Lee County Port Authority
Component Unit Financial Report

LEE COUNTY PORT AUTHORITY

Year Ended September 30, 2020

Lee County Port Authority

Lee County, Florida

Table of Contents

LEE COUNTY PORT AUTHORITY

Direct Dial: (239) 590-4400
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March 22, 2021

Dear Friends:

We are pleased to present the Lee County Port Authority's (LCPA) financial statements for the fiscal year ending September 30, 2020. LCPA experienced a challenging year due to negative effects of the COVID-19 pandemic on airline travel. There were notable declines in total passengers, operating revenues and expenses.

For the fiscal year, total passengers at Southwest Florida International Airport (RSW) were 7,006,073, *a decrease of 29.7 percent* compared with the same period last year. Total operating revenues were $86.1 million, a decrease of $17.3 million compared to the prior year. Decreases were in airline fees, rental cars, parking, land rents, restaurants and terminal concessions. Operating expenses were $110.5 million, an increase of $5.3 million. Increases were in pension and other post-employment benefits (OPEB) expenses, salaries and wages. Decreases were in contractual services and insurance. The increase in OPEB was due to a reinstatement of the subsidy program for retirees. Our cost per enplaned (CPE) passenger was $7.68.

LCPA was obligated $36.8 million in federal grant funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Approximately $11 million was received during the fiscal year. As the fiscal year progressed, it became evident that the actual passenger and revenue numbers were better than our original forecast. As a result, LCPA was able to provide tenant rent and concession fee relief to eligible tenants at RSW, which is reflected in the operating revenue decrease noted above.

In the past year, major completed projects included expansion of the maintenance building, ticket counter modernization and upgrading the security checkpoints. Ongoing projects include design of the Terminal Expansion Project and construction of the Airport Traffic Control Tower.

LCPA was recognized during the year for several notable awards. J.D. Power named Southwest Florida International Airport (RSW) the third-best medium-hub airport in North America for passenger satisfaction in 2020. The North American Airport Satisfaction Study measures what travelers say about terminal facilities, airport accessibility, security checkpoints, baggage claim, check-in/baggage check and terminal food, beverage and retail. This marked the sixth year in a row RSW was ranked as a top airport by J.D. Power. In addition, RSW was named the Florida Department of Transportation's 2020 Commercial Airport of the Year, which was the seventh time RSW has received this recognition. Base Operations at Page Field was rated, for the first time, in the top 5 percent of fixed-based operators in an international survey conducted by Aviation International News (AIN). Base Operations has been recognized by AIN for eight consecutive years.

SOUTHWEST FLORIDA INTERNATIONAL AIRPORT
11000 Terminal Access Road, Suite 8671 ▪ Fort Myers, Florida 33913-8213
www.flylcpa.com

From an air service perspective, new markets over the past year and expansion to existing markets included New York-LaGuardia, Indianapolis, Newark, Washington D.C.-Dulles, Cleveland and Denver.

Page Field had a record-breaking year in fuel sales with 1.8 million gallons of fuel sold, a 3 percent increase over the prior year. The design of the new South Quad Hangars and ramp project has commenced.

Our financial position remains strong despite a challenging year in the industry. We look forward to continuing to serve the residents, visitors and business community at both Southwest Florida International Airport and Page Field.

Sincerely,

LEE COUNTY PORT AUTHORITY

DocuSigned by:

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Benjamin R. Siegel, CPA, C.M.
Executive Director

BRS:BWM/tam

INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority
Fort Myers, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Lee County Port Authority (the Authority), a blended component unit of Lee County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Other Matter

As discussed in Note I, the financial statements present only the Authority and do not purport to, and do not, present fairly the financial position of Lee County, Florida as of September 30, 2020, the changes in financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of the Authority's proportionate share of the total other postemployment benefit plan liability and schedules of the Authority's proportionate share of the net pension liability and of its contributions – pension plans on pages 1-8 and 45-47, respectively, be presented to supplement the 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The letter of transmittal is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The letter of transmittal has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable Board of County Commissioners
Lee County, Florida
and
Honorable Board of Port Commissioners
Lee County Port Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
March 22, 2021

Management's Discussion and Analysis
(Unaudited)

This discussion and analysis is intended to serve as an introduction to the Lee County Port Authority's (the Port) financial statements for fiscal years ending September 30, 2020 and 2019. The information here should be taken in conjunction with the financial statements, footnotes and supplementary information found in this report.

Financial Highlights and Summary

Table 1 reflects a summary of net position for 2020 and 2019.

Table 1
Summary of Net Position
September 30, 2020 and 2019
(000's)

	2020	2019
Current and other assets	$ 223,275	$ 257,445
Capital assets	749,627	723,623
Total assets	972,902	981,068
Deferred outflows of resources	27,829	29,179
Current liabilities	36,237	48,844
Non-current liabilities	340,779	336,499
Total liabilities	377,016	385,343
Deferred inflows of resources	11,177	12,762
Net investment in capital assets	525,617	483,927
Restricted	64,283	80,872
Unrestricted	22,638	47,343
Total net position	$ 612,538	$ 612,142

Summary of Net Position Analysis

In fiscal year 2020, activities for the Port decreased total assets by $8,166,000, decreased deferred outflows of resources by $1,350,000, decreased total liabilities by $8,327,000, decreased deferred inflows of resources by $1,585,000 and increased total net position by $396,000.

Net investment in capital assets is the largest portion of net position. This represents capital assets net of accumulated depreciation and the outstanding debt used to acquire the assets. The net investment in capital asset balance increased $41,690,000, or 8.6 percent, in comparison to prior year.

The restricted net position decreased $16,589,000, or 20.5 percent in comparison to prior year. This balance represents assets that are subject to external restrictions imposed by creditors, through bond covenants, by grantors, or by law on how they are used.

The unrestricted net position balance decreased $24,705,000, or 52.2 percent, in comparison to prior year. The unrestricted net position balance represents assets that are available for spending at the Port Authority's discretion.

Table 2 reflects a summary of revenues, expenses, and changes in net position for 2020 and 2019.

Table 2
Summary of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2020 and 2019
(000's)

	2020	2019
Revenues, net:		
User fees	$ 44,408	$ 49,601
Rental cars	15,253	21,349
Parking	12,056	19,238
Other, net	14,331	13,172
Total revenues, net	86,048	103,360
Expenses:		
Salaries, wages and benefits	51,101	40,875
Contractual services, materials and supplies, utilities, repairs and maintenance, and insurance	31,549	36,771
Depreciation	25,433	24,969
Other	2,404	2,531
Total expenses	110,487	105,146
Operating loss	(24,439)	(1,786)
Non-operating revenues (expenses):		
Investment earnings	2,483	5,516
Interest expense	(12,920)	(13,574)
Grants	11,346	830
Passenger facility charges	13,514	19,742
Other revenues	42	7
Total non-operating revenues (expenses)	14,465	12,521
Income (loss) before capital contributions	(9,974)	10,735
Capital contributions	10,370	22,751
Increase in net position	396	33,486
Beginning net position	612,142	578,656
Ending net position	$ 612,538	$ 612,142

Summary of Revenues and Expenses Analysis

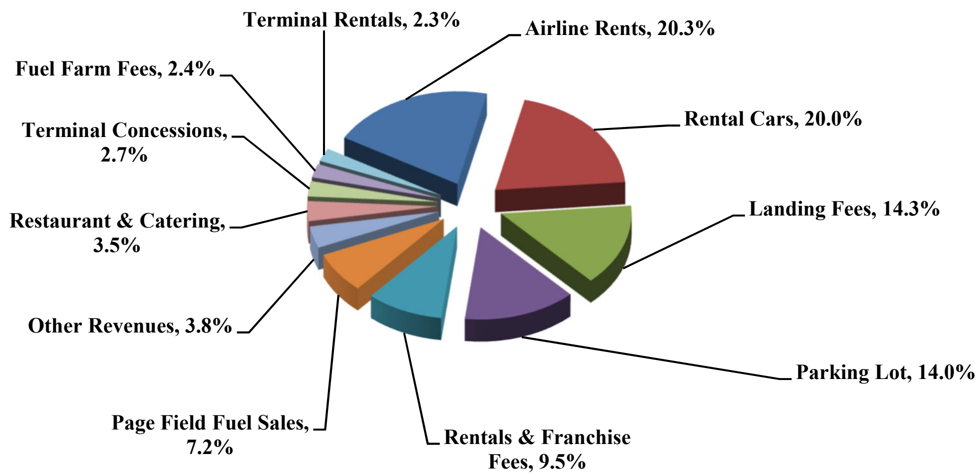
In fiscal year 2020, operating revenues were negatively impacted by the coronavirus pandemic that began to affect the travel industry starting in March 2020. Operating revenues decreased $17,312,000, or 16.7 percent, in comparison to prior year as a result of a decrease in user fee revenue of $5,193,000, rental car revenue of $6,096,000, parking revenue of $7,182,000, and an increase in other revenues of $1,159,000. Most decreases in operating revenues are due to fewer passengers as a result of the pandemic. Passenger traffic was on pace for a record year prior to the pandemic, but dropped off sharply in March and slowly improved each month to the end of the fiscal year. Overall, passenger traffic decreased 29.7 percent over the prior year. Total operating expenses increased $5,341,000 or 5.1 percent, in comparison to prior year. Salaries, wages and benefits increased primarily due to a plan change in other post employment benefits (OPEB) for post-retirement healthcare benefits, as well as inflationary and merit increases for salaries and wages. Refer to the OPEB footnote for more information on the plan change and the actuarially determined non-cash expense. These expense increases were partially offset by a decrease in contractual services as reductions were made to parking, janitorial and baggage system service contracts to better match passenger traffic during the pandemic.

Grants increased $10,516,000 in comparison to prior year due to $11,000,000 in Cares Act funding received for the COVID-19 pandemic.

