CITY OF NAPLES AIRPORT AUTHORITY (NAA)
Board of Commissioners
Notice of Regular Meeting

AGENDA
Airport Office Building – 2nd Floor Conference Room
200 Aviation Drive North
Naples, FL 34104

Thursday, May 21, 2020
8:30 a.m.

Commissioner Michael Lenhard – Chair and Consultant Selection Committee Member
Commissioner Kerry C. Dustin – Vice Chair and Audit Committee Chair
Commissioner Donna M. Messer – NCC Liaison
Commissioner James Rideoutte – Consultant Selection Committee Chair and Audit Committee Member
Commissioner Ted Brousseau – Legal Liaison
Executive Director: Christopher A. Rozansky
Authority Attorney: William L. Owens, Esq. of Bond, Schoeneck & King, PLLC

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A. **ROLL CALL**

B. **PLEDGE OF ALLEGIANCE**

C. **AGENDA (Add, delete or re-sequence items)**

D. **MINUTES**
   1. April 16, 2020 Regular Meeting Minutes
   2. May 7, 2020 Audit Committee Minutes

E. **PRESENTATIONS AND TIME CERTAIN ITEMS**
   1. Employee of the Quarter

F. **PUBLIC COMMENTS ON GENERAL TOPICS NOT ON THE CURRENT AGENDA**

G. **ACTION ITEMS (Public comments accepted for each item; 5 minute limit)**
   1. Internet Service Providers
   2. Professional Services Agreement and Task Order for the North Quadrant Landfill Redevelopment – Design, Bidding and Construction Phase Services in an amount not to exceed $1,220,840
   3. Renew Workers’ Compensation Insurance in an Amount Not To Exceed $133,788
   5. Resolution 2020-4, FAA Grant Offer for $157,000 in Relief Funds from the CARES Act
   6. Lease Term Buy-Back Program
   7. Lease with Marco Hangars, LLC

H. **NEW BUSINESS**
   1. Special Items for Audit Firm Review
   2. Banking Services
I. OLD BUSINESS
   1. Noise Compatibility Committee Update
   2. Technical Advisory Committee Update

J. LEADERSHIP TEAM REPORT
   1. Leadership Team Report

K. FINANCIAL REPORTS
   1. Financial Summary

L. COUNSEL’S REPORT
   1. Counsel’s Report

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

O. ADJOURN
Minutes  
April 16, 2020  
Regular Meeting

A. **ROLL CALL**  
Meeting was called to order by Chair Lenhard at 8:31 a.m. in the Airport Office Building (AOB), 2nd Floor Conference Room, 200 Aviation Drive North, Naples. Chair Lenhard announced that due to the coronavirus pandemic, today’s Board Meeting was being held by a conference call and an audio recording will be available following the meeting.  
Present telephonically were Vice Chair Dustin, Commissioner Brousseau, Commissioner Messer and Commissioner Rideoutte.  

Staff and Authority Counsel present in the AOB were Mr. Rozansky, Mr. Owens, Ms. Conner and Ms. Menard. Staff present telephonically were Ms. Terrill, Mr. Keith, Mr. Frost and Mr. Warriner.

B. **PLEDGE OF ALLEGIANCE**  
Chair Lenhard led the Pledge of Allegiance.

C. **AGENDA**  
Mr. Rozansky reported that there were no changes to the agenda.

Mr. Owens made the following statement regarding today’s conference call:

> Pursuant to Executive Order 20-69 promulgated by the Governor of the State of Florida on March 20, 2020, any Florida Statute that requires a quorum to be present in person or requires a local government body like the Naples Airport Authority to meet at a specific public place has been suspended. He added that local government bodies, like the NAA, may utilize communications or media technology such as the conference call that we are using today, and it is authorized and in compliance with the Sunshine Law.

D. **MINUTES**  

1. **March 19, 2020 Regular Meeting Minutes**  
Vice Chair Dustin moved approval of the March 19\textsuperscript{th} Regular Meeting minutes. Commissioner Messer seconded. Motion passed unanimously 5-0.

E. **PRESENTATIONS AND TIME CERTAIN ITEMS**  
There were no presentations.
F. PUBLIC COMMENTS

There were no public comments.

G. ACTION ITEMS (Public comments accepted for each item; 5-minute limit)

1. Resolution 2020-2, a Federal Aviation Administration (FAA) grant to participate in the Naples Airport Runway 5-23 Drainage and Safety Improvement Project in an amount not to exceed $5,000,000

Mr. Keith requested Board authorization for the Chair to execute Resolution 2020-2, authorizing the Executive Director to execute an FAA grant for the above-referenced project in an amount not to exceed $5,000,000 and to accept the grant, if offered, contingent upon Authority Counsel’s consent.

He said the actual project is to eliminate the last remaining area of standing water between Taxiway A and Runway 5-23. He said the area is difficult to maintain when wet, especially during the rainy season, and it becomes a wildlife habitat, posing a safety hazard.

Mr. Keith said that the purpose for requesting authorization for the Executive Director to accept the grant is due to the FAA’s required turnaround time of typically three business days after receipt of the offer that does not typically coincide with the Board’s meeting schedule.

Mr. Keith reported that an Invitation to Bid for construction was advertised on March 8th and five bids were received on April 6th. He reviewed the funding request not to exceed $5,000,000 which is based on engineering and construction phase services of $842,383 and the low compliant construction bid price of $4,137,000 for a total of $4,979,383. He added that if an FAA grant is received, a contract for construction will be presented to the Board at a future regular meeting for consideration.

Commissioner Rideoutte moved Board approval for the Chair to execute Resolution 2020-2 authorizing the Executive Director to execute an FAA grant for the above-referenced project in an amount not to exceed $5,000,000 and to accept the grant, if offered, contingent upon Authority Counsel’s consent. Vice Chair Dustin seconded. The motion passed unanimously 5-0.

Mr. Rozansky commented that to our surprise, the FAA accelerated applications to the middle of May. He commended Mr. Keith and the consultants, EG Solutions, for their agility in getting the design complete, bidding the project out and being able to bring it before the Board today.

2. Renew employee benefits in an amount not to exceed $971,000

Mr. Rozansky requested authorization for the Executive Director to renew employee benefits effective May 1, 2020 in an amount not to exceed $971,000. He stated that the Executive Director has responsibility and authority for employee benefits under the Delegation of Powers. Commissioner Rideoutte asked why Mr. Rozansky brought this to the Board since he has authority to renew the benefits based on the Delegation of Powers. Mr. Rozansky stated that he does have authority over personnel matters, but the amount of $971,000 exceeds his spending authority.

Mr. Rozansky expressed appreciation to Senior Human Resources Manager, Ms. Bendle, for working with BKS, the Authority’s benefits broker, to receive a favorable health insurance renewal rate of 0%
increase for the second year in a row. He noted that the dental renewal was negotiated to a 0% increase for the fourth year in a row, and vision, life, accidental death and dismemberment and long term and short term disability also had a 0% increase. Other benefits such as the medical advocacy program, health savings account and Teladoc have been negotiated to no increase in costs. He reviewed two changes. The first to the administrator of our Flexible Spending Account and COBRA program due to a decline in service levels and the second from the EAP of Southwest Florida to SalusCare who now has an office in Naples.

In response to a question by Vice Chair Dustin regarding the EAP program, Mr. Rozansky explained that the program provides counseling to employees who have a personal and/or work-related problem.

Commissioner Messer commended Ms. Bendle and BKS for their efforts in negotiating the benefits renewal rates. Chair Lenhard echoed her comments and added that it is unprecedented to have a reduction in benefits costs year over year.

Commissioner Messer moved Board approval for the Executive Director to renew employee benefits effective May 1, 2020 in an amount not to exceed $971,000. Vice Chair Dustin seconded. The motion passed unanimously 5-0.

3. Resolution 2020-3, a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation (FDOT) to participate in an Airport Rescue and Fire Fighting Facility (ARFF) in an amount not to exceed $2,702,355

Mr. Keith requested Board authorization for the Chair to execute Resolution 2020-3, authorizing the Executive Director to execute an SJPA with the FDOT to participate in an Airport Rescue and Fire Fighting Facility (ARFF) in an amount not to exceed $2,702,355. Mr. Keith said that the SJPA grant is for an additional amount of $462,355 for a total to date of $2,702,355. He said that the amount is getting close to at least 50% funding. He said that the current budget for the ARFF station is $5,585,351.

Commissioner Messer moved Board approval for the Chair to execute Resolution 2020-3, authorizing the Executive Director to execute an SJPA with the FDOT to participate in an Airport Rescue and Fire Fighting Facility (ARFF) in an amount not to exceed $2,702,355. Vice Chair Dustin seconded. The motion passed unanimously 5-0.

4. Purchase furnishings for the new ARFF station in an amount not to exceed $100,000

Mr. Keith stated that the construction contract for the ARFF station excluded furnishings. He said that Business Office Systems, Inc. (BOS), the consultant service provider for furnishings, is under a state contract purchasing agreement. He explained that the state puts out different proposals for firms to bid and submit pricing on and once selected, any organization with a requirement to follow competitive purchasing procedures can use the state’s purchase agreement without having to go back out to bid. Mr. Keith said that we are anticipating about $60,000 for furnishings and are requesting Board authorization for the Executive Director to execute a contract with BOS for the purchase of furnishings for the new ARFF station in an amount not to exceed $100,000. He said that ARFF furnishings are included in the FY 2020 budget for $200,000.
Commissioner Messer moved Board approval for the Executive Director to execute a contract with BOS for the purchase of furnishings for the new ARFF station in an amount not to exceed $100,000. Commissioner Brousseau seconded. The motion passed unanimously 5-0.

Commissioner Rideoutte questioned how today’s voting process was being conducted since the meeting was being held by telephone. Mr. Owens thanked Commissioner Rideoutte for raising the concern and explained that the Chair should take the affirmative vote and then clarify that there is no one opposed.

For the record Chair Lenhard asked all Commissioners who were in favor of the last motion, Action 4, to say “aye.” He repeated that the motion passed unanimously and none were opposed.

Chair Lenhard then retook the vote for Action 2, Renew employee benefits in an amount not to exceed $971,000. The vote passed unanimously 5-0 with none opposed.

Chair Lenhard also retook the vote for Action 3, Resolution 2020-3, an SJPA with FDOT to participate in ARFF in an amount not to exceed $2,702,355. The vote passed unanimously 5-0 with none opposed.

H. NEW BUSINESS

There was no new business.

I. OLD BUSINESS

1. Noise Compatibility Committee (NCC) Update

Commissioner Messer stated that the NCC last met on January 30th, and highlights of that meeting were reported at the February 20th Regular Meeting. She announced that due to the COVID-19 pandemic, interviews for NCC candidates have been rescheduled to a future date, to be determined and that the next Regular Meeting of the NCC scheduled for Thursday, April 30th, was cancelled. She added that updates will be provided on our website.

2. Technical Advisory Committee (TAC) Update

Commissioner Messer stated that the TAC last met on January 30th, and a summary of that meeting was reported at the February 20th Regular Meeting.

She said that the Part 150 Noise Study section of the flynaples.com website has been updated and noted that there is a link on the project website to submit comments related to the noise study and that the frequently asked questions have been updated. She reported that the project scope includes up to 3 small community meetings of groups of up to 10 participants for the purposes of conducting targeted community outreach and encouraged members of the public to contact their TAC representative to participate.

Due to the COVID-19 pandemic, she announced that the next Regular Meeting of the TAC scheduled for Thursday, April 23rd has been cancelled and it will be moved to a future date.
J. LEADERSHIP TEAM REPORT

1. Leadership Team Report

Commissioner Rideoutte asked if the virus would impact the wait list for hangers. Mr. Rozansky stated that it is possible but we have not seen the impact yet. He added that it may take time for that to play out and staff will be monitoring it closely.

Vice Chair Dustin asked if staff was getting any negative feedback from customers regarding fuel prices, given the drop in fuel cost. Mr. Rozansky stated that modest adjustments were made to the retail prices for transient customers, but our cost is still competitive.

There was discussion of our fuel pricing structure, the glut of supply reported in the news and reduction in demand, causing a precipitous drop in the cost of fuel.

Commissioner Brousseau inquired about the price adjustments to AvGas. Mr. Rozansky stated that AvGas has not fallen as much. He said that the airlines’ load factors are down to 4%-9%, so that has driven the dramatic reduction in the price of Jet-A, besides the cost of the barrel of oil, which AvGas does not have.

K. FINANCIAL REPORTS

1. Financial Summary

Mr. Warriner provided a review of the financials and reported that the change in net position was favorable to budget for the month of March and year to date. He noted that there has been a reduction in our fuel sales in the latter part of March, but noted that 75% of our fuel sales occur in the first six months of our fiscal year (October – March). Mr. Warriner added that staff has projected out the remainder of the year and are confident that we will be ahead of budget at the end of the fiscal year because of prudent fiscal management.

Commissioner Messer asked where we stand for the rest of the year regarding number of employees relative to finances. Mr. Warriner stated that we expect to make our budget for this fiscal year, and Mr. Rozansky stated that we are not looking at any further employee changes at this time.

Commissioner Rideoutte commented regarding Mr. Warriner’s statement that we still expect to make budget for the fiscal year. He said that if we get into a situation where we are not going to make budget, everything is on the table. Mr. Warriner added that we are modeling out our next year and are cognizant of what is happening.

