



FINANCE DEPARTMENT

Unaudited Financial Statements

For the nine months ended June 30, 2025 and 2024

Orlando International Airport
and Orlando Executive Airport

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, 2025, 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, 2025 and 2024. 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, 2025, and the changes in its financial position and its cash flows for the nine-month periods ended June 30, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

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, 2024 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 21, 2025, but we have not performed any auditing procedures since that date.

Forvis Mazars, LLP

**Orlando, Florida
August 18, 2025**

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
STATEMENTS OF NET POSITION – UNAUDITED
AS OF JUNE 30, 2025 and SEPTEMBER 30, 2024
(in thousands)

	June 30, 2025	September 30, 2024
ASSETS AND DEFERRALS		
Current Assets		
Cash and cash equivalents	\$ 597,779	\$ 562,789
Restricted cash and cash equivalents	214,071	260,863
Accounts receivable, less allowance for uncollectibles of \$403 and \$409	61,140	43,205
Investments	11,974	81,078
Interest receivable	2,743	2,867
Lease receivables, current	134,367	140,523
Due from Orlando Executive Airport	393	4
Due from other governmental agencies	721	887
Prepaid expenses and inventory	18,879	12,958
Total current assets	1,042,067	1,105,174
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	1,299,202	391,742
Accounts receivable	21,279	15,944
Investments	245,679	288,557
Capital reserve receivable	2,707	2,707
Interest receivable	5,712	3,803
Due from other governmental agencies	90,514	92,955
Prepaid expenses	2,077	407
Net OPEB asset	4,375	4,375
Total restricted assets	1,671,545	800,490
Unrestricted assets:		
Investments	255,340	213,432
Lease receivables, noncurrent	969,997	1,039,577
Total unrestricted assets	1,225,337	1,253,009
Capital assets, net of accumulated depreciation and amortization:		
Property and equipment	2,415,512	2,503,258
Buildings right to use leased assets	45,306	47,266
Subscription right of use assets	5,236	3,301
Property held for lease	1,980,741	2,021,530
Construction work in progress	891,076	671,588
Total capital assets, net of accumulated depreciation and amortization	5,337,871	5,246,943
Total noncurrent assets	8,234,753	7,300,442
Total assets	9,276,820	8,405,616
Deferred outflows of resources	\$ 31,482	\$ 31,803

(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
AS OF JUNE 30, 2025 and SEPTEMBER 30, 2024
(in thousands)

	June 30, 2025	September 30, 2024
LIABILITIES, DEFERRALS, AND NET POSITION		
Current liabilities		
Accounts payable and accrued liabilities	\$ 60,670	\$ 66,752
Lease liability, current	1,648	1,570
Subscription liability, current	2,336	1,253
Unearned revenue	8,278	9,389
Deposits	18,723	17,248
Advance rent from tenants, current	13,940	10,600
Due to other governmental agencies	10,966	4,811
Accrued airline revenue sharing	94,158	138,184
Payable from restricted assets:		
Accrued interest	38,525	59,056
Accounts payable and accrued liabilities	69,376	98,783
Due to other governmental agencies	512	3,405
Line of credit, current	15,516	15,516
Revenue bonds payable, current	90,142	84,103
Total current liabilities	424,790	510,670
Long-term Liabilities		
Lease liability, long-term	49,430	50,675
Subscription liability, long-term	791	1,429
Revenue bonds payable, long-term	3,505,070	2,764,318
Line of credit, long-term	19,796	57,476
Net pension liability	38,476	38,476
Other long-term liabilities	1,601	1,666
Total long-term liabilities	3,615,164	2,914,040
Total liabilities	\$ 4,039,954	\$ 3,424,710
Deferred inflows of resources	1,054,164	1,137,770
Net Position		
Net investment in capital assets	2,490,725	2,368,660
Restricted for		
Debt service	128,635	104,086
Capital acquisitions and construction	714,132	605,105
Pension and OPEB	4,375	4,375
Total restricted	847,142	713,566
Unrestricted	876,317	792,713
Total net position	\$ 4,214,184	\$ 3,874,939

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, 2025 and 2024
(in thousands)

	2025	2024 (Restated)
Operating Revenues		
Airfield area	\$ 68,910	\$ 64,659
Terminal area	363,211	313,404
Ground transportation	201,925	207,877
Other buildings and grounds	22,966	20,083
Hotel	42,082	42,718
Rail station	4,798	4,441
Other operating revenue	4,166	3,382
Total operating revenues	708,058	656,564
Operating Expenses		
Operations and facilities	205,047	185,200
Safety and security	62,163	53,559
Administration	83,197	71,934
Hotel	28,245	28,796
Other	3,863	1,863
Total operating expenses	382,515	341,352
Operating income before depreciation and amortization	325,543	315,212
Depreciation and amortization	(167,144)	(171,801)
Operating income	158,399	143,411
Nonoperating Revenues (Expenses)		
Investment income	61,562	41,822
Net increase (decrease) in the fair value of investments	1,621	9,959
Lease interest income	28,203	30,137
Interest expense	(95,221)	(77,069)
Lease interest expense	(2,522)	(2,595)
Subscription interest expense	(49)	(127)
Participating airlines net revenue sharing	(93,889)	(85,597)
Passenger facility charges	84,037	88,181
Customer facility charges	77,514	51,395
Federal and state grants	127	18,444
Other	378	247
Total nonoperating revenues (expenses)	61,761	74,797
Income (loss) before capital contributions	220,160	218,208
Capital Contributions	119,085	112,920
Increase in net position	339,245	331,128
Total Net Position, Beginning of Period	3,874,939	3,494,869
Total Net Position, End of Period	\$ 4,214,184	\$ 3,825,997

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, 2025 and 2024
(in thousands)

	2025	2024 (Restated)
Cash flows from operating activities		
Cash received from customers, tenants and governmental agencies	\$ 689,101	\$ 638,984
Cash paid to suppliers and governmental agencies	(296,479)	(286,349)
Cash paid to employees for services	(92,336)	(81,750)
Cash paid to airlines	(137,915)	(126,717)
Other operating cash receipts	315	300
Net cash provided by (used for) operating activities	162,686	144,468
Cash flows from noncapital financing activities		
Operating grants	127	20,022
Net cash provided by (used for) noncapital financing activities	127	20,022
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	846,115	-
Proceeds from line of credit	21,661	84,676
Passenger facility charges	82,655	83,348
Customer facility charges	73,561	47,976
Bond issuance costs	(4,433)	-
Principal payments - bonds and line of credit	(143,444)	(222,592)
Deferred amount on refunding	-	(850)
Lease interest income	28,203	30,137
Interest paid	(129,082)	(125,882)
Lease interest expense	(2,522)	(2,595)
Subscription interest expense	(49)	(127)
Proceeds from sale of assets	126	37
Acquisition and construction of capital assets	(290,051)	(245,828)
Capital contributed by federal, state and other agencies	121,045	49,998
Net cash provided by (used for) capital and related financing activities	603,785	(301,702)
Cash flows from investing activities		
Purchase of investments	(183,897)	(231,372)
Proceeds from sale and maturity of investments	255,593	180,002
Interest received	57,364	44,223
Net cash provided by (used for) investing activities	129,060	(7,147)
Net increase (decrease) in cash and cash equivalents	895,658	(144,359)
Cash and Cash Equivalents, Beginning of Period	1,215,394	1,382,616
Cash and Cash Equivalents, End of Period (1)	\$ 2,111,052	\$ 1,238,257
(1) Cash and Cash Equivalents – Unrestricted Assets	\$ 597,779	\$ 594,931
Cash and Cash Equivalents – Restricted Assets - Current	214,071	204,575
Cash and Cash Equivalents – Restricted Assets - Noncurrent	1,299,202	438,751
	\$ 2,111,052	\$ 1,238,257