Capital contributions totaled $10,370,000, a decrease of $12,381,000 in comparison to prior year. The reduction was mainly due to less grant funds received for large projects that were completed or mostly completed in the prior year, such as the design for rehabilitation of RSW taxiways, the RSW north properties utilities, and design for the RSW terminal expansion. Additionally, certain capital projects were delayed during the year as a result of the coronavirus pandemic. Major grants received this year include $4,626,000 for the RSW air traffic control tower, $3,249,000 for the RSW electric baggage screening, and $1,502,000 for the Page Field multi-use hangar.

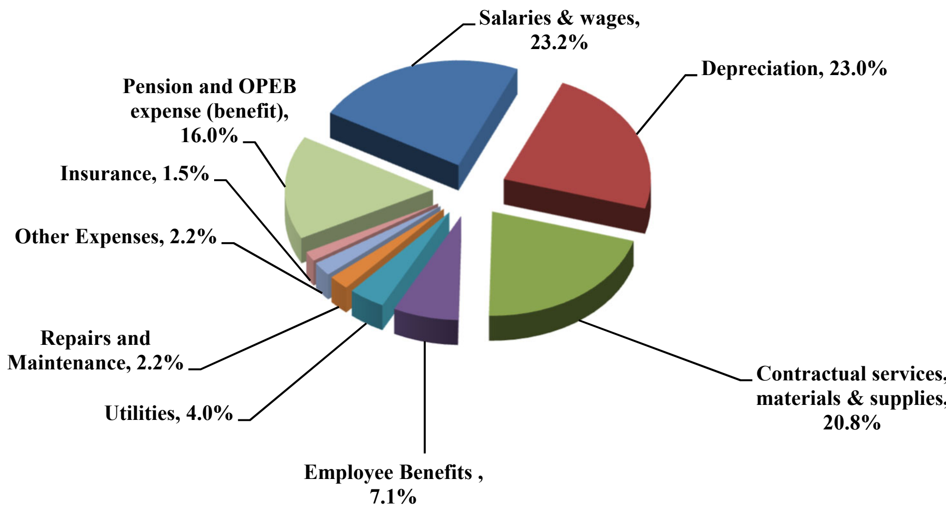
The following charts summarize the Net Revenues and Expenses for fiscal year 2020.

Operating Revenues for Fiscal Year 2020



Operating Revenues	2020	2019	2020 % of Total	Increase / (Decrease)	% Change
Airline Rents	$17,472,000	$16,873,000	20.3%	$599,000	3.6%
Rental Cars (w/ RAC rents)	17,243,000	23,984,000	20.0%	(6,741,000)	-28.1%
Landing Fees	12,349,000	12,947,000	14.3%	(598,000)	-4.6%
Parking Lot	12,056,000	19,238,000	14.0%	(7,182,000)	-37.3%
Rentals & Franchise Fees	8,133,000	7,538,000	9.5%	595,000	7.9%
Page Field Fuel Sales	6,168,000	6,928,000	7.2%	(760,000)	-11.0%
Other Revenues	3,313,000	3,664,000	3.8%	(351,000)	-9.6%
Restaurants & Catering	2,999,000	4,536,000	3.5%	(1,537,000)	-33.9%
Terminal Concessions	2,301,000	3,609,000	2.7%	(1,308,000)	-36.2%
Fuel Farm Fees	2,042,000	1,991,000	2.4%	51,000	2.6%
Terminal Rentals	1,972,000	2,052,000	2.3%	(80,000)	-3.9%
Total Net Operating Revenues	$86,048,000	$103,360,000	100.00%	($17,312,000)	-16.7%

Operating Expenses for Fiscal Year 2020



Operating Expenses	2020	2019	2020 % of Total	Increase / (Decrease)	% Change
Salaries & wages	$25,600,000	$24,453,000	23.2%	$1,147,000	4.7%
Depreciation	25,433,000	24,969,000	23.0%	464,000	1.9%
Contractual services, materials, & supplies	22,996,000	27,146,000	20.8%	(4,150,000)	(15.3%)
Pension & OPEB Expenses (Benefits)	17,639,000	8,795,000	16.0%	8,844,000	100.6%
Employee benefits	7,862,000	7,627,000	7.1%	235,000	3.1%
Utilities	4,386,000	4,586,000	4.0%	(200,000)	(4.4%)
Repairs & maintenance	2,480,000	3,332,000	2.2%	(852,000)	(25.6%)
Other Expenses	2,404,000	2,531,000	2.2%	(127,000)	(5.0%)
Insurance	1,687,000	1,707,000	1.5%	(20,000)	(1.2%)
Total Operating Expenses	$110,487,000	$105,146,000	100%	$5,341,000	5.1%

Passenger Facility Charges

In November 1992, the Port received approval from the Federal Aviation Administration ("FAA") to impose a Passenger Facility Charge (PFC) of $3.00 per eligible enplaned passenger. In November 2003, the Port was granted the authority to raise the PFC level from $3.00 to $4.50. In August 2019, the FAA approved amendments to Application #8 and #9 for $115,194,000 and $65,063,000 respectively increasing the total collection authority to $522,185,000 as of September 30, 2019 with an estimated expiration date of June 1, 2028. In October 2019, the FAA approved Application #10 for $385,351,000 and a third amendment to Application # 9 for $758,000 increasing the total collection and use authority to $908,294,000 and concurrently revising the estimated charge expiration date to November 1, 2039.

Capital Assets

Capital assets, net of accumulated depreciation, increased by $26,004,000. Major capital spending in 2020 included the following:

Southwest Florida International Airport:		
New Air Traffic Control Tower	$	33,019,000
Maintenance Building Expansion	$	1,280,000
Terminal Expansion Design	$	4,025,000
Ticket Counter Modernization	$	7,563,000
Security Checkpoint	$	1,221,000
Page Field General Aviation Airport:		
New Corporate Hangar	$	125,000

Table 3 reflects a summary of capital assets for 2020 and 2019.

Table 3
Capital Assets
September 30, 2020 and 2019
(000's)

	2020	2019
Land	$132,659	$132,659
Easements & Right of Ways	103	103
Construction in progress	106,432	91,677
Buildings	361,587	357,732
Improvements	34,131	21,672
Equipment	94,092	89,291
Software	3,761	3,761
Artwork	293	293
Infrastructure	381,044	366,442
Subtotal	1,114,102	1,063,630
Less accumulated depreciation	(364,475)	(340,007)
Total	$749,627	$723,623

Additional information regarding the Port Authority's capital assets is found in note V to the financial statements.

Debt Administration

As of September 30, 2020, the Port had $245,585,000 in outstanding debt, a decrease of $8,900,000.

Table 4
Outstanding Debt
September 30, 2020 and 2019
(000's)

	2020	2019
2020 Line of Credit Note	$11,000	$ -
Series 2015 Airport Revenue Refunding Bonds	33,425	33,425
Series 2011A Airport Revenue Refunding Bonds	172,960	173,195
Series 2010A Airport Revenue Refunding Bonds	28,200	47,865
Total	$245,585	$254,485

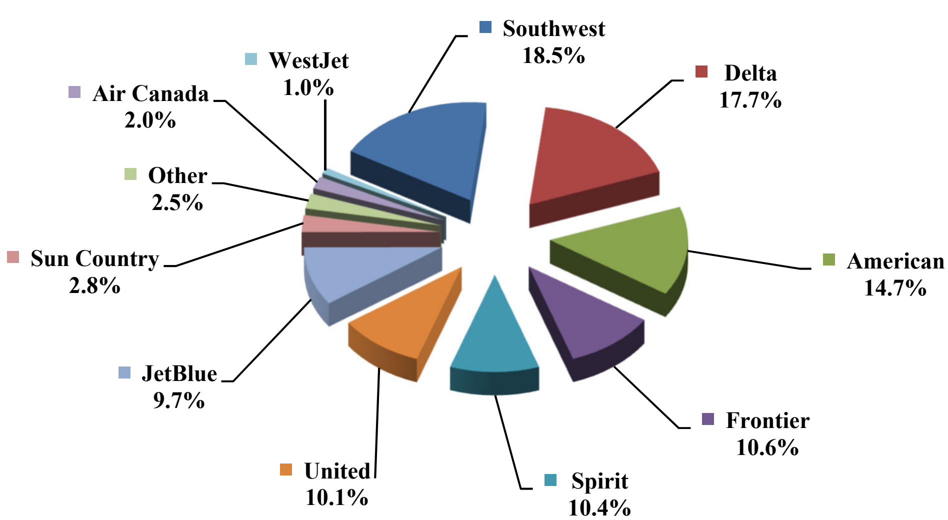
See additional information on the Port Authority's debt in note VI to the financial statements.

Airport Activities

The total passenger count for fiscal year 2020 was 7,006,000, a decrease of 29.7% percent over the prior year. Below is a summary of new and increased airline service to Southwest Florida International Airport over the past year.

- American: New York – LaGuardia
- Cubazul: Havana, Cuba
- JetBlue: New York - LaGuardia
- Spirit: Indianapolis and Newark
- United: Washington D.C. – Dulles, Cleveland and Denver

The following chart exhibits the Total Passenger Market Share for the Top Ten Airlines operating at Southwest Florida International Airport during Fiscal Year 2020.



