CHARLOTTE COUNTY AIRPORT AUTHORITY

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

As of and for the Year Ended September 30, 2025

And Reports of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

CHARLOTTE COUNTY AIRPORT AUTHORITY
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Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Commissioners
Charlotte County Airport Authority
Punta Gorda, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Charlotte County Airport Authority (the "Authority") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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, 2025, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the beginning net position has been restated to correct an error in previously issued financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, Rules of the Auditor General, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplementary information and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026, 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.

Cherry Bekaert LLP

Tampa, Florida
June 23, 2026

The following management discussion and analysis of the Charlotte County Airport Authority's (the "Authority") financial performance provides an overview of the financial activities of the Authority for the fiscal year ended September 30, 2025. The information contained in this discussion should be considered in conjunction with the financial results, footnotes, and supplemental information in the Authority's basic financial statements.

Financial Highlights

- The FY 2025 net position was $233,899,826, an increase of $38,426,267 from the FY 2024 restated net position of $195,653,559, substantially due to an increase in capital grants and contributions.

- Total operating revenues in FY 2025 were $25,341,156 compared to $23,251,734 in FY 2024. The majority of this increase comes from airline-related revenue.

- Total operating expenses before depreciation in FY 2025 were $19,367,631 which was $405,597 less than the FY 2024 amount of $19,773,228. The decrease was primarily due to the cost of fuel and oil sales in addition to repairs and maintenance expense.

- Total net nonoperating revenue offset by nonoperating expenses decreased $2,227,835 primarily due to an increase in hurricane expenses offset by PFC and CFC revenue.

Overview of the Financial Statements

The Authority's financial report consists of three financial statements: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund. Revenues are recognized when earned, and expenses are recognized when incurred. Capital expenditures are capitalized as assets and are depreciated over their estimated useful lives. Land, certain intangible assets, and construction in progress are capitalized but not depreciated.

Statement of Net Position - This Statement presents information on the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference among all other elements in the Statement. Net position is displayed in three components: net investment in capital assets; restricted; and unrestricted. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position - This is the operating statement for the Authority. Revenues and expenses are categorized as either operating or nonoperating. On this statement, property and other taxes, and passenger and customer facility charges are reported as non-operating revenues; and capital grants are reported as capital contributions.

Statement of Cash Flows - This Statement is used to report the classification of cash receipts and payments according to whether they stem from operating, noncapital financing, capital and related financing, or investing activities. The Authority reports cash flows from operating activities using the direct method. Using the direct method, the Authority reports cash flows from operating activities directly by showing major classes of operating cash receipts and payments (for example, receipts from customers, payments to suppliers, payments to employees, etc.). A reconciliation of operating income to net cash flow from operating activities is also required and is located on the second page of this statement.

Notes to the Financial Statements - The Notes provide additional information that is essential to a full understanding of the data provided in the Authority's financial statements. The notes to the financial statements can be found on pages 10 through 30 of this report.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Authority's pension plan and retiree healthcare plan. Required supplementary information can be found on pages 31 through 38 of this report.

Condensed Financial Information

The Authority's net position increased by $38.2 million, or 19.5%, from 2024 to 2025. This increase was attributable primarily to a $40.7 million increase in total assets, which outpaced the $2.7 million increase in total liabilities. The increase in total assets was driven principally by continued capital investment in the Authority Improvement Programs, which resulted in a $41.4 million increase in net investment in capital assets. As discussed previously, changes in net position over time provide a useful indicator of whether the Authority's overall financial position is improving or deteriorating.

Current assets decreased by approximately $7.7 million during 2025, primarily as a result of a reduction in cash and investments as available resources were applied to the Airport's capital improvement program. This decline in current assets was more than offset by a $43.2 million increase in net capital assets, reflecting the continued capitalization of construction and related project expenditures associated with the Authority's capital investment activities.

Total liabilities increased by approximately $2.7 million during 2025, principally as a result of higher accounts payable and other accrued liabilities outstanding at year-end related to ongoing capital investment activity.

Deferred outflows of resources decreased by 29.1%, primarily due to the restatement of prior year deferred outflows of resources. Deferred inflows associated with pensions and OPEB remained comparatively stable from the prior year; however, deferred inflows associated with future lease payments decreased approximately $1.9 million while the deferred inflows associated with the termination of the public-private partnership concession, advertising, and rental car service arrangements.

Net investment in capital assets represented the largest component of the Authority's net position at September 30, 2025, totaling 77.3%. This component consists of the Authority's investment in capital assets, including land, buildings and improvements, infrastructure, intangible assets, equipment, and right-to-use assets, net of accumulated depreciation and amortization. These assets are used in the Authority's ongoing operations and are not available to satisfy current spending requirements.

Restricted net position comprised 3.5% of total net position at year-end and reflects resources constrained by external legal or regulatory requirements as to their use. These amounts include passenger facility charge revenues restricted under federal regulations, cumulative building fund cash and investments restricted under state law, and tenant security deposits. The remaining 19.2% of net position, or approximately $33.1 million, was classified as unrestricted and is available to support the Authority's ongoing operations, capital needs, and other obligations, subject to applicable FAA requirements and other legal constraints.

