\$ 377</u>	<u>\$ (426)</u>	<u>\$ 2,002</u>

The Authority has certain land sites that are being evaluated for potential remediation, in accordance with GASB 49, or are in the post-remediation stage with monitoring being completed, as necessary at MCO. In addition, the Authority has a polluted site from chemical and fuel spills, whereas the Authority is involved in litigation at MCO. The liabilities associated with these sites cannot be reasonably estimated and, as such, are not recorded in the financial statements.

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17. SUBSEQUENT EVENTS

On July 29, 2022, the Authority entered into an amended and restated 2019A revolving credit agreement with Wells Fargo Bank, N.A. to provide the Authority with a \$275 million line of credit. The term of the line of credit expires on July 29, 2024. Simultaneously, the Authority terminated the June 29, 2018, Revolving Credit Agreement, relating to the \$225 million line of credit, along with any notes securing such line of credit. As of the date of this report, the Authority has no outstanding balance on the 2019A Wells Fargo line of credit.

On July 29, 2022, the Authority entered into an amended and restated 2019B revolving credit agreement with Bank of America, N.A. to provide the Authority with a \$275 million line of credit. The term of the line of credit expires on July 31, 2024. Simultaneously, the Authority terminated the June 29, 2018, Revolving Credit Agreement, relating to the \$125 million line of credit, along with any notes securing such line of credit. As of the date of this report, the Authority has a \$43.3 million outstanding balance on the 2019B Bank of America line of credit for the payoff of the 2018 Bank of America line of credit. See Note 9 for additional information.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Authority Board
Orlando Executive Airport
(a Department of the Greater Orlando
Aviation Authority)
Orlando, Florida

We have reviewed the accompanying interim financial statements of Orlando Executive Airport (a department of the Greater Orlando Aviation Authority), which comprise the statements of net position as of June 30, 2022, and the related statements of revenues, expenses, and changes in net position, cash flows, and the related notes to the financial statements for each of the nine-month periods ended June 30, 2022 and 2021. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Greater Orlando Aviation Authority (the "Authority"). A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

As discussed in Note 1 of the notes to the interim financial statements, the interim financial statements of Orlando Executive Airport are intended to present the financial position and the changes in financial position, and cash flows of only that portion of the activities of the Authority that is attributable to the transactions of Orlando Executive Airport. They do not purport to, and do not, present fairly the financial position of the Authority as of June 30, 2022, and the changes in its financial position and its cash flows for the nine-month periods ended June 30, 2022 and 2021, in conformity with accounting principles generally accepted in the United States of America.

Authority Board
Orlando Executive Airport
(a Department of the Greater Orlando
Aviation Authority)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the Management Discussion & Analysis, Pension schedules, and Other Postemployment Benefit schedules that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Prior Period Statements of Net Position

The statement of net position of Orlando Executive Airport as of September 30, 2021, was audited by us, and we expressed an unmodified opinion on that statement in relation to the financial statements of the Authority as a whole in our report dated February 18, 2022, but we have not performed any auditing procedures since that date.

MSL, P.A.

Certified Public Accountants

Orlando, Florida
August 12, 2022

**GREATER ORLANDO AVIATION AUTHORITY
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STATEMENTS OF NET POSITION - UNAUDITED
(in thousands)**

	June 30, 2022	September 30, 2021
ASSETS AND DEFERRALS		
Current Assets		
Unrestricted		
Cash and cash equivalents	\$ 8,663	\$ 9,668
Accounts and grants receivable	79	69
Interest receivable	20	12
Due from Orlando International Airport	629	669
Due from other governmental agencies	413	162
Prepaid expenses	134	64
Total current assets	9,938	10,644
Unrestricted assets		
Investments	5,681	5,460
Employee postemployment benefit assets	94	94
Total unrestricted assets	5,775	5,554
Capital assets, net of accumulated depreciation		
Property and equipment	22,958	24,273
Property held for lease	6,105	6,316
Work in progress	2,932	281
Total capital assets, net of accumulated depreciation	31,995	30,870
Total noncurrent assets	37,770	36,424
Total assets	47,708	47,068
Deferred outflows of resources	91	91

(continued)

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
STATEMENTS OF NET POSITION - UNAUDITED
(in thousands)**

