

**FINANCIAL STATEMENTS**

**(Unaudited)**

**Nine Months Ended**

**June 30, 2009 and 2008**



**GREATER ORLANDO AVIATION AUTHORITY**

**Orlando, Florida**

# GREATER ORLANDO AVIATION AUTHORITY

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## Independent Certified Public Accountants' Review Report

We have reviewed the accompanying balance sheets of the Orlando International Airport (a department of the Greater Orlando Aviation Authority) as of December 31, 2008 and the related statements of revenues, expenses and changes in net assets, and cash flows for the three month periods ended December 31, 2008 and 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Greater Orlando Aviation Authority (the Authority).

A review consists principally of inquiries of Authority personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

As discussed in Note 1, the financial statements of the Orlando International Airport are intended to present the financial position and the changes in financial position, and cash flows of only that portion of the activities of the Authority that is attributable to the transactions of the Orlando International Airport. They do not purport to, and do not, present fairly the financial position of the Authority as of December 31, 2008, and the changes in its financial position and its cash flows for the three month periods ended December 31, 2008 and 2007, in conformity with accounting principles generally accepted in the United States.

Based on our review, we are not aware of any material modifications that should be made to the accompanying December 31, 2008 and 2007 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

The balance sheet of the Orlando International Airport as of September 30, 2008, was audited by us and we expressed an unqualified opinion on that statement in relation to the financial statements of the Authority as a whole in our report dated January 12, 2009, but we have not performed any auditing procedures since that date.

*Ernst & Young LLP*

February 13, 2009

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
BALANCE SHEETS - UNAUDITED  
(in thousands)**

	<u>June 30,</u> <u>2009</u>	<u>September 30,</u> <u>2008</u>
<b>ASSETS</b>		
Current Assets:		
Unrestricted:		
Cash and cash equivalents	\$ 147,782	\$ 94,717
Accounts and grants receivable, less allowance for uncollectibles of \$46 and \$128	11,331	14,484
Investments	14,998	8,943
Interest receivable	90	508
Prepaid expenses	7,211	5,931
Due from Orlando Executive Airport	<u>530</u>	<u>351</u>
Total unrestricted assets	<u>181,942</u>	<u>124,934</u>
Restricted:		
Cash and cash equivalents	365,460	279,117
Accounts and grants receivable	16,685	41,855
Investments	-	75,755
Interest receivable	459	2,038
Prepaid expenses	<u>274</u>	<u>1,255</u>
Total restricted current assets	<u>382,878</u>	<u>400,020</u>
Total current assets	<u>564,820</u>	<u>524,954</u>
Noncurrent Assets		
Investments, unrestricted	11,186	24,528
Investments, restricted	<u>45,786</u>	<u>138,862</u>
Total noncurrent investments	<u>56,972</u>	<u>163,390</u>
Capital assets, net of accumulated depreciation:		
Property and equipment	1,290,636	1,138,216
Property held for lease	492,124	513,692
Construction in progress	<u>246,992</u>	<u>313,812</u>
Total capital assets, net of accumulated depreciation	<u>2,029,752</u>	<u>1,965,720</u>
Total noncurrent assets	<u>2,086,724</u>	<u>2,129,110</u>
 Total Assets	 <u>\$ 2,651,544</u>	 <u>\$ 2,654,064</u>

See accompanying accountants' review report and notes to financial statements

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
BALANCE SHEETS - UNAUDITED  
(in thousands)**

	<u>June 30, 2009</u>	<u>September 30, 2008</u>
<b>LIABILITIES</b>		
Current Liabilities (Payable from Current Assets):		
Accounts payable and accrued liabilities	\$ 33,377	\$ 25,317
Deferred revenue	3,905	3,665
Deposits	5,231	5,168
Advance rent from tenants	6,774	5,026
Accrued airline revenue sharing	<u>12,568</u>	<u>-</u>
Total current liabilities (payable from current assets)	<u>61,855</u>	<u>39,176</u>
Current Liabilities (Payable from Restricted Assets):		
Accrued interest	12,474	25,239
Accounts payable and accrued liabilities	33,468	43,914
Deferred revenue	881	15,456
Notes payable, current	71,772	2,003
Revenue bonds payable, current	<u>65,808</u>	<u>171,430</u>
Total current liabilities (payable from restricted assets)	<u>184,403</u>	<u>258,042</u>
Total current liabilities	<u>246,258</u>	<u>297,218</u>
Noncurrent Liabilities:		
Notes payable, long-term	-	127,256
Revenue bonds payable, long-term	1,029,195	919,352
Other long-term liabilities	<u>14,780</u>	<u>9,489</u>
Total noncurrent liabilities	<u>1,043,975</u>	<u>1,056,097</u>
Total liabilities	<u>1,290,233</u>	<u>1,353,315</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	981,725	883,539
Restricted:		
For debt service	137,690	170,579
For capital acquisitions	90,452	114,141
Unrestricted	<u>151,444</u>	<u>132,490</u>
Total net assets	<u>1,361,311</u>	<u>1,300,749</u>
 Total Liabilities and Net Assets	 <u>\$ 2,651,544</u>	 <u>\$ 2,654,064</u>