Airline	FY 2020 Market Share	FY 2019 Market Share	Increase/ (Decrease)	% Change
Southwest	18.5%	17.7%	0.8%	4.7%
Delta	17.7%	20.1%	(2.5%)	-12.2%
American	14.7%	14.3%	0.4%	2.8%
Frontier	10.6%	9.3%	1.3%	13.8%
Spirit	10.4%	10.1%	0.3%	3.4%
United	10.1%	9.6%	0.5%	4.7%
JetBlue	9.7%	11.2%	(1.5%)	-13.6%
Sun Country	2.8%	2.7%	0.1%	4.4%
Other	2.5%	1.8%	0.7%	38.3%
Air Canada	2.0%	2.1%	(0.1%)	-3.8%
West Jet	1.0%	1.1%	(0.1%)	-6.4%

Airline Rates and Charges

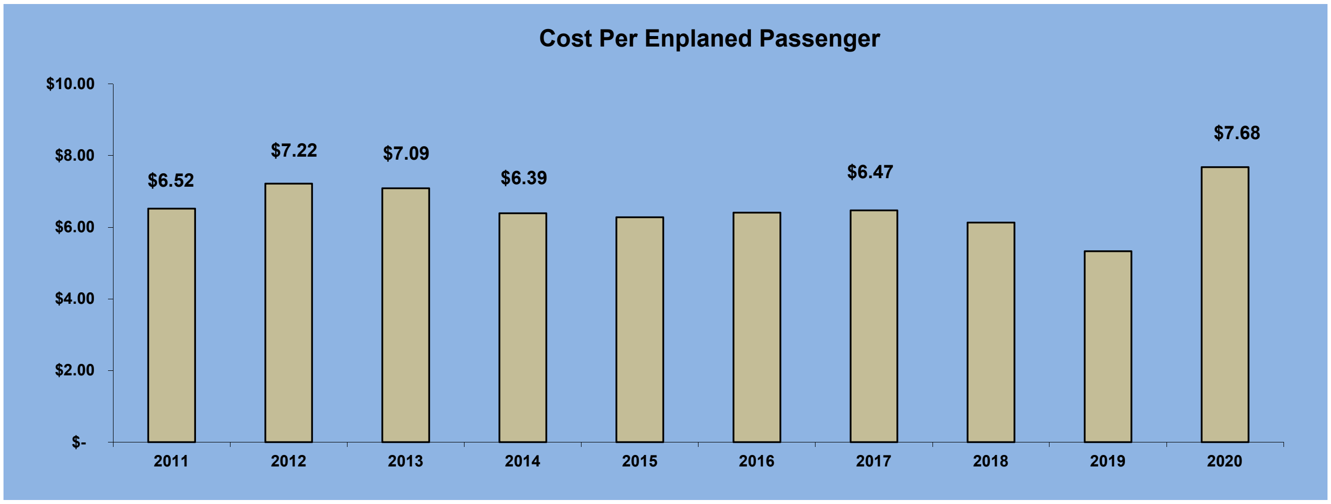
The Port negotiated a new airline use agreement (Airline Airport Lease & Use Agreement) with the Participating Airlines (now referred as Signatory Airlines) with the key terms of the agreement approved by the Board in May, 2008. The Agreement commenced on October 1, 2008, with a five-year term, expiring on September 30, 2013 and then a second five year extension expiring on September 30, 2018. The signatory airlines signed a three year extension to this agreement, expiring on September 30, 2021 with the most recent agreement signed by Frontier Airlines in June 2018. All the key terms of the agreement are the same.

The current agreement, commonly referred to as a hybrid compensatory agreement, has a revenue sharing component. In any year in which there are net remaining revenues generated at the airport, and all requirements of the Bond Resolution have been satisfied, the net remaining revenues shall be divided between the Port (60 percent) and the Signatory Airlines (40 percent). The agreement provides for better flexibility as there is no Majority in Interest approval required for capital projects.

Terminal premises are leased on an exclusive use, preferential use and joint use basis. The Port will lease certain terminal premises on a common use basis, as may be necessary. It is the intent of the Port to manage its terminal facilities in an efficient manner, while also respecting the schedules of its airline parties. Ticket counters, offices, operations areas, and baggage make-up facilities will be leased on an exclusive use basis. Gates/holdrooms and aircraft parking positions will be leased on a preferential use basis. Baggage claim will be leased on a joint use basis, with costs allocated to the Signatory Airlines based on twenty percent allocated to all Signatory Airlines equally, and eighty percent allocated to all Signatory Airlines based on the ratio of each Signatory Airline's enplaned passengers annually at the airport.

Landing Fees are calculated using a "residual" Airfield Cost Center approach and will be based upon the total landed weight for all airline groups (Signatory, non-Signatory, Cargo, Charter, and International). Terminal rents are calculated using a commercial compensatory method (i.e., rentable square foot divisor). Charges for the leasing of all terminal space will be assessed on a square-footage basis. In fiscal year 2020, the Signatory Airlines paid the Port $24,842,644. This amount is net of refunds of $3,159,000 and revenue sharing of $1,409,000.

It is typical for the airline industry to measure its costs by its cost per enplaned passenger. Airports use this as a management tool to assess how well they are doing compared to the industry and how effective they are in managing the airport. The following chart shows the cost per enplanement at Southwest Florida International Airport over the past 10 fiscal years.



Economic Factors and Next Year's Budget Rates

The following were factors considered when the 2021 budget was prepared:

- The total number of passengers is projected to be 6,001,735, a 39.2% decrease over the 2020 budget.
- The total operating budget is $110.5 million, a decrease of 15.4% percent or $20.1 million over the 2020 budget.
- Decreases in revenues were primarily attributed to a decrease in passenger activity. Decreases were realized in parking, rental cars, and terminal sales.
- Increases in personnel were a result of an average merit increase of 4 percent for all employees, health insurance and an increase in the Port Authority's contribution to the Florida Retirement System.
- Operating expenses include decreases in contracted services, janitorial services, parking lot management and repairs & maintenance.
- The budgeted rates for 2021 include $3.32 for the landing fee and a terminal rental rate of $92.08.

Financial Contact

Please refer to the Lee County Comprehensive Annual Financial Report for additional financial information related to the Port. If you should have any questions regarding this report or require additional information, please contact the Lee County Port Authority Finance Department, 11000 Terminal Access Road, Suite 8671, Fort Myers, Florida, 33913.

Financial Statements

Lee County Port Authority
Lee County, Florida
STATEMENT OF NET POSITION
As of September 30, 2020
(amounts expressed in thousands)

ASSETS		
Current assets:		
Cash, cash equivalents and investments	$	119,836
Restricted assets		18,177
Receivables:		
Accounts (net)		1,778
Grants		4,591
Due from other governments		63
Inventories		142
Other		1,188
Total current assets		145,775
Noncurrent assets:		
Restricted assets		77,500
Capital assets (net)		749,627
Total noncurrent assets		827,127
Total assets		972,902
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding of debt		4,806
Unamortized pension costs and subsequent contributions		12,311
Unamortized other postemployment benefits costs		10,712
Total deferred outflows of resources		27,829
LIABILITIES		
Current liabilities:		
Contracts and accounts payable		8,987
Accrued liabilities		734
Refunds and rebates		4,640
Due to other governments		396
Customer deposits		1,023
Unearned revenues		612
Compensated absences		1,588
Net pension liability		80
Current liabilities payable from restricted assets:		
Accrued liabilities		6,172
Revenue bonds payable		12,005
Total current liabilities		36,237

Lee County Port Authority
Lee County, Florida
STATEMENT OF NET POSITION (Continued)
As of September 30, 2019
(amounts expressed in thousands)

Noncurrent liabilities:	
Compensated absences	394
Notes payable	11,000
Revenue bonds payable	226,482
Net pension liability	40,759
Total other postemployment benefits liability	62,144
Total noncurrent liabilities	340,779
Total liabilities	377,016
DEFERRED INFLOWS OF RESOURCES	
Unamortized pension costs	587
Unamortized other postemployment benefits costs	10,590
Total deferred inflows of resources	11,177
NET POSITION	
Net investment in capital assets	525,617
Restricted	
Capital projects	51,776
Debt service	12,007
Renewal and replacement	500
Unrestricted	22,638
Total net position	$ 612,538

The notes to the financial statements are an integral part of this statement.

Lee County Port Authority
Lee County, Florida
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended September 30, 2020
(amounts expressed in thousands)

OPERATING REVENUES		
User fees	$	44,408
Rentals		8,133
Concessions		7,466
Parking revenues		12,056
Rental car revenues		15,253
Miscellaneous		213
Total operating revenues		87,529
Less: rebates		(1,481)
Net operating revenues		86,048
OPERATING EXPENSES		
Salaries and wages		25,600
Employee benefits		7,862
Pension and OPEB expense		17,639
Contractual services, materials and supplies		22,996
Utilities		4,386
Repairs and maintenance		2,480
Insurance		1,687
Other		2,404
Depreciation		25,433
Total operating expenses		110,487
Operating loss		(24,439)
NON-OPERATING REVENUES (EXPENSES):		
Investment earnings		2,483
Interest expense		(12,920)
Grants		11,346
Gain on disposal of capital assets		100
Passenger facility charges		13,514
Other revenues		3
Other expenses		(61)
Total non-operating revenues (expenses)		14,465
Loss before contributions		(9,974)
Capital grants and contributions		10,370
Change in net position		396
Total net position - beginning		612,142
Total net position - ending	$	612,538

The notes to the financial statements are an integral part of this statement.