	<u>June 30, 2022</u>	<u>September 30, 2021</u>
LIABILITIES, DEFERRALS, AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 432	\$ 512
Deposits	21	21
Advance rent from tenants, current	104	104
Due to other governmental agencies	159	565
Total current liabilities	<u>716</u>	<u>1,202</u>
Noncurrent Liabilities		
Net pension liability	2	2
Advance rent from tenants, long-term	507	584
Other long-term liabilities	278	278
Total noncurrent liabilities	<u>787</u>	<u>864</u>
Total liabilities	<u>1,503</u>	<u>2,066</u>
Deferred inflows of resources	<u>253</u>	<u>253</u>
Net Position		
Net investment in capital assets	31,995	30,870
Unrestricted	14,048	13,970
Total net position	<u>\$ 46,043</u>	<u>\$ 44,840</u>

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Operating Revenues		
Airfield area	\$ 441	\$ 244
Terminal area	71	71
Commercial property	1,832	1,866
Other airport related	577	576
Total operating revenues	2,921	2,757
Operating Expenses		
Operations and facilities	1,253	1,032
Safety and security	957	912
Administration	676	552
Other	206	203
Total operating expenses	3,092	2,699
Operating (loss) income before depreciation	(171)	58
Depreciation	(1,551)	(1,589)
Operating loss	(1,722)	(1,531)
Nonoperating Revenues		
Investment income	51	65
Net (decrease) increase in the fair value of investments	(120)	(59)
Federal and state grants	457	703
Total nonoperating revenues (expenses)	388	709
Loss before capital contributions	(1,334)	(822)
Capital Contributions	2,537	179
Increase in net position	1,203	(643)
Total Net Position, Beginning of Period	44,840	46,366
Total Net Position, End of Period	\$ 46,043	\$ 45,723

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Cash flows from operating activities		
Cash received from customers, tenants, and governmental agencies	\$ 2,833	\$ 2,730
Cash paid to suppliers and governmental agencies	(2,705)	(1,843)
Cash paid to employees for services	(957)	(1,012)
Net cash (used for) operating activities	(829)	(125)
Cash flows from noncapital financing activities		
Operating grants	457	703
Net cash provided by noncapital financing activities	457	703
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(2,621)	(854)
Capital contributed by federal grants and state agencies	2,286	784
Net cash (used for) capital and related financing activities	(335)	(70)
Cash flows from investing activities		
Purchase of investments	(2,254)	(1,746)
Proceeds from sale or maturity of investments	1,914	2,085
Interest received	42	63
Net cash provided by investing activities	(298)	402
Increase (Decrease) in cash and cash equivalents	(1,005)	910
Cash and Cash Equivalents, Beginning of Period	9,668	8,797
Cash and Cash Equivalents, End of Period (1)	\$ 8,663	\$ 9,707
(1) Cash and Cash Equivalents – Unrestricted Assets	\$ 8,663	\$ 9,707

(continued)

See accompanying independent accountant's review report and notes to financial statements.

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
STATEMENTS OF CASH FLOWS - UNAUDITED
For the Nine Months Ended June 30,
(in thousands)**

	2022	2021
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (1,722)	\$ (1,531)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,551	1,589
(Increase) Decrease in operating assets:		
Accounts and grants receivable	(10)	97
Prepaid expenses	(70)	(18)
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(80)	(146)
Due to other governmental agencies	(406)	(2)
Advance rent from tenants	(77)	(78)
Due from other funds	(15)	(35)
Other liabilities	-	(1)
Total adjustments	893	1,406
Net cash (used for) operating activities	\$ (829)	\$ (125)

Noncash Investing, Capital and Financing Activities

Decrease in fair value of investments	\$ 119	\$ 59
Capital contributions from other governments	\$ 251	\$ (605)

See accompanying independent accountant's review report and notes to financial statements

**GREATER ORLANDO AVIATION AUTHORITY
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NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose: The Orlando Executive Airport (ORL) functions as a self-supporting department operated by the Greater Orlando Aviation Authority (the Authority), and uses the accrual method of accounting. The Authority also operates Orlando International Airport (MCO). The department financial statements of MCO are presented separately.