(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, 2025 and 2024
(in thousands)

	2025	2024 (Restated)
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 158,399	\$ 143,411
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation and amortization	167,144	171,801
Participating airlines net revenue sharing	(93,889)	(85,597)
Other income	315	266
Decrease (Increase) in operating assets:		
Accounts and grants receivable	(17,935)	3,442
Lease receivables	75,736	64,497
Due from other governmental agencies	166	(285)
Prepaid expenses	(5,921)	(4,534)
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(6,302)	(24,471)
Due to other governmental agencies	6,155	2,025
Accrued airline revenue sharing	(44,026)	(41,120)
Unearned revenue	(1,111)	(3,708)
Deposits	1,475	2,578
Advance rent from tenants	3,340	(1,935)
Due from other funds	(52)	(3)
Other liabilities	(65)	(25)
Deferred inflows of resources	(80,743)	(81,874)
Total adjustments	4,287	1,057
Net cash provided by operating activities	\$ 162,686	\$ 144,468

Noncash Investing, Capital and Financing Activities

Increase in fair value of investments	\$ 1,621	\$ 9,959
Capital contributions from other governments	\$ (1,960)	\$ 62,922
Amortization of bond premiums/discounts	\$ 15,221	\$ 13,946
Amortization of deferred bond refunding gain (loss)	\$ 2,542	\$ 1,104

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, 2025

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 months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending September 30, 2025. 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, 2024.

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, (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). Financial statement for the SBA can be found on the Florida Auditor General's website at https://flauditor.gov/pages/pdf_files/2025-073.pdf.

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, 2025, and September 30, 2024, the fair value of all securities, regardless of the statement of net position (unaudited) classification, was as follows (in thousands):

	June 30, 2025	September 30, 2024
U.S. Treasury and government agency securities	\$ 512,781	\$ 582,732
Asset backed securities	212	335
Local government investment pool	6,895	6,661
Investment in money market funds	1,432,732	598,845
Total securities	\$ 1,952,620	\$ 1,188,573

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE NINE MONTHS ENDED JUNE 30, 2025

2. CASH DEPOSITS AND INVESTMENTS (continued)

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

	June 30, 2025	September 30, 2024
Current Assets		
Unrestricted cash and cash equivalents	\$ 597,779	\$ 562,789
Restricted cash and cash equivalents	214,071	260,863
Investments	11,974	81,078
Noncurrent Assets		
Restricted assets:		
Cash and cash equivalents	1,299,202	391,742
Investments	245,679	288,557
Unrestricted assets:		
Investments	255,340	213,432
Total cash, cash equivalents and investments	2,624,045	1,798,461
Less cash on deposit	(671,425)	(609,888)
Total securities, at fair value	<u>\$ 1,952,620</u>	<u>\$ 1,188,573</u>

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of June 30, 2025, 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, 2025

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	\$ 238,345	\$ 274,436	\$ -	\$ -	\$ 512,781	1
Asset backed securities	9	179	24		212	1
Local government investment pool	6,895	-	-	-	6,895	N/A
Money market funds	1,432,732	-	-	-	1,432,732	N/A
	<u>\$1,677,981</u>	<u>\$ 274,615</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$1,952,620</u>	

The Authority had invested in the Florida Prime \$0.8 million as of June 30, 2025 and \$0.8 million as of September 30, 2024. The Authority had invested in the Fixed Income Trust \$6.1 million as of June 30, 2025 and \$5.9 million as of September 30, 2024. 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 SBA, the dollar weighted average days to maturity ("WAM") of the Florida Prime at May 31, 2025 is 46 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life of the Florida

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE NINE MONTHS ENDED JUNE 30, 2025

2. CASH DEPOSITS AND INVESTMENTS (continued)

Prime at May 31, 2025, is 82 days. According to the Florida Fixed Income Trust, the dollar weighted average days to maturity ("WAM") of the Fixed Income Trust at June 30, 2025 is 85 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM. The weighted average maturity to final ("WAM" to final) of the Fixed Income Trust at June 30, 2025 is 315 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, 2025 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 AA Af /S1 by Fitch Rating.

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, 2025, and September 30, 2024, 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, 2024 through June 30, 2025.

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.

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO INTERNATIONAL AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE NINE MONTHS ENDED JUNE 30, 2025

2. CASH DEPOSITS AND INVESTMENTS (continued)

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 Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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, 2025 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.

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GREATER ORLANDO AVIATION AUTHORITY
 ORLANDO INTERNATIONAL AIRPORT
 NOTES TO FINANCIAL STATEMENTS - UNAUDITED
 FOR THE NINE MONTHS ENDED JUNE 30, 2025

3. RESTRICTED ASSETS

The Bond Resolution and the Amended and Restated Master Subordinated Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport require segregation of certain assets into restricted accounts. At June 30, 2025 and September 30, 2024, composition of restricted accounts is as follows (in thousands):

Restricted Assets (in thousands)		
	June 30, 2025	September 30, 2024
Debt Service	\$ 368,062	\$ 321,682
Capital Acquisition	399,815	308,107
Bond Construction	646,056	25,431
Passenger Facility Charges	194,656	176,831
Customer Facility Charges	179,619	138,507
Operating Reserve	93,033	86,420
Net OPEB Asset	4,375	4,375
Total Restricted Assets	\$ 1,885,616	\$ 1,061,353

Reported in the accompanying financial statements as follows:

	June 30, 2025	September 30, 2024
Restricted Cash and Cash Equivalents - Current	\$ 214,071	\$ 260,863
Total Restricted Assets - Non Current	1,671,545	800,490
Total Restricted Assets	\$ 1,885,616	\$ 1,061,353

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4. CAPITAL ASSETS

A summary of capital asset activity for the nine months ended June 30, 2025, is as follows (in thousands):