Lee County Port Authority
Lee County, Florida
STATEMENT OF CASH FLOWS
For the Year Ended September 30, 2020
(amounts expressed in thousands)

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	84,156
Cash received from customer deposits		310
Cash returned from customer deposits		(82)
Payments to suppliers		(35,333)
Payments to employees		(30,669)
Payments for interfund services used		(6,536)
Net cash provided by operating activities		11,846
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Non-capital grants received		10,549
Net cash provided by noncapital financing activities		10,549
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt		11,000
Proceeds from capital grants		11,665
Proceeds from passenger facilities charges		14,969
Capital asset purchases		(57,934)
Principal paid on bonds, loans, and leases		(20,280)
Interest paid on bonds, loans, and leases		(13,274)
Proceeds from sale of capital assets		224
Net cash used in capital and related financing activities		(53,630)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		2,483
Net cash provided by investing activities		2,483
Net decrease in cash and cash equivalents		(28,752)
Cash and equivalents at beginning of year		242,915
Cash and equivalents at end of year	$	214,163
Classified as:		
Current assets		
Cash, cash equivalents, and investments	$	119,836
Restricted assets		18,177
Non-current assets		
Restricted assets		76,150
Totals	$	214,163

Lee County Port Authority

Lee County, Florida

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended September 30, 2020

(amounts expressed in thousands)

Reconciliation of operating (loss) to net cash provided by operating activities:	
Operating (loss)	$ (24,439)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	25,433
Other revenues	3
Decrease in accounts receivable	3,404
Increase in due from other governments	(63)
Decrease in inventories	38
Decrease in other assets	86
Decrease in contracts and accounts payable	(1,556)
Increase in accrued liabilities	117
Decrease in refunds and rebates	(4,483)
Decrease in due to Board of County Commissioners	(336)
Increase in due to other governments	3
Increase in customer deposits	228
Decrease in unearned revenues	(373)
Increase in compensated absences	472
Increase in net pension liability	7,126
Increase in deferred outflows of resources related to pensions	(860)
Decrease in deferred inflows of resources related to pensions	(1,699)
Increase in total other postemployment benefits liability	7,177
Decrease in deferred outflows of resources related to other postemployment benefits	1,456
Increase in deferred inflows of resources related to other postemployment benefits	112
Total adjustments	36,285
Net cash provided by operating activities	$ 11,846

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Purchase of capital assets on account	$ 2,749
Loss on disposal of property, plant, and equipment	(125)

The notes to the financial statements are an integral part of this statement.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Lee County (the "County") is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the "Board"), which is governed by state statutes and regulations. The Lee County Port Authority is a blended component unit of the County and is reported as an enterprise fund in the countywide primary government financial statements. In 1987, the Board authorized the creation of the Lee County Port Authority (the "Port Authority") transferring the management and administration of the County's Department of Airports (including Page Field General Aviation Airport and the Southwest Florida International Airport, the "SWFIA") to the Port Authority. Although the Board retained ownership of the Port Authority's assets and liabilities, all of the assets and liabilities used in the operations of the Port Authority are reflected in these financial statements since the Port Authority has the rights and responsibilities of ownership. The Port Authority was established under authority of Sections 125.01 and 332.08, *Florida Statutes*, Lee County Resolution Number 87-8-9, and subsequently, Lee County Ordinance Number 90-02, subsequently amended and restated as Lee County Ordinance Number 01-14.

The Board of Port Commissioners was established as the governing body for the Port Authority and consists of the members of the Board of County Commissioners. Also created was an Airports Special Management Committee, a citizen's advisory board, whose members were appointed by the Port Commissioners for the administration and management of the Lee County Airports ("Airports").

Fund Accounting

The Port Authority uses an enterprise fund to report its activities. Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where it is decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As an enterprise fund, the Port Authority records both operating and non-operating revenues and expenses. Operating revenues are those that are obtained from the operations of the enterprise fund that include user fees, rental fees, and concessions. Non-operating revenues are not related to the operations of the enterprise fund and include interest earnings, grants, and passenger facility charges. Operating expenses represent the cost of operations, which includes depreciation. Non-operating expenses, such as interest expense, are not related to operations.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Port Authority is accounted for on an "economic resources" measurement focus. Accordingly, all assets, deferred outflows/inflows of resources, and liabilities are included on the Statement of Net Position, and the reported fund net position (total reported assets plus total reported deferred outflows of resources less total reported liabilities less total reported deferred inflows of resources) provides an indication of the economic net worth of the Port Authority. The Statement of Revenues, Expenses, and Changes in Net Position report increases (revenues) and decreases (expenses) in total economic net worth.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Port Authority is accounted for using the accrual basis of accounting. Under this method, revenues are recognized when they are earned; expenses are recognized when they are incurred.

When both restricted and unrestricted resources are available, restricted resources will be used first for incurred expenses, and then unrestricted as needed.

Use of Estimates

The preparation of the financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the financial statements. Preparation of the financial statements also requires management to make a number of estimates and assumptions relating to the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash, Cash Equivalents and Investments

The Port Authority considers cash, cash equivalents and investments to be cash on hand, demand deposits, highly liquid investments, including those held as restricted assets, with original maturities of three months or less when purchased, and those included in the internal investment pool.

For accounting and investment purposes, the County maintains a cash and investment pool that the Port Authority participates in and is available for use by all funds except those whose cash and investments must be segregated due to legal or other restrictions. Investments within this pool are treated as a demand deposit account. Interest earned on investments in the pool is allocated to the various funds based upon each fund's equity balance in the pool during the allocation period.

For purposes of the Statements of Cash Flows, the Port Authority considers cash and equity in pooled cash and investments (restricted and unrestricted), and restricted cash and cash equivalents with fiscal agent to be cash and cash equivalents.

The Port Authority reports all investments at fair value, with the exception of: State Board of Administration's ("SBA") Florida Local Government Surplus Trust Fund Investment Pool (Florida PRIME) which is reported at amortized cost and approximates fair value. The Port Authority also participates in the Florida Cooperative Liquid Assets Securities System (FLCLASS) investment pool, the Florida Fixed Income Trust (FLFIT), and the Florida Surplus Asset Fund Trust (FLSAFE) investment pool which are measured at net asset value per share. The investment pools were created under sections 218.405 and 218.415, Florida Statutes and governed by Part IV of Chapter 218, Florida Statutes.

Accounts Receivable

The accounts receivable of the Port Authority are recorded net of an allowance for doubtful accounts. Management uses an estimate of five percent of the average accounts receivable balance plus any amounts to be submitted to the Board for write-off due to known uncollectible amounts to derive the allowance.

Inventory

Inventory, consisting of items for resale, is stated at cost that approximates market value. The "first - in, first - out" method of accounting is used to determine cost.

Prepaid Items

Some payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets include artwork, property, buildings, furniture, equipment, vehicles, software, easements and rights of way, and infrastructure assets. Infrastructure assets are defined as public domain capital assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, runways, and similar assets that are immovable and of value only to the government unit. The threshold for capitalizing capital assets is $1,000. The threshold for capitalizing software and infrastructure is $100,000. Capital assets are recorded at cost or estimated historical cost. Contributed assets are recorded at acquisition value at the time received. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. The ranges of the useful lives are as follows:

Assets	Years
Buildings	30-50
Improvements other than buildings	6-50
Machinery and Equipment	3-35
Software	3-5
Infrastructure	20-50

Unearned Revenues

Unearned revenues represent revenues collected in advance of services performed and will be recognized when the services are rendered.

Compensated Absences

The Port Authority provides employees a bank of time for paid absences on an annual basis. The bank of time is referred to as Paid Time Off ("PTO"). Under this policy, employees receive a bank of PTO based on years of continuous service with the Port Authority. All unused time is bought back annually by the Port Authority.

The Port Authority also maintains a separate vacation policy for 33 members of the Southwest Florida Professional Fire Fighters, Local Chapter 1826, IAFF, Inc. Under this policy, the employees are able to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from service if certain criteria are met.

Benefits under both policies, plus their related tax, are classified as compensated absences and are accrued when incurred. This is pursuant to GASB Statement Number 16, *Accounting for Compensated Absences*.

Unamortized Bond Premiums and Discounts

Bond premiums and discounts related to long-term debt are amortized over the life of the debt, principally by the effective-interest method. Notes Payable and Revenue bonds payable are shown net of unamortized discounts and premiums.

Deferred Outflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources reported in the Port Authority's Statement of Net Position represents other postemployment benefit related balances for the difference between expected and actual experience and changes in actuarial assumptions; pension related balances for the difference between expected and actual experience, changes in actuarial assumptions, the net difference between projected and actual earnings on plan investments, changes in the proportion and differences between the Port Authority's contributions and proportionate share of contributions, and the Port Authority's contributions subsequent to the measurement date. These amounts will be recognized as increases in expense in future years. The Port Authority also reports a deferred outflow of resources for the loss on refunding that result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized using the effective-interest method over the shorter of the life of the old bond or the life of the new bond.

Deferred Inflows of Resources

Deferred inflows of resources represents acquisition of resources that applies to future reporting period(s) and will not be recognized as an inflow of resource (revenue) until then. The deferred inflows of resources reported in the Port Authority's Statement of Net Position represents other postemployment benefits related balances for the difference between expected and actual experience and changes in actuarial assumptions; pension related balances for the changes in the proportion and differences between the Port Authority's contributions and proportionate share of contributions relating to the Florida Retirement System Pension Plan and the Retiree Health Insurance Subsidy Program. These amounts will be recognized as reductions in expense in future years.

Pensions

In the statement of net position, liabilities are recognized for the Port Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contribution are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position is categorized as net investment in capital assets, restricted, and unrestricted. Restricted net position indicates amounts that have constraints on their use externally imposed by creditors, through debt covenants, by grantors, or by law. Restricted for debt service is used to segregate resources accumulated for current or future debt service payments.

User Fees

User fees are generated from airlines' signatory and non-signatory leases with the Port Authority and include landing fees and rents. Also in this category are gross fuel sales from Page Field.

Rentals

Revenues from this category include rental car revenues paid to the Airports, gross parking lot revenues, and terminal concession payments to the SWFIA.

Capital Contributions

Capital contributions consist mainly of grants from Federal and State agencies. As these grants are subject to annual approved appropriations by the Federal and State agencies, they are recognized as revenue when both the expenses are incurred and the appropriations are approved by the Federal and State agencies.

NOTE II. RECEIVABLES

At September 30, 2020 accounts receivable consisted of the following (dollars in thousands):

	Gross Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
Unrestricted	$2,278	($500)	$1,778
Restricted	1,350	-	1,350
Total	$3,628	($500)	$3,128

NOTE III. RESTRICTED ASSETS

At September 30, 2020 restricted assets consisted of the following (dollars in thousands):

Cash, cash equivalents, and investments	$76,150
Cash and cash equivalents with fiscal agent	18,177
Receivables (net):	
Accounts	1,350
Total	$95,677

NOTE IV. CASH, CASH EQUIVALENTS, AND INVESTMENTS

As of September 30, 2020 the Port Authority had the following deposits, investments, and maturities (dollars in thousands):

Investment	Maturities	Fair Value	Call Date	Call Frequency	Rating
Cash on hand	N/A	$ 25			N/A
Cash with fiscal agent	N/A	18,177			N/A
Demand deposits	N/A	38,501			N/A
Local Government Investment Pool					
FLSAFE	54 days	21,255			AAAm
SBA- Florida PRIME*	48 days	136,205			AAAm
Total		$ 214,163			

*$36 thousand of this balance is included within the Board's SBA-Local Government Surplus Funds Trust Fund Investment Pool-Florida PRIME investment pool account and represents funding for the Port Authority September 30, 2020 ACH payments.