Basis of Presentation and Accounting: The accompanying unaudited department financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal, recurring accruals) considered necessary for a fair presentation have been included. Prior period amounts have been reclassified to conform to the current period presentations. Operating results for the nine-month period ended June 30, 2022, are not necessarily indicative of the results that may be expected for the year ending September 30, 2022. For further information, refer to the financial statements and footnotes thereto included in the Annual Comprehensive Financial Report for the year ended September 30, 2021.

2. CASH DEPOSITS AND INVESTMENTS

At June 30, 2022 and September 30, 2021, the fair value of all securities regardless of the statement of net position, classification was as follows (in thousands):

	June 30, 2022	September 30, 2021
U.S. Treasury and government agency securities	\$ 5,181	\$ 4,447
Corporate securities	500	1,013
Local government investment pool	58	58
Investment in money market funds	1,712	2,014
Total securities	<u>\$ 7,451</u>	<u>\$ 7,532</u>

These securities are classified on the statements of net position as follows (in thousands):

	June 30, 2022	September 30, 2021
Current Assets		
Unrestricted assets		
Cash and cash equivalents	\$ 8,663	\$ 9,668
Noncurrent Assets		
Investments	5,681	5,460
Total cash, cash equivalents and investments	14,344	15,128
Less cash on deposit	(6,893)	(7,596)
Total securities, at fair value	<u>\$ 7,451</u>	<u>\$ 7,532</u>

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2. CASH DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2022, ORL held the following investments, as categorized below, in accordance with generally accepted accounting principles:

Investment Maturities (in thousands) at June 30, 2022

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total	Level
U.S. Treasury and government agency securities	\$ 1,984	\$ 3,197	\$ -	\$ -	\$ 5,181	1
Corporate securities	500	-	-	-	500	1
Local government investment pool	58	-	-	-	58	N/A
Money market funds	1,712	-	-	-	1,712	N/A
	<u>\$ 4,254</u>	<u>\$ 3,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,451</u>	

As of June 30, 2022, the Authority had \$58,336 of ORL funds invested in the Florida Prime. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the SBA.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority generally holds investments to maturity, except for those portions of the portfolio that are actively managed by the Authority's Investment Advisor. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they become due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Investments under the Bond Resolution shall mature no later than needed, except for 1) investments in the Debt Service Reserve Account, which shall mature not later than fifteen years (unless such investment is redeemable at the option of the holder, in which event the maturity shall not exceed the final maturity date of the bonds secured by such investment), 2) investments in the Operation and Maintenance Fund and Operation and Maintenance Reserve Account shall mature within twelve months, and 3) investments in the Capital Expenditure Fund, the Renewal and Replacement Fund, Improvement and Development Fund, and the Discretionary Fund shall mature within five years. Investments under the Amended and Restated Master Subordinated Indenture of Trust shall mature no later than needed, except for investments in the Reserve Fund, which shall mature not later than fifteen years from the date of such investment. The Authority portfolio holds a limited number of callable securities. The schedules above present the maturity date of the securities. According to the latest information available from the SBA, the dollar weighted average days to maturity ("WAM") of the Florida Prime at June 30, 2022, is 28 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Florida Prime at June 30, 2022, is 71 days.

Credit Risk: The Authority's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. Authority policy limits the purchase of certain investments to specific rating requirements. Investment in commercial paper is limited to 3a3 and rated A-1, P-1, or F1 for short-term investments by two of the three rating agencies: S&P, Moody's and Fitch (without regard to gradation). Investment in dollar denominated corporate securities is limited to companies in the United States, which are rated A or better by two of the three rating agencies (without regard to gradation). Investments held in obligations of U.S. government agencies were rated AAA by Fitch, Aaa by Moody's, and AA+ by S&P. Investments held in the portfolio as of June 30, 2022, were rated consistent with the Authority's investment policy and bond resolutions. Funds invested in money market funds and the Florida Prime were rated AAAM by S&P.

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Authority's investments are either held in the name of the Authority or held in trust under the Authority's name.