Chair Lenhard suggested that Mr. Warriner take a look back at the recession 10 or 11 years ago to see if there is anything in that period of time that would give us modeling going forward. Mr. Rozansky commented that during that time there were nearly 50% declines in fuel sales, but with other revenues, we were down 32%. He added that we have a history of employment figures in the CAFR and could look at that as a point of reference.
Vice Chair Dustin pointed out that accounts receivable was higher on the balance sheet and asked if we are seeing payments come in slower. Mr. Warriner stated that we have not seen any issues with collections thus far.

Commissioner Messer moved acceptance of the March Financial Summary. Commissioner Rideoutte seconded. Motion passed unanimously 5-0.

L.  COUNSEL’S REPORT

1. Counsel’s Report

Mr. Owens reported that there were no pending legal matters or material issues to discuss.

M.  PUBLIC COMMENTS (5-minute limit)

There were no public comments.

N.  CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

There were no additional correspondence/comments and requests/meetings.

O.  ADJOURN

With no further business, the meeting adjourned at 9:15 a.m.

Christopher A. Rozansky
Secretary

NOTE:  Printed copies of all visual presentations and handouts are on file in the Executive Assistant’s Office.
CITY OF NAPLES AIRPORT AUTHORITY (NAA)
Board of Commissioners
Notice of Regular Meeting

FINIAL AGENDA
Airport Office Building
200 Aviation Drive North, 2nd Floor
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Thursday, April 16, 2020
8:30 a.m.

Commissioner Michael Lenhard – Chair and Consultant Selection Committee Member
Commissioner Kerry C. Dustin – Vice Chair and Audit Committee Chair
Commissioner Donna M. Messer – NCC Liaison
Commissioner James Rideoutte – Consultant Selection Committee Chair and
Audit Committee Member
Commissioner Ted Brousseau – Legal Liaison
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A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. AGENDA (Add, delete or re-sequence items)

D. MINUTES
   1. March 19, 2020 Regular Meeting Minutes

E. PRESENTATIONS AND TIME CERTAIN ITEMS

F. PUBLIC COMMENTS ON GENERAL TOPICS NOT ON THE CURRENT AGENDA

G. ACTION ITEMS (Public comments accepted for each item; 5 minute limit)
   1. Resolution 2020-2, a Federal Aviation Administration (FAA) grant to participate in the Naples Airport Runway 5-23 Drainage and Safety Improvement Project in an amount not to exceed $5,000,000
   2. Renew employee benefits in an amount not to exceed $971,000
   3. Resolution 2020-3, a Supplemental Joint Participation Agreement (SJPA) with the Florida Department of Transportation (FDOT) to participate in an Airport Rescue and Fire Fighting Facility (ARFF) in an amount not to exceed $2,702,355
   4. Purchase furnishings for the new ARFF station in an amount not to exceed $100,000

H. NEW BUSINESS

I. OLD BUSINESS
   1. Noise Compatibility Committee Update
   2. Technical Advisory Committee Update

J. LEADERSHIP TEAM REPORT
   1. Leadership Team Report

K. FINANCIAL REPORTS
   1. Financial Summary
L. COUNSEL'S REPORT
   1. Counsel’s Report

M. PUBLIC COMMENTS (5 minute limit)

N. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

O. ADJOURN
Minutes
May 7, 2020
Audit Committee Meeting

A. ROLL CALL

Meeting was called to order telephonically by Chair Dustin at 3 p.m. Chair Dustin announced that due to the coronavirus pandemic, today’s Audit Committee Meeting was being held by conference call and an audio recording will be available following the meeting.

Present telephonically were Commissioner Rideoutte, Audit Committee member; and Commissioner Lenhard, who opted in.

Staff and Legal Counsel present in the Airport Office Building (AOB), 2nd Floor Conference Room, 200 Aviation Drive North, Naples were Ms. Terrill, Mr. Owens, Mr. Warriner, Ms. Vandertsluis and Ms. Menard. Staff present telephonically were Mr. Rozansky and Mr. Keith.

B. PLEDGE OF ALLEGIANCE

C. AGENDA

There were no changes to the Agenda.

Mr. Rozansky announced that Ms. Terrill would lead today’s meeting.

D. DISCUSSION ITEM

1. Annual Audit Firm Review – FY 2019 Audit

Mr. Warriner provided introductory comments regarding the annual audit firm review. He noted that the annual audit firm review is a requirement of our bylaws. Mr. Warriner reported that he was pleased with how the audit was conducted, and the field work was done in record time without any issues.

Mr. Jeff Wolf, Manager of MSL, was present telephonically and commented that the FY 2019 audit went smoothly and that any situation that may have come up due to the COVID-19 pandemic did not become an issue in conducting the audit.

Commissioner Rideoutte stated that staff’s appraisal of the audit firm’s performance was flattering, and Commissioner Lenhard echoed those comments and congratulated MSL for a job well done.

Chair Dustin asked what the potential might be for auditing 100% of the transactions electronically and being efficient in that manner. Mr. Wolf said that there is software being developed using artificial intelligence and it is something that MSL is looking into, but the technology has not yet been made available for use.
Ms. Menard reviewed that during the third year of engagement, the Committee shall consider and recommend to the Board whether to renew the engagement with MSL or to commence a competitive selection process for the retention of auditors for the succeeding year. Based on Committee members’ comments of the audit firm review, Chair Dustin requested affirmation from members to renew the engagement with MSL. There was Committee consensus to recommend to the Board to renew the engagement with MSL.


Mr. Warriner requested the Audit Committee’s review of the FY 2020 Audit Engagement Letter and their recommendation to the Board for the Executive Director to execute the FY 2020 Audit Engagement Letter. Mr. Warriner reviewed the fees for the audit and noted that the fees are fixed in our five-year agreement with MSL as follows:

$40,500 for the Audit Fee

$2,000 for the Federal Single Audit Fee – Mr. Warriner reported that there will not be a federal single audit fee this year because we did not meet the threshold for receiving federal funds

$1,500 for the State Single Audit Fee

Mr. Warriner stated that the proposed audit engagement letter was signed by MSL and was included in the Committee packet.

Commissioner Rideoutte asked for clarification of the last sentence in the first paragraph under the heading, Audit Procedures – General, on page 3 of the Audit Engagement Letter. The sentence reads: “Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.” Mr. Wolf explained the differences of fraud vs. abuse. He provided an example of abuse vs. material fraud and noted that auditing standards do not require them to detect abuse, but they are required to detect material fraud.

Regarding the 2017 peer review report, noted in the second paragraph on page 8 of the Audit Engagement Letter, Commissioner Rideoutte asked how often those reports are scheduled and who selects the reviewing CPA firm. Mr. Wolf said that the peer review is provided every three years and that the review period will begin in the next couple of months. Mr. Wolf said that there is discussion being held to delay all peer review for one year, but MSL is hoping to move forward with it. He said that if the review does stay on schedule, it would be likely completed by November and would be sent out to all clients at that time. He said that MSL selects the firm.

Chair Dustin expressed his appreciation to Commissioner Rideoutte for raising these two points.

There was unanimous consent by the Audit Committee to recommend to the Board that the FY 2020 Audit Engagement Letter as presented be approved.
3. Special Items for Audit Firm Review

Mr. Warriner requested Committee discussion to determine if a more detailed review of any special items was necessary. He referenced the list of services provided in the past and stated that in the last five years, the Committee has not requested the auditors to conduct additional special services.

Commissioner Rideoutte requested Mr. Warriner if he recommended any special project for consideration. Mr. Warriner stated that the new IT firm that was hired late last year has been reviewing how our IT infrastructure is set up and that they are in the process of developing a long term roadmap for the NAA. He said that staff has discussed the need for MSL to evaluate if the recommended roadmap is reasonable to industry standards and provide a second opinion. There was discussion about this being a worthwhile project.

Mr. Wolf said that the IT evaluation would be outside the audit scope and a separate agreement would need to be negotiated. The Committee expressed their support for MSL’s expertise and guidance in this area.

Chair Dustin stated that he had continued concern regarding the safety of our cash investments. He requested that MSL provide an analysis of the two banking institutions, Valley Bank and Northern Trust, and be prepared to comment with more depth on the safety of our investments. There was discussion regarding the two banks and the current situation in the changing economy.

Regarding the issue Chair Dustin raised about our banking institutions, Mr. Wolf stated that diversifying our cash has been discussed. He added, however, that a more detailed review of the two banks and their sustainability would be a special project. He said that that type of review is not usually done in the audit world, but rather in the financial world.

Mr. Warriner commented that staff has not made any changes since the investment policy was approved by the Board last fall because our investments were doing well in the money market accounts with Valley Bank. He said that we could take those funds out of the money market since rates will be low for a good amount of time. Mr. Warriner explained the State of Florida’s guidelines for the qualified depositor program that both of our banks are included in.

Mr. Rozansky commented that when Chair Dustin first raised these questions, Mr. Warriner spoke with the City of Naples financial advisor who assisted us with our Investment Policy. At that time, the gentleman did not recommend making any changes. Chair Dustin requested staff to speak with him again and discuss his recommendation at the May Board Meeting.

There was unanimous consent for Mr. Rozansky, Ms. Terrill and Mr. Warriner to work with MSL in developing a scope and potential cost for the IT roadmap review and investigate the feasibility of reviewing the Authority’s banking services for discussion at the May Regular Board meeting.
E. PUBLIC COMMENTS

There were no public comments.

F. CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS

There were no comments and requests/meetings.

G. ADJOURN

With no further business, meeting adjourned at 3:42 p.m.

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Christopher A. Rozansky
Secretary
CITY OF NAPLES AIRPORT AUTHORITY (NAA)
Board of Commissioners
Notice of Audit Committee Meeting

FINAL AGENDA

Airport Office Building, 2nd Floor Conference Room
200 Aviation Drive North
Naples, FL 34104

Thursday, May 7, 2020
3 p.m.

Commissioner Michael Lenhard – Chair and Consultant Selection Committee Member
Commissioner Kerry C. Dustin – Vice Chair and Audit Committee Chair
Commissioner Donna M. Messer – NCC Liaison
Commissioner James Rideoutte – Consultant Selection Committee Chair and
Audit Committee Member
Commissioner Ted Brousseau – Legal Liaison
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A. **ROLL CALL**

B. **PLEDGE OF ALLEGIANCE**

C. **AGENDA (Add, delete or re-sequence items)**

D. **DISCUSSION ITEM**
   1. Annual Audit Firm Review – FY 2019 Audit
   3. Special Items for Audit Firm Review

E. **PUBLIC COMMENTS (Public comments accepted for items not otherwise listed on the Agenda; 5 minute limit)**

F. **CORRESPONDENCE/COMMISSIONER COMMENTS & REQUESTS/MEETINGS**

G. **ADJOURN**

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**NOTE:** The Audit Committee is comprised of Commissioner Dustin (Chair) and Commissioner Rideoutte (Member). All NAA Commissioners are welcome to attend and can “opt in” to participate.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Kerry Keith, Senior Director of Airport Development and Facilities

Meeting Date: May 21, 2020

Re: ACTION ITEM

1. Internet Service Providers

SUMMARY: Authorize the Executive Director to execute two (2) three-year service agreements with two (2) separate Internet Service Providers. Crown Castle to service the GAT at $1,565 per month, and Century Link to provide service to the Aircraft Rescue Fire Fighting Station at $1,467 per month, both at 1,000 mbps.

BACKGROUND: In order to improve the speed and reliability of the Authority’s internet connection, a Request for Proposals for Internet Service Providers was advertised on February 10, 2020.

To ensure business continuity, each provider will connect to the Authority’s network in different locations. Coupled with the Authority’s existing internal fiber layout, this will ensure uninterrupted service even if one of the providers’ service is interrupted. The new service will result in speeds 10-20 times faster than our current service at no additional cost for the replacement service.

Four (4) proposals were received on March 19, 2020, reviewed by staff and ranked by ITVantage based on technical specifications. Century Link and Crown Castle were the two highest ranked followed by Summit and Comcast. Professional Service Agreements will be submitted to Authority legal counsel for approval prior to final signatures.

COMMUNICATIONS PLAN: The four respondents will be notified.

FINANCIAL IMPACT: Funding of $17,600 for a second provider will be included in the FY 2021 budget.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Kerry Keith, Senior Director of Airport Development and Facilities

Meeting Date: May 21, 2020

Re: ACTION ITEM

2. Professional Services Agreement and Task Order for the North Quadrant Landfill Redevelopment – Design, Bidding and Construction Phase Services in an amount not to exceed $1,220,840

SUMMARY: Board authorization for the Executive Director to execute a Professional Services Agreement and Task Order with EG Solutions, Inc. for the North Quadrant Landfill – Design, Bidding and Construction Phase Services in an amount not to exceed $1,220,840.

BACKGROUND: Following Board approval at the January meeting for the selection of EG Solutions, Inc. as the first ranked engineer for the North Quad Landfill Redevelopment, staff negotiated a scope of work for professional services for design, bidding and construction phase services for this project. An Independent Fee Estimate (IFE) was obtained in anticipation of a fee justification for potential FAA project funding.

COMMUNICATIONS PLAN: No communication is required at this time

FINANCIAL IMPACT: The design portion of this project will be included in the FY 2021 budget in the amount of $600,000.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Director of Finance and Administration

Meeting Date: May 21, 2020

Re: ACTION ITEM

3. Renew Workers Compensation Insurance in an amount not to exceed $133,788

**SUMMARY:** Authorize the Executive Director to renew Workers Compensation (WC) insurance with Preferred Governmental Insurance Trust (PGIT), through the Authority's insurance broker, Public Risk Insurance Agency (PRIA), for the 2020-2021 policy year. The total estimated annual premium for June 1, 2020 to May 31, 2021 is $133,788.