See accompanying accountants' review report and notes to financial statements

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

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Airfield area	\$ 27,511	\$ 30,387
Terminal area	93,156	83,450
Hotel	24,921	32,114
Other buildings and grounds	11,637	10,060
Ground transportation	<u>87,516</u>	<u>95,914</u>
Total operating revenues	<u>244,741</u>	<u>251,925</u>
Operating Expenses		
Operations and facilities	85,191	87,179
Safety and security	11,592	11,713
Administration	19,509	21,054
Hotel	19,464	21,789
Other	<u>9,348</u>	<u>8,905</u>
Total operating expenses	<u>145,104</u>	<u>150,640</u>
Operating income before depreciation	99,637	101,285
Depreciation	<u>(75,200)</u>	<u>(70,771)</u>
Operating income	24,437	30,514
Non-Operating Revenues (Expenses)		
Investment income	9,023	15,290
Interest expense	(49,770)	(49,271)
Signatory airline net revenue sharing	(12,568)	-
Passenger facility charges	48,660	59,512
Customer facility charges	16,863	-
Federal, state and other grants	458	1,302
Other	<u>(77)</u>	<u>613</u>
Income before capital contributions and contributions to Orlando Executive Airport	37,026	57,960
Capital Contributions	25,732	16,866
Contributions to Orlando Executive Airport	<u>(4)</u>	<u>(117)</u>
Increase in net assets	62,754	74,709
Total Net Assets, Beginning of Period	1,300,749	1,150,496
Pollution Remediation Obligation Adjustment	<u>(2,192)</u>	<u>-</u>
Total Net Assets, Beginning of Period – Restated	1,298,557	1,150,496
Total Net Assets, End of Period	<u>\$ 1,361,311</u>	<u>\$ 1,225,205</u>

See accompanying accountants' review report and notes to financial statements

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

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received from customers and tenants	\$ 236,801	\$ 255,572
Cash paid to suppliers	(99,088)	(103,680)
Cash paid to employees for services	<u>(36,551)</u>	<u>(36,439)</u>
Net cash provided by operating activities	<u>101,162</u>	<u>115,453</u>
Cash flows from non-capital financing activities		
Operating grants and passenger facility charges received	<u>2,250</u>	<u>3,389</u>
Net cash provided by non-capital financing activities	<u>2,250</u>	<u>3,389</u>
Cash flows from capital and related financing activities		
Proceeds from issuance of bonds	185,948	283,214
Proceeds from issuance of commercial paper	25,015	62,000
Passenger facility charges	44,281	58,038
Customer facility charges	15,176	-
Bond issue costs	(1,023)	(5,149)
Principal payments – bonds and notes	(257,895)	(337,250)
Swap termination payment	(11,096)	(25,724)
Interest paid	(56,911)	(48,814)
Acquisition and construction of capital assets (including capitalized interest)	(148,643)	(161,147)
Capital contributed by federal grants and state agencies	<u>54,737</u>	<u>11,125</u>
Net cash used for capital and related financing activities	<u>(150,411)</u>	<u>(163,707)</u>
Cash flows from investing activities		
Purchase of investments	(148,201)	(324,233)
Proceeds from sale and maturity of investments	325,688	245,520
Interest received	<u>8,920</u>	<u>16,496</u>
Net cash provided by (used for) investing activities	<u>186,407</u>	<u>(62,217)</u>
Net increase (decrease) in cash and cash equivalents	139,408	(107,082)
Cash and Cash Equivalents, Beginning of Period	<u>373,834</u>	<u>412,941</u>
Cash and Cash Equivalents, End of Period (1)	<u>\$ 513,242</u>	<u>\$ 305,859</u>
(1) Cash and Cash Equivalents – Current Assets	\$ 147,782	\$ 92,417
Cash and Cash Equivalents – Restricted Assets	<u>365,460</u>	<u>213,442</u>
	<u>\$ 513,242</u>	<u>\$ 305,859</u>

See accompanying accountants' review report and notes to financial statements

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

	2009	2008
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ <u>24,437</u>	\$ <u>30,514</u>
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	75,200	70,771
(Increase) Decrease in operating assets		
Accounts and grants receivable	4,763	7,325
Prepaid expenses	(1,280)	(1,439)
Operating revenue settlement	-	(35)
Increase (Decrease) in operating liabilities		
Accounts payable and accrued liabilities	10,566	5,120
Deferred revenue	(14,335)	(1,772)
Deposits	63	130
Advance rent from tenants	<u>1,748</u>	<u>4,839</u>
Total adjustments	<u>76,725</u>	<u>84,939</u>
Net cash provided by operating activities	<u>\$ 101,162</u>	<u>\$ 115,453</u>

Noncash Investing, Capital and Financing Activities

Increase (Decrease) in fair value of investments	\$ 1,257	\$ (159)
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**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**1. ORGANIZATION AND PURPOSE**

The Orlando International Airport (OIA) functions as a self-supporting department operated by the Greater Orlando Aviation Authority (the "Authority") and uses the accrual method of accounting.

The Authority also operates Orlando Executive Airport (OEA). The department financial statements of Orlando Executive Airport are presented separately in the report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying unaudited department financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending September 30, 2009. For further information, refer to the financial statements and footnotes thereto included in the Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2008.

The GASB issued Statement No. 49 (GASB 49), *Accounting and Financial Reporting for Pollution Remediation Obligations*, in November 2006, which affects the Authority beginning in fiscal year 2009. GASB 49 provides accounting and financial reporting standards for pollution remediation obligations as well as disclosure requirements. In accordance with GASB 49, the Authority expenses environmental expenditures (except in cases where the expenditures require capitalization) and records liabilities when obligations have been incurred and the costs can be reasonably estimated. Disclosure related to that liability is discussed in Note 13. Upon adoption of GASB 49, the Authority recorded the cumulative effect of a change in accounting by increasing the liability for remediation costs and reducing net assets as well as reclassifying several asset and liability accounts. The fiscal year 2008 financial statements have not been restated as the information is not available to determine the impact on the financial statements as of October 1, 2007, although the Authority expects such amounts to be immaterial.

Beginning October 1, 2008, the Authority began collecting a Customer Facility Charge (CFC) from rental car customers. The proceeds of the CFCs will be used exclusively to finance capital projects to service the rental car companies operating from the terminal. The Authority has classified the CFCs as nonoperating revenues. Collection of the CFCs is set to end once the projects have been paid for.