Reconciliation of cash, cash equivalents and investments, from the schedule of deposits and investments to the basic financial statements (dollars in thousands):

Current:	
Cash, cash equivalents and investments	$ 119,836
Restricted:	
Restricted cash, cash equivalents and investments	18,177
Non-current:	
Restricted:	
Cash, cash equivalents and investments	76,150
Total	$ 214,163

Fair Value

The Port Authority categorizes its fair value measurements within the fair value hierarchy established in Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurements and Application*. The hierarchy is based on valuation inputs used to measure the fair value of the asset.

Level 1 – Valuation is based on quoted prices for identical instruments traded in active markets. At September 30, 2020, the Port Authority held no such assets.

Level 2 – Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market. At September 30, 2020, the Port Authority held no such assets.

Level 3 – Valuation is based on model-based techniques that use significant inputs and assumptions not observable in the market. These unobservable inputs and assumptions reflect the Reserve Banks' estimates of inputs and assumptions that market participants would use in pricing the assets and liabilities. Valuation techniques include the use of option pricing models, discounted cash flow models, and similar techniques. At September 30, 2020, the Port Authority held no such assets.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

The Port Authority has the following recurring fair value measurements as of September 30, 2020 (dollars in thousands):

Investments measured at net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period	Redemption Restrictions
Florida Surplus Asset Fund Trust (FLSAFE)	21,255	-	Daily	1:00 p.m.EST (same day)	None
Total investments measured at the NAV	$ 21,255	$ -			

Additional information for investments measured at amortized cost:

The State Board of Administration's ("SBA") Florida Local Government Surplus Trust Fund Investment Pool (Florida PRIME) is reported at amortized cost and approximates fair value. Florida PRIME is considered a qualifying external investment pool that meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares. The Florida PRIME investments are not categorized because they are not evidenced by securities that exist in physical or book entry form. Throughout the year, and as of September 30, 2020, Florida PRIME contained certain floating and adjustable rate securities. These investments represented 17.8 percent of Florida PRIME's portfolio at September 30, 2020.

With regard to redemption gates, Section 218.409(8)(a), *Florida Statutes*, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the Board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, and the Investment Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Section 218.409(4), *Florida Statutes* provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2020, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk

The Port Authority adheres to the Board's Investment Policy ("the Policy"), which limits credit risk by restricting authorized investments for their investment portfolio to the following:

A.) Direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government.
B.) U.S. Government sponsored enterprises.
C.) U.S. Government Agencies.
D.) Florida Local Government Surplus Funds Trust Fund (Florida PRIME) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969.
E.) Interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States and doing business and situated in Florida. Savings and loan associations which are under federal law and supervision, provided deposits are secured by collateral as may be prescribed by law. The institution must be fully insured by Federal Deposit Insurance Corporation, or Federal Savings and Loan Insurance Corporation, and are approved by the State Treasurer as a qualified public depository.
F.) Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided their portfolio is limited to United States Government obligations and repurchase agreements fully collateralized by such United States Government obligations.
G.) Term and overnight repurchase agreements with any primary brokers/dealers that are fully collateralized by direct obligations of United States, or United States government sponsored corporation/ instrumentalities, or United States government agencies. Collateral for overnight and term repurchase agreements must maintain a minimum price of 101 percent on U.S. Treasuries and 102 percent on Agencies and Instrumentalities not to exceed five (5) years, and must be "marked to market" on a weekly basis. Bonds, notes or obligations of any state of the United States, any municipality, political subdivision, agency or authority of this state which are exempt from federal income taxation, and are rated by any nationally recognized rating agency for municipal bonds in any of the two highest classifications.
H.) SEC - registered, no-load money market mutual funds whose portfolios consist of tax exempt securities and repurchase agreements, whose shares of the mutual fund must be rated in the highest category by a nationally recognized rating service.

I.) Florida Local Government Investment Trust (FLGIT).
J.) SEC registered money market mutual funds with average portfolio maturities under 120 days, whose portfolios consist of United States Government securities and repurchase agreements secured by such securities.

The Board's Policy requires that the obligations of any state or municipality be rated by at least one of the nationally recognized rating agencies in any one of the two (2) highest classifications, and that investments in money market mutual funds must be rated in the highest category by a nationally recognized rating service.

Custodial Credit Risk

The Policy requires that bank deposits be secured as provided by Chapter 280, *Florida Statutes,* and that the banks must be fully insured by the Federal Deposit Insurance Corporation ("FDIC") or the Federal Savings and Loan Insurance Corporation ("FSLIC") and approved by the State Treasurer as a public depository. At September 30, 2020, all of the Port Authority's bank deposits were in qualified public depositories.

Interest Rate Risk

The Policy requires an average minimum dollar amount equivalent to eight weeks of expenditures shall be held in a liquid investment, and securities will not be directly invested in or accepted as collateral that have a maturity date greater than five (5) years from the settlement date.

Concentration of Credit Risk

The Policy establishes the following guidelines on portfolio composition in order to control concentration of credit risk:

United States Treasuries/Agencies	100%
Local Government Surplus Funds Trust Fund and other investment pools	50%
Term Repurchase agreements	20%
Money Market Mutual Funds (no individual fund family over 30%)	65%
CD's and Savings Accounts (10% per institution)	30%
FLGIT	5%

No more than 25 percent of the total portfolio can be invested with one investment company. The Port Authority did not have a portion invested in Federal instrumentalities at September 30, 2020.

NOTE V. CAPITAL ASSETS

Increases and decreases in capital asset activity include transfers. Capital asset activity for the fiscal year ended September 30, 2020 is as follows (dollars in thousands):

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 132,659	$ -	$ -	$ 132,659
Artwork	293	-	-	293
Construction in progress	91,677	49,661	(34,906)	106,432
Easement & right of ways	103	-	-	103
Total capital assets not being depreciated	224,732	49,661	(34,906)	239,487
Capital assets being depreciated:				
Buildings	357,732	3,855	-	361,587
Improvements other than buildings	21,672	12,459	-	34,131
Machinery and equipment	89,291	5,872	(1,071)	94,092
Software	3,761	-	-	3,761
Infrastructure	366,442	14,602	-	381,044
Total capital assets being depreciated	838,898	36,788	(1,071)	874,615
Less accumulated depreciation for:				
Buildings	105,529	7,236	-	112,765
Improvements other than buildings	17,147	1,862	-	19,009
Machinery and equipment	51,515	6,815	(965)	57,365
Software	3,697	53	-	3,750
Infrastructure	162,119	9,467	-	171,586
Total accumulated depreciation	340,007	25,433	(965)	364,475
Total capital assets being depreciated, net	498,891	11,355	(106)	510,140
Capital assets, net	$ 723,623	$ 61,016	$ (35,012)	$ 749,627

NOTE V. CAPITAL ASSETS (continued)

Minimum Future Rentals

The Port Authority leases certain facilities to vendors at the Southwest Florida International Airport. Such agreements are short-term in nature and are accounted for as operating leases. Certain leases contain both fixed minimum rentals and contingent rentals based on the vendor's agreement. Contingent rental revenues arise from a percentage of the lessees' gross revenue.

At September 30, 2020, minimum future rentals of operating leases were as follows (dollars in thousands):

Fiscal Year(s)	Amount
2021	$51,667
2022	28,398
2023	28,421
2024	27,279
2025	12,486
Later years	79,674
Total minimum future revenue	$227,925

For the year ended September 30, 2020, $14,476,000 of contingent rentals were included in rentals, concessions, and rental car revenues on the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Substantially all of the Port Authority's property is used in leasing activities with either airlines or other vendors.

NOTE VI. LONG-TERM DEBT

Revenue Bonds

The Airport Revenue Bonds were issued for various capital projects. The bonds are secured by a lien on and a pledge of net revenues of the Southwest Florida International Airport. Principal and interest paid for the current year and pledged revenues collected were $33,102,000 and $22,169,000, respectively. Principal paid includes early redemption of Airport Revenue Refunding Bonds, Series 2010A of $8,590,000 paid with moneys received from the CARES Act. Moneys received is not included in pledged revenue. The total principal and interest remaining to be paid is $333,925,000.

Issue	Maturity	Interest Rate	Effective Interest Rate	Amount Issued	Outstanding Balances
Airport Revenue Refunding Bonds, Series 2010A	2022	3.00% to 5.50%	5.25%	$ 119,350,000	$ 28,200,000
Airport Revenue Refunding Bonds, Series 2011A	2032	3.00% to 5.63%	5.53%	174,450,000	172,960,000
Airport Revenue Refunding Bonds, Series 2015	2033	5.00%	4.65%	33,425,000	33,425,000
					$ 234,585,000

The annual debt service requirements for revenue bonds at September 30, 2020, were as follows (dollars in thousands):

	Port Authority		
Fiscal Year(s)	Principal	Interest	Total
2021	$ 12,005	$ 12,050	$ 24,055
2022	3,835	11,659	15,494
2023	13,125	11,236	24,361
2024	14,305	10,515	24,820
2025	15,095	9,707	24,802
2026-2030	88,755	34,969	123,724
2031-2034	87,465	9,204	96,669
Total	$ 234,585	$ 99,340	$ 333,925

The following is a summary of bond activity of the Port Authority for the year ended September 30, 2020 (dollars in thousands):

Beginning balance	$ 254,485
Reductions	(19,900)
Bonds Payable at end of fiscal year	234,585
Plus unamortized premium	3,902
Bonds payable at end of fiscal year, net	$ 238,487

Bond Resolutions

The Airport Revenue Bonds, Series 2010A, the Airport Revenue Refunding Bonds, Series 2011A (AMT), and the Airport Revenue Refunding Bonds, Series 2015 are collateralized by a lien on and a pledge of the net revenues from the operation of SWFIA.