**BACKGROUND:** The City of Naples Airport Authority’s Workers Compensation insurance policy expires each year on May 31st. Our estimated premium increased 31.1% from the prior year. This is the amount we pay in advance based on an estimated payroll number that we provided. It will be audited the year after the policy year ends for the actual payroll, and could result in a refund or additional charge.

The premium is based on our Experience Modification Factor (MOD), the WC classification code of the employees, the WC classification code rates determined by the State of Florida and the annual payroll amounts. For the renewal period, our MOD rate increased to 1.15 from 1.05 due to recent claims experience. Claims for the last three (3) year policy period, 6/1/16 to 5/30/19, totaled $329,000 while the previous three (3) year policy, 6/1/15 to 5/30/18 period, totaled $294,000. We also had an increase in covered payroll of $203,000. This was offset by a decrease of approximately 7% in the state rates.

**COMMUNICATIONS PLAN:** Not Applicable.

**FINANCIAL IMPACT:** For the four months remaining in FY 2020, the cost is projected to be $11,149 per month and was anticipated in the budget.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Director of Finance and Administration

Meeting Date: May 21, 2020

Re: ACTION ITEM


SUMMARY:

1. Board review of the Audit Committee’s comments regarding the performance of MSL (rebranded from Moore Stephens Lovelace, CPA's and Advisors) for the fiscal year 2019 as prepared in the minutes from the Audit Committee meeting held on May 7, 2020.

2. Board authorization for the Executive Director to execute the FY 2020 Audit Engagement Letter (attached).

BACKGROUND: The firm, MSL, will provide audit services to the Authority. Mr. Jeff Wolf, Chief Manager, will be in charge of the audit services. There are no substantial changes in the Engagement Letter as compared to the prior year. The document has been reviewed by the Authority’s legal counsel.

COMMUNICATIONS PLAN: Not applicable.

FINANCIAL IMPACT: Fees for the fiscal year 2020 audit are as follows:

- $ 40,500 for the Audit Fee,
- $ 2,000 for the Federal Single Audit Fee (if applicable)
- $ 1,500 for the State Single Audit Fee (if applicable)

There is no change in these fees from last year. Any additional services requested by the Authority in the form of special reviews of specified operational or financial functions will be additional and will be negotiated prior to the commencement of the additional assignment.
April 24, 2020

VIA EMAIL

To the Board of Commissioners and
the Executive Director
City of Naples Airport Authority
160 Aviation Drive North
Naples, FL 34104

We are pleased to confirm our understanding of the services we are to provide the City of Naples Airport Authority (the “Authority”) for the year ending September 30, 2020. In addition, the agreement may be renewed for one (1) additional year with the mutual consent of both parties. We will audit the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority as of and for the year ending September 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (“RSI”), such as management’s discussion and analysis (“MD&A”), to supplement the Authority’s basic financial statements. Such information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles (U.S. GAAP”) and will be subjected to certain limited procedures, but will not be audited:

1) Management’s Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Authority’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor’s report on the financial statements, or in a report combined with our auditor’s report on the financial statements:

1) Schedule of expenditures of federal awards and state financial assistance (if applicable)
The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor’s report will not provide an opinion or any assurance on that other information:

1) Introductory section
2) Statistical section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

- Internal control over compliance related to major programs/projects and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal/state awards that could have a direct and material effect on each major program/project in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) (if applicable) and the Florida Single Audit Act (if applicable).

The Government Auditing Standards report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. The Uniform Guidance report on internal control over compliance (if applicable) will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose. If during our audit we become aware that the Authority is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996 (if applicable); the provisions of the Uniform Guidance; the Florida Single Audit Act (if applicable); and the Rules of the Auditor General; will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance; and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit(s) (if applicable). Our reports will be addressed to Board of Commissioners of the Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or
the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

We will also issue a written Management Letter, as required by Chapter 10.550, Rules of the Auditor General for Local Governmental Entity Audits, upon completion of the audit.

Examination Objective

The objective of our examination is the expression of an opinion about whether your investments were authorized by law, and, if applicable, in accordance with your investment policy based on the requirements of Section 218.415, Florida Statutes. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion.

Audit Procedures - General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. Because the determination of abuse is subjective, Government Auditing Standards do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that comes to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit (if applicable). Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards and state financial assistance (if applicable); federal/state award programs/projects; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.
Audit Procedures - Internal Control

Our audit will include obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by the Uniform Guidance and the Florida Single Audit Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program and state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the Florida Single Audit Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, the Uniform Guidance, and the Florida Single Audit Act.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Authority’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

We are also responsible for communicating certain matters in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. These matters will be communicated in the management letter.

The Uniform Guidance and the Florida Single Audit Act require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs/projects. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB and Florida’s Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Authority’s major programs. The purpose of these procedures will be to express an opinion on the Authority’s compliance with requirements applicable to each of its major programs and state projects in our report on compliance issued pursuant to the Uniform Guidance and the Florida Single Audit Act.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with
applicable laws, regulations, contracts and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards and state financial assistance, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal and state statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for your compliance with investment provisions in accordance with Section 218.415, Florida Statutes.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Authority involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Authority complies with applicable laws, regulations, contracts, agreements and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards and state financial assistance (including notes and non-cash assistance received) in conformity with the Uniform Guidance and the Florida Single Audit Act. You agree to include our report on the schedule of expenditures of federal awards and state financial assistance in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards and state financial assistance. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards and state financial assistance that includes our report thereon, or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards and state financial assistance no later than the date the schedule of expenditures of federal awards and state financial assistance are issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards and state financial assistance in accordance with the Uniform
Guidance and the Florida Single Audit Act; (2) you believe the schedule of expenditures of federal awards and state financial assistance, including their form and content, is stated fairly in accordance with the Uniform Guidance and the Florida Single Audit Act; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards and state financial assistance.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with U.S. GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and state financial assistance, and related notes.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards and state financial assistance, summary schedule of prior audit findings, auditors' reports, and corrective action plan), along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of thirty (30) calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of MSL, P.A. ("MSL") and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Authority or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation
will be provided under the supervision of MSL personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit and examination documentation for this engagement will be retained for a minimum of seven (7) years after the report release date, or for any additional period requested by a federal or state agency. If we are aware that a federal or state awarding agency, pass-through entity, or audittee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We anticipate the audit schedule to be as follows:

- Interim fieldwork – July 2020
- Year-end inventory observation – October 1, 2020
- Year-end fieldwork – November 2020
- Draft audit reports to Audit Committee – January 2021
- Present reports to Board of Commissioners – February 2021

Joel Knopp is the engagement partner and is responsible for supervising the engagement and signing the reports.

Our fee for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.), except that we agree that our gross fee, including all out-of-pocket costs and other expenses, will not exceed the following:

<table>
<thead>
<tr>
<th>Fiscal Year Ending</th>
<th>Audit Fee</th>
<th>Federal Single Audit Fee</th>
<th>State Single Audit Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/30/2020</td>
<td>$40,500</td>
<td>$2,000</td>
<td>$1,500</td>
</tr>
</tbody>
</table>

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

These fees will be invoiced on an interim basis during the progress of our engagement. Invoices shall include sufficient detail to demonstrate compliance with the terms of this agreement. Invoices are due within thirty (30) days of the invoice date. Any remaining balance is due upon delivery of the final product. Any subsequent discussions, conferences, telephone conversations, correspondence, or related services will be invoiced separately. A service charge of 1.5 percent per month will be assessed on any invoice not paid within thirty (30) days of the invoice date.

In the event the auditor is requested or authorized by the Authority or is required by government regulation, subpoena, or other legal process to produce their documents or their personnel as witnesses with respect to their engagements for the Authority, the Authority will, so long as they are not a party to the proceeding in which the information is sought, reimburse them for their professional time and expenses, as well as the fees and expenses of their counsel, incurred in responding to such requests.
This agreement will be interpreted in accordance with Florida law and the terms and conditions as required by the Florida Board of Accountancy, where applicable.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comments, and any subsequent peer review reports and letters of comment received during the period of contract. Our 2017 peer review report is attached.

We appreciate the opportunity to be of service to the Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter and return it to us.

Very truly yours,

MSL, P.A.

jaw/nmb
Attachment: 2017 Peer Review Report

RESPONSE:
This letter correctly sets forth the understanding of
City of Naples Airport Authority

Title: ____________________________

Date: ____________________________
Report on the Firm’s System of Quality Control

To the Partners of
Moore Stephens Lovelace, PA
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Moore Stephens Lovelace, PA (the firm) applicable to engagements not subject to PCAOB inspection in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm’s Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer’s Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm’s compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As part of our peer review, we considered reviews by regulatory entities as communicated to the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Moore Stephens Lovelace, PA applicable to engagements not subject to PCAOB inspection in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Moore Stephens Lovelace, PA has received a peer review rating of pass.

Baton Rouge, Louisiana
November 8, 2017
To: Honorable Chair and Commissioners
From: Christopher A. Rozansky, Executive Director
By: Diane Terrill, Deputy Executive Director
Meeting Date: May 21, 2020
Re: ACTION ITEM

5. Resolution 2020-4, Federal Aviation Administration (FAA) Grant Offer for $157,000 in relief funds from the CARES Act

SUMMARY: Board authorization for the Chair to execute Resolution 2020-4, authorizing the Executive Director to execute CARES Act Airport Grant Agreement No. 3-12-0053-039-2020 with the FAA to provide funding in the amount of $157,000 to help offset a decline in revenues arising from diminished operations and activities at the Naples Municipal Airport as a result of the COVID-19 public health emergency.

BACKGROUND: The Coronavirus Aid, Relief, and Economic Security (CARES) Act grant funds may be used to reimburse documented airport operational and maintenance expenses directly related to Naples Municipal Airport and must be executed by June 1, 2020.

The CARES Act was signed into law on March 27, 2020. Of more than $2 trillion in economic relief provided to protect people from the public health and economic impacts of COVID-19, $10 billion was allocated to more than 3,000 public airports throughout the United States. $157,000 is the amount for Naples Municipal Airport as determined by the FAA. More information is available at https://www.faa.gov/airports/cares_act/.

COMMUNICATION PLAN: Not applicable.

FINANCIAL IMPACT: The grant funds of $157,000 will be used to offset payroll and other operating expenses.
RESOLUTION 2020-4

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CARES ACT AIRPORT GRANT AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION TO PROVIDE FUNDING TO HELP OFFSET A DECLINE IN REVENUES ARISING FROM DIMINISHED OPERATIONS AND ACTIVITIES AT THE NAPLES MUNICIPAL AIRPORT AS A RESULT OF THE COVID-19 PUBLIC HEALTH EMERGENCY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Commissioners of the City of Naples Airport Authority (the “Authority”) has determined that it is in the best interest of the Authority to apply for, accept, enter into, execute, file, deliver and carry out that certain CARES Act Airport Grant Agreement with the United States of America acting through the Federal Aviation Administration [Federal Award Offer Date: April 30, 2020 / CARES Grant Number: 3-12-0053-039-2020 / Unique Entity Identifier: 09-223-0952] to provide funding to help offset a decline in revenues arising from diminished operations and activities at the Naples Municipal Airport as a result of the COVID-19 public health emergency (the “FAA Grant”);

WHEREAS, the Board of Commissioners of the Authority recognizes that, by accepting and entering into the FAA Grant, the Authority shall be bound by all of the understandings, assurances, statements, representations, warranties, covenants, agreements, terms, conditions and requirements contained or referenced therein;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE AUTHORITY THAT:

Section 1. The Executive Director of the Authority is directed and authorized to apply for, accept, enter into, execute, file, deliver and carry out the FAA Grant on behalf of the Authority;

Section 2. The Executive Director of the Authority is directed and authorized to act in connection with the FAA Grant and to provide such additional information as may be required thereby on behalf of the Authority; and

Section 3. This Resolution shall become effective immediately upon adoption.


Attest: CITY OF NAPLES AIRPORT AUTHORITY

Christopher A. Rozansky Michael J. Lenhard
Executive Director Chair

Approved as to form and legal sufficiency by:

William L. Owens
Authority Counsel

773614.1
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Heather LeDuc, Business Manager

Meeting Date: May 21, 2020

Re: ACTION ITEM

6. Lease Term Buy-Back Program

**SUMMARY:** Authorize the Executive Director to offer a Lease Term Buy-Back Program ("Program") to eligible tenants with long-term land leases for aeronautical uses and to execute the associated Program agreements, closing documents and miscellaneous instruments necessary or prudent to effect the transactions.

**BACKGROUND:** The Program, which was previously offered in 2015 and 2017 – 2018, provides tenants with a one-time opportunity to extend their long-term land leases through the purchase of additional years based on the present value of the rental income that the Authority could have expected to have earned during the extension term if the lease had been allowed to naturally expire, as determined by an independent appraiser. Lease term extensions would be limited to the lessor of thirty (30) years of extended term or a total lease term of fifty (50) years from the initial date of commencement.

The proposed Program would be offered to all eligible tenants based on lease anniversary dates between October 1, 2020 and September 30, 2021. Tenants who have not previously participated in the Program would be offered an additional opportunity if they experience limited qualifying events: (1) transfer of ownership (legitimate sale); (2) refinancing; or (3) substantial damage to a tenant’s facility, contingent upon the tenant’s commitment to re-build to equal or greater quality.