**3. CASH DEPOSITS AND INVESTMENTS**

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

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**3. CASH DEPOSITS AND INVESTMENTS** (continued)

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

The Authority follows GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustment of the carrying value of investments to fair value to be presented as a component of investment income. Investments are presented at fair value, which is based on available market values. The Local Government Investment Pool operated by the Florida State Board of Administration is a "2a-7-like" pool in accordance with GASB 31; therefore it is not presented at fair value but at its actual pooled share price which approximates fair value.

At June 30, 2009 and September 30, 2008, the fair value of all securities regardless of the balance sheet classification was as follows (in thousands):

	June 30, 2009	September 30, 2008
	<u>                    </u>	<u>                    </u>
U.S. Treasury and government agency securities	\$ 71,510	\$ 288,236
Commercial paper	-	24,884
Local government investment pool	1,538	9,256
Money market funds	<u>313,716</u>	<u>167,020</u>
Securities total	<u>\$ 386,764</u>	<u>\$ 489,396</u>

These securities are classified on the balance sheet as follows (in thousands):

	June 30, 2009	September 30, 2008
	<u>                    </u>	<u>                    </u>
Current assets:		
Unrestricted:		
Cash and cash equivalents	\$ 147,782	\$ 94,717
Investments	14,998	8,943
Restricted:		
Cash and cash equivalents	365,460	279,117
Investments	-	75,755
Noncurrent assets:		
Investments, unrestricted	11,186	24,528
Investments, restricted	<u>45,786</u>	<u>138,862</u>
Total cash and investments	585,212	621,922
Adjustment for cash balances included in cash and cash equivalents	<u>(198,448)</u>	<u>(132,526)</u>
Total securities, at fair value	<u>\$ 386,764</u>	<u>\$ 489,396</u>

See accompanying accountants' review report

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**3. CASH DEPOSITS AND INVESTMENTS** (continued)

The Authority is authorized to invest in securities as described in its investment policy and in each bond resolution. As of June 30, 2009, OIA held the following investments as categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosure*:

Investment Maturities (in thousands)

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury and government agency securities	\$ 14,998	\$ 25,052	\$ 12,308	\$ 19,152	\$ 71,510
Local government investment pool	1,077	-	461	-	1,538
Money market funds	<u>313,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,716</u>
	<u>\$ 329,791</u>	<u>\$ 25,052</u>	<u>\$ 12,769</u>	<u>\$ 19,152</u>	<u>\$ 386,764</u>

The Authority recorded investments reallocated by the State Board of Administration (SBA) Fund B local government investment pool during the fiscal year ended September 30, 2008. The SBA disclosed the weighted average maturity of investments held in Fund B at June 30, 2008 as being 9.22 years. Therefore, the maturity date of investments held in Fund B has been adjusted to September 16, 2017. Fund B is described in more detail under *Credit Risk*.

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority generally holds investments to maturity. The Authority's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities match known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolution relating to the specific bond issue. The Authority portfolio holds a number of callable securities. The schedules above present the maturity date of each security.

**Credit Risk:** The Authority's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. Authority policy limits investments to the highest credit rating category of Moody's Investors Services (Moody's) and Standard & Poor's (S&P), and funds can only be invested in money market funds rated AAAM or AAAM-G by S&P. Investment in commercial paper is limited to those programs rated A-1, P-1, which is the highest rating category. Consistent with the Authority's investment policy and bond resolutions, instrumentality investments held in the portfolio were rated AAA by S&P and Aaa by Moody's at the time of purchase.

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**3. CASH DEPOSITS AND INVESTMENTS** (continued)

As of September 30, 2007, the Authority had \$91.6 million invested in the State Board of Administration's Local Government Investment Pool (Pool). On November 2, 2007, the Authority withdrew \$10.0 million for liquidity purposes, and on November 15, 2007, the Authority withdrew another \$57.0 million, leaving a balance of about \$25.1 million invested in the Pool. On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund, coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub-prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate Funds; Fund A consisted of all money market appropriate assets, which was approximately \$12.0 billion or 86% of Pool assets and Fund B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2.1 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Fund A and Fund B.

As of December 7, 2007, the SBA allowed participants to withdraw 15% of their balance or \$2.0 million, whichever was greater, without penalty from each account in Fund A. Withdrawals from Fund A in excess of the above limit are subject to a 2% redemption fee while there was not a redemption fee to withdraw new deposits. On December 7, 2007, the Authority exercised its option to withdraw (without penalty) \$13.5 million from Fund A, leaving a balance of \$11.5 million in the two pools. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAm" principal stability fund rating to Fund A. On May 15, 2008, the SBA raised the liquidity ceiling of Fund A from 37% to 50% of original Fund A balances, with a minimum ceiling of \$8.0 million per account. On September 25, 2008, the SBA raised the liquidity ceiling of Fund A from 50% to 65% of original Fund A balances.

The SBA does not allow participants to withdraw funds from Fund B. As maturities occur in Fund B, the SBA transfers the monies from Fund B to Fund A. Since the SBA established Fund B, they have released approximately \$2.6 million of the Authority's funds into Fund A.

As of June 30, 2009, the Authority had \$2.1 million of OIA funds invested in the Pool with \$1.1 million in Fund A and \$1.0 million invested in Fund B. An entry to adjust the fair value of Fund B by \$0.5 million to reflect the approximate fair value of Fund B investments during the nine months ended June 30, 2009 reduced the combined value of the Fund A and Fund B to \$1.5 million. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

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

**Concentration of Credit Risk:** At June 30, 2009, the Authority held investments exceeding 5 percent of the total investment portfolio with one issuer; Federal Home Loan Mortgage Corporation (6.2%). At September 30, 2008, the Authority held investments exceeding 5 percent of the total investment portfolio with three issuers; Federal Home Loan Bank (28.7%), Federal Home Loan Mortgage Corporation (13.9%), and Federal National Mortgage Association (8.8%). Each of the investments are rated either AAA by S&P or Aaa by Moody's rating agency. Standard practice limits the maximum investment in any one issuer of commercial paper to \$5 million dollars.