A summary of the Authority's 2025 net position compared to 2024 follows:

	2025	2024*	Increase (Decrease)	Percent Change
Assets				
Current Assets	$ 46,785,531	$ 54,508,583	$ (7,723,052)	-14.2%
Restricted Assets	8,617,246	6,626,061	1,991,185	30.1%
Noncurrent Assets				
Other noncurrent assets	1,591,981	4,122,231	(2,530,250)	-61.4%
Capital assets, net	194,563,965	151,331,234	43,232,731	28.6%
Total assets	251,558,723	216,588,109	40,702,481	18.8%
Deferred Outflows of Resources	1,366,735	1,498,561*	(131,826)	-8.8%
Liabilities				
Current Liabilities	$ 10,730,262	$ 8,211,535	$ 2,518,727	30.7%
Noncurrent Liabilities	4,813,184	4,673,489	139,695	3.0%
Total liabilities	15,543,446	12,885,024	2,658,422	20.6%
Deferred Inflows of Resources	3,482,186	9,548,087	(6,065,901)	-63.5%
Net Position				
Net investment in capital assets	$ 192,719,487	$ 151,331,234	$ 41,388,253	27.3%
Restricted	8,109,930	-	8,109,930	-
Unrestricted	33,070,409	44,322,325*	(11,251,916)	-25.4%
	$ 233,899,826	$ 195,653,559	$ 38,246,267	19.5%

*

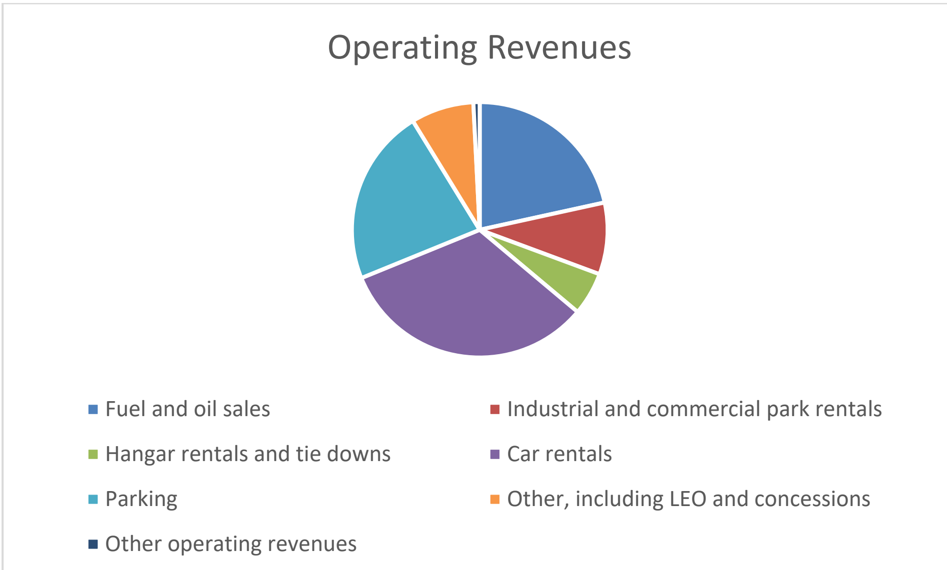
Restated

A summary of the Airport's 2025 changes in net position as compared to 2024 is shown below:

	2025	2024*	Increase (Decrease)	Percent Change
Operating Revenues by Category				
Fuel and oil sales	$ 5,467,019	$ 5,503,773	$ (36,754)	-0.7%
Industrial and commercial park rentals	2,301,331	2,349,771	(48,440)	-2.1%
Hangar rentals and tie downs	1,382,608	1,310,359	72,249	5.5%
General-aviation-related concession, vending and fees	-	29,508	(29,508)	-100.0%
Airline-Related Revenues:				
Car rentals	8,293,826	7,015,089	1,278,737	18.2%
Parking	5,677,573	4,889,143	788,430	16.1%
Other, including LEO and concessions	2,014,527	1,988,309	26,218	1.3%
Other operating revenues	204,272	165,782	38,490	23.2%
Total Operating Revenues	25,341,156	23,251,734	2,089,422	9.0%
Nonoperating Revenues (Expenses):				
PFC's	4,984,631	4,305,258	679,373	15.8%
CFC's	1,991,874	1,561,236	430,638	27.6%
Interest on investments	1,335,129	2,071,315	(736,186)	-35.5%
Interest on lease receivables	129,674	181,008	(51,334)	-28.4%
Interest income - PFC's	285,594	-	285,594	-
SBITA interest expense	(14,743)	-	(14,743)	-
Miscellaneous revenue (expense)	1,411,549	3,806,438	(2,394,889)	-62.9%
Hurricane expenses	(2,559,178)	(2,152,192)	(406,986)	18.9%
Interest expense - SIB	-	(924)	924	-100.0%
Miscellaneous	-	(56,854)	56,854	
Gain (loss) on disposition of capital assets	(77,080)	-	(77,080)	-
Total nonoperating revenues	7,487,450	9,715,285	(2,227,835)	-22.9%
Operating Expenses:				
Salaries and wages	6,235,130	5,854,526	380,604	6.5%
Payroll taxes and retirement	1,500,058	1,390,200	109,858	7.9%
Personnel expenses	1,366,669	1,415,580	(48,911)	-3.5%
Cost of fuel and oil sales	2,694,685	3,179,419	(484,734)	-15.2%
Insurance	1,208,918	1,102,978	105,940	9.6%
Repairs and maintenance and equipment fuel	1,010,331	1,652,505	(642,174)	-38.9%
Airline expenses	2,178,148	2,255,838	(77,690)	-3.4%
Computer maintenance and expense	569,240	665,464	(96,224)	-14.5%
Utilities	799,950	686,865	113,085	16.5%
Supplies (including vending purchases)	537,862	464,338	73,524	15.8%
Legal and professional	406,859	353,259	53,600	15.2%
Depreciation and amortization	5,348,882	5,026,378	322,504	6.4%
Miscellaneous	859,781	695,402	164,379	23.6%
Total operating expenses	24,716,513	24,742,752	(26,239)	-0.1%
Income before contributions	8,112,093	8,224,267	(112,174)	-1.4%
Capital Contributions				
Capital grants and contributions	30,134,174	18,148,937	11,985,237	66.0%
Increase in net position	38,246,267	26,373,204	11,873,063	45.0%
Beginning Net Position, prior to restatement	195,653,559	169,710,685	25,942,874	15.3%
Restatement	-	(430,330)	-	
Beginning Net Position, after restatement	195,653,559	169,280,355	26,373,204	
Ending Net Position	$ 233,899,826	$ 195,653,559	$ 38,246,267	19.5%