In order to be eligible for Program, participation tenants must:

1. Be in good standing with the Authority and in compliance with the existing lease;
2. Have at least three (3) years remaining upon its next lease anniversary date;
3. Have expended at least five (5) years on the initial lease term; and

4. Have completed all construction required in the initial lease and received final certificate(s) of occupancy.

The following are not eligible for participation:

1. Short-term leases;

2. Non-aeronautical leases;

3. Leases which are in default;

4. Leases with governmental or quasi-governmental entities; and

5. Leases for premises that include or encumber any portion of land identified for future construction or development in any existing, proposed or future Airport Master Plan or Airport Layout Plan.

Ten (10) leases have been extended under past Lease Term Buy-Back Programs, resulting in revenue of approximately $4.9 million in revenue to the Authority. Staff estimates that seventeen (17) leases will be eligible for lease extensions under the currently proposed Program.

**COMMUNICATIONS PLAN:** Staff will provide program information to tenants, including lease anniversary dates and historical Program statistics.

**FINANCIAL IMPACT:** Legal, administrative and appraisal costs will be paid by the participating tenants.
To: Honorabile Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Heather LeDuc, Business Manager

Meeting Date: May 21, 2020

Re: ACTION ITEM

7. Lease with Marco Hangars, LLC

SUMMARY: Board authorization for the Executive Director to execute a Leasehold Agreement ("Lease") with Marco Hangars, LLC for a term of thirty (30) years for development of a commercial aeronautical facility.

BACKGROUND: On December 20, 2018, Marco Hangars, LLC was selected as the top-ranked respondent to a Request for Proposals (RFP) for the development of land parcel 2 in the north quadrant of the airport and the Board authorized the Executive Director to enter into lease negotiations.

The resulting proposed Lease is for a land parcel containing 53,471 square feet (1.23 acres) at an initial rental rate of $0.55 per square foot per annum. It requires the tenant to complete construction of a commercial aeronautical facility on the parcel within thirty (30) months from the effective date, in accordance with plans and specifications approved by the Authority.

COMMUNICATIONS PLAN: Not applicable to this item.

FINANCIAL IMPACT: The proposed rent will be paid in monthly installments of $2,450.75, resulting in initial annual revenue of $29,409.00 to the Authority. Rent adjustments will be made on October 1st of each year in accordance with the Authority's Rates and Charges.
May 7, 2020

Naples Airport Authority
160 Aviation Drive North
Naples, FL 34104

RE: Marco Hangars, LLC

To Whom It May Concern,

Employers Mutual Casualty Company is prepared to execute a Performance and Payment Bond for Naples Airport Authority, if the proposal from Marco Hangars, LLC is acceptable and they should so request.

As always, Employers Mutual Casualty Company reserves the right to perform normal underwriting at the time of any bond request, including, without limitation, prior review and approval of relevant contract documents, bond forms and project financing. We assume no liability to you or your affiliates if for any reason we do not execute such bonds.

Employers Mutual Casualty Company currently handles Marco Hangars, LLC under a routine $4,000,000 single and $8,000,000 aggregate work program. Employers Mutual Casualty Company is rated A (excellent) and XIV (financial size) on the AM Best Rating.

Very truly yours,

Gail M. Perrin
Gail M. Perrin
Attorney-in-Fact
POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, that:

1. Employers Mutual Casualty Company, an Iowa Corporation
2. EMCASCO Insurance Company, an Iowa Corporation
3. Union Insurance Company of Providence, an Iowa Corporation
4. Illinois EMCASCO Insurance Company, an Iowa Corporation
5. Dakota Fire Insurance Company, a North Dakota Corporation
6. EMC Property & Casualty Company, an Iowa Corporation

hereinafter referred to severally as “Company” and collectively as “Companies”, each does, by these presents, make, constitute and appoint:

Gail M Perrin

its true and lawful attorney-in-fact, with full power and authority conferred to sign the attached reference letter

Any and All Bonds

and to bind each Company thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of each such Company, and all of the acts of said attorney pursuant to the authority hereby given are hereby ratified and confirmed.

AUTHORITY FOR POWER OF ATTORNEY

This Power-of-Attorney is made and executed pursuant to and by the authority of the following resolution of the Boards of Directors of each of the Companies at the
first regularly scheduled meeting of each company duty called and held in 1999:

RESOLVED: The President and Chief Executive Officer, any Vice President, the Treasurer and the Secretary of Employers Mutual Casualty Company shall have
power and authority to (1) appoint attorneys-in-fact and authorize them to execute on behalf of each Company and attach the seal of the Company thereto, bonds
and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof; and (2) to remove any such attorney-in-fact at any
time and revoke the power and authority given to him or her. Attorneys-in-fact shall have power and authority, subject to the terms and limitations of the power-of-attorney
issued to them, to execute and deliver on behalf of the Company, and to attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts
of indemnity and other writings obligatory in the nature thereof, and any such instrument executed by any such attorney-in-fact shall be fully and in all respects binding
upon the Company. Certification as to the validity of any power-of-attorney authorized herein made by an officer of Employers Mutual Casualty Company shall be fully and in all
respects binding upon this Company. The facsimile or mechanically reproduced signature of such officer, whether made hereofore or hereafter, wherever appearing upon
a certified copy of any power-of-attorney of the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS THEREOF, the Companies have caused these presents to be signed for each by their officers as shown, and the Corporate seals to be hereto affixed this
1st day of July , 2018.

Seals

Bruce G. Kelley, CEO, Chairman of Companies 2, 3, 4, 5 & 6; President of Companies 1, 2 & 6; Treasurer of Companies 1, 2, 3, 4 & 6

Todd Strother, Senior Vice President

On this 1st day of July , 2018 before me a Notary Public in and for the State of Iowa, personally appeared Bruce G. Kelley and Todd Strother, who, being by me duly
sworn, did say that they are, and are known to me to be the CEO, Chairman, President and Treasurer, and/or Senior Vice President, respectively, of each of the Companies above; that
the seals affixed to this instrument are the seals of said corporations; that said instrument was signed and sealed on behalf of each of the Companies by authority of their respective
Boards of Directors; and that the said Bruce G. Kelley and Todd Strother, as such officers, acknowledged the execution of said instrument to be their voluntary act and deed, and the
voluntary act and deed of each of the Companies.


KATHY LOVE RIDGE
Notary Public in and for the State of Iowa

CERTIFICATE

I, James D. Clough, Vice President of the Companies, do hereby certify that the foregoing resolution of the Boards of Directors by each of the Companies, and
this Power of Attorney issued pursuant thereto on 1st day of July , 2018 , are true and correct and are still in full force and effect.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 7th day of May , 2020.

Vice President

"For verification of the authenticity of the Power of Attorney you may call (515) 345-2689."
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Director of Finance and Administration

Meeting Date: May 21, 2020

Re: NEW BUSINESS

1. Special Items for Audit Firm Review

**SUMMARY:** Board discussion for special additional services by the audit firm, MSL. The Audit Committee suggested that MSL review our information technology roadmap.

**BACKGROUND:** The Audit Committee met with Jeff Wolf, Chief Manager for MSL audit to discuss the audit process and to request a more detailed review of specific areas.

There have been no special projects in the last five years, however, past examples of items the auditors have reviewed include:


**COMMUNICATIONS PLAN:** Not applicable.

**FINANCIAL IMPACT:** This will be an additional cost to be determined after negotiation of a scope and fee. Budgeted amounts for professional services are available for this project.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Director of Finance and Administration

Meeting Date: May 21, 2020

Re: NEW BUSINESS

2. Banking Services

SUMMARY: Board discussion about our cash accounts and the stability of the banks.

BACKGROUND: During the Audit Committee, it was suggested that we review our banks and consider options related to our cash accounts. At the request of the Audit Committee, the Director of Finance reached out to John Grady, Managing Director for Public Trust Advisors.

Mr. Grady mentioned that both of our banks, Valley National and Northern Trust, are part of the State of Florida’s Qualified Public Depository Program (QPD), as defined in FL Statutes 280 and as required by FL Statute 218.415. He also referenced that QPD banks are required to collateralize a percent of each dollar of public funds deposits into a state public funds insurance pool designed to provide protection in the event of a bank default. For your reference, attached is the letter dated March 11, 2020 that was sent to the Board of Commissioners describing this program.

COMMUNICATIONS PLAN: Not applicable.

FINANCIAL IMPACT: Not applicable.
Florida Qualified Public Depository Overview
Prepared by Ken Warriner, Director of Finance and Administration
March 11, 2020

Executive Overview

The City of Naples Airport Authority has cash deposits at two local banks, Valley National ($34.4M) and Northern Trust ($7.9M). The State of Florida Division of Treasury regulates banking institutions that accept public funds for deposit through Florida Statute 280. A bank must apply and meet the requirements to become a qualified public depository ("QPD") to accept public funds. There are various collateral requirements these banks must put up with the state based on the financial condition of the bank to be a QPD. Valley meets the lowest collateral requirement (25%) as determined by the state. Our other bank, Northern Trust, also meets this 25% collateral requirement. All QPD’s must file monthly reports with the state to determine their collateral requirement (See Exhibit A).

The protection from loss of public deposit principal and accrued interest is the main goal of the QPD program. If a QPD in the system fails, then all other QPD’s in the program must make up any funding shortfall (after collateral and insurance) so that the public entity receives their principle and accrued interest. Since inception of the program, there have been no failures of a QPD where an assessments on other QPDs have been made.

Both of our banks are publicly traded, therefore financial information is available quarterly. Northern Trust and Valley Nationals most recent quarterly earnings are attached to this email.

The list of approved QPD’s is at the following link:
https://www.myfloridacfo.com/division/treasury/collateralmanagement/documents/ListofActiveQPDs.pdf

Program Details from the State of Florida Division of Treasury website:

Two of the major characteristics of banks and savings associations are that they accept funds for deposit and use those funds to make loans or other investments. Many banks and savings associations are interested in increasing the amount of funds on deposit at their institution and the public funds market is a key area in which they can do so. In order to accept Florida public funds for deposit, a bank or savings association must have status as a qualified public depository ("QPD"). A QPD is defined as a bank or savings association that has:

- FDIC deposit insurance,
- Has a branch office(s) authorized to receive deposits in Florida,
- Been designated by this office as a QPD.

QPD status is achieved by filing the required application materials with BCM and meeting certain financial condition standards. Please note that the statutory definition of QPD does not include credit unions and therefore credit unions are not eligible to serve as a QPD in Florida.
Major Characteristics of Florida’s Public Deposits Program

a. Protection from loss of public deposit principal and accrued interest as of the date a Qualified Public Depository ("QPD") fails on all public funds deposited in compliance with the program.
b. QPDs collateralize public deposits after the fact. Each month QPDs compute their average daily balance of public deposits and calculate their required collateral. This information must be reported to Florida’s Chief Financial Officer by the 15th of the following month. (See Exhibit A)
c. Florida’s governmental units, as public depositors, have a number of QPDs to choose from for the deposit of their public funds.
d. Public depositors have minimal responsibilities and reporting requirements. Public depositors’ primary responsibilities are:
e. Use QPDs for all deposit accounts including savings, checking, certificate of deposit, and money market deposit accounts.
f. Complete a Public Deposit Identification and Acknowledgment Form at the time of opening a deposit account at a QPD and retain the form as a valuable record.
g. File the Public Depositor Annual Report to the Chief Financial Officer by November 30th each year (See Exhibit B).
h. Flexible collateral requirements. QPDs have a range of assets such as cash, marketable securities, and Federal Home Loan Bank letters of credit to use as collateral. QPDs can qualify to pledge collateral at a 25% or 50% level if their overall financial condition is strong enough.
i. Administration of the Public Deposits Program is vested in Florida’s Chief Financial Officer. Chapter 280, Florida Statutes, outlines a broad range of powers to be used in managing the program.
j. Entrance into, participation in, and exit from the Program are based on the overall financial condition of each QPD.

QPD Collateral Requirements

Florida’s public deposits program has four standard collateral pledging levels of 25%, 50%, 110%, and 150%. The program’s administrative rules provide the details on how a QPD’s collateral pledge level is to be determined and involves consideration of a QPD’s average financial condition ranking from two nationally recognized financial rating services as well as consideration of financial ratios, trends, and other pertinent information. QPDs with higher rankings and stronger financial condition will be eligible for the 50% and 25% collateral pledge levels which is an advantage that helps in the areas of liquidity and asset management.

BCM notifies all QPDs of their average financial condition ranking each calendar quarter and also notifies QPDs of any collateral pledge level changes as such decisions are made.

QPDs whose average ranking falls to the lowest range of 0-15 must withdraw from the public deposits program or agree to a limit on the amount of public deposits it will hold and pledge or deposit collateral equal to 150% of such limit.

Please see the administrative rules for additional information. A QPD may use cash, U.S. Treasury securities, U.S. agency securities, investment grade municipal and corporate bonds, as well as Federal Home Loan Bank letters of credit as collateral in Florida’s public deposits program as outlined in Section 280.13, F.S.
**Mutual responsibility and contingent liability**

Any bank or savings association that is designated as a qualified public depository and that is not insolvent shall guarantee public depositors against loss caused by the default or insolvency of other qualified public depositories. Each qualified public depository shall execute a form prescribed by the Chief Financial Officer for such guarantee which shall be approved by the board of directors and shall become an official record of the institution.

**Procedure for payment of losses**

When the Chief Financial Officer determines that a default or insolvency has occurred, he or she shall provide notice as required in s. 280.085 and implement the following procedures:

1. The Division of Treasury, in cooperation with the Office of Financial Regulation of the Financial Services Commission or the receiver of the qualified public depository in default, shall ascertain the amount of funds of each public depositor on deposit at such depository and the amount of deposit insurance applicable to such deposits.