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**4. RESTRICTED ASSETS**

The Bond Resolution and the Master Indenture of Trust authorizing the issuance of the revenue bonds for Orlando International Airport require segregation of certain assets into restricted accounts. Majority-in-Interest approval of the Signatory Airlines was granted for (1) the issuance of commercial paper to fund various capital improvements that impact rates and charges at Orlando International Airport, and (2) the use of Airport Facilities Improvement and Development assets to pay all or a portion of project costs with reimbursement from commercial paper, state and federal grants, passenger facility charges, and/or revenue bonds. Composition of restricted accounts is as follows:

Restricted Assets (in thousands)		
	June 30, 2009	September 30, 2008
Debt Service Accounts	\$ 153,960	\$ 197,710
Capital Acquisition Accounts	177,656	218,015
Bond Construction Accounts	59,788	61,183
Passenger Facility Charges Account	13,495	16,132
Customer Facility Charges Account	(9,094)	-
Operating Reserve Account	32,859	32,261
Prepaid Airlines Fees and Charges Account	-	13,581
Total Restricted Assets	\$ 428,664	\$ 538,882

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**5. CAPITAL ASSETS**

A summary of capital asset activity for the nine months ended June 30, 2009 is as follows (in thousands):

	Balance October 1, 2008	Additions and Reclass- ifications	Deductions	Balance June 30, 2009
<b>Property and Equipment</b>				
Capital assets not being depreciated				
Land	\$ 238,133	\$ -	\$ -	\$ 238,133
Assets held for future use	<u>99,602</u>	<u>-</u>	<u>-</u>	<u>99,602</u>
	<u>337,735</u>	<u>-</u>	<u>-</u>	<u>337,735</u>
Other property and equipment				
Buildings	267,187	729	-	267,916
Improvements	1,253,430	186,300	-	1,439,730
Equipment	76,257	17,676	739	93,194
Motor vehicles	<u>18,861</u>	<u>1,493</u>	<u>573</u>	<u>19,781</u>
	<u>1,615,735</u>	<u>206,198</u>	<u>1,312</u>	<u>1,820,621</u>
Accumulated Depreciation				
Buildings	94,209	6,737	-	100,946
Improvements	648,947	39,762	-	688,709
Equipment	58,932	5,906	591	64,247
Motor vehicles	<u>13,166</u>	<u>1,215</u>	<u>563</u>	<u>13,818</u>
	<u>815,254</u>	<u>53,620</u>	<u>1,154</u>	<u>867,720</u>
<b>Net Property and Equipment</b>	<u>1,138,216</u>	<u>152,578</u>	<u>158</u>	<u>1,290,636</u>
<b>Property Held for Lease</b>				
Capital assets not being depreciated				
Land	<u>4,473</u>	<u>-</u>	<u>-</u>	<u>4,473</u>
Other capital assets held for lease				
Buildings	853,069	4	-	853,073
Improvements	<u>75,540</u>	<u>8</u>	<u>-</u>	<u>75,548</u>
	<u>928,609</u>	<u>12</u>	<u>-</u>	<u>928,621</u>
Accumulated Depreciation				
Buildings	385,912	18,541	-	404,453
Improvements	<u>33,478</u>	<u>3,039</u>	<u>-</u>	<u>36,517</u>
	<u>419,390</u>	<u>21,580</u>	<u>-</u>	<u>440,970</u>
<b>Net Property Held for Lease</b>	<u>513,692</u>	<u>(21,568)</u>	<u>-</u>	<u>492,124</u>
<b>Construction in Progress</b>				
Capital assets not being depreciated				
<b>Construction in Progress</b>	<u>313,812</u>	<u>135,235</u>	<u>202,055</u>	<u>246,992</u>
<b>Net Capital Assets</b>	<u>\$ 1,965,720</u>	<u>\$ 266,245</u>	<u>\$ 202,213</u>	<u>\$ 2,029,752</u>

See accompanying accountants' review report

**GREATER ORLANDO AVIATION AUTHORITY  
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For the Nine Months Ended June 30, 2009**

**6. NON-CURRENT LIABILITIES**

A summary of long-term liability activity for the nine months ended June 30, 2009 was as follows (in thousands):