The following charts show the major sources of operating revenues and expenses for the year ended

September 30, 2025:



Capital Asset Activity

The Authority's net capital assets as of September 30, 2025 and 2024 amounted to $197,136,877 and $151,611,932 respectively. This increase of $45,524,945 primarily comes from a $49,218,650 increase in construction in progress offset by accumulated depreciation and amortization. The Authority has a number of capital improvement projects currently in the works. Additional information on the Authority's capital asset activity can be found in Note 4 of the Financial Statements.

The Authority primarily acquires its capital assets with proceeds from federal and state grants along with Authority matching funds and more recently with the assistance of PFC's. Below is the comparative chart of capital assets as of September 30, 2025 and 2024:

	2025	2024	Increase (Decrease)	Percent Change
Land	$ 6,649,911	$ 6,649,911	$ -	-
Construction in Progress	135,941,067	89,448,818	46,492,249	52.0%
Capital Assets Being Depreciated:	126,532,523	125,218,702	1,313,821	1.0%
Accumulated Depreciation	(74,559,536)	(69,705,499)	(4,854,037)	7.0%
	$ 194,563,965	$ 151,611,932	$ 42,952,033	28.3%

Long-Term Liabilities

As of September 30, 2025, the Authority's long-term liabilities (not including pension and OPEB liabilities) totaled $1,844,478 compared to $280,698 the previous fiscal year. The long-term liability for the subscription-based IT arrangements and the SIB loan at September 30 are:

	2025	2024	Increase (Decrease)	Percent Change
Subscription based IT arrangements - liability	$ 844,478	$ 280,698	$ 563,780	200.8%
SIB Loan	1,000,000	-	1,000,000	-
	$ 1,844,478	$ 280,698	$ 1,563,780	557.1%

Currently known, facts, decision, or conditions

Punta Gorda Airport (PGD) concluded FY2025 with record-setting performance across key operational metrics. The Bailey Terminal welcomed nearly 2.3 million passengers during the year, representing an all-time high in terminal utilization. The Airport also surpassed 143,000 annual operations, marking another record milestone for the facility.

Capital investment activity remained robust throughout the fiscal year. The Airport opened a new 18,000-square-foot Rental Car Center, designed to serve approximately 300,000 customers annually, and completed a new $22 million In-Line Baggage Handling System that provides sufficient screening capacity to accommodate projected passenger growth for the foreseeable future. Construction continues on the Bailey Terminal Expansion, which upon completion will nearly quadruple the post-security passenger seating area and introduce expanded restaurant and retail concession options.

Beyond passenger-facing improvements, PGD continued to advance its role as a regional economic driver. According to the Florida Department of Transportation's 2022 Statewide Aviation Economic Impact Study, PGD generates approximately $1.7 billion in total economic output and supports 11,319 jobs in the region. Given that commercial passenger volumes have grown approximately 21% since the time of that study, Management believes the Airport's true current economic contribution to the region is likely meaningfully higher than the figures reported therein.

General aviation activity further reinforces PGD's growing significance as an aviation hub. General aviation operations increased 15% in FY2025 compared to the prior fiscal year, reflecting both a strong and active general aviation community based at the Airport and continued robust demand for flight training. In support of this growth, PGD partnered with Charlotte Technical College to open a new Aviation Training Facility in early 2026, which will expand the region's capacity to train and certify aircraft maintenance technicians to meet increasing industry demand.

Road and access infrastructure improvements are also progressing to support new aeronautical and non-aeronautical development on Airport property, and airfield safety enhancements benefiting the broader aviation community are underway.

Additional capital projects completed in FY2025 include the new Maintenance & Operations Facility, which consolidates credentialing, training, airside operations, and maintenance functions under one roof, along with replacement hangar construction, north-side infrastructure development, and fuel farm access and security upgrades.

Looking ahead, Management plans to initiate an update to PGD's 2018 Airport Master Plan, providing a structured opportunity for stakeholders to collectively shape the Airport's long-term vision. Management remains highly optimistic regarding the continued progression of the Terminal Expansion project and the Airport's sustained growth trajectory across both commercial and general aviation activity.

FUTURE OUTLOOK

PGD enters FY2026 with strong operational momentum, a robust capital program, and a long-term growth trajectory supported by both aviation demand and regional economic development activity.