2. The potential loss to public depositors shall be calculated by compiling claims received from such depositors. The Chief Financial Officer shall validate claims on public deposit accounts which meet the requirements of s. 280.17 and are confirmed as provided in subsection (1).

3(a) The loss to public depositors shall be satisfied, insofar as possible, first through any applicable deposit insurance and then through demanding payment under letters of credit or the sale of collateral pledged or deposited by the defaulting depository. The Chief Financial Officer may assess qualified public depositories as provided in paragraph (b) for the total loss if the demand for payment or sale of collateral cannot be accomplished within 7 business days.

   (b) The Chief Financial Officer shall provide coverage of any remaining loss by assessment against the other qualified public depositories. The Chief Financial Officer shall determine such assessment for each qualified public depository by multiplying the total amount of any remaining loss to all public depositories by a percentage which represents the average monthly balance of public deposits held by each qualified public depository during the previous 12 months divided by the total average monthly balances of public deposits held by all qualified public depositories, excluding the defaulting depository, during the same period. The assessment calculation shall be computed to six decimal places.

4. Each qualified public depository shall pay its assessment to the Chief Financial Officer within 7 business days after it receives notice of the assessment. If a depository fails to pay its assessment when due, the Chief Financial Officer shall satisfy the assessment by demanding payment under letters of credit or selling collateral pledged or deposited by that depository.

5. The Chief Financial Officer shall distribute the funds to the public depositors of the qualified public depository in default according to their validated claims. The Chief Financial Officer, at his or her discretion, may make partial payments to public depositors that have experienced a loss of public funds which payments are critical to the immediate operations of the public entity. The public depositor requesting partial payment of a claim shall provide the Chief Financial Officer with written documentation justifying the need for partial payment.
(6) Public depositors receiving payment under the provisions of this section shall assign to the Chief Financial Officer any interest they may have in funds that may subsequently be made available to the qualified public depository in default. If the qualified public depository in default or its receiver provides the funds to the Chief Financial Officer, the Chief Financial Officer shall distribute the funds, plus all accrued interest which has accumulated from the investment of the funds, if any, to the depositaries which paid assessments on the same pro rata basis as the assessments were paid.

(7) Expenses incurred by the Chief Financial Officer in connection with a default or insolvency which are not normally incurred by the Chief Financial Officer in the administration of this act must be paid out of the amount paid under letters of credit or proceeds from the sale of collateral.
QUALIFIED PUBLIC DEPOSITORY MONTHLY REPORT
PART ONE


Schedule A Qualified Public Depository (QPD) Information
FEIN: ______________________ Reported Month & Year: ______________________
Legal Name of QPD: ______________________________________________________
Home Office Street Address: ________________________________________________
Home City: __________________________ State & Zip Code: ___________________

Schedule B Florida Public Deposits (Must be rounded to the nearest dollar)

(1) Average daily balance for the reported month

(a) Certificates of deposit $ ______________________
(b) All other public deposits $ ______________________
(c) Subtotal of all public deposits $ ______________________
(d) Less applicable deposit insurance
   (Cannot exceed subtotal or at public deposits or of a single account) $ __________
(e) Average daily balance of public deposits * $ ______________________

* Additional collateral is required within 2 business days if public deposits are accepted that would increase
the qualified public depository's average daily balance for the current month by 25 percent over the
average daily balance of the previously reported month unless adequate collateral is already pledged.

Schedule C Required Collateral

(1) (a) Required collateral from worksheet Total F $ ______________________
    (b) Market value of pledged or deposited collateral from the
        Schedule of Securities Pledged as Collateral $ ______________________

(2) If the qualified public depository is undercollateralized at the time of its monthly report submission, a
pledge or deposit of collateral is required to be submitted simultaneously with the filing of this
report.

Market value of deposit $ ______________________

DFS-J1-1003
Rev 06/14
QUALIFIED PUBLIC DEPOSITORY MONTHLY REPORT
PART ONE

Schedule A  Qualified Public Depository (QPD) Information

FEIN: ___________________________  Reported Month & Year: ___________________________

Legal Name of QPD: ___________________________

Home Office Street Address: ___________________________

Home City: ___________________________  State & Zip Code: ___________________________

Schedule B  Florida Public Deposits  (Must be rounded to the nearest dollar)

(1) Average daily balance for the reported month

(a) Certificates of deposit  $ ___________________________

(b) All other public deposits  $ ___________________________

(c) Subtotal of all public deposits  $ ___________________________

(d) Less applicable deposit insurance  (Cannot exceed subtotal of all public deposits or of a single account)  $ ___________________________

(e) Average daily balance of public deposits *  $ ___________________________

* Additional collateral is required within 2 business days if public deposits are accepted that would increase the qualified public depository's average daily balance for the current month by 25 percent over the average daily balance of the previously reported month unless adequate collateral is already pledged.

Schedule C  Required Collateral

(1) Required collateral from worksheet Total F

(a) Market value of pledged or deposited collateral from the Schedule of Securities Pledged as Collateral  $ ___________________________

(2) If the qualified public depository is underpledged at the time of its monthly report submission, a pledge or deposit of collateral is required to be submitted simultaneously with the filing of this report.

Market value of deposit  $ ___________________________

DFS-J1-1003
Rev 08/14
LEADERSHIP TEAM REPORT

April 2020 – May 2020

FOSTER A VALUED, ENGAGED AND EMPOWERED WORKFORCE

Values-Centered Culture

The Operations Department has been assisting the Facilities and Administrative Departments by providing staff members to assist them with landscaping throughout the summer, as well as administrative duties.

Members of the Leadership Team participate weekly in local, state, federal and industry conference calls and webinars to stay at the forefront of the COVID-19 crisis.

PROVIDE SERVICE EXCELLENCE EVERY DAY

The results are in and Naples Aviation was ranked the 17th best (15th last year) FBO nationally and 7th best (8th last year) amongst independent (single location) FBO’s.


This is an important measure in achieving our strategic plan goals and objectives. A big thank you to our outstanding team in providing outstanding service throughout the year!

Alerts

There were two (2) alerts for the month of April 2020.

<table>
<thead>
<tr>
<th>DATE</th>
<th>ALERT</th>
<th>TYPE A/C</th>
<th>PROBLEM</th>
<th>RESULT</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/15/2020</td>
<td>6</td>
<td>C750</td>
<td>While taxiing to RWY 23, aircraft lost steering control.</td>
<td>Aircraft was towed clear of the movement area for maintenance.</td>
</tr>
<tr>
<td>4/28/2020</td>
<td>6</td>
<td>RV7A</td>
<td>Landing RWY 5 aircraft experienced a right main flat tire.</td>
<td>Aircraft was towed clear of the movement area safely and taken to owner’s hangar for repairs.</td>
</tr>
</tbody>
</table>

Continuing with our efforts to minimize risk of exposure to COVID-19 has proven to be worthwhile, as there have been no reported cases through the Authority to date. The following measures are still in effect/or have been updated:

- All CDC recommendations, including social distancing and reduction of staff congregating in enclosed spaces like break rooms, behind the customer service counter, etc.;
- Signage encouraging social distancing has been installed in the GAT, AOB, CAT and administrative offices;
• The Florida Department of Health has established a lock box for collection of forms distributed by Authority staff;
• Tables remain in front of the Customer Service Desk to maintain a safe distance from pilots coming in to order and pay for fuel or services;
• The General Aviation Terminal is now open to the public; signs have been placed on all entry doors, and throughout the Terminal, reminding everyone to maintain social distancing;
• The Observation Deck has also been opened with signs encouraging social distancing;
• The use of crew cars and bicycles at Naples Aviation is still currently suspended while a plan to properly sanitize them after each use is established;
• Badging is being conducted one person at a time, by appointment only. This allows for providing badging services to our tenants while minimizing risk of Covid-19 exposure;
• Administrative employees and certain others are working from home. The Leadership Team is alternating days in the office and working from home;
• All staff are required to wear cloth face coverings as part of their uniforms where they are not able to maintain social distancing;
• The custodial staff are disinfecting all common area surfaces every shift and also responding to requests for specific disinfectant cleaning;
• Employees are encouraged to conduct their own health screening before coming to work. Employees who are ill are required to stay home until cleared to return to work. Those who have traveled out of the area or have potentially been exposed are asked a series of symptom-related questions as recommended by the CDC before returning to work;
• Please visit https://flynaples.com/covid-19/ for the most current information.

Development and Facilities Maintenance

Annual service is being completed on the eight stationary generator sites located at GAT, CAT, ARFF, USCBP, ATCT, airfield electrical vault, fuel farm, and facilities building in preparation for the 2020 Hurricane season.

With the reduction of customer activity, staff has been inspecting and replacing bi-fold hangar door cables as needed.

Safety

We continue to maintain the airfield in compliance with FAA Part 139 requirements. Our annual inspection, typically held in May, has been postponed until July, due to the COVID-19 pandemic. The Operations and Facilities Departments have been working together to prepare for the inspection.

COMMITTED TO SUSTAINABILITY

Tours

Due to COVID-19, no tours have been requested/scheduled.

Our on-field fire department continues to perform flag retirement duties; they retired approximately 300 flags in April.
The following is a high-level summary for April 2020, plus information on upcoming events:

**April 2020 compared to April 2019:**

- Total Aircraft operations decreased 49.8%
- IFR (Instrument Flight Rules) operations decreased 56.8%
- VFR (Visual Flight Rules) operations decreased 43.9%
- Voluntary curfew (10pm – 7am) operations decreased 69.8%
- 64.1% of the operations occurred during the “shoulder hours” in April 2020 as compared to 77% during April 2019.
- Voluntary curfew compliance rate is 99.1% in April 2020, as compared to 97.8% in April 2019.

**FY 2020 compared to FY 2019 (October-April):**

- Total Aircraft operations decreased 4.1%
- IFR (Instrument Flight Rules) operations decreased 5.0%
- VFR (Visual Flight Rules) operations decreased 3.4%
- Voluntary curfew (10pm – 7am) operations decreased 24.1%
- Voluntary YTD curfew compliance rate is 98.7% for FY 2020 and 98.3% for FY 2019.

The next **Noise Compatibility Committee Regular Meeting** is scheduled for Thursday, June 25th, 2020, at 9 a.m., in the Airport Office Building Conference Room located at 200 Aviation Drive North, 2nd floor.

Videos of NCC Meetings are available for viewing at: [https://flynaples.com/agendas-minutes-videos/](https://flynaples.com/agendas-minutes-videos/)

NCC and NAA Annual Reports are posted on the Authority’s website at: [https://flynaples.com/annual-reports/](https://flynaples.com/annual-reports/)

Leadership Team Report -3- May 21, 2020
Naples Airport - Operations Summary
Prepared by the Naples Airport Authority
April 2020

**Day and Night Operations Annual & Current Month**

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operations</td>
<td>120,291</td>
<td>163,434</td>
<td>86,187</td>
<td>112,262</td>
<td>112,800</td>
<td>10,680</td>
<td>5,359</td>
</tr>
<tr>
<td>Night Operations</td>
<td>3,282</td>
<td>3,130</td>
<td>1,973</td>
<td>2,880</td>
<td>2,870</td>
<td>305</td>
<td>92</td>
</tr>
<tr>
<td>Day Operations</td>
<td>117,009</td>
<td>160,304</td>
<td>84,214</td>
<td>109,382</td>
<td>109,930</td>
<td>10,375</td>
<td>5,267</td>
</tr>
</tbody>
</table>

% Night Operations 2.7% 1.9% 2.3% 2.6% 2.5% 2.9% 1.7%

**Voluntary Curfew (10 pm to 7 am) enacted May 1996**

**Night Operations by Hour - Current Month**

64.1% of night operations took place during the hours of 10 pm - midnight and 6 a.m. - 7 a.m.