	Balance October 1, 2024	Additions and Reclassifications	Deductions	Balance June 30, 2025
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 239,096	-	-	\$ 239,096
Assets Held for Future Use	14,646	-	-	14,646
	<u>253,742</u>	<u>-</u>	<u>-</u>	<u>253,742</u>
Other Property and Equipment				
Buildings	1,159,679	2,695	-	1,162,374
Improvements	2,918,581	7,198	(14)	2,925,765
Equipment	699,974	7,106	(851)	706,229
Motor vehicles	110,843	13,582	(821)	123,604
	<u>4,889,077</u>	<u>30,581</u>	<u>(1,686)</u>	<u>4,917,972</u>
Accumulated Depreciation				
Buildings	(452,741)	(31,656)	-	(484,397)
Improvements	(1,760,737)	(58,185)	14	(1,818,908)
Equipment	(366,455)	(23,866)	834	(389,487)
Motor vehicles	(59,628)	(4,603)	821	(63,410)
	<u>(2,639,561)</u>	<u>(118,310)</u>	<u>1,669</u>	<u>(2,756,202)</u>
Net Property and Equipment	<u>2,503,258</u>	<u>(87,729)</u>	<u>(17)</u>	<u>2,415,512</u>
Buildings- Right to Use Leased Assets				
Buildings- Right to Use Leased Assets	52,276	-	-	52,276
Accumulated Amortization	(5,010)	(1,960)	-	(6,970)
Net Buildings- Right to Use Leased Assets	<u>47,266</u>	<u>(1,960)</u>	<u>-</u>	<u>45,306</u>
Subscriptions- Right of Use Assets				
Subscriptions- Right of Use assets	7,095	3,572	(2,044)	8,623
Accumulated Amortization	(3,794)	(1,534)	1,941	(3,387)
Net Subscriptions- Right of Use Assets	<u>3,301</u>	<u>2,038</u>	<u>(103)</u>	<u>5,236</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	4,473	-	-	4,473
Assets Held for Future Use	63,466	-	-	63,466
	<u>67,939</u>	<u>-</u>	<u>-</u>	<u>67,939</u>
Other Property and Equipment				
Buildings	2,774,878	4,551	-	2,779,429
Improvements	120,422	-	-	120,422
Equipment	9,726	-	(3)	9,723
	<u>2,905,026</u>	<u>4,551</u>	<u>(3)</u>	<u>2,909,574</u>
Accumulated Depreciation				
Buildings	(859,382)	(44,259)	-	(903,641)
Improvements	(82,584)	(1,049)	-	(83,633)
Equipment	(9,469)	(32)	3	(9,498)
	<u>951,435</u>	<u>(45,340)</u>	<u>3</u>	<u>(996,772)</u>
Net Property and Equip - Held for Lease	<u>2,021,530</u>	<u>(40,789)</u>	<u>-</u>	<u>1,980,741</u>
Construction Work in Progress				
Construction Work in Progress	671,588	235,685	(16,197)	891,076
Net Capital Assets	<u>\$ 5,246,943</u>	<u>\$ 107,245</u>	<u>\$ (16,317)</u>	<u>\$ 5,337,871</u>

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5. LEASE AND CONCESSION AGREEMENTS

The Authority accounts for leases in accordance with GASB Statement No. 87, Leases. The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements are made up of various agreements for land, buildings, terminal space and concessions, which expire between the years 2025 and 2072. The Orlando International Airport (MCO) reports leases receivable with a carrying amount of \$1.1 billion and \$1.2 billion as of June 30, 2025 and September 30, 2024, respectively, and a deferred inflows lease in the amount of \$1.0 billion and \$1.1 billion as of June 30, 2025 and September 30, 2024, respectively, related to these agreements. The deferred inflows of resources for leases will be recognized as revenue over the term of the lease agreements.

MCO recognized \$118.0 million and \$125.9 million of lease revenue principal and \$28.2 million and \$30.1 million of lease interest income for the nine months ended June 30, 2025 and June 30, 2024, respectively.

The Authority has a 50-year lease with Brightline Trains Florida, LLC, formerly known as Virgin Trains USA Florida, LLC that expires in 2072. 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.

Regulated Leases

The Authority's operations include certain lease agreements that are classified as regulated leases under paragraph 42 of GASB Statement No. 87, Leases. These agreements consist of aeronautical lease agreements, as defined by the Federal Aviation Administration, which are made up of air carrier agreements, facility agreements that directly or substantially relate to the movement of passengers, ticketing, baggage, mail and cargo, and aircraft storage and maintenance service agreements. For these agreements, leases rates cannot exceed a reasonable amount and the Authority cannot deny potential lessees the right to enter into leases if facilities are available, provided that the potential lessee's use of the facilities complies with use restrictions. The Authority recognizes the revenues from these lease agreements as inflows each year based on the payment provisions of each lease contract.

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6. LONG-TERM LIABILITIES

A summary of long-term liability activity for the nine months ended June 30, 2025, is as follows (in thousands):

	Balance October 1, 2024	Additions and Adjustments	Deductions	Balance June 30, 2025	Amounts Due Within One Year	Amounts Due After One Year
Airport Facilities Revenue Bonds Public Offerings						
Senior Lien Bonds						
Series 2015A (AMT)	\$ 173,715	\$ -	\$ (3,870)	\$ 169,845	\$ 3,960	\$ 165,885
Series 2016B (NON-AMT)	81,385	-	(2,005)	79,380	2,110	77,270
Series 2016C (Taxable)	64,260	-	(2,745)	61,515	3,310	58,205
Series 2019A (AMT)	1,051,840	-	(36,440)	1,015,400	38,275	977,125
Series 2022A (AMT)	180,325	-	(2,915)	177,410	3,060	174,350
Series 2022B (Taxable)	64,050	-	-	64,050	-	64,050
Series 2022C (AMT)	7,390	-	(1,335)	6,055	1,400	4,655
Series 2022D (NON-AMT)	18,165	-	(1,650)	16,515	1,730	14,785
Series 2022E (Taxable)	10,470	-	(1,025)	9,445	1,085	8,360
Series 2024	-	139,705	-	139,705	2,315	137,390
Priority Subordinated Indebtedness						
Series 2016 Priority Subordinated (AMT)	26,790	-	(6,215)	20,575	6,525	14,050
Series 2017A Priority Subordinated (AMT)	840,610	-	(3,690)	836,920	3,380	833,540
Series 2024	-	632,710	-	632,710	-	632,710
Total Revenue Bonds from Public Offerings	<u>2,519,000</u>	<u>772,415</u>	<u>(61,890)</u>	<u>3,229,525</u>	<u>67,150</u>	<u>3,162,375</u>
Unamortized premiums and (discounts)	260,417	73,700	(15,221)	318,896	-	318,896
Net Revenue Bonds	<u>2,779,417</u>	<u>846,115</u>	<u>(77,111)</u>	<u>3,548,421</u>	<u>67,150</u>	<u>3,481,271</u>
Special Purpose Facilities Bonds						
Series 2018CFC (Taxable)(Direct Placement)	69,004	-	(22,213)	46,791	22,992	23,799
Total Outstanding Bonds	<u>2,848,421</u>	<u>846,115</u>	<u>(99,324)</u>	<u>3,595,212</u>	<u>90,142</u>	<u>3,505,070</u>
Lines of Credit (Direct Borrowing)	72,992	21,661	(59,341)	35,312	15,516	19,796
Lease Liabilities	52,245	-	(1,167)	51,078	1,648	49,430
Subscription Liability	2,682	3,460	(3,015)	3,127	2,336	791
Net Pension Liability	38,476	-	-	38,476	-	38,476
Advanced Rent from Tenants	10,600	101,389	(98,049)	13,940	13,940	-
Other Liabilities						
Compensated Absences (1)	6,995	1,125	(1,180)	6,940	6,393	547
Pollution Remediation Liability (1)	1,239	(5)	(81)	1,153	99	1,054
Total Other Liabilities	<u>8,234</u>	<u>1,120</u>	<u>(1,261)</u>	<u>8,093</u>	<u>6,492</u>	<u>1,601</u>
Total Long-term Liabilities	<u>\$3,033,650</u>	<u>\$973,745</u>	<u>\$(262,157)</u>	<u>\$3,745,238</u>	<u>\$ 130,074</u>	<u>\$ 3,615,164</u>