Regional Economic Context

Charlotte County visitor spending reached nearly $1.6 billion in FY2025, underscoring the region's continued appeal as a tourism and business destination. The Enterprise Charlotte Airport Park (ECAP), a 4,300-acre industrial and commercial development corridor surrounding PGD, is projected to have nearly 4 million square feet of industrial space available by 2026, reflecting sustained demand for airport-adjacent development and reinforcing PGD's role as a catalyst for regional economic growth.

FY2025 Accomplishments Carrying Forward

The Airport concluded FY2025 with record-setting results, surpassing 143,000 annual operations and welcoming nearly 2.3 million total passengers. Key capital projects completed during the year include the new Maintenance & Operations Facility — consolidating credentialing, training, airside operations, and maintenance functions — as well as replacement hangar construction, north-side infrastructure development, and fuel farm access and security improvements. The In-Line Baggage Screening System, capable of processing up to 2,100 bags per hour, neared completion at the south end of the Bailey Terminal, providing screening capacity sufficient to support the Airport's continued passenger growth for the foreseeable future.

In FY2025, PGD was awarded approximately $21 million in federal grants and approximately $3.1 million in state grants, reflecting continued investment confidence from the FAA and FDOT in the Airport's capital program.

Projects Under Construction

The Bailey Terminal Expansion remains the Airport's most significant near-term capital undertaking. Upon completion, the project will deliver at least 50,000 square feet of new terminal space and renovate more than 20,000 square feet of the existing facility. Passengers will benefit from expanded curbside drop-off and pickup capacity, a new departures concourse, additional food and beverage options, improved restroom facilities, and enhanced public circulation throughout the terminal.

In partnership with Charlotte Technical College, the Airport is advancing construction of the new CTC Aviation Tech Facility. The expanded facility is designed to address growing industry demand for qualified aircraft maintenance technicians, support CTC's increasing student enrollment, and broaden economic development opportunities in the region by producing skilled aviation workforce candidates in one of Florida's fastest-growing aviation markets.

FY2026 Capital Program

Carryover and new capital projects slated for FY2026 include Taxiway A/C Reconstruction, Taxiway C/D Intersection Improvements, Perimeter Road Phase 2A, and procurement of a new Aircraft Rescue and Firefighting (ARFF) vehicle. The following additional projects are currently in design and anticipated to advance during the fiscal year:

- PGD Air Center Apron Expansion
- PGD Air Center (FBO) Hangar for Transient Aircraft
- Golf Course Boulevard and Challenger Road Improvements
- Maintenance Building 113
- Building 97 Replacement
- Master Drainage Plan Update

Master Plan Update

Management plans to initiate a comprehensive update to PGD's 2018 Airport Master Plan during the coming year. This process will engage a broad range of stakeholders and provide a structured framework for evaluating the Airport's long-term infrastructure, capacity, and development needs across both commercial and general aviation operations.

Financial Self-Sufficiency

PGD operates as a fully self-supporting authority, funding operations and capital activities through revenues generated from terminal concessions, fuel sales, hangar rentals, building leases, and land leases — without reliance on ad valorem (property) tax revenues. The Airport is home to approximately 414 based aircraft and an active general aviation community. Airport property supports a diverse mix of aviation and non-aviation businesses that collectively provide employment to thousands of individuals in the region.

Management is confident that the combination of record operational performance, a well-funded capital program, strong regional economic tailwinds, and continued growth in both commercial and general aviation positions PGD for another year of meaningful progress in FY2026.

Regional Economic Context

Charlotte County visitor spending reached nearly $1.6 billion in FY2025, underscoring the region's continued appeal as a tourism and business destination. The Enterprise Charlotte Airport Park (ECAP), a 4,300-acre industrial and commercial development corridor surrounding PGD, is projected to have nearly 4 million square feet of industrial space available by 2026, reflecting sustained demand for airport-adjacent development and reinforcing PGD's role as a catalyst for regional economic growth.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information should be addressed to James W. Parish, CEO, Charlotte County Airport Authority, 28000 A-1 Airport Road, Punta Gorda, Florida 33982.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

ASSETS	
Current Assets:	
Cash, cash equivalents, and investments	$ 29,974,999
Accounts receivable, net	211,691
Grant receivables	14,282,979
Other receivables	404,545
Inventories	202,655
Prepaid expenses and other current assets	555,496
Leases receivable, current portion	1,153,166
Total Current Assets	46,785,531
Restricted Assets:	
Cash and cash equivalents - tenant deposits	507,316
Cash and cash equivalents - PFC	7,714,263
Accounts receivables - PFC	395,667
Total Restricted Assets	8,617,246
Noncurrent Assets:	
Leases receivable, net of current portion	1,591,981
Total Noncurrent Assets	1,591,981
Capital Assets:	
Capital assets not being depreciated:	
Land	6,649,911
Construction in progress	135,941,067
Capital assets being depreciated:	
Buildings	55,799,119
Capital improvements	60,348,458
Furniture, fixtures and equipment	9,238,183
Right-to-use assets - software	1,146,763
Less accumulated depreciation	(74,559,536)
Capital Assets	194,563,965
Total Assets	251,558,723

See accompanying notes to financial statements.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2025

DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	$ 1,239,622
Deferred outflows of resources - OPEB	127,113
Total Deferred Outflows of Resources	1,366,735
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	$ 8,202,225
Rental and fuel advances	625,196
Unearned revenue	26,326
Tenant deposits	507,316
Compensated absences	120,560
Subscription liability, current portion	248,639
State Infrastructure Bank (SIB) loan, current portion	1,000,000
Total Current Liabilities	10,730,262
Long-Term Liabilities:	
Compensated absences, net of current portion	213,046
Subscription liability, net of current portion	595,839
Total OPEB liability	191,662
Net pension liability	3,812,637
Total Long-Term Liabilities	4,813,184
Total Liabilities	15,543,446
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources - pension	843,936
Deferred inflow of resources - OPEB	22,777
Deferred inflow of resources - lease	2,615,473
Total Deferred Inflows of Resources	3,482,186
Net Position:	
Net investment in capital assets	192,719,487
Restricted for:	
PFC assets	8,109,930
Unrestricted	33,070,409
NET POSITION	$ 233,899,826

See accompanying notes to financial statements.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

SEPTEMBER 30, 2025

Operating Revenues:	
Fuel and oil sales	$ 5,467,019
Industrial and commercial park rentals	2,301,331
Hangar rentals and tie downs	1,382,608
Airline-Related Revenues:	
Car rentals	8,293,826
Parking	5,677,573
Other, including LEO and concessions	2,014,527
Other operating revenues	204,272
Total Operating Revenues	25,341,156
Operating Expenses:	
Salaries and wages	6,235,130
Payroll taxes and retirement	1,500,058
Personnel expenses	1,366,669
Cost of fuel and oil sales	2,694,685
Advertising	73,629
Marketing and promotional	257,188
Bank charges and credit card fees	99,874
Dues and subscriptions	59,406
Insurance	1,208,918
Legal and professional	406,859
Licenses and permits	4,423
Mowing	8,823
Postage	5,133
Repairs and maintenance and equipment fuel	1,010,331
Computer maintenance and expense	569,240
Supplies (including vending purchases)	537,862
Telephone and communications	55,877
Travel and auto allowance	117,286
Utilities	799,950
Airline expenses	2,178,148
Security	35,068
Bad debt expense	2,820
Other	140,254
Total Operating Expenses Before Depreciation	19,367,631
Net Operating Income Before Depreciation	5,973,525
Depreciation	5,348,882
Total Operating Expenses	24,716,513
Net Operating Income	624,643

See accompanying notes to financial statements.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)

SEPTEMBER 30, 2025

Net Operating Income	$ 624,643
Nonoperating Revenues (Expenses):	
PFCs	4,984,631
CFCs	1,991,874
Interest on investments	1,335,129
Interest on lease receivables	129,674
Interest income - PFCs	285,594
SBITA interest expense	(14,743)
Miscellaneous revenue	1,411,549
Hurricane expenses	(2,559,178)
Gain (loss) on disposition of capital assets	(77,080)
Total Nonoperating Revenues (Expenses)	7,487,450
Income Before Capital Contributions	8,112,093
Capital Contributions:	
Capital grants and contributions	30,134,174
Increase in net position	38,246,267
Net position, beginning of year, as previously reported	196,083,889
Restatement (See Note 15)	(430,330)
Net position, beginning of year, as restated	195,653,559
Net position, end of year	$ 233,899,826

See accompanying notes to financial statements.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS

SEPTEMBER 30, 2025

Cash flows from operating activities:	
Cash received from customers	$ 26,530,529
Cash payments for goods and services	(12,195,994)
Cash payments to employees	(6,650,656)
Net cash flows from operating activities	7,683,879
Cash flows from noncapital financing activities:	
Miscellaneous revenue	1,411,549
Hurricane expenses	(2,559,178)
Net cash flows from noncapital activities	(1,147,629)
Cash flows from capital and related financing activities:	
Contributions from government agencies	22,241,158
Acquisition and construction of capital assets	(47,307,119)
Proceeds from SIB loan	1,000,000
Cash received from PFCs	5,542,444
Cash received from CFCs	1,991,874
Interest earned on lease receivables	129,674
Proceeds from disposition of capital assets	2,786
Net cash flows from capital and financing activities	(16,399,183)
Cash flows from investing activities:	
Interest earned on investments	1,335,129
Net cash flows from investing activities	1,335,129
Net change in cash and cash equivalents	(8,527,804)
Cash and cash equivalents, beginning of year	46,724,382
Cash and cash equivalents, end of year	$ 38,196,578

See accompanying notes to financial statements.

CHARLOTTE COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS (CONTINUED)

SEPTEMBER 30, 2025

Reconciliation of net operating income to net cash flows from operating activities:	$ 624,643
Adjustments to reconcile operating revenue to net cash flows from operating activities:	
Depreciation	5,348,882
Bad debt expense	2,820
Changes in operating assets and liabilities:	
Accounts receivable	120,065
Other receivables	424,904
Inventories	4,953
Prepaid expenses and other current assets	136,179
Lease receivable	493,380
Accounts payable and accrued expenses	1,279,202
Rental and fuel advances	148,328
Unearned revenue	(162,735)
Tenant deposits	165,431
Estimated liability for compensated absences - noncash	(54,724)
Net changes in pension and OPEB expense - noncash	(847,449)
Total adjustments	7,059,236
Net cash flows from operating activities	$ 7,683,879

There were construction payables within accounts payable and accrued expenses of $920,173

See accompanying notes to financial statements.