**Voluntary Curfew Activity by Aircraft Category, Current Month**

<table>
<thead>
<tr>
<th>Category</th>
<th>Arrivals</th>
<th>Departures</th>
<th>Total</th>
<th>% of Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jets</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>13%</td>
</tr>
<tr>
<td>Turboprops</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>5%</td>
</tr>
<tr>
<td>Piston</td>
<td>14</td>
<td>18</td>
<td>32</td>
<td>35%</td>
</tr>
<tr>
<td>Helo</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Public Service</td>
<td>26</td>
<td>17</td>
<td>43</td>
<td>47%</td>
</tr>
<tr>
<td>Total</td>
<td>48</td>
<td>44</td>
<td>92</td>
<td></td>
</tr>
</tbody>
</table>

% of Activity 52% 48%

**US Customs and Border Protection Aircraft Clearings**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cleared and Stayed</th>
<th>Cleared and Departed</th>
<th>Total Cleared</th>
<th>Cleared and Stayed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011*</td>
<td>304</td>
<td>6</td>
<td>310</td>
<td>98.1%</td>
</tr>
<tr>
<td>FY 2012</td>
<td>492</td>
<td>16</td>
<td>508</td>
<td>96.9%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>549</td>
<td>12</td>
<td>561</td>
<td>97.9%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>762</td>
<td>26</td>
<td>788</td>
<td>96.7%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>874</td>
<td>32</td>
<td>906</td>
<td>96.5%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1025</td>
<td>47</td>
<td>1072</td>
<td>95.6%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>1204</td>
<td>22</td>
<td>1226</td>
<td>98.2%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>1334</td>
<td>28</td>
<td>1362</td>
<td>97.9%</td>
</tr>
<tr>
<td>FY 2019</td>
<td>1345</td>
<td>20</td>
<td>1365</td>
<td>98.5%</td>
</tr>
<tr>
<td>FY 2020 YTD</td>
<td>845</td>
<td>11</td>
<td>856</td>
<td>98.7%</td>
</tr>
</tbody>
</table>

* Facility opened December 30, 2010

Leadership Team Report -4-
### CITY OF NAPLES AIRPORT AUTHORITY

**U.S. CUSTOMS GENERAL AVIATION ACTIVITY**

**PERIOD ENDING 30 APRIL 2020**

<table>
<thead>
<tr>
<th>MONTH</th>
<th>TOTAL AIRCRAFT CLEARED</th>
<th>AIRCRAFT CLEARED/STAYED IN NAPLES</th>
<th>CLEARED/DEPARTED FOR DESTINATION</th>
<th>PERSONS CLEARED</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCTOBER</td>
<td>63</td>
<td>63</td>
<td>0.0</td>
<td>63</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>143</td>
<td>110</td>
<td>-23.1</td>
<td>137</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>137</td>
<td>153</td>
<td>11.7</td>
<td>135</td>
</tr>
<tr>
<td>JANUARY</td>
<td>138</td>
<td>162</td>
<td>17.4</td>
<td>137</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>173</td>
<td>163</td>
<td>-5.8</td>
<td>172</td>
</tr>
<tr>
<td>MARCH</td>
<td>211</td>
<td>192</td>
<td>-9.0</td>
<td>206</td>
</tr>
<tr>
<td>APRIL</td>
<td>166</td>
<td>13</td>
<td>-92.2</td>
<td>164</td>
</tr>
<tr>
<td>MAY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JUNE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JULY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUGUST</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VTD TOTALS</td>
<td>1031</td>
<td>856</td>
<td>-17.0</td>
<td>1014</td>
</tr>
</tbody>
</table>
Aviation Fuel Gallons & Aircraft Operations Historical Comparison
36 Months

Aviation Gallons

Aircraft Operations

[Graph showing aviation fuel gallons and aircraft operations over 36 months]

**NOTE:** Jet Operations figures are provided by Flight Aware and are subject to change due to their reporting methods.

Leadership Team Report

May 21, 2020
CITY OF NAPLES AIRPORT AUTHORITY
ACTIVITY REPORT
PERIOD ENDING 30 APRIL 2020

<table>
<thead>
<tr>
<th>OPERATIONS</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Variance %</th>
<th>Current Month</th>
<th>Year to Date</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 19</td>
<td>FY 20</td>
<td>Variance %</td>
<td>FY 19</td>
<td>FY 20</td>
<td>Variance %</td>
</tr>
<tr>
<td>OPERATIONS - Itinerant</td>
<td></td>
<td></td>
<td>NMF</td>
<td>1</td>
<td>0</td>
<td>NMF</td>
</tr>
<tr>
<td>Air Carrier</td>
<td>0</td>
<td>0</td>
<td>NMF</td>
<td>0</td>
<td>0</td>
<td>NMF</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,708</td>
<td>774</td>
<td>(54.7)</td>
<td>11,535</td>
<td>10,476</td>
<td>(9.2)</td>
</tr>
<tr>
<td>General Aviation</td>
<td>6,909</td>
<td>3,206</td>
<td>(53.6)</td>
<td>47,808</td>
<td>44,161</td>
<td>(7.6)</td>
</tr>
<tr>
<td>Military</td>
<td>47</td>
<td>0</td>
<td>NMF</td>
<td>134</td>
<td>85</td>
<td>(36.6)</td>
</tr>
<tr>
<td>TOTAL ITINERANT OPERATIONS</td>
<td>8,664</td>
<td>3,980</td>
<td>(54.1)</td>
<td>59,478</td>
<td>54,722</td>
<td>(8.0)</td>
</tr>
<tr>
<td>OPERATIONS - Local</td>
<td></td>
<td></td>
<td>NMF</td>
<td>0</td>
<td>0</td>
<td>NMF</td>
</tr>
<tr>
<td>Commercial</td>
<td>0</td>
<td>0</td>
<td>NMF</td>
<td>0</td>
<td>0</td>
<td>NMF</td>
</tr>
<tr>
<td>General Aviation</td>
<td>1,711</td>
<td>1,273</td>
<td>(25.6)</td>
<td>13,295</td>
<td>15,369</td>
<td>15.6</td>
</tr>
<tr>
<td>Military</td>
<td>0</td>
<td>14</td>
<td>NMF</td>
<td>12</td>
<td>23</td>
<td>91.7</td>
</tr>
<tr>
<td>TOTAL LOCAL OPERATIONS</td>
<td>1,711</td>
<td>1,287</td>
<td>(24.8)</td>
<td>13,307</td>
<td>15,392</td>
<td>15.7</td>
</tr>
<tr>
<td>TOTAL NIGHT OPERATIONS</td>
<td>305</td>
<td>92</td>
<td>(69.8)</td>
<td>1,645</td>
<td>1,248</td>
<td>(24.1)</td>
</tr>
</tbody>
</table>

TOTAL IFR - Operations *    | 4,902 | 2,117| (56.8)     | 33,373| 31,705| (5.0)     |
TOTAL VFR - Operations      | 5,778 | 3,242| (43.9)     | 41,057| 39,657| (3.4)     |
TOTAL OPERATIONS             | 10,680| 5,359| (49.8)     | 74,430| 71,362| (4.1)     |

* As reported by ATCCT
NMF = No Meaningful Figure
Beginning 10/01/12, the nighttime operations were combined as one entry.

Leadership Team Report -7- May 21, 2020
City of Naples Airport Authority
30-Apr-20
HUMAN RESOURCES METRICS

Voluntary Turnover

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAA Voluntary Turnover History (Annual)</td>
<td>4.1%</td>
<td>8.1%</td>
<td>10.0%</td>
<td>12.8%</td>
<td>7.87%</td>
</tr>
<tr>
<td>National Average</td>
<td>20.7%</td>
<td>26.3%</td>
<td>30.5%</td>
<td>35.0%</td>
<td>21.6%</td>
</tr>
</tbody>
</table>

EMILOYMENT

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budgeted Positions (Non Seasonal)</td>
<td>73.6%</td>
<td>74.8%</td>
<td>76.0%</td>
<td>86.0%</td>
<td>89.0%</td>
</tr>
<tr>
<td>Budgeted Positions (Seasonal)</td>
<td>2.5%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>3.8%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Actual Positions YTD (Non Seasonal)</td>
<td>72.2%</td>
<td>73.9%</td>
<td>72.0%</td>
<td>79.0%</td>
<td>77.8%</td>
</tr>
<tr>
<td>Actual Positions YTD (Seasonal)</td>
<td>2.8%</td>
<td>2.6%</td>
<td>2.0%</td>
<td>3.6%</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Budgeted vs Actual April 2020

<table>
<thead>
<tr>
<th></th>
<th>BUDGETED</th>
<th>ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>103</td>
</tr>
<tr>
<td></td>
<td></td>
<td>78</td>
</tr>
</tbody>
</table>

Years of Service with the Authority

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>YTD FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>3+ years</td>
<td>65.8%</td>
<td>66.7%</td>
<td>64.9%</td>
<td>63.8%</td>
<td>50.0%</td>
</tr>
<tr>
<td>5+ years</td>
<td>58.9%</td>
<td>56.9%</td>
<td>55.4%</td>
<td>43.8%</td>
<td>30.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>5+ Years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30.7%</td>
</tr>
<tr>
<td>3+ Years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50.0%</td>
</tr>
</tbody>
</table>

Work Injuries

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Injuries</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Days Away from Work</td>
<td>1</td>
<td>5</td>
<td>49</td>
<td>65</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damage Incidents</td>
<td>7</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Per actual positions (FTE)</td>
<td>0.05</td>
<td>0.01</td>
<td>0.01</td>
<td>3.01</td>
<td>-</td>
</tr>
</tbody>
</table>

1. Voluntary Turnover National Average based on BLS data for Local Government-Non Educational. FY20 is current estimated. Annual report released in March
2. Effective January 2016 a change in the report reflects annual budgeted positions and actual positions year to date. Prior years reflect fiscal year adjusted FTE's.
3. 50 of the missed days is a single incident in FY18 that resulted in 2 surgeries. Employee returned to work 10/31/2018. Then additional missed days for 2nd surgery in FY19 included 22 additional days missed.
4. Report does not reflect Hurricane Irma damage.
To: Honorable Chair and Commissioners

From: Christopher A. Rozansky, Executive Director

By: Ken Warriner, Director of Finance and Administration

Meeting Date: May 21, 2020

Re: April 2020 Financials

1. Financial Summary

For the month of April 2020, operating revenue (net of cost of goods sold) was $1,096,718 compared to the budget of $2,062,370. This was unfavorable to budget by ($965,652) or 47%. Operating expenses were favorable to budget by $341,866 or 28%. Income from operations was $197,511 or ($623,786) unfavorable to the budget. The change in net position before capital contributions was unfavorable to budget by ($69,398). For the year-to-date period, the change in net position before capital contributions is favorable to budget by $2,136,332.

Key Financial Measures - Current Month

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Budget Variance</th>
<th>Prior Year Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel sales - Jet A gallons</td>
<td>338,326</td>
<td>886,816</td>
<td>861,426</td>
<td>(548,490)</td>
<td>-62%  (523,100)</td>
</tr>
<tr>
<td>Fuel sales - AvGas gallons</td>
<td>14,546</td>
<td>37,080</td>
<td>40,376</td>
<td>(22,534)</td>
<td>-61%  (25,830)</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>$ 1,096,718</td>
<td>$ 2,062,370</td>
<td>$ 2,041,643</td>
<td>($965,652)</td>
<td>-47%  ($944,925)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$ 899,207</td>
<td>$ 1,241,073</td>
<td>$ 980,218</td>
<td>$ 341,866</td>
<td>28%   $ 81,011</td>
</tr>
<tr>
<td>Change in net position*</td>
<td>$ (69,398)</td>
<td>$ 610,922</td>
<td>$ 862,584</td>
<td>($680,320)</td>
<td>-111% ($931,982)</td>
</tr>
</tbody>
</table>

Key Financial Measures - Fiscal Year-to-Date

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Prior Year</th>
<th>Budget Variance</th>
<th>Prior Year Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel sales - Jet A gallons</td>
<td>4,606,545</td>
<td>4,674,610</td>
<td>5,808,882</td>
<td>(68,055)</td>
<td>-1%  (1,202,337)</td>
</tr>
<tr>
<td>Fuel sales - AvGas gallons</td>
<td>183,846</td>
<td>203,329</td>
<td>257,487</td>
<td>(19,483)</td>
<td>-10%  (73,641)</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>$ 14,186,134</td>
<td>$ 13,301,699</td>
<td>$ 13,645,712</td>
<td>$ 884,435</td>
<td>7%   $ 540,422</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$ 7,490,092</td>
<td>$ 8,929,920</td>
<td>$ 6,553,738</td>
<td>$ 1,439,828</td>
<td>16%   ($936,354)</td>
</tr>
<tr>
<td>Change in net position*</td>
<td>$ 5,007,987</td>
<td>$ 2,871,654</td>
<td>$ 5,490,364</td>
<td>$ 2,136,332</td>
<td>74%   ($482,377)</td>
</tr>
</tbody>
</table>

* before capital contributions
City of Naples Airport Authority

Board of Commissioners Financial Reports

Monthly Period Ended

April 30, 2020
City of Naples Airport Authority  
Financial Reports  
For the Period Ending April 30, 2020  

<table>
<thead>
<tr>
<th>Index</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position - Month</td>
<td>1</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position - Year-to-Date</td>
<td>2</td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>3</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>4</td>
</tr>
<tr>
<td>Investments</td>
<td>5</td>
</tr>
<tr>
<td>Operating Expenses by Select Departments</td>
<td>6</td>
</tr>
<tr>
<td>Non-Participatory Capital Projects</td>
<td>7</td>
</tr>
<tr>
<td>Major Capital Projects</td>
<td>8-9</td>
</tr>
</tbody>
</table>
## City of Naples Airport Authority