	Balance October 1, 2008	Additions	Deductions	Balance June 30, 2009	Amounts Due Within One Year	Amounts Due After One Year
<b>Airport Facilities Revenue Bonds</b>						
<b>Senior Lien Bonds</b>						
Series 1997	\$ 26,080	\$ -	\$ -	\$ 26,080	\$ 8,200	\$ 17,880
Series 1998	18,765	-	3,040	15,725	2,815	12,910
Series 1999A	184,950	-	695	184,255	14,160	170,095
Series 1999B	12,300	-	265	12,035	275	11,760
Series 2002A	48,325	-	1,040	47,285	1,080	46,205
Series 2002B	109,410	-	445	108,965	465	108,500
Series 2002C	14,940	-	14,940	-	-	-
Series 2002D Taxable	650	-	650	-	-	-
Series 2002E	128,745	-	128,745	-	-	-
Series 2003A	61,335	-	7,440	53,895	425	53,470
Series 2007A	141,485	-	-	141,485	-	141,485
Series 2008A	248,070	-	-	248,070	8,930	239,140
Series 2008B	26,110	-	8,655	17,455	17,455	-
Series 2008C	-	75,000	3,977	71,023	6,193	64,830
Series 2009A	-	98,550	-	98,550	-	98,550
Series 2009B	-	11,275	-	11,275	-	11,275
<b>Subordinated Indebtedness</b>						
Series 1998B Gulf Breeze	690	-	690	-	-	-
Series 1998C Gulf Breeze	19,290	-	1,410	17,880	2,200	15,680
Series 2002A Taxable	17,290	-	3,415	13,875	3,610	10,265
<b>Secondary Subordinated Indebtedness</b>						
Series 1997	90,055	-	-	90,055	-	90,055
<b>Total Revenue Bonds</b>	<u>1,148,490</u>	<u>184,825</u>	<u>175,407</u>	<u>1,157,908</u>	<u>65,808</u>	<u>1,092,100</u>
Less unamortized discounts and premiums	3,931	(344)	(137)	3,724	-	3,724
Less unamortized deferred amounts	53,777	12,108	6,704	59,181	-	59,181
<b>Net Revenue Bonds</b>	<u>1,090,782</u>	<u>173,061</u>	<u>168,840</u>	<u>1,095,003</u>	<u>65,808</u>	<u>1,029,195</u>
<b>Notes Payable</b>						
Commercial Paper	129,259	25,015	82,488	71,786	71,786	-
Less unamortized discounts	-	14	-	14	14	-
<b>Net Notes payable</b>	<u>129,259</u>	<u>25,001</u>	<u>82,488</u>	<u>71,722</u>	<u>71,722</u>	<u>-</u>
<b>Other Liabilities</b>						
Other Post-Employment Benefits	9,489	3,833	595	12,727	-	12,727
Pollution Remediation Liability	2,192	65	89	2,168	115	2,053
<b>Total Other Liabilities</b>	<u>11,681</u>	<u>3,898</u>	<u>684</u>	<u>14,895</u>	<u>115</u>	<u>14,780</u>
<b>Total Long Term Liabilities</b>	<u>\$ 1,231,722</u>	<u>\$ 201,960</u>	<u>\$ 252,012</u>	<u>\$ 1,181,670</u>	<u>\$ 137,695</u>	<u>\$1,043,975</u>

See accompanying accountants' review report

**GREATER ORLANDO AVIATION AUTHORITY  
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**6. NON-CURRENT LIABILITIES** (continued)

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

	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
<b>Revenue Bonds</b>			
	2009	\$ 1,522	\$ 704
	2010	65,878	53,560
	2011	68,891	51,632
	2012	72,427	48,060
	2013	74,232	44,345
	2014-2018	374,983	161,817
	2019-2023	297,410	75,577
	2024-2028	151,855	26,203
	2029-2033	50,710	3,565
		<u>1,157,908</u>	<u>\$ 465,463</u>
Less unamortized premiums and discounts		(3,724)	
Less unamortized deferred amounts		(59,181)	
Total Revenue Bonds		<u>\$ 1,095,003</u>	
 <b>Notes Payable</b>			
	2010	\$ 71,786	
Less unamortized discounts		(14)	
Total Notes Payable		<u>\$ 71,772</u>	

**7. CAPITAL CONTRIBUTIONS**

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

	<u>2009</u>	<u>2008</u>
Federal grants	\$ 14,418	\$ 9,345
State of Florida grants	9,585	6,971
Other grants	<u>1,729</u>	<u>550</u>
	<u>\$ 25,732</u>	<u>\$ 16,866</u>

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**8. OUTSTANDING CONTRACTS**

As of June 30, 2009, the Authority had entered into contracts related to OIA totaling approximately \$881.0 million for construction, engineering services and equipment, approximately \$107.0 million of which remains unincurred. Grants and passenger facility charges will be utilized to fund a portion of these projects.

**9. CONTINGENT LIABILITIES**

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

**10. PLEDGED REVENUES**

The Authority has pledged future airport revenues, net of specified operating expenses, to repay \$1.2 billion in Airport Facilities Revenue Bonds issued from 1997 to 2009. Proceeds from the bonds provided financing for various airport capital projects. The bonds are payable solely from the airport system revenues and are payable through the year 2033. The Authority has agreed to maintain rates and charges each year to provide net revenues, as defined in the applicable bond agreements, equal to at least 1.25 times the sum of the aggregate debt service on senior lien bonds each fiscal year and at least 1.00 times on all other debt. Total principal and interest remaining on the bonds as of June 30, 2009 is \$1.6 billion with annual requirements ranging from \$2.2 million in 2009 to \$4.7 million in the final year, with the highest requirement of \$149.9 million in fiscal year 2014. For the nine month period ended June 30, 2009, principal and interest paid was \$135.3 million and total airport net revenues pledged for the year was \$133.7 million. The majority of the principal and interest was paid at October 1 and was funded with fiscal year 2008 revenue.

**11. BOND ISSUANCE**

On October 8, 2008 the Authority issued \$75.0 million in 2008C Series Airport Facilities Revenue Bonds (2008C) with an interest rate of 3.99% to pay off \$69.0 million of existing Commercial Paper. The remaining proceeds of \$6.0 million were deposited with a Special Trustee of which \$5.8 million will be used for construction costs and \$0.2 million for costs of issuance. The 2008C bonds are scheduled to mature on October 1, 2013.

**12. DEFERRED AMOUNT ON REFUNDING OF BONDS**

On June 16, 2009, the Authority issued \$98,550,000 in 2009A Series Airport Facilities Refunding Revenue Bonds (2009A) with a true interest rate of 5.77 percent and \$11,275,000 in 2009B Series Airport Facilities Refunding Revenue Bonds (2009B) with a true interest rate of 5.19 percent. The majority of the 2009A proceeds, in the amount of \$98,212,709, along with \$16,356,250 of Authority available funds were deposited into the Bank of New York escrow account to refund \$113,450,000 of outstanding 2002E bonds and pay estimated interest \$190,000 on July 1. The remaining 2009A proceeds and net premium totaling \$1,460,051 were used to pay related issuance costs. The 2009B proceeds of \$11,275,000 were used to pay a swap termination amount of \$11,096,000 related to the 2002E bonds and associated issuance costs.