(1) 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.

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6. LONG-TERM LIABILITIES (continued)

Principal and Interest Requirements to Maturity:

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

PUBLIC OFFERINGS				
	Fiscal Year	Principal	Interest	Total
Revenue Bonds				
	2026	\$ 67,150	\$ 150,192	\$ 217,342
	2027	69,925	146,889	216,814
	2028	85,900	143,105	229,005
	2029	79,745	139,071	218,816
	2030	77,175	135,484	212,659
	2031-2035	447,305	618,496	1,065,801
	2036-2040	556,130	498,902	1,055,032
	2041-2045	671,985	353,323	1,025,308
	2046-2050	786,005	177,051	963,056
	2051-2055	388,205	27,095	415,300
Total Revenue Bonds		3,229,525	\$2,389,608	\$ 5,619,133
Unamortized premiums and (discounts)		318,896		
Net Revenue Bonds – Public Offerings		\$ 3,548,421		

DIRECT PLACEMENT

	Fiscal Year	Principal	Interest	Total
Revenue and Special Bonds				
	2026	\$ 22,992	\$ 1,430	\$ 24,422
	2027	23,799	623	24,422
Total Revenue and Special Bonds		46,791	\$ 2,053	\$ 48,844
Unamortized premiums and (discounts)		-		
Net Revenue and Special Bonds – Direct Placement		\$ 46,791		
Total Outstanding Bonds		3,276,316	\$ 2,391,661	\$ 5,667,977
Unamortized premiums and (discounts)		318,896		
Total Net Outstanding Bonds		\$ 3,595,212		

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6. LONG-TERM LIABILITIES (continued)

DIRECT BORROWING

Lines of Credit	2025	\$	15,516
	2026		19,796
Total Lines of Credit			\$ 35,312

The lines of credit due in fiscal year 2025 includes the short-term portion of the 2024 Term Loan with Wells Fargo. Additionally, it is the Authority's intention to repay the lines of credit debt with proceeds from a future bond issue.

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority entered Subscription-Based Information Technology Arrangements (SBITA) that allow the right to use and control a vendor's software, alone or in combination with other assets, the terms of which expire through 2029. These arrangements provide access to airline common use systems, accounts receivable software, public warning platforms, and project management software. The leased assets include access to a third party's proprietary software. The measurement of the subscription liabilities is based on the present value of lease payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, and residual value guarantee payments that are fixed in substance. A summary at June 30, 2025, and September 30, 2024, is as follows (in thousands):

	June 30, 2025		September 30, 2024
Subscription Assets	\$ 8,623		\$ 7,095
Accumulated Amortization	(3,387)		(3,794)
Net Subscription Assets	\$ 5,236		\$ 3,301

The interest rates ranged from 3.2328 to 5.2000 percent and were used to measure subscription payables. Subscription liabilities recorded under subscription contracts as of June 30, 2025 and September 30, 2024, were \$3.1 million and \$2.7 million, respectively.

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8. ORLANDO UTILITY COMMISSION (OUC) AGREEMENT

On September 22, 2017, the Aviation Authority, and OUC entered an Interlocal Agreement. Pursuant to the Interlocal Agreement, the Aviation Authority was to identify projects that could expand the then-current utility partnership beyond the traditional power and water services.

The Terminal C projects identified for consideration in the OUC/Aviation Authority partnership include the construction, operation, and maintenance for portions of the:

- 28 MW Backup Generation Plant and 12KV Emergency Distribution.
- 8,790 Ton Central Energy Plant.
- Sustainability Initiatives (solar energy facility).

On October 10, 2018, the Aviation Authority Board approved a Letter of Intent (“LOI”) between the Aviation Authority and OUC to negotiate a series of agreements to be presented to the Boards of both entities for approval as a comprehensive transaction structure. With the authorization from the Aviation Authority Board, the Aviation Authority staff, consultants, and legal counsel entered negotiations with OUC, resulting in the Global Agreement, to effectuate the intent of the LOI.

The Aviation Authority funded the engineering, procurement, and construction of the Backup Generation Facility and the Central Energy Plant. OUC designed, engineered, permitted, and constructed the 12 kV electrical distribution system and solar energy facilities at MCO. The cost of the projects was approximately \$54 million, inclusive of OUC’s capital improvement fund in the amount of \$2.7 million, any portion of which is not expended by the term of the agreement will be returned to the Aviation Authority. Additionally, OUC has waived the system development and connection (SDC) charges up to \$4 million. The SDC charge is an impact fee for all users of the system to cover necessary improvements over the entire system necessitated by the new service. The term of the agreement is twenty (20) years.

In addition to this being a 20-year agreement to provide reliable and sustainable energy services to the Aviation Authority, this is a financing transaction (treated as a lease under GASB 87). OUC purchased the right to operate the equipment from the Aviation Authority that is used to provide chilled water and backup emergency power distribution to Terminal C over a 20-year term. OUC has paid the Aviation Authority \$54 million at the “Turnover Date”, November 3, 2022. On that date OUC acquired the right and obligation to maintain the equipment, risk of loss and risk of maintaining the equipment over the 20-year term. The Aviation Authority used those proceeds to repay a portion of a Line of Credit that had been used to finance the construction of these facilities on an interim basis.