Note 1—Organization and summary of significant accounting policies

Organization and Nature of Activities – Charlotte County Airport Authority (the "Authority") was authorized under Laws of Florida, Chapter 65-1357 and Florida Statute, Chapter 332, on July 1, 1965. This enabling act has been amended by subsequent acts of the State of Florida legislature. Two significant amendments directly affected the operations of the Authority. Laws of Florida, Chapter 91-399 removed the ability of the Authority to levy ad valorem taxes. The other, Laws of Florida, Chapter 91-361 had the potential of abolishing the Authority and transferring its assets and liabilities to Charlotte County. However, the Charlotte County Board of Commissioners voted on November 12, 1991, to allow the Authority to remain as an independent elected Authority. Laws of Florida, Chapter 98-508 codified, reenacted, amended and repealed its prior enabling acts including a change to its official name to become the Charlotte County Airport Authority. The Authority was originally known as the Charlotte County Development Authority. Laws of Florida, Chapter 98-508 (codification) was amended by Laws of Florida, Chapter 2004-405 to eliminate certain obsolete requirements and modernize certain other provisions. During July 2010, the Authority approved a name change of the airport facility (not the Authority itself) to Punta Gorda Airport. Effective on June 21, 2011, the Authority amended Chapter 98-508, Laws of Florida, via Chapter 2011-263, Laws of Florida, by expanding the purpose of the Authority to include any airports within the boundaries of Charlotte County and all facilities, real estate and commerce parks within the Authority's boundaries. It also revised certain technical definitions and requirements. Chapter 2013-254, Laws of Florida, clarified the manner in which Authority Board (the “Board”) members are elected. The Authority is governed by an elected five-member Board of Commissioners.

Reporting Entity – The Charlotte County Airport Authority is fiscally independent of all other units of government. It is responsible for financing its own activities and the payment of its own debt. The Board members are elected by the voters of Charlotte County to serve staggered four (4) year terms. The Board has the responsibility to employ management that is responsible for the day-to-day operations of the Authority. The Board has absolute authority over all funds included in the entity. The Charlotte County Airport Authority is not a component unit of any other governmental unit.

Basis of Accounting and Reporting – The financial statements consist of a single enterprise fund, which is accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Authority reports revenues and expenses as operating or nonoperating. Operating revenues and expenses result from providing services in the Authority’s ongoing operations. The Authority classifies revenues from airlines, fuel and oil sales, facility rentals and leases, and concessions as operating revenues. All expenses relating to operating the Authority such as personnel and administrative expenses, supplies, repairs to property and equipment, charges for professional and other contractual services, utilities, and depreciation and amortization expense on capital assets are reported as operating expenses.

All other revenues such as revenues from grants, property and other taxes, passenger facility charges, customer facility charges, and interest income are considered nonoperating revenues. Interest expense is reported as nonoperating expense.

When both restricted and unrestricted resources are available for use, the Authority’s policy is to use restricted resources first, then unrestricted resources as they are needed.

Note 1—Organization and summary of significant accounting policies (continued)

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority follows GASB pronouncements for proprietary funds.

Adoption of New Accounting Standards – During the year ended September 30, 2025, the Authority implemented GASB Statement 101, *Compensated Absences*. GASB Statement 101 updates existing guidance by aligning the recognition and measurement of compensated absences liabilities with a unified model based on when leave is earned and becomes attributable to services already rendered. The implementation of this statement primarily impacts the timing and measurement of liabilities associated with compensated absences, including vacation and similar leave benefits. The adoption of this accounting standard did not have a material impact on the Authority's financial statements or related disclosures.

In December 2023, GASB issued Statement 102, *Certain Risk Disclosures*, which addresses the disclosure of risks related to a government's vulnerability due to certain concentrations or constraints. This statement is effective for reporting periods ending after June 15, 2024. The adoption of this accounting standard did not have a significant effect on the Authority's financial statements.

Cash, Cash Equivalents, and Investments – For the purpose of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less, when purchased, to be a cash equivalent, including both restricted and unrestricted cash, in accordance with Authority policy. Investments in Florida Class, a qualified investment pool, are stated at net asset value ("NAV").

Accounts Receivable – Receivables include fuel sales and rental/lease activities from operations by the Authority. The Authority places customers that have accounts over 90 days past due and negotiates payment and/or takes legal action for the past due amounts. The accounts receivable are recorded net of the estimated allowance for doubtful accounts.

Grants and Contracts Receivable – Grants and contracts receivable consist of receivables from expenditure reimbursements filed with State and/or Federal governments. No allowance for doubtful accounts has been provided, as management believes the balances to be fully collectible.

Inventories – Inventories consist of fuel and oil held for resale at year-end. The inventories are valued at cost, which approximates net realizable value. The method used to determine the value of the inventory is the (first-in first-out) method.

Capital Assets and Depreciation – All capital assets acquired by proprietary funds are reported in those funds at historical cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at acquisition value at the time received. Substantially, all infrastructure type capital assets consisting of certain improvements such as roads, curbs, gutters, drainage systems, and lighting systems have been capitalized.

The Authority follows a policy which calls for capitalization of all capital assets that have a cost or acquisition value of $5,000 or more and have a useful life in excess of one year.

Maintenance, repairs, and minor renovations are not capitalized. The acquisition of land and construction projects utilizing resources received from Federal and State agencies are capitalized when the related expenditure is incurred.