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**12. DEFERRED AMOUNT ON REFUNDING OF BONDS (continued)**

The refunding resulted in a loss of \$4,654,259 between the reacquisition price and the net carrying amount of the old debt and swap termination payment, and is reported in the accompanying financial statements as a deduction from bonds payable. The deferred loss will be charged to operations over the remaining life of the 2002E bonds using the effective-interest method.

The Authority initiated the refunding to mitigate interest rate risk associated with the 2002E bonds and related swap, as a result of the bond insurer and liquidity facility provider rating downgrades, in addition to other related market events.

The 2002E bonds were considered defeased on June 16, 2009 upon deposit of the proceeds into the escrow account. Therefore, the liability was removed and is no longer reflected on the Authority's financial statements at June 30, 2009.

**13. ENVIRONMENTAL LIABILITIES**

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

	Balance 10/1/08	Additions or adjustments	Payments Current Year	Balance 6/30/09
Net Pollution Remediation Liability Recorded	<u>\$2,191,984</u>	<u>\$ 65,000</u>	<u>\$ (88,860)</u>	<u>\$2,168,124</u>
Disclosed as follows (shown as Pollution Remediation Liability)				
Due within one year	\$ 101,484	\$ 102,376	\$ (88,860)	\$ 115,000
Due after one year	<u>2,090,500</u>	<u>(37,376)</u>	<u>-</u>	<u>2,053,124</u>
	<u>\$2,191,984</u>	<u>\$ 65,000</u>	<u>\$ (88,860)</u>	<u>\$2,168,124</u>

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

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
NOTES TO FINANCIAL STATEMENTS-UNAUDITED  
For the Nine Months Ended June 30, 2009**

**14. SIGNATORY AIRLINE LEASE AND USE AGREEMENT**

Effective October 1, 2008 the Authority entered into new Lease and Use Agreements relating to the use of the Airport, the rental of space, and the establishment of landing fees (collectively referred to herein as the "Lease and Use Agreements") with each of fourteen airlines (collectively, the "Signatory Airlines"). The new Lease and Use Agreements will be effective through September 30, 2013. The key provisions of the new Lease and Use Agreements include a change from a residual to a compensatory rate-making methodology for the terminal building, an increasing amount of net remaining revenue for the Authority over the term of the Lease and Use Agreements and an increased scope of capital expenditures not subject to approval of the Signatory Airlines. Rates and charges are set annually based on budget, reviewed periodically during the year, and trued-up at year-end based on actual costs. In the event the yearly revenue as defined shall be less than the requirement to satisfy the Authority's rate covenant, the Authority shall recover additional rates and charges, pursuant to a provision of the Lease and Use Agreements. The net revenue sharing is presented as a Non-Operating Expense on the Statements of Revenues, Expenses, and Changes in Net Assets.

## Independent Certified Public Accountants' Review Report

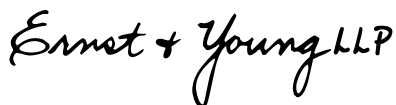
We have reviewed the accompanying balance sheets of the Orlando Executive Airport (a department of the Greater Orlando Aviation Authority) as of December 31, 2008 and the related statements of revenues, expenses and changes in net assets, and cash flows for the three month periods ended December 31, 2008 and 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Greater Orlando Aviation Authority (the Authority).

A review consists principally of inquiries of Authority personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States, the objective of which is the expression of an opinion regarding the interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

As discussed in Note 1, the financial statements of the Orlando Executive Airport are intended to present the financial position and the changes in financial position, and cash flows of only that portion of the activities of the Authority that is attributable to the transactions of the Orlando Executive Airport. They do not purport to, and do not, present fairly the financial position of the Authority as of December 31, 2008, and the changes in its financial position and its cash flows for the three month periods ended December 31, 2008 and 2007, in conformity with accounting principles generally accepted in the United States.

Based on our review, we are not aware of any material modifications that should be made to the accompanying December 31, 2008 and 2007 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

The balance sheet of the Orlando Executive Airport as of September 30, 2008, was audited by us and we expressed an unqualified opinion on that statement in relation to the financial statements of the Authority as a whole in our report dated January 12, 2009, but we have not performed any auditing procedures since that date.



February 13, 2009

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO EXECUTIVE AIRPORT  
BALANCE SHEETS - UNAUDITED  
(in thousands)**

	<u>June 30,</u> <u>2009</u>	<u>September 30,</u> <u>2008</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 11,816	\$ 9,049
Accounts and grants receivable	203	243
Investments	5,068	7,088
Interest receivable	7	95
Prepaid expenses	<u>199</u>	<u>156</u>
Total current assets	<u>17,293</u>	<u>16,631</u>
Noncurrent Assets		
Capital assets, net of accumulated depreciation:		
Property and equipment	32,176	31,790
Property held for lease	9,028	9,142
Construction in progress	<u>833</u>	<u>1,730</u>
Total noncurrent assets	<u>42,037</u>	<u>42,662</u>
Total Assets	<u>\$ 59,330</u>	<u>\$ 59,293</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,051	\$ 3,304
Deposits	17	17
Advance rent from tenants, current	49	194
Due to Orlando International Airport	<u>530</u>	<u>351</u>
Total current liabilities	<u>2,647</u>	<u>3,866</u>
Noncurrent Liabilities		
Advance rent from tenants, long-term	2,722	2,722
Other long-term liabilities	<u>2,152</u>	<u>181</u>
Total noncurrent liabilities	<u>4,874</u>	<u>2,903</u>
Total liabilities	<u>7,521</u>	<u>6,769</u>
<b>NET ASSETS</b>		
Invested in capital assets	42,037	42,662
Unrestricted	<u>9,772</u>	<u>9,862</u>
Total net assets	<u>51,809</u>	<u>52,524</u>
Total Liabilities and Net Assets	<u>\$ 59,330</u>	<u>\$ 59,293</u>