**Statements of Revenues, Expenses and Changes in Net Position**

For the Period Ending April 30, 2020

<table>
<thead>
<tr>
<th>Operating Revenue</th>
<th>Actual Month</th>
<th>Budget Month</th>
<th>Favorable/Unfavorable</th>
<th>%</th>
<th>(Variance) Explanations (~$10,000 and 10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation Fuel Sales</td>
<td>$1,055,510</td>
<td>$3,709,314</td>
<td>($2,653,804)</td>
<td>(72) %</td>
<td>COVID-19 travel impact &amp; lower cost of fuel - 571,024 less gallons sold</td>
</tr>
<tr>
<td>Cost of Aviation Fuel Sales</td>
<td>(438,490)</td>
<td>(2,283,939)</td>
<td>$1,845,449</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>Net Aviation Fuel Sales</td>
<td>$617,019</td>
<td>$1,425,374</td>
<td>($808,355)</td>
<td>57 %</td>
<td></td>
</tr>
<tr>
<td>Hangar Rentals</td>
<td>$119,652</td>
<td>$111,466</td>
<td>$8,186</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Building &amp; Land Rent</td>
<td>129,394</td>
<td>118,366</td>
<td>11,028</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Ramp and Tie Down Fees</td>
<td>76,845</td>
<td>162,435</td>
<td>(85,590)</td>
<td>53</td>
<td>COVID-19 impact</td>
</tr>
<tr>
<td>Line Services</td>
<td>38,355</td>
<td>88,450</td>
<td>(50,095)</td>
<td>57</td>
<td>COVID-19 impact</td>
</tr>
<tr>
<td>Concession Fees</td>
<td>106,637</td>
<td>94,125</td>
<td>12,512</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>U.S. Customs User Fees</td>
<td>4,225</td>
<td>50,040</td>
<td>(45,815)</td>
<td>92</td>
<td>COVID-19 impact</td>
</tr>
<tr>
<td>Flowage Fees and Misc. Revenue</td>
<td>4,590</td>
<td>12,114</td>
<td>(7,523)</td>
<td>62</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>$1,096,718</strong></td>
<td><strong>$2,062,370</strong></td>
<td><strong>$965,652</strong></td>
<td>(47) %</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Actual Month</th>
<th>Budget Month</th>
<th>Favorable/Unfavorable</th>
<th>%</th>
<th>(Variance) Explanations (~$10,000 and 10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>$418,485</td>
<td>$524,711</td>
<td>$106,226</td>
<td>20 %</td>
<td></td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>24,459</td>
<td>39,543</td>
<td>15,084</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>105,909</td>
<td>113,734</td>
<td>7,825</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>Total Personnel Expenses</strong></td>
<td><strong>$548,853</strong></td>
<td><strong>$677,988</strong></td>
<td><strong>$129,134</strong></td>
<td>19 %</td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>$54,831</td>
<td>$113,978</td>
<td>$59,147</td>
<td>52 %</td>
<td></td>
</tr>
<tr>
<td>Contracted Services</td>
<td>80,856</td>
<td>82,875</td>
<td>2,019</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>50,581</td>
<td>52,430</td>
<td>1,848</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Airfield and Grounds Maintenance</td>
<td>15,191</td>
<td>29,817</td>
<td>14,626</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>8,201</td>
<td>22,633</td>
<td>14,432</td>
<td>64</td>
<td></td>
</tr>
<tr>
<td>Vehicle and Equipment Maintenance</td>
<td>8,946</td>
<td>32,108</td>
<td>23,162</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>35,505</td>
<td>31,753</td>
<td>(3,751)</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Credit Card Fees</td>
<td>9,857</td>
<td>32,597</td>
<td>22,740</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Software Licenses and Support</td>
<td>5,962</td>
<td>26,667</td>
<td>20,705</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Legal Services</td>
<td>24,425</td>
<td>27,895</td>
<td>3,471</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>9,706</td>
<td>22,104</td>
<td>12,399</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Conferences and Travel</td>
<td>3,822</td>
<td>17,421</td>
<td>13,599</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Minor Equipment and Supplies</td>
<td>20,925</td>
<td>16,098</td>
<td>(4,827)</td>
<td>(30)</td>
<td></td>
</tr>
<tr>
<td>Pilot Services</td>
<td>9,314</td>
<td>15,000</td>
<td>5,686</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Training &amp; Education</td>
<td>1,468</td>
<td>8,274</td>
<td>6,806</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Office Supplies</td>
<td>2,517</td>
<td>8,699</td>
<td>6,183</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Fuel (internal)</td>
<td>1,657</td>
<td>9,142</td>
<td>7,484</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>Employee Recognition</td>
<td>383</td>
<td>3,042</td>
<td>2,659</td>
<td>87</td>
<td></td>
</tr>
<tr>
<td>Dues &amp; Subscriptions</td>
<td>4,205</td>
<td>6,526</td>
<td>2,321</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>Uniforms</td>
<td>2,003</td>
<td>3,725</td>
<td>1,722</td>
<td>46</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>300</td>
<td>300</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$899,207</strong></td>
<td><strong>$1,241,073</strong></td>
<td><strong>$341,866</strong></td>
<td>28 %</td>
<td></td>
</tr>
<tr>
<td><strong>Income from Operations</strong></td>
<td><strong>$197,511</strong></td>
<td><strong>$821,298</strong></td>
<td><strong>$623,786</strong></td>
<td>(76) %</td>
<td></td>
</tr>
<tr>
<td>Non-Operating Revenue/(Expenses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fed interest rate cuts due to COVID-19</td>
</tr>
<tr>
<td>Customer Facility Charges</td>
<td>$28,363</td>
<td>$27,344</td>
<td>$1,018</td>
<td>4 %</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
<td>(334,599)</td>
<td>(306,363)</td>
<td>(28,236)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td>37,050</td>
<td>68,643</td>
<td>(31,593)</td>
<td>(46)</td>
<td></td>
</tr>
<tr>
<td>Other Revenue (Expense)</td>
<td>2,276</td>
<td>-</td>
<td>2,276</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenue/(Expenses)</strong></td>
<td><strong>$266,909</strong></td>
<td><strong>$210,375</strong></td>
<td><strong>$56,534</strong></td>
<td>(27) %</td>
<td></td>
</tr>
<tr>
<td><strong>Income Before Capital Contributions</strong></td>
<td><strong>$69,398</strong></td>
<td><strong>$610,922</strong></td>
<td><strong>$680,320</strong></td>
<td>(111) %</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Contributions</strong></td>
<td><strong>$538,759</strong></td>
<td><strong>-</strong></td>
<td><strong>538,759</strong></td>
<td>100 %</td>
<td>Grant contributions not budgeted.</td>
</tr>
<tr>
<td><strong>Change in Net Position</strong></td>
<td><strong>$469,361</strong></td>
<td><strong>$610,922</strong></td>
<td><strong>$141,561</strong></td>
<td>(23) %</td>
<td></td>
</tr>
</tbody>
</table>
City of Naples Airport Authority  
 Statements of Revenues, Expenses and Changes in Net Position  
 For the Period Ending April 30, 2020

<table>
<thead>
<tr>
<th>Operating Revenue</th>
<th>Actual Year-to-Date</th>
<th>Budget Year-to-Date</th>
<th>Favorable/(Unfavorable)</th>
<th>%</th>
<th>(Variance) Explanations (&gt;=$25,000 and 10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation Fuel Sales</td>
<td>$22,005,645</td>
<td>$23,337,783</td>
<td>($1,332,139)</td>
<td>(6) %</td>
<td></td>
</tr>
<tr>
<td>Cost of Aviation Fuel Sales</td>
<td>(12,558,771)</td>
<td>(14,320,573)</td>
<td>1,761,802</td>
<td>(12)</td>
<td></td>
</tr>
<tr>
<td>Total Aviation Fuel Sales</td>
<td>$9,446,873</td>
<td>$9,017,211</td>
<td>$429,663</td>
<td>5 %</td>
<td></td>
</tr>
<tr>
<td>Hangar Rentals</td>
<td>$837,751</td>
<td>$804,560</td>
<td>$33,192</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Building &amp; Land Rent</td>
<td>910,424</td>
<td>844,412</td>
<td>66,012</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Ramp and Tie Down Fees</td>
<td>1,210,274</td>
<td>1,082,228</td>
<td>128,046</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Line Services</td>
<td>737,940</td>
<td>643,535</td>
<td>94,405</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Concession Fees</td>
<td>652,218</td>
<td>476,638</td>
<td>175,579</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>U.S. Customs User Fees</td>
<td>281,520</td>
<td>363,075</td>
<td>(81,555)</td>
<td>(22)</td>
<td>Decrease in international flights</td>
</tr>
<tr>
<td>Flowage Fees and Misc. Revenue</td>
<td>109,134</td>
<td>70,041</td>
<td>39,093</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>$14,186,134</strong></td>
<td><strong>$13,301,699</strong></td>
<td><strong>$884,435</strong></td>
<td><strong>7 %</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Operating Expenses**

- **Personnel Expenses:**
  - Salaries and Wages | $3,127,429 | $3,615,675 | $488,246 | 14 % |
  - Payroll Taxes | 218,972 | 276,799 | 57,827 | 21 |
  - Benefits | 800,294 | 797,117 | (3,177) | (0) |
  - **Total Personnel Expenses** | **$4,146,695** | **$4,692,591** | **$542,896** | **12 %** |
- **Professional Services** | $414,785 | $798,044 | $383,259 | 48 % | |
- **Contracted Services** | 566,522 | 580,125 | 13,603 | 2 |
- **Insurance** | 346,495 | 366,912 | 20,417 | 6 |
- **Airfield and Grounds Maintenance** | 389,198 | 483,919 | 94,721 | 20 |
- **Building Maintenance** | 151,807 | 158,435 | 6,628 | 4 |
- **Vehicle and Equipment Maintenance** | 183,312 | 225,256 | 41,944 | 19 |
- **Utilities** | 204,118 | 236,210 | 32,092 | 14 |
- **Credit Card Fees** | 206,488 | 207,167 | 679 | 0 |
- **Software Licenses and Support** | 123,294 | 186,667 | 63,373 | 34 |
- **Legal Services** | 163,368 | 195,288 | 31,900 | 16 |
- **Communications** | 132,146 | 154,729 | 22,583 | 15 |
- **Conferences and Travel** | 57,605 | 120,852 | 62,976 | 52 |
- **Minor Equipment and Supplies** | 151,926 | 114,686 | (37,239) | (32) |
- **Pilot Services** | 56,059 | 103,000 | 46,941 | 46 |
- **Training & Education** | 30,164 | 89,420 | 59,256 | 66 |
- **Office Supplies** | 50,510 | 65,684 | 15,175 | 23 |
- **Fuel (internal)** | 36,126 | 60,142 | 24,016 | 40 |
- **Employee Recognition** | 16,701 | 21,294 | 4,593 | 22 |
- **Dues & Subscriptions** | 31,120 | 43,068 | 11,948 | 28 |
- **Uniforms** | 38,770 | 27,371 | (11,400) | (42) |
- **Miscellaneous** | (7,116) | 2,350 | 9,466 | 403 |
- **Total Operating Expenses** | **$7,490,692** | **$8,929,920** | **$1,439,228** | **16 %** |

**Income from Operations** | **$6,696,042** | **$4,371,779** | **$2,324,262** | **53 %** |

**Non-Operating Revenue/(Expenses)**

- **Customer Facility Charges** | $151,648 | $137,586 | 14,061 | 10 % | |
- **Depreciation and Amortization** | (2,336,105) | (2,164,904) | (171,201) | 8 |
- **Interest Revenue** | 441,783 | 527,193 | (85,410) | (16) | Fed interest rate cuts due to COVID-19 |
- **Other Revenue (Expense)** | 54,619 | - | 54,619 | 100 |
- **Gain/(loss) on disposal of capital assets** | - | - | - | - |
- **Insurance Proceeds** | - | - | - | - |
- **Total Non-Operating Revenue/(Expenses)** | **($1,688,055)** | **($1,500,125)** | **$187,930** | **(13) %** |

**Income Before Capital Contributions** | **$5,007,987** | **$2,871,654** | **$2,136,332** | **74 %** |

**Capital Contributions** | **$1,134,180** | - | **$1,134,180** | **100 %** Grant contributions not budgeted. |

**Change in Net Position** | **$6,142,167** | **$2,871,654** | **$3,270,513** | **114 %** |
## City of Naples Airport Authority
### Statement of Net Position
#### As of April 30, 2020

<table>
<thead>
<tr>
<th>Assets</th>
<th>4/30/2020</th>
<th>9/30/2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$42,883,742</td>
<td>$39,387,726</td>
<td>$3,496,016</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>348,821</td>
<td>361,249</td>
<td>(12,428)</td>
</tr>
<tr>
<td>Due From Government Agencies</td>
<td>535,146</td>
<td>309,255</td>
<td>225,891</td>
</tr>
<tr>
<td>Inventory</td>
<td>289,670</td>
<td>317,847</td>
<td>(28,177)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>336,651</td>
<td>197,949</td>
<td>138,702</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>$44,394,030</td>
<td>$40,574,026</td>
<td>$3,820,003</td>
</tr>
<tr>
<td>Land and Land Improvements</td>
<td>$9,098,655</td>
<td>$9,024,341</td>
<td>$74,313</td>
</tr>
<tr>
<td>Buildings and Building Improvements</td>
<td>26,126,517</td>
<td>26,126,517</td>
<td>-</td>
</tr>
<tr>
<td>Equipment</td>
<td>8,936,862</td>
<td>8,735,075</td>
<td>201,787</td>
</tr>
<tr>
<td>Software</td>
<td>534,873</td>
<td>534,873</td>
<td>-</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1,279,238</td>
<td>1,184,738</td>
<td>94,500</td>
</tr>
<tr>
<td>Furniture &amp; Fixtures</td>
<td>1,298,574</td>
<td>1,038,931</td>
<td>259,643</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>1,279,025</td>
<td>1,279,025</td>
<td>-</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>7,892,176</td>
<td>4,830,757</td>
<td>3,061,419</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>64,529,040</td>
<td>64,513,746</td>
<td>15,294</td>
</tr>
<tr>
<td><strong>Accumulated amortization and depreciation</strong></td>
<td>$120,974,959</td>
<td>$117,268,003</td>
<td>$3,706,956</td>
</tr>
<tr>
<td><strong>Total Net Property, Plant &amp; Equipment</strong></td>
<td>$66,709,301</td>
<td>$65,338,450</td>
<td>$1,370,851</td>
</tr>
</tbody>
</table>

| Total Assets                | $111,103,331 | $105,912,477 | $5,190,854 |

<table>
<thead>
<tr>
<th>Liabilities</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$990,260</td>
<td>$1,693,954</td>
<td>(703,694)</td>
</tr>
<tr>
<td>Accrued Salaries &amp; Benefits</td>
<td>322,003</td>
<td>485,390</td>
<td>(163,387)</td>
</tr>
<tr>
<td>Accrued Liabilities - Other</td>
<td>641,685</td>
<td>725,917</td>
<td>(84,232)</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$1,953,948</td>
<td>$2,905,261</td>
<td>(951,313)</td>
</tr>
<tr>
<td>Long Term Liabilities</td>
<td>$5,325,610</td>
<td>$5,325,610</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$7,279,558</td>
<td>$8,230,871</td>
<td>(951,313)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed Capital</td>
<td>35,611,583</td>
<td>35,611,583</td>
<td>-</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>62,070,022</td>
<td>55,128,134</td>
<td>6,941,888</td>
</tr>
<tr>
<td>Current Year Retained Earnings</td>
<td>6,142,167</td>
<td>6,950,633</td>
<td>(808,466)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>$103,823,773</td>
<td>$97,690,350</td>
<td>$6,133,423</td>
</tr>
</tbody>
</table>

| Total Liabilities and Equity | $111,103,331 | $105,912,482 | $5,190,849 |
City of Naples Airport Authority  
Statement of Cash Flows  
As of April 30, 2020