The Port Authority has agreed to maintain such fees and rates to provide revenues sufficient to pay all current expenses of SWFIA and the greater of 125 percent of the principal and interest payments due in the next succeeding fiscal year or 100 percent of the principal and interest payments due in the next succeeding fiscal year plus any other required payments under the bond resolutions.

The resolutions for the following bonds established certain accounts and determined the order in which certain revenues are to be deposited into those accounts. In addition, there are various other covenants established by the official statements and resolutions, including such items as debt service coverage, reporting requirements, and maintenance of facilities. Management believes that it has complied, in all material respects, with these covenants. All required balances at year-end were maintained on the following issues:

Revenue Bonds

Airport Revenue Refunding Bonds, Series 2010A
Airport Revenue Refunding Bonds, Series 2011A
Airport Revenue Refunding Bonds, Series 2015

Direct Borrowing - Variable Debt

The Port Authority entered into a $50,000,000 taxable subordinate revolving credit facility agreement on May 6, 2020 with a final maturity on May 6, 2025 with a commercial bank. The line of credit is to be used to finance certain airport-related capital projects at an interest rate of London Interbank Offered Rates ("LIBOR") plus 61 basis points. On September 30, 2020, the rate was .757 percent. The rate is variable based on the bond rating. Interest is payable monthly beginning June 1, 2020, on the unpaid balance until final maturity on May 6, 2025. The unused portion of the line of credit is subject to a non-refundable fee currently at .25 percent per annum for each day the line is unused. No fee will be issued on the days the advances are suspended or the outstanding principal is greater than 50 percent of the maximum principal amount. The applicable margins for the interest rate and credit facility fee is based on the table below.

Interest Applicable Margin and Applicable Credit Facility Fee Margin - rate per annum associated with the Level corresponding to the lowest long-term unenhanced debt rating assigned by:

Level	Moody's Rating	S&P Rating	Fitch Rating	Interest Rate Applicable Margin	Applicable Credit Facility Fee Margin
Level 1	A2	A	A	0.61%	0.25%
Level 2	A3	A-	A-	0.68%	0.30%
Level 3	Baa1	BBB+	BBB+	0.87%	0.35%
Level 4	Baa2	BBB+	BBB+	1.18%	0.45%
Level 5	Baa3 or below	BBB- or below	BBB- or below	Default Rate	Default Rate

Default rate is 4% per annum

Principal for all draws made against the line of credit is due on May 6, 2025. The line of credit is solely collateralized by a lien on and a pledge of the net revenues of Southwest Florida International Airport. The outstanding balance and unused line of credit as of September 30, 2020 was $11,000,000 and $39,000,000 respectively. Interest paid for the current year was $5,000.

If an event of default occurs, the notes shall bear interest at the applicable interest rate plus 4 percent per annum until the default is cured to the satisfaction of the lender. A late fee equal to 4 percent of the amount due will be accessed if the amount due is not paid within 15 days of the due date.

The annual debt service requirements for the direct borrowing - variable debt at September 30, 2020, were as follows (dollars in thousands):

	Business-type Activities	
Fiscal Year(s)	Principal	Interest
2021	$ -	$ 83
2022	-	83
2023	-	83
2024	-	83
2025	11,000	50
	$ 11,000	$ 382

Operating Leases

The Port Authority is currently committed to various operating leases with terms in excess of one year. The future minimum rental payments as of September 30, 2020 were as follows (dollars in thousands):

Fiscal Year(s)	Amount
2021	$97
2022	95
2023	48
2024	33
2025	29
2026-2030	87
Total	$389

The total rental expense for all operating leases, including those with terms of less than one year, for the years ended September 30, 2020 was $102,000.

Compensated Absences

The following is a summary of compensated absences activity for the Port Authority for the year ended September 30, 2020 (dollars in thousands):

	2020
Beginning balance	$ 1,510
Additions	2,981
Reductions	(2,509)
Compensated absences payable at end of fiscal year	$ 1,982

Of the $1,982,000 balance at September 30, 2020, $1,588,000 is due within one year.

NOTE VII: SEGMENT INFORMATION

The County has outstanding revenue bonds and an outstanding line of credit that are financed by Southwest Florida International Airport revenues. Both activities are accounted for in a single fund (Lee County Port Authority). Summary financial information for the Southwest Florida International Airport and Page Field General Aviation Airport are presented as follows (dollars in thousands).

	Southwest Florida International Airport	Page Field General Aviation Airport
Condensed Statements of Net Position		
Assets		
Current assets	$ 60,576	$ 9,979
Restricted assets	44,033	-
Capital assets (net)	677,754	67,154
Total assets	782,363	77,133
Deferred outflows of resources	25,801	2,028
Liabilities		
Current liabilities	17,619	420
Current liabilities payable from restricted assets	18,177	-
Noncurrent liabilities	331,559	9,221
Total liabilities	367,355	9,641
Deferred inflows of resources	10,136	1,040
Net position		
Net investment in capital assets	453,757	67,141
Restricted	12,640	-
Unrestricted (deficit)	(35,724)	1,339
Total net position	$ 430,673	$ 68,480

NOTE VII: SEGMENT INFORMATION (continued)

	Southwest Florida International Airport	Page Field General Aviation Airport
Condensed Statements of Revenues, Expenses, and Changes in Net Position		
Operating revenues		
User fees	$ 37,836	$ 6,572
Rentals	4,834	3,299
Concessions	34,563	212
Miscellaneous	188	12
Less: Rebates	(1,481)	-
Total operating revenues	75,940	10,095
Operating expenses		
Depreciation	21,722	3,711
Other operating expenses	74,359	10,124
Total operating expenses	96,081	13,835
Operating loss	(20,141)	(3,740)
Non-operating revenues (expenses)		
Investment earnings	$ 1,117	$ 90
Interest expense	(12,916)	-
Other non-operating	11,327	30
Total non-operating revenues (expenses)	(472)	120
(Loss) before capital contributions and transfers	(20,613)	(3,620)
Capital contributions	8,867	1,502
Transfers	20,283	(125)
Change in net position	8,537	(2,243)
Beginning net position	422,136	70,723
Ending net position	$ 430,673	$ 68,480
Condensed Statements of Cash Flows		
Net cash provided (used) by:		
Operating activities	$ 11,983	$ 347
Noncapital financing activities	29,877	1
Capital and related financing activities	(69,187)	1,116
Investing activities	1,117	90
Net increase (decrease)	(26,210)	1,554
Beginning cash and cash equivalents	123,405	8,108
Ending cash and cash equivalents	$ 97,195	$ 9,662

Certain funds that relate to activities at both the Southwest Florida International Airport and Page Field are not included in the segmented statements, including the K-9 donation fund and the discretionary fund. In addition, all of the funds related to the passenger facility charges are omitted from the segmented statements.

NOTE VIII. RETIREMENT PLAN

Defined Benefit Pension Plans

Background

The Florida Retirement System (FRS) was created by Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

All regular Port Authority employees are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com).

The Port Authority's pension expenses for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2020 totaled $7,680,000.

Florida Retirement System Pension Plan (FRS Plan)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers Class* – Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.
- *Special Risk Class* – Members who are special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the FRS Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided

Benefits under the FRS Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age / Years of Service	% Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Senior Management Service Class	2.00
Special Risk Regular	
Service from December 1, 1970, through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. In 2017, Senate Bill 7022 made several changes to FRS. The bill provides for renewed membership in the investment plan to reemployed defined contribution plan retirees, as well as, In-Line-of Duty Death Benefits.

Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3 percent employee contributions on a pretax basis. The contribution rates attributable to the Port Authority, effective July 1, 2019, were applied to employee salaries as follows: regular employees 6.54 percent, county elected officials 46.98 percent, senior management 22.34 percent, and DROP participants 12.37 percent. The Port Authority's contributions to the FRS Plan were $2,818,000 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the Port Authority reported a liability of $33,634,000 for its proportionate share of the FRS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Port Authority's proportion of the net pension liability was based on the Port Authority's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2020, the Port Authority's proportion was 0.0776%, which was a decrease of 0.0014% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Port Authority recognized pension expense of $6,897,000 for its proportionate share of FRS's pension expense.

In addition, the Port Authority reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 1,287,000	$ -
Changes in Actuarial Assumptions	6,089,000	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,003,000	-
Changes in Proportion and Differences Between Port Authority Contributions and Proportionate Share of Contributions	653,000	85,000
Port Authority Contributions Subsequent to the Measurement Date	779,000	-
Total	$ 10,811,000	$ 85,000

Deferred outflows of resources related to pensions included $779,000 from contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2021	$2,125,000
2022	3,154,000
2023	2,694,000
2024	1,611,000
2025	363,000

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%, per year
Salary increases	3.25%, Average
Investment rate of return	6.80%

Mortality rates were based on the PUB2010 base tables which vary by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual Geometric Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	16.5%
Real Estate (property)	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.8%
Strategic Investments	4.4%	5.5%	5.3%	6.7%
Totals	100.0%			
Assumed Inflation - Mean			2.4%	1.7%

Discount Rate

The discount rate used to measure the total pension liability changed from 6.90 to 6.80 percent for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Port Authority's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
Port Authority Proportionate Share of the FRS Plan Net Pension Liability	$ 53,708,000	$ 33,634,000	$ 16,868,000

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. The report may be obtained through the Florida Department of Management Services website: http://www.dms.myflorida.com.