See accompanying accountants' review report and notes to financial statements

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

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Airfield area	\$ 192	\$ 369
Terminal area	138	138
Other airport related	446	442
Commercial property	<u>1,887</u>	<u>1,903</u>
Total operating revenues	<u>2,663</u>	<u>2,852</u>
Operating Expenses		
Operations and facilities	1,282	670
Safety and security	711	709
Administration	497	489
Other	<u>563</u>	<u>310</u>
Total operating expenses	<u>3,053</u>	<u>2,178</u>
Operating (loss) income before depreciation	(390)	674
Depreciation	<u>(1,503)</u>	<u>(1,440)</u>
Operating loss	(1,893)	(766)
Non-Operating Revenues		
Investment income	252	491
Federal and state grants	585	46
Other income	<u>-</u>	<u>2,431</u>
(Loss) Income before capital contributions and contributions from Orlando International Airport	(1,056)	2,202
Capital Contributions	742	1,173
Contributions from Orlando International Airport	<u>4</u>	<u>117</u>
(Decrease) Increase in net assets	(310)	3,492
Total Net Assets, Beginning of Period	52,524	50,462
Pollution Remediation Obligation Adjustment	<u>(405)</u>	<u>-</u>
Total Net Assets, Beginning of Period – Restated	52,119	50,462
Total Net Assets, End of Period	<u>\$ 51,809</u>	<u>\$ 53,954</u>

See accompanying accountants' review report and notes to financial statements

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

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Cash received from customers and tenants	\$ 2,520	\$ 2,692
Cash paid to suppliers	(2,075)	(1,364)
Cash paid to employees for services	<u>(689)</u>	<u>(734)</u>
Net cash (used for) provided by operating activities	<u>(244)</u>	<u>594</u>
Cash flows from non-capital financing activities		
Operating grants received	<u>585</u>	<u>46</u>
Net cash provided by non-capital financing activities	<u>585</u>	<u>46</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(693)	(2,454)
Capital contributed by federal grants and state agencies	<u>759</u>	<u>1,484</u>
Net cash provided by (used for) capital and related financing activities	<u>66</u>	<u>(970)</u>
Cash flows from investing activities		
Purchase of investments	(6,978)	(11,280)
Proceeds from sale and maturity of investments	9,009	7,175
Interest received	<u>329</u>	<u>504</u>
Net cash provided by (used for) investing activities	<u>2,360</u>	<u>(3,601)</u>
Increase (Decrease) in cash and cash equivalents	2,767	(3,931)
Cash and Cash Equivalents, Beginning of Period	<u>9,049</u>	<u>8,008</u>
Cash and Cash Equivalents, End of Period	<u>\$ 11,816</u>	<u>\$ 4,077</u>

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

	<u>2009</u>	<u>2008</u>
Reconciliation of operating loss to net cash (used for) provided by operating activities		
Operating loss	<u>\$(1,893)</u>	<u>\$ (766)</u>
Adjustments to reconcile operating loss to net cash (used for) provided by operating activities		
Depreciation	1,503	1,440
(Increase) Decrease in operating assets		
Accounts and grants receivable	27	(13)
Prepaid expenses	(43)	(42)
Increase (Decrease) in operating liabilities		
Accounts payable, accrued liabilities, and due to OIA	307	158
Advance rent from tenants	<u>(145)</u>	<u>(183)</u>
Total adjustments	<u>1,649</u>	<u>1,360</u>
Net cash (used for) provided by operating activities	<u>\$ (244)</u>	<u>\$ 594</u>

Noncash Investing, Capital and Financing Activities

Decrease in fair value of investments	\$ (7)	\$ (3)
Capital assets received in lieu of cash from exchange transaction	\$ -	\$ 2,776

See accompanying accountants' review report and notes to financial statements

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO EXECUTIVE AIRPORT  
NOTES TO FINANCIAL STATEMENTS UNAUDITED  
For the Nine Months Ended June 30, 2009**

**1. ORGANIZATION AND PURPOSE**

The Orlando Executive Airport (OEA) functions as a self-supporting department operated by the Greater Orlando Aviation Authority (the "Authority"), and uses the accrual method of accounting.

The Authority also operates Orlando International Airport (OIA). The department financial statements of Orlando International Airport are presented separately in the report.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying unaudited department financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending September 30, 2009. For further information, refer to the financial statements and footnotes thereto included in the Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2008.

The GASB issued Statement No. 49 (GASB 49), *Accounting and Financial Reporting for Pollution Remediation Obligations*, in November 2006, which affects the Authority beginning in fiscal year 2009. GASB 49 provides accounting and financial reporting standards for pollution remediation obligations as well as disclosure requirements. In accordance with GASB 49, the Authority expenses environmental expenditures (except in cases where the expenditures require capitalization) and records liabilities when obligations have been incurred and the costs can be reasonably estimated. Disclosure related to that liability is discussed in Note 7. Upon adoption of GASB 49, the Authority recorded the cumulative effect of a change in accounting by increasing the liability for remediation costs and reducing net assets as well as reclassifying several asset and liability accounts. The fiscal year 2008 financial statements have not been restated as the information is not available to determine the impact on the financial statements as of October 1, 2007, although the Authority expects such amounts to be immaterial.