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2. CASH DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk: Concentration of credit risk is the inability to recover the value of deposit, investment, or collateral securities in the possession of an outside party caused by a lack of diversification. The Authority mitigates its concentration of credit risk by diversifying its investment portfolio. At June 30, 2022, and September 30, 2021, the Authority did not hold investments exceeding 5 percent of the total investment portfolio (including cash and cash equivalents), except those expressly permitted pursuant to GASB statement No. 40. The investment policy limits the maximum investment in any one issuer of commercial paper to \$5.0 million.

Foreign Currency Risk Disclosure: The Authority invests only in securities that are denominated in U.S. dollars. According to the latest information available from the SBA, the Florida Prime was not exposed to any foreign currency risk during the period October 1, 2014 through June 30, 2022.

Valuation of Investments: The Authority utilizes the market approach to mark-to-market the fair value of its investment holdings.

GASB 72 established a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices - included within Level 1 that are observable for the asset or liability either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

GASB 72 generally requires investments to be measured at fair value. Investments not measured at fair value continue to include, for example, money market investments and "2a-7 like" external investment pools, such as the Florida Prime. GASB 72 requires disclosures be made about fair value measurements, the level of fair value hierarchy, and the valuation techniques. The Authority utilizes a third-party pricing service to mark-to-market holdings of U.S. Treasury securities, corporate securities, and government-sponsored enterprise securities, such as Federal National Mortgage Association, Federal Home Loan Bank, and Federal Home Loan Mortgage Association. The Authority derives pricing for commercial paper holdings directly from the custody statements for each account that has commercial paper holdings. Regarding fair value hierarchy disclosure, GASB 72 characterizes Level 1 inputs as quoted prices in active markets for identical assets or liabilities, therefore, the Authority has denoted Level 1 for each of the various holdings, except for money market and Florida Prime investments. Per the SBA, the Florida Prime meets all of the necessary criteria to elect to measure all of the investments in Florida Prime at amortized cost. Therefore, the Authority's participant account balance is considered the fair value of its investment and is considered exempt from the GASB 72 fair value hierarchy disclosures.

GASB 79 states that if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's Authority to impose liquidity fees or redemption gates).

According to the SBA, with regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practical from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the

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For the Nine Months Ended June 30, 2022**

2. CASH DEPOSITS AND INVESTMENTS (continued)

Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case, may the time limit set by the Trustees exceed 15 days.” With regard to liquidity fees, Florida Statute 218.409 (4) provides Authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made. As of June 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant’s daily access to 100 percent of their account value.

3. RESTRICTED ASSETS

The Release of Federal Surplus Property Obligations for ORL require the segregation of certain assets into restricted accounts. As of June 30, 2022, and September 30, 2021, ORL does not have any restricted assets.

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GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
For the Nine Months Ended June 30, 2022

4. CAPITAL ASSETS

A summary of capital asset activity for the nine months ended June 30, 2022, is as follows (in thousands):

	Balance October 1, 2021	Additions and Reclas- sifications	Deductions	Balance June 30, 2022
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 9,450	\$ -	\$ -	\$ 9,450
Other Property and Equipment				
Buildings	3,884	-	-	3,884
Improvements	54,320	-	-	54,320
Improvements – Colonial Promenade	8	-	(4)	4
Equipment	411	29	-	440
Motor vehicles	690	-	(100)	590
	<u>59,313</u>	<u>29</u>	<u>(104)</u>	<u>59,238</u>
Accumulated Depreciation				
Buildings	(1,384)	(51)	-	(1,435)
Improvements	(42,099)	(1,245)	-	(43,344)
Equipment	(349)	(19)	-	(368)
Motor vehicles	(658)	(25)	100	(583)
	<u>(44,490)</u>	<u>(1,340)</u>	<u>100</u>	<u>(45,730)</u>
Net Property and Equipment	<u>24,273</u>	<u>(1,311)</u>	<u>(4)</u>	<u>22,958</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	3,658	-	-	3,658
Other Property and Equipment				
Buildings	9,722	-	-	9,722
Improvements	829	-	-	829
	<u>10,551</u>	<u>-</u>	<u>-</u>	<u>10,551</u>
Accumulated Depreciation				
Buildings	(7,093)	(207)	-	(7,300)
Improvements	(800)	(4)	-	(804)
	<u>(7,893)</u>	<u>(211)</u>	<u>-</u>	<u>(8,104)</u>
Net Property and Equip - Held for Lease	<u>6,316</u>	<u>(211)</u>	<u>-</u>	<u>6,105</u>
Construction Work in Progress				
Capital Assets Not Depreciated	281	2,651	-	2,932
Net Capital Assets	<u>\$ 30,870</u>	<u>\$ 1,129</u>	<u>\$ (4)</u>	<u>\$ 31,995</u>