The Aviation Authority will compensate OUC for these services through a series of charges:

- A Capital charge, \$409,940, which is a fixed monthly charge that recovers the cost for the right to use and obligation to maintain the equipment.
- A Capacity charge, which pays for the actual maintenance of the equipment and the labor for operations of the facility. This charge is based on the tons of chilled water in the case of the CEP or Kilowatt hours in the case of the EPG that the facility can produce times the base rate, adjusted by a % of CPI.

All payments to OUC are subordinate to all Aviation Authority Operating and Maintenance Expense payments as well as all debt service payments regardless of lien status.

9. 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, 2025, the Authority has outstanding \$3.6 billion in Airport Facilities Revenue Bonds issued from 2015 to 2024, 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

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9. PLEDGED REVENUES (continued)

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 times 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.

Total principal and interest remaining on the Airport Facilities Revenue Bonds as of June 30, 2025, is \$5.6 billion with annual requirements ranging from \$217.3 million due in fiscal year 2026 to \$20.0 million in the final year, with the highest requirement of \$229.0 million in the fiscal year 2028. For the nine months ended June 30, 2025, principal and interest requirements were \$155.6 million. The revenues pledged for the year were \$456.4 million. This represents \$395.2 million in Net Revenues as calculated per the Bond Resolution and \$61.2 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, 2025, the Authority's outstanding Priority Subordinated Indebtedness is comprised of the outstanding Priority Subordinated Airport Facilities Revenue Refunding Bonds, Series 2016, 2017A and 2024 Subordinated. As of June 30, 2025, 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, 2025, is \$48.8 million. For the nine months ended June 30, 2025, interest requirements were \$1.4 million. As of June 30, 2025, the outstanding principal balance is \$46.8 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

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9. PLEDGED REVENUES (continued)

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.

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.

10. LINE OF CREDIT INDEBTEDNESS

On April 4, 2024, the Authority entered into a new revolving credit agreement with Wells Fargo Bank, N.A. to provide the Authority with a \$275.0 million line of credit. The term of the line of credit expires on March 31, 2026. Annual fees for the unused portion of the line of credit are 20 basis points, subject to the maintenance of the current Authority rating, multiplied by the daily authorized amount less the average daily balance of the principal amount of all outstanding advances for the preceding three months; payable on July 1, 2024, and thereafter, quarterly on the first day of each January, April, July, and October. In the event of a change in the Authority's rating, the unused fee rate shall equal the number of basis points set forth in the level associated with the Authority rating. Draw fees are payable monthly, with taxable draws calculated based on the Daily Simple SOFR plus the applicable spread; currently 67 basis points. Fees for tax-exempt draws are calculated at 79% of the Daily Simple SOFR plus the applicable spread; currently 45 basis points. Fees for term-loan draws are calculated at a set fixed rate, currently 5.93%. As of June 30, 2025, and September 30, 2024, respectively the Authority has drawn \$35.3 million and \$43.3 million on this line of credit. Of this amount, \$31.0 million is attributable to term-loan draws. As of June 30, 2025, and September 30, 2024, respectively, the unused portion of this line of credit was \$239.7 million and \$231.7 million.

In the event of a default for the 2024 Wells Fargo Bank, N.A. agreement, the line of credit shall bear interest at a fluctuating rate of interest per annum equal to the greatest of (1) the Prime Rate in effect at such time plus four percent (4.0%), (2) the Federal Funds Rate in effect at such time plus five percent (5.0%), and (3) ten percent (10.0%) (the "Default Rate"). 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.

On April 18, 2024, the Authority amended the revolving credit agreement with Bank of America, N.A. to provide the Authority with a \$275.0 million line of credit. The term of the line of credit expires on July 31, 2026. Through July 31, 2024, annual fees for the unused portion of the line of credit are 20 basis points, subject to the maintenance of the current Authority rating, multiplied by the daily authorized amount less the average daily balance of the principal amount of all outstanding advances for the preceding three months; payable on October 1, 2022, and thereafter, semiannually on the first day of each April and October. In the event of a change in the Authority's rating, the unused fee rate shall equal the number of basis points set forth in the level associated with the Authority rating. Once the loan is utilized at 50%, no unutilized fees are charged. Draw fees are payable monthly, with taxable draws calculated based on the BSBY Daily Floating Rate plus 62 basis points. Fees for tax-exempt draws are calculated at each SIFMA accrual period at the SIFMA index rate plus 29 basis points.

Under the amended agreement, effective July 31, 2024, annual fees for the unused portion of the line of credit are 20 basis points, subject to the maintenance of the current Authority rating, multiplied by the daily authorized amount less the average daily balance of the principal amount of all outstanding advances for the preceding three months; payable on October 1, 2024, and thereafter, semiannually on the first day of each April and October. In the event of a change in the Authority's rating, the unused fee rate shall equal the number of basis points set forth in the level associated with the Authority rating. Draw fees are payable monthly, with taxable draws calculated based on the SOFR plus the applicable spread; currently 67 basis points. Fees for tax-exempt draws are calculated at 79% of SOFR with a SOFR adjustment of 10 bps plus the applicable spread; currently 35 basis points. As of June 30, 2025, and September 30, 2024, respectively, the Authority has drawn \$0 and \$29.7 million on this line of credit. As of June 30, 2025, and September 30, 2024, respectively, the unused portion of this line of credit was \$275.0 million and \$245.3 million.

In the event of a default for the 2019 Bank of America, N.A agreement, this line 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

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10. LINE OF CREDIT INDEBTEDNESS (continued)

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 Tax-Exempt rate; 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.

11. LEASE LIABILITY

The Aviation Authority agreed to build, and Orlando Utilities Commission (OUC) agreed to finance, operate and maintain a central energy plant ("CEP"), and an emergency power generation and 12kV distribution facility ("EPG") for the South Terminal Complex ("STC"). OUC agreed to staff the CEP with OUC personnel, including onsite personnel for management and provision of emergency response for the EPG. OUC also agreed to construct, own, operate and maintain a solar energy facility (collectively with the CEP and the EPG, the "OUC Projects"). Pursuant to the terms of the Global Agreement, OUC will ultimately transfer ownership of the OUC Projects to the Authority at the end of the term of the agreement. The financial obligations of the Authority, which include repayment of capital and charges for ongoing maintenance pursuant to the Global Agreement, become effective upon the Turnover Date. Amendment Number 2 to the Global Agreement dated as of October 20, 2022, between the Authority and OUC ("Amendment No. 2") closed on November 3, 2022. The Authority received \$52,276,047 upfront payment in exchange for granting OUC the right to finance, operate and maintain the equipment. The Authority will repay OUC in monthly installments at 6.5% interest over 20 years.

The lease liability recorded under the agreement as of June 30, 2025, and September 30, 2024, was \$51.1 million and \$52.2 million, respectively.