Note 1—Organization and summary of significant accounting policies (continued)

Depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	10-40
Capital Improvements	3-20
Furniture, Fixtures and Equipment	3-20
Donated Surplus Equipment	5-10

Compensated Absences – All full-time employees receive compensation for paid time off (“PTO”), which combines vacation and sick leave into one accrual category. PTO accrues bi-weekly based on length of service. PTO that has been earned but not paid has been accrued in the financial statements. The maximum accumulation per employee is 336 hours for full-time employees and 168 hours for part-time employees. Employees are paid their accrued PTO upon separation subject to the established caps.

The liabilities for compensated absences are recognized by (1) leave that is attributable to services already rendered, (2) the leave accumulates and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Deferred Outflows/Inflows of Resources – In addition to assets, liabilities, and net position, the statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent the consumption of net assets applicable to future periods, while deferred inflows of resources represent the acquisition of net assets applicable to future periods. For the Authority, deferred outflows of resources relate to pension and other post-employment benefits (“OPEB”) items, while deferred inflows of resources relate to pension, OPEB, and leases.

Net Position – Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position has three components: Net investment in capital assets; restricted, and unrestricted. Net investment in capital assets consist of capital asset, net of accumulated depreciation and amortization and reduced by outstanding debt related to the acquisition, construction, or improvement of those assets. Deferred outflows and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Authority’s restricted assets are expendable. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Capital Project Funds – Certain expenditures for airport capital improvements receive significant federal funding through the Airport Improvement Program of the Federal Aviation Administration (“FAA”). Funds are also received for airport development from the state of Florida and the Transportation Security Administration (“TSA”). The Authority funds the remaining balance of such expenditures. Capital funding provided under government grants is considered earned as the related approved capital improvement expenditures are disbursed.

Passenger Facility Charge (“PFC”) Revenue - The Authority received approval from the FAA to impose and use a PFC of $4.50 per enplaned passenger beginning June 1, 2023.

Note 1—Organization and summary of significant accounting policies (continued)

PFC's are collected by the airlines and are recognized as earned and included in nonoperating revenues by the Authority. The approval received in 2023 allows the Authority to impose and use $9,529,721 in PFC's for the projects listed above, bringing the grand total of all PFC approved applications to $44,786,287. As of December 31, 2025, the Airport Authority is estimating full collection of the approved amount will occur by January 2030.

Leases – The lease receivable is measured at the present value of the fixed lease payments expected to be received or made during the lease term, using the Authority's incremental borrowing rate. The deferred inflow of resources is equal to the lease receivable, adjusted for payments received at or before the lease commencement date. Subsequently, the lease receivable is reduced by the principal portion of lease payments received, and the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Authority remeasures the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA) – The Authority recognizes a subscription liability and an intangible right-to-use subscription asset at the commencement of the term. The subscription liability is measured at the present value of future payments, and the intangible right-to-use asset is equal to the liability, adjusted for payments made at the start of the subscription term. The liability is reduced by the principal portion of payments made and the asset is amortized on a straight-line basis over the lease term. Subscription liabilities are included in lease and subscription liabilities, and the intangible assets are reported with capital assets on the accompanying statement of net position.

Pensions – In the statement of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of Florida Retirement System ("FRS") and the Health Insurance Subsidy ("HIS") defined benefit plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments, (including refunds of employees contributions) are recognized when due and payable in accordance with the benefit terms. The Authority's retirement plans and related amounts are described in a subsequent note.

Other Post Employment Benefits – The Authority provides post retirement health care benefits to eligible employees. Upon retirement from the Authority and becoming a recipient of monies from the FRS Fund, eligible retired employees are qualified for continued health insurance benefits. Eligible retired employees have their medical insurance premiums paid by the Authority but are required to reimburse the Authority a portion of the premiums paid by the Authority on their behalf.

Note 2—Cash, cash equivalents, and investments

Cash, cash equivalents, and investment presented on the statement of net position were comprised of the following at September 30, 2025:

Cash, cash equivalents, and investments		
Current	$	29,974,999
Current, restricted		507,316
Noncurrent, restricted		7,714,263
	$	38,196,578

Deposits – The Authority's deposit policy allows deposits to be held in demand deposits, savings accounts, certificates of deposit and money market accounts. At September 30, 2025, all deposits were held in qualified public depositories pursuant to Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*.

Deposits were as follows at September 30, 2025:

Cash deposits	$	27,820,897
Investment portfolio		10,375,681
	$	38,196,578

All investments are reported at NAV.

The Florida Cooperative Liquid Assets Securities System (FLCLASS) investment is a money market product created in 2015 offering a fiscally conservative diversification option for Florida Local governments. The fund is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The fund features same day transactions. The WAM of the FLCLASS at September 30, 2025 was 42 days. Next interest rate reset dates for floating-rate securities are used in the calculation of the WAM. The weighted average maturity to final maturity was 85 days.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy requires that investments be made in accordance with credit quality standards established in the policy. As of September 30, 2025, the Authority's investments in FLCLASS were rated AAAm by Standard & Poor's, which is the highest rating assigned by the rating agency.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of a counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that investments be made in compliance with the Florida Security for Public Deposits Act (Chapter 280, Florida Statutes).