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5. NONCURRENT LIABILITIES

A summary of noncurrent liability activity for the nine months ended June 30, 2022, is as follows (in thousands):

	Balance October 1, 2021	Additions	Deductions	Balance June 30, 2022	Amounts Due Within One Year	Amounts Due After One Year
Net Pension Liability	\$ 2	\$ -	\$ -	\$ 2	\$ -	\$ 2
Advanced Rent from Tenants (1)	688	406	(483)	611	104	507
Other Liabilities						
Compensated Absences (1)	64	23	(17)	70	62	8
Pollution Remediation Liability (1)	325	25	(80)	270	-	270
Total Other Liabilities	<u>389</u>	<u>48</u>	<u>(97)</u>	<u>340</u>	<u>62</u>	<u>278</u>
Total Noncurrent Liabilities	<u>\$ 1,079</u>	<u>\$ 454</u>	<u>\$ (580)</u>	<u>\$ 953</u>	<u>\$ 166</u>	<u>\$ 787</u>

(1) Advance rent from tenants due within one year is included with current advanced rents from tenants on the statement of net position; compensated absences and pollution remediation liabilities due within one year are included in current accounts payable and accrued liabilities on the statement of net position.

6. CAPITAL CONTRIBUTIONS

Grants and other contributions used to acquire capital assets are classified as capital contributions. Capital contributions consisted of the following for the nine months ended June 30 (in thousands):

	<u>2022</u>	<u>2021</u>
Federal Grants	\$ 2,537	\$ 179
State Grants	-	-
Total Capital Contributions	<u>\$ 2,537</u>	<u>\$ 179</u>

7. OUTSTANDING CONTRACT COMMITMENTS

As of June 30, 2022, the Authority had entered into contracts, related to ORL, totaling approximately \$15.7 million for construction, engineering services and equipment, approximately \$1.5 million of which remains unincurred. Grants will be utilized to fund a portion of these projects.

8. CONTINGENT LIABILITIES

Grants: The Authority receives grants from federal and state assistance programs. Amounts received or receivable under these programs are subject to audit and adjustment. The amount, if any, of disallowed costs, including amounts already collected, cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Construction Disputes: The Authority is not aware of any current disputes arising from the construction of improvements at ORL in which the contractors involved may seek additional compensation.

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9. ENVIRONMENTAL LIABILITIES

The Authority has certain polluted sites primarily from chemical and fuel spills, asbestos, and former landfills, whereas the Authority is named or will be named a responsible or potentially responsible party or where pollution remediation has already commenced with monitoring being completed as necessary. The Authority recorded a pollution remediation liability as of October 1, 2008, measured at \$2.0 million, using the expected cash flow technique. Under this technique, the Authority estimated a reasonable range of potential outlays and multiplied those outlays by their probability of occurring. This liability could change over time due to changes in costs of goods and services, changes in remediation technology, or changes in laws and regulations governing the remediation efforts. The possibility of recovery of some of these costs from outside governmental funding or other parties exists; however, the Authority only recognizes these recoveries in its financial statements as they become probable. The summary of the environmental activity for the nine months ended June 30, 2022, related to ORL is as follows (in thousands):

	Balance 10/1/21	Additions or Adjustments	Payments Current Year	Balance 06/30/22
Pollution Remediation Liability	\$ 325	25	\$ (80)	\$ 270
Net Pollution Remediation Liability Recorded	<u>\$ 325</u>	<u>\$ 25</u>	<u>\$ (80)</u>	<u>\$ 270</u>
Reported as follows (shown as Pollution Remediation Liability on Note 5)				
Due within one year	\$ 55	\$ 25	\$ (80)	\$ -
Due after one year	270	-	-	270
	<u>\$ 325</u>	<u>\$ 25</u>	<u>\$ (80)</u>	<u>\$ 270</u>