**3. CASH DEPOSITS AND INVESTMENTS**

At June 30, 2009 and September 30, 2008, the fair value of all securities regardless of the balance sheet classification was as follows (in thousands):

	June 30, 2009	September 30, 2008
U.S. Government agency securities	\$ 5,027	\$ 12,013
Local government investment pool	47	282
Securities subtotal	<u>\$ 5,074</u>	<u>\$ 12,295</u>

These securities are classified on the balance sheet as follows (in thousands):

	June 30, 2009	September 30, 2008
Current assets:		
Cash and cash equivalents	\$ 11,816	\$ 9,049
Investments	5,068	7,088
Total cash and investments	<u>16,884</u>	<u>16,137</u>
Adjustment for cash balances included in cash and cash equivalents	(11,810)	(3,842)
Total securities, at fair value	<u>\$ 5,074</u>	<u>\$ 12,295</u>

See accompanying accountants' review report

**GREATER ORLANDO AVIATION AUTHORITY  
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**3. CASH DEPOSITS AND INVESTMENTS (continued)**

As of June 30, 2009, OEA held the following investments as categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosure*:

Investment Maturities (in thousands)

Investment Type	Less than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Government agency securities	\$ -	\$ 5,027	\$ -	\$ -	\$ 5,027
Local government investment pool	6	-	41	-	47
	<u>\$ 6</u>	<u>\$ 5,027</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 5,074</u>

As of June 30, 2009 the Authority had \$86,853 of OEA funds invested in the State Board of Administration's Local Government Investment Pool with \$6,390 in Pool A and \$80,463 invested in Pool B. A fair market value adjustment has been recorded to decrease the balance of OEA Fund B investments by approximately \$39,000 to reflect the approximate market value as of June 30, 2009. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO EXECUTIVE AIRPORT  
NOTES TO FINANCIAL STATEMENTS UNAUDITED  
For the Nine Months Ended June 30, 2009**

**4. CAPITAL ASSETS**

A summary of capital asset activity for the nine months ended June 30, 2009 was as follows (in thousands):

	Balance October 1, 2008	Additions and Reclas- sifications	Deductions	Balance June 30, 2009
<b>Property and Equipment</b>				
Capital assets not being depreciated				
Land	\$ 8,530	\$ -	\$ -	\$ 8,530
Other property and equipment				
Buildings	3,223	-	-	3,223
Improvements	41,695	1,575	-	43,270
Equipment	174	-	1	173
Motor vehicles	523	-	-	523
	<u>45,615</u>	<u>1,575</u>	<u>1</u>	<u>47,189</u>
 Accumulated Depreciation				
Buildings	208	65	-	273
Improvements	21,625	1,070	-	22,695
Equipment	152	4	1	155
Motor vehicles	370	50	-	420
	<u>22,355</u>	<u>1,189</u>	<u>1</u>	<u>23,543</u>
<b>Net Property and Equipment</b>	<u>31,790</u>	<u>386</u>	<u>-</u>	<u>32,176</u>
 <b>Property Held for Lease</b>				
Capital assets not being depreciated				
Land	3,658	-	-	3,658
Other capital assets held for lease				
Buildings	7,936	200	-	8,136
Improvements	829	-	-	829
	<u>8,765</u>	<u>200</u>	<u>-</u>	<u>8,965</u>
Accumulated Depreciation				
Buildings	3,032	219	-	3,251
Improvements	249	95	-	344
	<u>3,281</u>	<u>314</u>	<u>-</u>	<u>3,595</u>
<b>Net Property Held for Lease</b>	<u>9,142</u>	<u>(114)</u>	<u>-</u>	<u>9,028</u>
 <b>Construction in Progress</b>				
Capital assets not being depreciated				
<b>Construction in Progress</b>	1,730	878	1,775	833
 <b>Net Capital Assets</b>	<u>\$ 42,662</u>	<u>\$ 1,150</u>	<u>\$ 1,775</u>	<u>\$ 42,037</u>

See accompanying accountants' review report

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO EXECUTIVE AIRPORT  
NOTES TO FINANCIAL STATEMENTS UNAUDITED  
For the Nine Months Ended June 30, 2009**

**5. CAPITAL CONTRIBUTIONS**

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

	<u>2009</u>	<u>2008</u>
Federal grants	\$ 143	\$ 1,069
State of Florida grants	854	32
Other grants	<u>(255)</u>	<u>72</u>
	<u>\$ 742</u>	<u>\$ 1,173</u>

**6. OUTSTANDING CONTRACTS**

As of June 30, 2009, the Authority had entered into contracts related to OEA totaling approximately \$4.6 million for construction, engineering services and equipment, approximately \$0.4 million of which remains unincurred. Grants and OIA contributions will be utilized to fund a portion of these projects.

**7. ENVIRONMENTAL LIABILITIES**

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

	<u>Balance 10/1/08</u>	<u>Additions or adjustments</u>	<u>Payments Current Year</u>	<u>Balance 6/30/09</u>
Pollution Remediation Liability	\$1,950,571	\$ -	\$ (41,736)	\$1,908,835
Unrealized Recoveries	-	-	-	-
Net Pollution Remediation Liability Recorded	<u>\$1,950,571</u>	<u>\$ -</u>	<u>\$ (41,736)</u>	<u>\$1,908,835</u>
Reported as follows (shown in Other Long-Term Liabilities)				
Due within one year	\$ 58,943	\$ 38,793	\$ (41,736)	\$ 56,000
Due after one year	<u>1,891,628</u>	<u>(38,793)</u>	<u>-</u>	<u>1,852,835</u>
	<u>\$1,950,571</u>	<u>\$ -</u>	<u>\$ (41,736)</u>	<u>\$1,908,835</u>
Realized Recoveries (included in Cash and Cash Equivalents)	<u>\$1,545,108</u>	<u>\$ -</u>	<u>\$ (34,319)</u>	<u>\$1,510,789</u>

See accompanying accountants' review report