Retiree Health Insurance Subsidy Program (HIS Plan)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2020, the contribution rate was 1.66 percent of payroll pursuant to section 112.363, Florida Statues. The County contributed 100 percent of its statutorily required contributions for the current and preceding 3 years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled. The Port Authority's contributions to the HIS Plan were $411,000 for the year ended September 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2020, the Port Authority reported a liability of $7,205,000 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Port Authority's proportion of the net pension liability was based on the Port Authority's contributions received during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all participating employers. At June 30, 2020, the Port Authority's proportion was 0.0590 percent, which was a increase of 0.0010 percent from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the Port Authority recognized pension expense of $783,000 for its proportionate share of HIS's pension expense. In addition, the Port Authority reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	$ 295,000	$ 6,000
Changes in Actuarial Assumptions	775,000	419,000
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,000	-
Changes in Proportion and Differences Between Port Authority Contributions and Proportionate Share of Contributions	334,000	77,000
Port Authority Contributions Subsequent to the Measurement Date	90,000	-
Total	$ 1,500,000	$ 502,000

Deferred outflows of resources related to pensions included $90,000 resulting from Port Authority's contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ended September 30:	
2021	$254,000
2022	209,000
2023	81,000
2024	133,000
2025	133,000
Thereafter	98,000

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40 %, per year
Salary increases	3.25 %, avg with inflation
Investment rate of return	2.21 %

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 3.50 to 2.21 percent for the HIS Plan. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Pension Liability Sensitivity

The following presents the Port Authority's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Port Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.21%	2.21%	3.21%
Port Authority's Proportionate Share of the HIS Plan Net Pension Liability	$ 8,329,000	$ 7,205,000	$ 6,285,000

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately-issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report. That report may be obtained through the Florida Department of Management Services website: http://www.dms.myflorida.com.

Summary

The aggregate amount of net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense for the Port Authority's proportionate share of the defined benefit pension plans are summarized below.

Description	FRS Plan	HIS Plan	Total
Net Pension Liability	$ 33,634,000	$ 7,205,000	$ 40,839,000
Deferred outflows of resources related to pensions	10,811,000	1,500,000	12,311,000
Deferred inflows of resources related to pensions	85,000	502,000	587,000
Pension expense	6,897,000	783,000	7,680,000

Defined Contribution Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Port Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Port Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Port Authority's Investment Plan pension expense totaled $195,000 for the year ended September 30, 2020.

Other Postemployment Benefits

Plan Description

The Port Authority provides post-retirement health care benefits, through participation in the Group Health Program for Lee County (GHPLC) Plan (the Plan), to all employees who retire from the Port Authority. The Group Health Program for Lee County provides medical, dental, vision and life insurance benefits (OPEB) to Port Authority retirees and their spouses. At October 1, 2019, the date of the latest actuarial valuation, plan participation consisted of 344 current active plan members, 140 retirees and 70 eligible dependents receiving postemployment health care benefits. In addition, Medicare eligible retirees and their Medicare eligible dependents may enroll in the Medicare Advantage Plan (MAP), a fully funded insurance plan administered by Aetna.

Funding Policy

The Port Authority subsidizes the premium rates paid by retirees by allowing them to participate at blended premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, retiree claims are expected to result in higher costs to the Plan on average than those of active employees. On January 1, 2020, the Port Authority reinstated the subsidy program that had been discontinued on October 1, 2008. The subsidy program offers retirees with six or more years of consecutive employment prior to retirement a direct subsidy of 60 percent for MAP participants and 50 percent for Aetna participants. A $96 discount is applied for plan members enrolled in Medicare Part B for the self-insurance plan. No discount is offered for MAP. The same subsidy is offered to the Constitutional Officers with the exception of the Clerk of Circuit Court who requires retirees to have eight or more years of consecutive employment prior to retirement. Vision and dental insurance are offered to retirees; however, they are not subsidized by the County. The Plan also allows retirees the option to continue to participate in the GHPLC life insurance policy. The life insurance is only available to the retiree, and has a face value of $5,000. The following table summarizes the retirees' monthly contribution rates for 2020. The Plan is funded on a pay-as-you-go basis.

	General Employee Retirees after subsidy		General Employee Retirees without subsidy	
	Aetna	MAP	Aetna	MAP
Medical/ Prescriptions:				
Retiree Only				
Pre 65 Years Old	$490	N/A	$980	N/A
Medicare Eligible	394	152	787	380
Retiree plus Spouse				
Pre 65 Years Old	888	N/A	1,775	N/A
Medicare Eligible	695	304	1,389	760
Retiree Plus dependent				
Pre 65 Years Old	873	N/A	1,745	N/A
Medicare Eligible	680	304	1,359	760
Retiree plus family				
Pre 65 Years Old	895	N/A	1,790	N/A
Medicare Eligible (3) (spouse + one dep)	702	456	1,404	1,139
Life:				
Individual Coverage	5		5	
Spouse	N/A		N/A	

Actuarial Methods and Assumptions

The total OPEB liability in the September 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation Rate	2.5%
Salary Increases	N/A
Discount Rate	2.21%
Healthcare Cost Trend Rate	7.90% pre 65
	8.80% at least 65
	9.60% MAP
Retirees' share of benefit cost, percent of premium:	
Subsidy Eligible	40% MAP
	50% Aetna

The discount rate was based on the 20 Year Municipal Bond Rate at September 30, 2020, in the Bond Buyer GO 20-Bond Municipal Bond Index. The discount rate changed from 2.66 percent at September 30, 2019.

Mortality rates were based on the PUBG.H-2010 and PUBS.H-2010 Tables for employees and retirees projected generationally with scale MP-2020 and PUBG.H-2010SB Tables for survivor beneficiaries projected generationally with Scale MP-2020.

Changes in assumptions also included the removal of excise tax trend adjustment and changes in retirement rates, termination rates and disability rates to reflect the 2019 FRS experience study.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2019 through September 30, 2020.

The rationales for selecting each of the assumptions used in the financial accounting valuation and for the assumption changes summarized above are to best reflect the current market conditions and recent plan experience.

Total OPEB Liability

At September 30, 2020, the Port Authority reported a liability of $62,144,000 for its share of the County's GHPLC plan's other postemployment benefits liability. The liability was measured as of September 30, 2020 and determined by an actuarial valuation as of that date. The Port Authority's proportion was based on the Port Authority's number of eligible employees. At September 30, 2020, the Port Authority's proportion was 12.3054 percent, which was an increase of 0.8015 percent from its proportion measured at September 30, 2019.

Changes in the Total OPEB Liability

Balance at September 30, 2019	$54,966,000
Changes for the year:	
Service Cost	1,148,000
Interest	1,483,000
Changes of Benefit Terms	7,253,000
Difference between Expected and Actual Experience	(529,000)
Changes in Assumptions	(1,452,000
Benefit Payments	(725,000)
Net Changes	7,178,000
Balance at September 30, 2020	$62,144,000

The following presents the Port Authority's proportionate share of total OPEB liability as well as what the Port Authority's proportionate share of total OPEB liability would be if it were calculated using a discount rate that is 1 percent higher or 1 percent lower than the current discount rate.

Description	1% Decrease (1.21%)	Current Rate (2.21%)	1% Increase (3.21%)
OPEB Liability	$74,142,000	$62,144,000	$52,699,000

The following presents the Port Authority's proportionate share of total OPEB liability as well as what the Port Authority's proportionate share of total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percent higher or 1 percent lower than the current healthcare cost trend rate.

Description	1% Decrease	Trend Rate	1% Increase
OPEB Liability	$ 51,163,000	$ 62,144,000	$ 76,710,000

For the year ended September 30, 2020, the Port Authority recognized an expense of $9,470,000 for its proportionate share of other postemployment benefits expense.

At September 30, 2020, the Port Authority reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 831,000	$ 473,000
Changes in Assumptions	9,881,000	10,117,000
Total	$ 10,712,000	$ 10,590,000

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2021	$(414,000)
2022	(414,000)
2023	(414,000)
2024	(414,000)
2025	(414,000)
Thereafter	2,192,000

NOTE IX. RISK MANAGEMENT

The Port Authority property and casualty insurance lines are written through their broker, Alliant Insurance Services. All lines of insurance costs for 2020 was $1,687,000. There have been no significant reductions in insurance coverage that have exceeded the amount of coverage in any of the past three years.

The Port Authority participates in the County's self-insurance program for group medical and group dental coverage. Funding for this program is generated by charges to the operating departments based on management's annual estimates of claim loss funding and administration/operating costs. For the fiscal year ended September 30, 2020 the Port Authority was charged $5,793,000 for the insurance program.

The Port Authority is exposed to other various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

NOTE X. COMMITMENTS AND CONTINGENCIES

At September 30, 2020 the Port Authority had in process various construction contracts totaling $113,681,000. Costs incurred on these contracts as of September 30, 2020 totaled $82,412,000 including retainage payable of $1,802,000.

The Port Authority is currently receiving, and has received in the past, grants that are subject to special compliance audits by the grantor agency, which may result in disallowed expense amounts. These amounts constitute a contingent liability of the Port Authority. The Port Authority does not believe any contingent liabilities to be material.

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Port Authority, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes the Port Authority is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

The Port Authority currently prepares rebate calculations on all debt subject to arbitrage per the United States Department of the Treasury Regulations, Section 1.148, and the Internal Revenue Service Code of 1986. Rebates, if any, are paid to the Internal Revenue Service every fifth year after the year of issuance. Within the five-year period, any positive arbitrage (liability) may be offset by any negative arbitrage (non-liability). These rebates constitute a liability of the Port Authority, which is reported as other noncurrent liabilities. The Port Authority did not have a rebate liability for the fiscal year ended September 30, 2020.

NOTE XI. PASSENGER FACILITY CHARGE

In November 1992, the Port Authority received approval from the Federal Aviation Administration ("FAA") to impose a Passenger Facility Charge (PFC) of $3.00 per eligible enplaned passenger. In November 2003, the Port Authority was granted the authority to raise the PFC level from $3.00 to $4.50. In August 2019, the FAA approved amendments to Application #8 and #9 for $115,194,000 and $65,063,000 respectively increasing the total collection authority to $522,185,000 as of September 30, 2019 with an estimated expiration date of June 1, 2028. In October 2019, the FAA approved Application #10 for $385,351,000 and a third amendment to Application # 9 for $758,000 increasing the total collection and use authority to $908,294,000 and concurrently revising the estimated charge expiration date to November 1, 2039.