12. REFUNDING BOND ISSUANCES AND DEFERRED AMOUNTS

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

	June 30, 2025	September 30, 2024
Long Term Debt Deferred (Gain) Loss:		
Series 2016A	\$ (1,645)	\$ (4,112)
Series 2016B	(264)	(660)
Series 2016C	3,552	3,873
Total Long Term Debt Net Deferred (Gain) Loss	<u>\$ 1,643</u>	<u>\$ (899)</u>

13. BOND ISSUANCES (OTHER THAN REFUNDING ISSUES)

On December 19, 2024, the Aviation Authority issued \$139.7 million in Airport Facilities Revenue Bonds, Series 2024 (AMT) (PFC Support) (the "Series 2024 Senior Bonds") with a true interest cost of 4.30%. The Series 2024 Senior Bonds were issued for the purpose of providing funds to finance a portion of the 2024 Project, refinance certain draws made on certain existing lines of credit used to finance a portion of the 2024 Project and associated interest, fund a deposit to the composite reserve subaccount, and pay certain costs of issuance. The average life of the Series 2024 Senior Bonds is 15.37 years.

On December 19, 2024, the Aviation Authority issued \$632.7 million in Priority Subordinated Airport Facilities Revenue Bonds, Series 2024 (AMT) (the "Series 2024 Subordinated Bonds") with a true interest cost of 4.39%. The Series 2024 Subordinated Bonds were issued for the purpose of providing funds to finance a portion of the 2024 Project, refinance certain draws made on certain existing lines of credit used to finance a portion of the 2024 Project and associated interest, fund a deposit to the pooled subordinated reserve account, pay capitalized interest on a portion of the Series 2024 Subordinate Bonds, and pay certain costs of issuance. The average life of the Series 2024 Subordinated Bonds is 17.39 years.

The 2024 Project consists of improvements to the Airport System to be financed in part with the proceeds of the Series 2024 Senior and the Series 2024 Subordinated Bonds, including the acquisition, design, construction, and equipping of certain capital projects in the South Terminal Complex (Terminal C), and certain capital projects in the North Terminal Complex and other Airport facilities and associated infrastructure.

GREATER ORLANDO AVIATION AUTHORITY
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 FOR THE NINE MONTHS ENDED JUNE 30, 2025

14. 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):

	2025	2024
Federal Grants	\$ 100,319	\$ 84,703
State of Florida Grants	18,766	28,212
Other Grants	-	5
Total Capital Contributions	\$ 119,085	\$ 112,920

15. 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 October 1, 2024 the Authority entered into a two-year Rate and Revenue Sharing Agreement extension that expires on September 30, 2026. For this extension period, the Authority receives the first \$110 million of Net Remaining Revenues each year for 2025 and 2026. Once that threshold is met, the participating airlines share revenue according to the following three revenue tiers:

Tier 1: The next \$17 million of all Net Remaining Revenues; and

Tier 2: Seventy-five percent (75%) of debt service coverage payments made by all participating airlines to the Authority in connection with certain revenue activities in the respective fiscal year; and

Tier 3: Any remaining revenues that exceed the Tier 2 threshold would be split fifty percent (50%) each between the Authority and participating airlines.

16. OUTSTANDING CONTRACTS

As of June 30, 2025 the Authority had entered into construction contracts, related to MCO, totaling approximately \$3.7 billion for construction, engineering services and equipment, approximately \$0.5 billion of which remains unincurred. Grants, passenger facility charges, and customer facility charges will be utilized to fund a portion of these projects.

17. CONTINGENT LIABILITIES

The Authority does not anticipate any litigation at this time.

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GREATER ORLANDO AVIATION AUTHORITY
 ORLANDO INTERNATIONAL AIRPORT
 NOTES TO FINANCIAL STATEMENTS - UNAUDITED
 FOR THE NINE MONTHS ENDED JUNE 30, 2025

18. 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. A summary of the changes in liability for the nine months ended June 30, 2025 is as follows (in thousands):

	Balance October 1, 2024	Additions or Adjustments	Payments Current Year	Balance June 30, 2025
Pollution Remediation Liability	\$ 1,239	\$ (5)	\$ (81)	\$ 1,153
Net Pollution Remediation Liability Recorded	<u>\$ 1,239</u>	<u>\$ (5)</u>	<u>\$ (81)</u>	<u>\$ 1,153</u>

Reported as follows (shown as Pollution Remediation Liability on Note 6)

Due within one year	\$ 120	\$ 60	\$ (81)	\$ 99
Due after one year	1,119	(65)	-	1,054
	<u>\$ 1,239</u>	<u>\$ (5)</u>	<u>\$ (81)</u>	<u>\$ 1,153</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.

Additionally, the Authority is involved in litigation for a polluted site from chemical and fuel spills on airport property. The liabilities associated with these sites are not reasonably estimable and, as such are not recorded in the financial statements.

19. SUBSEQUENT EVENTS

On July 8, 2025, the Aviation Authority completed the tax-exempt current refunding of its Series 2015A General Airport Revenue Bonds (GARBs). The refunding involved the defeasance of 2015A bonds in the amount of \$49.2 million.

The refunding was facilitated through a tax-exempt draw on line of credit facilities, in the amount of \$48.6 million at a variable rate alongside with other legally available funds.

On July 8, 2025, the Aviation Authority entered into an amended and restated 2019B revolving credit agreement with Bank of America, N.A. to provide the Authority with a \$275.0 million line of credit, with new terms effective August 1, 2026. The term of the line of credit expires on July 31, 2028. As of the date of this report, the Authority has a \$49.2 million outstanding balance on the 2019B Bank of America line of credit.

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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, 2025, 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, 2025 and 2024. 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, 2025, and the changes in its financial position and its cash flows for the nine-month periods ended June 30, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

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, 2024 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 21, 2025, but we have not performed any auditing procedures since that date.

Forvis Mazars, LLP

**Orlando, Florida
August 18, 2025**

GREATER ORLANDO AVIATION AUTHORITY
 ORLANDO EXECUTIVE AIRPORT
 STATEMENTS OF NET POSITION – UNAUDITED
 AS OF JUNE 30, 2025 and SEPTEMBER 30, 2024
 (in thousands)

	<u>June 30, 2025</u>	<u>September 30, 2024</u>
ASSETS AND DEFERRALS		
Current Assets		
Cash and cash equivalents	\$ 14,008	\$ 14,983
Accounts receivable, less allowance For uncollectibles of \$0 and \$0	264	193
Interest receivable	59	49
Lease receivables current	1,271	1,232
Due from other governmental agencies	1,370	556
Prepaid expenses	73	53
Total current assets	<u>17,045</u>	<u>17,066</u>
Noncurrent Assets		
Restricted assets		
Net OPEB asset	16	16
Net pension asset	101	101
Total restricted assets	<u>117</u>	<u>117</u>
Unrestricted assets:		
Investments	7,159	6,567
Lease receivables noncurrent	17,779	18,162
Total unrestricted assets	<u>24,938</u>	<u>24,729</u>
Capital assets, net of accumulated depreciation:		
Property and equipment	26,909	27,943
Property held for lease	5,393	5,617
Construction work in progress	2,073	212
Total capital assets, net of accumulated depreciation	<u>34,375</u>	<u>33,772</u>
Total noncurrent assets	<u>59,430</u>	<u>58,618</u>
Total assets	<u>\$ 76,475</u>	<u>\$ 75,684</u>
Deferred outflows of resources	<u>\$ 196</u>	<u>\$ 196</u>