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities:</th>
<th>Month</th>
<th>Fiscal Year-to-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$197,511</td>
<td>$6,696,042</td>
</tr>
</tbody>
</table>

| Changes in Working Capital:         |              |                     |
| (Increase) Decrease in Accounts Receivable | 75,815 | 12,428       |
| (Increase) Decrease in Inventories   | 28,841       | 28,177             |
| (Increase) Decrease in Prepaid Expenses and Other | 55,921 | (138,702) |
| Increase (Decrease) in Accounts Payable | (77,373) | (703,694) |
| Increase (Decrease) in Accrued Expenses and Other | (153,710) | (247,619) |
| Increase (Decrease) in Deferred Revenue | -           | -                   |

| Net Cash Provided (Used) by Operating Activities | $127,005 | $5,646,632 |

| Cash Flow from Investing Activities:     |              |                     |
| Acquisition, Construction of Capital Assets | $ (763,451) | $ (3,706,956) |
| Gain (loss on sale of assets)              | -            | -                   |
| (Increase) Decrease in Due From Government (Grants) | (535,146) | (225,891) |
| Capital Contributions (Grants)             | 538,759       | 1,134,179          |
| Other Revenues                             | 2,276         | 54,619             |
| Interest and Dividends on Investments       | 37,050        | 441,783            |

| Net Cash Provided (Used) in Investing Activities | $ (720,510) | $ (2,302,265) |

| Customer Facility Charge Revenue          | 28,363        | 151,648           |

| Net Cash Provided (Used) by Financing Activities | $28,363 | $151,648 |

| Increase (Decrease) in Cash and Equivalents | $ (565,143) | $3,496,016 |
| Cash and Equivalents at Beginning of Period | $43,448,886  | $39,387,726 |

| Cash and Equivalents at End of Period      | $42,883,742  | $42,883,742       |
City of Naples Airport Authority
Investments
As of April 30, 2020

<table>
<thead>
<tr>
<th>Investment</th>
<th>Balance</th>
<th>Current Interest Rate</th>
<th>Year-to-Date Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash - Valley Bank</td>
<td>$34,966,444</td>
<td>1.85%</td>
<td>$293,206</td>
</tr>
<tr>
<td>Cash - Northern Trust</td>
<td>7,918,164</td>
<td>1.60%</td>
<td>58,550</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>600</td>
<td>n/a</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Cash and Investments</strong></td>
<td><strong>$42,885,208</strong></td>
<td></td>
<td><strong>$351,756</strong></td>
</tr>
</tbody>
</table>
City of Naples Airport Authority  
Operating Expenses by Select Departments  
As of April 30, 2020

<table>
<thead>
<tr>
<th>Month Actual</th>
<th>Month Budget</th>
<th>Variance Favorable (unfavorable)</th>
<th>&gt; 10K Variance Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Traffic Control Tower</td>
<td>$2,918</td>
<td>$5,167</td>
<td>$2,249</td>
</tr>
<tr>
<td>Airport Rescue Fire Fighting</td>
<td>76,583</td>
<td>70,835</td>
<td>$(5,748)</td>
</tr>
<tr>
<td>IT</td>
<td>36,112</td>
<td>34,542</td>
<td>$(1,570)</td>
</tr>
<tr>
<td>US Customs &amp; Border Protection</td>
<td>31,590</td>
<td>30,759</td>
<td>$(831)</td>
</tr>
<tr>
<td>All Other Operating</td>
<td>752,004</td>
<td>1,099,770</td>
<td>347,766</td>
</tr>
</tbody>
</table>

Total Operating Expenses | $899,207 | $1,241,073 | $341,866 |

---

<table>
<thead>
<tr>
<th>YTD Actual</th>
<th>YTD Budget</th>
<th>Variance Favorable (unfavorable)</th>
<th>&gt; 25K Variance Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Traffic Control Tower</td>
<td>$22,847</td>
<td>$36,359</td>
<td>$13,512</td>
</tr>
<tr>
<td>Airport Rescue Fire Fighting</td>
<td>537,557</td>
<td>515,587</td>
<td>$(21,970)</td>
</tr>
<tr>
<td>IT</td>
<td>248,042</td>
<td>307,312</td>
<td>59,270</td>
</tr>
<tr>
<td>US Customs &amp; Border Protection</td>
<td>186,300</td>
<td>220,125</td>
<td>33,825</td>
</tr>
<tr>
<td>All Other Operating</td>
<td>6,495,346</td>
<td>7,850,537</td>
<td>1,355,191</td>
</tr>
</tbody>
</table>

Total Operating Expenses | $7,490,092 | $8,929,920 | $1,439,828 |
City of Naples Airport Authority  
Capital Budget - Non-Participatory Projects  
Fiscal 2020

<table>
<thead>
<tr>
<th>Strategic Goal #1 - Provide a safe, modern and efficient airport and fixed base operator</th>
<th>Budget</th>
<th>Actual</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Aviation Terminal Improvements</td>
<td>$ 3,000,000</td>
<td>$ 22,906</td>
<td>$ 2,977,095</td>
</tr>
<tr>
<td>GA Terminal Traffic and Parking Imp. and Radio Road</td>
<td>2,500,000</td>
<td>5,099</td>
<td>2,494,901</td>
</tr>
<tr>
<td>North GA Apron &amp; Taxi lane Rehabilitation</td>
<td>2,000,000</td>
<td>20,309</td>
<td>1,979,691</td>
</tr>
<tr>
<td>Airport Security Upgrade</td>
<td>925,000</td>
<td>25,324</td>
<td>899,676</td>
</tr>
<tr>
<td>Hangar Door Replacement</td>
<td>285,000</td>
<td>50,655</td>
<td>234,345</td>
</tr>
<tr>
<td>Lektro 6 (replacement)</td>
<td>115,000</td>
<td>114,501</td>
<td>499</td>
</tr>
<tr>
<td>Golf Carts (replacements)</td>
<td>60,000</td>
<td>16,158</td>
<td>43,842</td>
</tr>
<tr>
<td>Fuel Farm Tank Lining</td>
<td>60,000</td>
<td>39,350</td>
<td>20,650</td>
</tr>
<tr>
<td>Truck (replacements)</td>
<td>35,000</td>
<td>78,341</td>
<td>(43,341)</td>
</tr>
<tr>
<td>800MHZ Radios (6)</td>
<td>18,000</td>
<td>21,103</td>
<td>(3,103)</td>
</tr>
<tr>
<td></td>
<td><strong>$ 16,388,000</strong></td>
<td><strong>$ 393,746</strong></td>
<td><strong>$ 15,994,254</strong></td>
</tr>
</tbody>
</table>

| Goal #3 - Strengthen the airport's economic vitality.                                   |         |         |           |
| Hardware And Software                                                                  | $ 191,000 | $ 137,988 | $ 53,012  |
|                                                                                       | **$ 334,000** | **$ 137,988** | **$ 196,012** |

Total Non-Participatory Projects                                                        | **$ 16,872,000** | **$ 531,734** | **$ 16,340,266** |

Note: Detail lines with no activity are not shown but are listed on the FY 2020 budget.
**City of Naples Airport Authority**  
**Participatory Capital Projects**  
**As of April 30, 2020**

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years</th>
<th>Total Project Spend</th>
<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Fire Station Replacement - Design &amp; Construction</td>
<td>FDOT</td>
<td>$2,240,000</td>
<td>$2,284,298</td>
<td>$593,745</td>
<td>$522,182</td>
<td>$1,115,927</td>
<td>$1,124,073</td>
<td>$1,115,927</td>
<td>65%</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>NAA</td>
<td>$3,345,351</td>
<td>$2,629,926</td>
<td>$1,747,152</td>
<td>$757,197</td>
<td>$2,504,349</td>
<td>$841,002</td>
<td>65%</td>
<td>70%</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$5,585,351</td>
<td>$4,914,224</td>
<td>$2,340,897</td>
<td>$1,279,379</td>
<td>$3,620,276</td>
<td>$1,965,075</td>
<td>65%</td>
<td>70%</td>
<td></td>
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</table>

**Project Status:**  

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years</th>
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<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master Plan Update</td>
<td>FAA</td>
<td>$628,280</td>
<td>$100,000</td>
<td>-</td>
<td>628,280</td>
<td>$628,280</td>
<td>$ -</td>
<td>$628,280</td>
<td>86%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>FDOT</td>
<td>$47,379</td>
<td>$15,000</td>
<td>-</td>
<td>$34,925</td>
<td>$34,925</td>
<td>$12,454</td>
<td>$28,212</td>
<td>86%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>NAA</td>
<td>$520,746</td>
<td>$200,000</td>
<td>$114,255</td>
<td>$255,811</td>
<td>$370,066</td>
<td>$150,680</td>
<td>86%</td>
<td>95%</td>
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</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$1,196,405</td>
<td>$315,000</td>
<td>$114,255</td>
<td>$919,016</td>
<td>$1,033,271</td>
<td>$163,134</td>
<td>86%</td>
<td>95%</td>
<td></td>
</tr>
</tbody>
</table>

**Project Status:**  
Project on time and on budget. The draft master plan has been submitted to the FAA and FDOT for review and comment.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years</th>
<th>Total Project Spend</th>
<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 150 Update - Noise Study</td>
<td>FAA</td>
<td>$628,280</td>
<td>$300,000</td>
<td>-</td>
<td>-</td>
<td>$628,280</td>
<td>$ -</td>
<td>$628,280</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>FDOT</td>
<td>$47,379</td>
<td>$15,000</td>
<td>-</td>
<td>$ -</td>
<td>$47,379</td>
<td>$ -</td>
<td>$47,379</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>NAA</td>
<td>$520,746</td>
<td>$300,000</td>
<td>$106,010</td>
<td>$ -</td>
<td>$106,010</td>
<td>$ -</td>
<td>$106,010</td>
<td>9%</td>
<td>15%</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$1,196,405</td>
<td>$615,000</td>
<td>$106,010</td>
<td>$ -</td>
<td>$106,010</td>
<td>$ -</td>
<td>$106,010</td>
<td>9%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Project Status:**  
Project on time and on budget. First public meetings held.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years</th>
<th>Total Project Spend</th>
<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway 5-23 Drainage Improvements Design</td>
<td>FAA</td>
<td>$ -</td>
<td>$1,710,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50%</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>FDOT</td>
<td>$ -</td>
<td>$95,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50%</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>NAA</td>
<td>$845,000</td>
<td>$95,000</td>
<td>$231,672</td>
<td>$192,870</td>
<td>$424,543</td>
<td>$420,457</td>
<td>50%</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$845,000</td>
<td>$1,900,000</td>
<td>$231,672</td>
<td>$192,870</td>
<td>$424,543</td>
<td>$420,457</td>
<td>50%</td>
<td>55%</td>
<td></td>
</tr>
</tbody>
</table>

**Project Status:**  
Project on time and on budget. Plans complete and RFF issued in March. Submitting to FAA for discretionary funding in May.

<table>
<thead>
<tr>
<th>Project Type</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years</th>
<th>Total Project Spend</th>
<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Farm Expansion</td>
<td>NAA</td>
<td>$1,697,310</td>
<td>-</td>
<td>$254,231</td>
<td>$1,306,277</td>
<td>$1,560,508</td>
<td>$136,802</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

**Project Status:**  
Project complete and under budget. New tanks are operational. Project complete.
City of Naples Airport Authority
Major Capital Projects
As of April 30, 2020

<table>
<thead>
<tr>
<th>Project</th>
<th>Funding Source</th>
<th>Approved Project Amount</th>
<th>Approved Budget FY 2020</th>
<th>Amount Spent FY to Date</th>
<th>Prior Fiscal Years Amount Spent</th>
<th>Total Project spend</th>
<th>Project Amount Remaining</th>
<th>Grant Funds Reimbursed</th>
<th>Cost % Complete</th>
<th>Project % Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extend Taxiway B,</td>
<td>FAA</td>
<td>$ -</td>
<td>$ 630,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>apron construction</td>
<td>FDOT</td>
<td>$ -</td>
<td>$ 35,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>site prep - North Quad</td>
<td>NAA</td>
<td>$ -</td>
<td>$ 35,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$ -</td>
<td>$ 700,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Project Status: Consultant approved by Board. PSA with scope and fee in process.

Total Major Projects

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAA Funding</td>
<td>2,740,000</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
<td>628,280</td>
</tr>
<tr>
<td>FDOT Funding</td>
<td>2,444,298</td>
<td>1,150,852</td>
<td>1,183,905</td>
<td>1,144,139</td>
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<td></td>
<td></td>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>NAA Share</td>
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<td>1,963,677</td>
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<tr>
<td>Total Major Projects</td>
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<td>6,094,132</td>
<td>7,395,084</td>
<td>7,551,726</td>
<td>3,544,838</td>
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</tbody>
</table>