NOTE XII. AIRLINE USE AGREEMENTS

Signatory Airlines

The Port Authority negotiated a new airline use agreement (Airline Airport Lease & Use Agreement) with the Participating Airlines (now referred as Signatory Airlines) with the key terms of the agreement approved by the Board in May, 2008. The Agreement commenced on October 1, 2008, with a five-year term, expiring on September 30, 2013 and then a second five year extension expiring on September 30, 2018. The signatory airlines signed a three year extension to this agreement, expiring on September 30, 2021 with the most recent agreement signed by Frontier Airlines in June 2018. All the key terms of the agreement are the same.

The current agreement, commonly referred to as a hybrid compensatory agreement, has a revenue sharing component. In any year in which there are net remaining revenues generated at the Airport, and all requirements of the Bond Resolution have been satisfied, the net remaining revenues shall be divided between the Authority (60 percent) and the Signatory Airlines (40 percent). The agreement provides for better flexibility as there is no majority-in-interest approval required for capital projects.

Refunds/Rebates are generated from settlement with the Airlines and the revenue sharing component of the Airline Airport Lease & Use Agreement.

Terminal premises are leased on an exclusive use, preferential use, and joint use basis. The Authority will lease certain Terminal premises on a common use basis, as may be necessary. It is the intent of the Authority to manage its Terminal facilities in an efficient manner, while also respecting the schedules of its airline parties. Ticket counters, offices, operations areas, and baggage make-up facilities are leased on an exclusive use basis. Gates/holdrooms and aircraft parking positions are leased on a preferential use basis. Baggage claim is leased on a joint use basis, with costs allocated to the Signatory Airlines based on twenty percent allocated to all Signatory Airlines equally, and eighty percent allocated to all Signatory Airlines based on the ratio of each Signatory Airline's annual enplaned passengers at the Airport.

Landing Fees are calculated using a "residual" Airfield Cost Center approach and are based upon the total landed weight for all airline groups (Signatory, non-Signatory, Cargo, Charter, and International). Terminal Rents are calculated using a commercial compensatory method (i.e., rentable square foot divisor). Charges for the leasing of all Terminal space are assessed on a square-footage basis.

In fiscal year 2020, the Signatory Airlines paid the Port Authority $24,843,000. This amount is net of refunds of $3,159,000 and revenue sharing of $1,409,000.

Nonparticipating Airlines

The Port Authority has also entered into short- term use agreements or permits with the airlines serving the airport other than the Signatory Airlines. Nonparticipating airlines are assessed fees no less than those paid by the Signatory Airlines and do not share in any rebates.

NOTE XIII. OTHER

Litigation

The Port Authority is involved in ongoing litigation arising in the ordinary course of operations. It is the opinion of management and legal counsel that the outcome of this litigation will not materially affect the financial position of the Port Authority.

Required Supplementary Information

Lee County Port Authority
Required Supplementary Information
September 30, 2020

Other Postemployment Benefits Plan
(unaudited)

Group Health Program for Lee County Plan
Schedule of the Port Authority's Proportionate Share of Total OPEB Liability

	Measurement Date			
Total OPEB liability	**2017**	**2018**	**2019**	**2020**
Service cost	$ 1,829,000	$ 1,059,000	$ 975,000	$ 1,148,000
Interest	1,606,000	1,523,000	1,690,000	1,483,000
Difference between expected and actual experience	98,000	146,000	861,000	(529,000)
Changes in assumptions	(12,236,000)	(2,899,000)	12,556,000	(1,452,000)
Change in benefit terms	-	-	-	7,253,000
Benefit Payments	(1,204,000)	(1,193,000)	(1,113,000)	(725,000)
Net change in total OPEB liabilty	(9,907,000)	(1,364,000)	14,969,000	7,178,000
Total OPEB liability beginning	51,268,000	41,361,000	39,997,000	54,966,000
Total OPEB liability ending	$ 41,361,000	$ 39,997,000	$ 54,966,000	$ 62,144,000
Port Authority's Proportion of the total OPEB liability	13.6942%	11.3933%	11.5040%	12.3054%
Port Authority's Covered-employee Payroll	$ 23,211,000	$ 24,009,000	$ 24,365,000	$ 25,002,000
Port Authority's Proportion Share of the total OPEB liability as a percentage of covered payroll	178.20%	166.59%	225.59%	248.56%

Notes to Schedule

For the measurement date September 30, 2020, the amount reported as changes in assumptions resulted from the following:
- Effective January 1, 2020, employees of the Port Authority hired after December 31, 2007 became eligible for premium subsidies. The change increased the liability by $7,253,000 and was recognized in expense for the fiscal year ending September 30, 2020.
- The discount rate changed from 2.66% at September 30, 2019 to 2.21% at September 30, 2020.
- Change in the mortality assumption from the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2018 to the PUBG.H-2010 Tables and PUBS. H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2020.
- The removal of the excise tax trend adjustment.
- Change in retirement rates, termination rates and disability rates to reflect the 2019 FRS experience study.

For the measurement date September 30, 2019, the amount reported as changes in assumptions resulted from the following:
- The discount rate changed from 4.18% at September 30, 2018 to 2.66% at September 30, 2019.
- Change in the mortality assumption from the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2017 to the PUBG.H-2010 Tables and PUBS. H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2018.

For the measurement date September 30, 2018, the amount reported as changes in assumptions resulted from the following:
- The discount rate changed from 3.64% at September 30, 2017 to 4.18% at September 30, 2018.
- Change in the mortality assumption from the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2017 to the PUBG.H-2010 Tables and PUBS.H-2010 Tables for employees and retirees, both projected generationally with Scale MP-2017.

For the measurement date September 30, 2017, the amount reported as changes in assumptions resulted from the following:
- The discount rate changed from 4.00% at September 30, 2016 under GASB 45 to 3.06% at September 30, 2016 under GASB 75 and to 3.64% at September 30, 2017.
- Change in the mortality assumption from the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2016 to the aggregate 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2017.
- Change in the percentage of future Medicare eligible retirees assumed to enroll in the Aetna plan from 50% to 60%, and a change in the percentage assumed to enroll in the Medicare Advantage plan from 50% to 40%.
- Change in the percentage of subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 70% to 65%, to enroll initially in post-65 coverage from 56% to 49%, and to continue coverage upon attaining Medicare eligibility from 80% to 75%.
- Change in the percentage of non-subsidy eligible retirees assumed to enroll in pre-65 medical coverage from 40% to 25%, to enroll initially in post-65 coverage from 30%to 18%, and to continue coverage upon attaining Medicare eligibility from 75% to 70%.
- Health care claims rates and trend rates were updated to reflect the latest available information.

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is completed, the Port Authority will present information for only those years for which information is available.

Florida Retirement System Pension Plan
(unaudited)

Schedule of the Port Authority's Proportionate Share of the Net Pension Liability
Last 6 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020
Port Authority's Proportion of the Net Pension Liability	0.0762%	0.0767%	0.0822%	0.0793%	0.0805%	0.0790%	0.0776%
Port Authority's Proportionate Share of the Net Pension Liability	$ 4,561,000	$ 9,905,000	$ 20,749,000	$ 23,467,000	$ 24,235,000	$ 27,217,000	$ 33,634,000
Port Authority's Covered Payroll**	$ 17,856,000	$ 20,871,000	$ 21,611,000	$ 22,841,000	$ 23,884,000	$ 24,192,000	$ 24,613,000
Port Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	25.54%	47.46%	96.01%	102.74%	101.47%	112.50%	136.65%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	96.09%	92.00%	84.88%	83.89%	84.26%	82.61%	78.85%

*The amounts presented for each fiscal year were determined as of June 30.
** For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

Schedule of Port Authority Contributions
Last 6 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	$ 1,872,000	$ 2,049,000	$ 2,077,000	$ 2,265,000	$ 2,439,000	$ 2,641,000	$ 2,818,000
Contributions in Relation to the Contractually Required Contribution	(1,872,000)	(2,049,000)	(2,077,000)	(2,265,000)	(2,439,000)	(2,641,000)	(2,818,000)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 17,917,000	$ 21,765,000	$ 21,954,000	$ 23,139,000	$ 23,934,000	$ 24,322,000	$ 24,789,000
Contributions as a percentage of covered payroll	10.45%	9.41%	9.46%	9.79%	10.19%	10.86%	11.37%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Port Authority will present information for only those years for which information is available.

Lee County Port Authority
Required Supplementary Information
September 30, 2020

Retiree Health Insurance Subsidy Program

(unaudited)

Schedule of the Port Authority's Proportionate Share of the Net Pension Liability
Last 6 Fiscal Years*

	2014	2015	2016	2017	2018	2019	2020
Port Authority's Proportion of the Net Pension Liability	0.0568%	0.0495%	0.0522%	0.0563%	0.0606%	0.0581%	0.0590%
Port Authority's Proportionate Share of the Net Pension Liability	$ 5,313,000	$ 5,044,000	$ 6,082,000	$ 6,017,000	$ 6,414,000	$ 6,496,000	$ 7,205,000
Port Authority's Covered Payroll	$ 20,339,000	$ 20,871,000	$ 21,611,000	$ 22,841,000	$ 23,884,000	$ 24,192,000	$ 24,613,000
Port Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	26.12%	24.17%	28.14%	26.34%	26.85%	26.85%	29.27%
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	0.99%	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%

*The amounts presented for each fiscal year were determined as of June 30.

Schedule of Port Authority Contributions
Last 6 Fiscal Years

	2014	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	$ 258,000	$ 296,000	$ 364,000	$ 384,000	$ 397,000	$ 404,000	$ 411,000
Contributions in Relation to the Contractually Required Contribution	(258,000)	(296,000)	(364,000)	(384,000)	(397,000)	(404,000)	(411,000)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 20,496,000	$ 21,765,000	$ 21,954,000	$ 23,139,000	$ 23,934,000	$ 24,322,000	$ 24,789,000
Contributions as a percentage of covered payroll	1.26%	1.36%	1.66%	1.66%	1.66%	1.66%	1.66%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Port Authority will present information for only those years for which information is available.