(continued)

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

GREATER ORLANDO AVIATION AUTHORITY
 ORLANDO EXECUTIVE AIRPORT
 STATEMENTS OF NET POSTION – UNAUDITED
 AS OF JUNE 30, 2025 and SEPTEMBER 30, 2024
 (in thousands)

	June 30, 2025	September 30, 2024
LIABILITIES, DEFERRALS, AND NET POSITION		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 492	\$ 691
Deposits	28	28
Advance rent from tenants, current	104	104
Due to Orlando International Airport	393	4
Due to other governmental agencies	60	168
Total current liabilities	1,077	995
Long-term Liabilities		
Advance rent from tenants, long-term	195	272
Other long-term liabilities	271	273
Total long-term liabilities	466	545
Total liabilities	\$ 1,543	\$ 1,540
Deferred inflows of resources	17,582	18,170
Net Position		
Net investment in capital assets	34,375	33,772
Restricted for:		
Pension and OPEB	117	117
Unrestricted	23,054	22,281
Total net position	\$ 57,546	\$ 56,170

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, 2025 and 2024
 (in thousands)

	<u>2025</u>	<u>2024</u> (Restated)
Operating Revenues		
Airfield area	\$ 505	\$ 492
Terminal area	71	71
Commercial property	1,613	2,074
Other airport related	876	767
Total operating revenues	<u>3,065</u>	<u>3,404</u>
Operating Expenses		
Operations and facilities	1,522	1,230
Safety and security	884	961
Administration	593	555
Other	108	146
Total operating expenses	<u>3,107</u>	<u>2,892</u>
Operating income (loss) before depreciation	(42)	512
Depreciation	<u>(1,407)</u>	<u>(1,242)</u>
Operating income (loss)	(1,449)	(730)
Nonoperating Revenues (Expenses)		
Investment income	453	346
Net increase (decrease) in the fair value of investments	9	106
Lease interest income	482	487
Federal and state grants	-	1,578
Other	39	33
Total nonoperating revenues (expenses)	<u>983</u>	<u>2,550</u>
Income (loss) before capital contributions	<u>(466)</u>	<u>1,820</u>
Capital Contributions	<u>1,842</u>	<u>6,828</u>
Increase in net position	1,376	8,648
Total Net Position, Beginning of Period	<u>56,170</u>	<u>49,778</u>
Total Net Position, End of Period	<u>\$ 57,546</u>	<u>\$ 58,426</u>

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, 2025 and 2024
 (in thousands)

	2025	2024 (Restated)
Cash flows from operating activities		
Cash received from customers, tenants, and governmental agencies	\$ 2,759	\$ 2,997
Cash paid to suppliers and governmental agencies	(2,165)	(1,929)
Cash paid to employees for services	(1,266)	(1,211)
Net cash provided by (used for) operating activities	(672)	(143)
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(1,673)	(4,765)
Capital contributed by federal grants and state agencies	1,028	172
Lease interest income	482	487
Net cash provided by (used for) capital and related financing activities	(163)	(4,106)
Cash flows from investing activities		
Purchase of investments	(1,852)	(4,040)
Proceeds from sale or maturity of investments	1,269	2,458
Interest received	443	340
Net cash provided by (used for) investing activities	(140)	(1,242)
Net increase (decrease) in cash and cash equivalents	(975)	(5,491)
Cash and Cash Equivalents, Beginning of Period	14,983	11,276
Cash and Cash Equivalents, End of Period (1)	\$ 14,008	\$ 5,785
 (1) Cash and Cash Equivalents – Unrestricted Assets	\$ 14,008	\$ 5,785
	\$ 14,008	\$ 5,785

(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, 2025 and 2024
 (in thousands)

	2025	2024 (Restated)
Reconciliation of operating loss to net cash provided by (used for) operating activities		
Operating loss	\$ (1,449)	\$ (730)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,407	1,242
Other income	39	33
(Increase) Decrease in operating assets:		
Accounts and grants receivable	(71)	(88)
Lease receivables	344	363
Prepaid expenses	(20)	(60)
Increase (Decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(199)	(176)
Due to other governmental agencies	(108)	(12)
Advance rent from tenants	(77)	(78)
Due from other funds	52	3
Other liabilities	(2)	-
Deferred inflows of resources	(588)	(640)
Total adjustments	777	587
Net cash used for operating activities	\$ (672)	\$ (143)

Noncash Investing, Capital and Financing Activities

Increase (decrease) in fair value of investments	\$ 9	\$ 106
Capital contributions from other governments	\$ 814	\$ 6,656

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

GREATER ORLANDO AVIATION AUTHORITY
 ORLANDO EXECUTIVE AIRPORT
 NOTES TO FINANCIAL STATEMENTS - UNAUDITED
 FOR THE NINE MONTHS ENDED JUNE 30, 2025

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 months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending September 30, 2025. 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, 2024.

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, (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). Financial statement for the SBA can be found on the Florida Auditor General's website at https://flauditor.gov/pages/pdf_files/2025-073.pdf.

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 be 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, and the Florida Income Trust are a "2a-7-like" pool and are 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, 2025, and September 30, 2024, the fair value of all securities, regardless of the statement of net position classification, was as follows (in thousands):

	June 30, 2025	September 30, 2024
U.S. Treasury and government agency securities	\$ 7,159	\$ 6,567
Local government investment pool	67	65
Money market funds	1,209	1,551
Total securities	\$ 8,435	\$ 8,183

GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
NOTES TO FINANCIAL STATEMENTS - UNAUDITED
FOR THE NINE MONTHS ENDED JUNE 30, 2025

2. CASH DEPOSITS AND INVESTMENTS (continued)

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

	June 30, 2025	September 30, 2024
Current Assets		
Unrestricted assets		
Cash and cash equivalents	\$ 14,008	\$ 14,983
Noncurrent Assets		
Unrestricted Assets		
Investments	7,159	6,567
Total cash, cash equivalents and investments	\$ 21,167	\$ 21,550
Less cash on deposit	(12,732)	(13,367)
Total securities, at fair value	\$ 8,435	\$ 8,183

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of June 30, 2025, the Authority held the following investments as categorized below in accordance with generally accepted accounting principles:

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 data of the securities. According to the SBA, the dollar weighted average days to maturity ("WAM") of the Florida Prime at May 31, 2025 is 46 days. Next interest rate reset dates for floating rate securities are used in calculation of the WAM. The weighted average life ("WAL") of the Florida Prime at May 31, 2025, is 82 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, 2025, were rated consistent with the Authority's investment policy and bond resolutions. Funds invested with the Fixed Income Trust were rated AAAf/S1 by Fitch Rating.

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, 2025 and September 30, 2024, 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, 2024 through June 30, 2025.

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 EXECUTIVE AIRPORT
 NOTES TO FINANCIAL STATEMENTS – UNAUDITED
 FOR THE NINE MONTHS ENDED JUNE 30, 2025

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 Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer 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, 2025, 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 Orlando Executive Airport require segregation of certain assets into restricted accounts. At June 30, 2025 and September 30, 2024, composition of restricted accounts is as follows (in thousands):

	Restricted Assets (in thousands)	
	June 30, 2025	September 30, 2024
Net OPEB Asset	\$ 16	\$ 16
Net Pension Asset	101	101
Total Restricted Assets	\$ 117	\$ 117

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3. RESTRICTED ASSETS (continued)

Reported in the accompanying financial statements as follows:

	June 30, 2025	September 30, 2024
Total Restricted Assets – Non Current	\$ 117	\$ 117
Total Restricted Assets	<u>\$ 117</u>	<u>\$ 117</u>

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4. CAPITAL ASSETS

A summary of capital asset activity for the nine months ended June 30, 2025, is as follows (in thousands):

	Balance October 1, 2024	Additions and Reclassifications	Deductions	Balance June 30, 2025
Property and Equipment				
Capital Assets not Depreciated				
Land	\$ 9,451	\$ -	\$ -	\$ 9,451
Other Property and Equipment				
Buildings	3,884	-	-	3,884
Improvements	62,233	123	-	62,356
Equipment	673	26	-	699
Motor vehicles	905	-	(38)	867
	<u>67,695</u>	<u>149</u>	<u>(38)</u>	<u>67,806</u>
Accumulated Depreciation				
Buildings	(1,587)	(51)	-	(1,638)
Improvements	(46,502)	(1,033)	-	(47,535)
Equipment	(427)	(51)	-	(478)
Motor vehicles	(687)	(48)	38	(697)
	<u>(49,203)</u>	<u>(1,183)</u>	<u>38</u>	<u>(50,348)</u>
Net Property and Equipment	<u>27,943</u>	<u>(1,034)</u>	<u>-</u>	<u>26,909</u>
Property and Equipment - Held for Lease				
Capital Assets not Depreciated				
Land	3,658	-	-	3,658
Other Property and Equipment				
Buildings	9,721	-	-	9,721
Improvements	992	-	-	992
	<u>10,713</u>	<u>-</u>	<u>-</u>	<u>10,713</u>
Accumulated Depreciation				
Buildings	(7,920)	(207)	-	(8,127)
Improvements	(834)	(17)	-	(851)
	<u>(8,754)</u>	<u>(224)</u>	<u>-</u>	<u>(8,978)</u>
Net Property and Equip - Held for Lease	<u>5,617</u>	<u>(224)</u>	<u>-</u>	<u>5,393</u>
Construction Work in Progress				
Capital Assets Not Depreciated	212	1,861	-	2,073
Net Capital Assets	<u>\$ 33,772</u>	<u>\$ 603</u>	<u>\$ -</u>	<u>\$ 34,375</u>

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5. LONG-TERM LIABILITIES

A summary of long-term liability activity for the nine months ended June 30, 2025, is as follows (in thousands):

	Balance October 1, 2024	Additions	Deductions	Balance June 30, 2025	Amounts Due Within One Year	Amounts Due After One Year
Advanced Rent from Tenants (1)	\$ 376	\$ 405	\$ (482)	\$ 299	\$ 104	\$ 195
Other Liabilities						
Compensated Absences (1)	77	22	(21)	78	72	6
Pollution Remediation Liability (1)	296	67	(48)	315	50	265
Total Other Liabilities	<u>373</u>	<u>89</u>	<u>(69)</u>	<u>393</u>	<u>122</u>	<u>271</u>
Total Long-term Liabilities	<u>\$ 749</u>	<u>\$ 494</u>	<u>\$ (551)</u>	<u>\$ 692</u>	<u>\$ 226</u>	<u>\$ 466</u>

(1) Advance rent from tenants due within one year is included with current advanced rent 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):

	2025	2024
Federal Grants	\$ 1,597	\$ 6,245
State Grants	245	583
Total Capital Contributions	<u>\$ 1,842</u>	<u>\$ 6,828</u>

7. LEASE AND CONCESSION AGREEMENTS

The Authority accounts for leases in accordance with GASB Statement No. 87, Leases. The Authority's operations consist of agreements for use of land, buildings, terminal space and Minimum Annual Guarantees from concessionaires. The agreements are made up of various agreements for land, buildings, terminal space and concessions, which expire between the years 2025 and 2045. The Orlando Executive Airport (ORL) reports leases receivable with a carrying amount of \$19.0 million and \$19.4 million as of June 30, 2025 and September 30, 2024, respectively, and a deferred inflows lease in the amount of \$17.3 million and \$17.9 million as of June 30, 2025 and September 30, 2024, respectively, related to these agreements. The deferred inflows of resources for leases will be recognized as revenue over the term of the lease agreements.

ORL recognized \$1.1 million and \$1.1 million of lease revenue principal and \$0.5 million and \$0.5 million of lease interest income for the nine months ended June 30, 2025 and June 30, 2024, respectively.

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8. OUTSTANDING CONTRACTS

As of June 30, 2025, the Authority had entered into construction contracts totaling approximately \$23.6 million for construction, engineering services and equipment, approximately \$4.7 million of which remains unincurred. Grants, passenger facility charges and customer facility charges will be utilized to fund a portion of these projects.

9. CONTINGENT LIABILITIES

The Authority does not anticipate any litigation at this time.

10. 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, 2025, related to ORL is as follows (in thousands):

	Balance October 1, 2024	Additions or Adjustments	Payments Current Year	Balance June 30, 2025
Pollution Remediation Liability	\$ 296	\$ 67	\$ (48)	\$ 315
Net Pollution Remediation Liability Recorded	<u>\$ 296</u>	<u>\$ 67</u>	<u>\$ (48)</u>	<u>\$ 315</u>
Reported as follows (shown as Pollution Remediation Liability on Note 5)				
Due within one year	\$ 29	\$ 69	\$ (48)	\$ 50
Due after one year	267	(2)	-	265
	<u>\$ 296</u>	<u>\$ 67</u>	<u>\$ (48)</u>	<u>\$ 315</u>

11. SUBSEQUENT EVENTS

The Authority did not have any subsequent events for the Orlando Executive Airport.