Note 3—Grants and PFC receivable

Grant and PFC receivables consist of the following at September 30, 2025:

Federal Awards	
U.S. Department of Transportation:	$ 2,828,107
Terminal Expansion (AIP 49)	670,414
Taxiway C-D Intersection (AIP 50)	1,543,635
Taxiway C (AIP 51)	515,544
Taxiway A (AIP 53)	231,913
S. Perimeter Road Project (AIP 54)	
Transportation Security Administration:	4,398,573
OTA Online Checked Baggage System	
Department of Commerce:	3,634,466
CTC Facility	
State Awards	
Department of Transportation (FDOT):	
Roadway Network Improvements (G2540)	47,391
Maintenance and Operations Building (G2H86)	399,540
Taxiway A-C (G2L01)	177,384
Baggage Handling System (G2M59)	10,230
Terminal Expansion (G2N49)	93,337
North Side Infrastructure (G3249)	128,112
	$ 14,678,646

Note 4—Capital asset activity

The following is a summary of changes in capital asset activity for the year ended September 30, 2025:

	Balance October 1, 2024	Additions	Deletions	Adjustments/ Reclasses	Balance September 30, 2025
Capital Assets Not Being Depreciated:					
Land	$ 6,649,911	$ -	$ -	$ -	$ 6,649,911
Construction in Progress	89,448,818	46,492,249	-	-	135,941,067
Total Capital Assets Not Being Depreciated	96,098,729	46,492,249	-	-	142,590,978
Capital Assets Being Depreciated:					
Buildings	55,623,394	175,725	-	-	55,799,119
Capital Improvements	60,075,277	273,181	-	-	60,348,458
Furniture, Fixtures, and Equipment	9,239,333	573,561	574,711	-	9,238,183
Right-to-Use Assets - Software	280,698	866,065	-	-	1,146,763
Total Capital Assets Being Depreciated	125,218,702	1,888,532	574,711	-	126,532,523
Less Accumulated Depreciation:					
Buildings	27,925,866	1,673,755	-	-	29,599,621
Capital Improvements	36,050,952	2,249,777	-	-	38,300,729
Furniture, Fixtures, and Equipment	5,728,681	1,237,958	494,845	-	6,471,794
Right-to-Use Assets - Software	-	187,392	-	-	187,392
Total Accumulated Depreciation	69,705,499	5,348,882	494,845	-	74,559,536
Capital Assets, Net	$ 151,611,932	$ 43,031,899	$ 79,866	$ -	$ 194,563,965

Note 5—Lease receivable

The Authority has entered into agreements to lease certain building and land on the airport premises. The lease agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception. The leases receivable are measured at a discount rate of 2.75%, which was the Authority's incremental borrowing rate.

The future minimum lease rental income as of September 30, 2025, is as follows:

Years Ending September 30,	Lease Income	Interest	Total
2026	$ 1,153,166	$ 60,988	$ 1,214,154
2027	704,303	36,190	740,493
2028	572,822	16,509	589,331
2029	314,856	5,374	320,230
	$ 2,745,147	$ 119,061	$ 2,864,208

Lease income recognized during the year ended September 30, 2025 was $2,301,331, plus interest income of $129,674.

Note 6—Long-term liabilities

The following is a summary of the Authority's long-term liabilities for the years ended September 30:

	SIB Loan	Compensated Absences	Total OPEB Liability	Net Pension Liability	Subscription Liability	Total
Balance - Sept. 30, 2024	$ -	$ 388,330	$ 59,191	$ 4,225,998	$ 280,698	$ 4,954,217
Net change	-	(54,724)	132,471	(413,361)	-	(335,614)
Borrowings/Increase (net)	1,000,000	-	-	-	717,269	1,717,269
Principal retired (net)	-	-	-	-	(153,489)	(153,489)
Balance - Sept. 30, 2025	1,000,000	333,606	191,662	3,812,637	844,478	6,182,383
Principal due within one (1) year	(1,000,000)	(120,560)	-	-	(248,639)	(1,369,199)
Long-term portion	$ -	$ 213,046	$ 191,662	$ 3,812,637	$ 595,839	$ 4,813,184

The Authority was approved for a State Infrastructure Bank Loan ("SIB") during the year ended September 30, 2024, in the amount of $15,000,000 (CALN 20.205) to finance improvements to expand and renovate the existing terminal to provide additional passenger capacity, expand the existing Baggage Handling System to allow for more efficient screening and baggage throughput, relocate the Rental Car facility to be adjacent to the terminal, and provide roadway improvements within the airport by adding a 4th lane in front of the terminal building and re-routing the roadway exit for improved traffic flow. The first draw of $1,000,000 occurred during the year ended September 30, 2025. The loan is collateralized by the revenues of the Authority. Interest accrues at 4% per annum, compounded annually, using an actual-days-elapsed/365 day county convention, as indicated by the schedule of Loan Payments attached hereto as Exhibit B. Loan payments begin during the year ended September 30, 2026 if the remaining balance is drawn down during that year.

The Authority entered into multiple subscription-based information technology arrangements for various software. Subscription liabilities with an initial, individual present value of $5,000 or more are recognized. The software have 1-year terms and have fixed payments. The Authority aggregated the subscriptions for reporting purposes. The Authority used a discount rate of 2.75% (prime rate) to record the present value of the future minimum payments as of the date of implementation. The Authority is capitalizing the arrangements over a 3-year term consistent with its fixed asset capitalization policy.

The future minimum subscription payments as of September 30, 2025 is as follows:

Years Ending September 30,	Amount
2026	$ 248,639
2027	221,505
2028	188,833
2029	173,293
2030-2034	7,194
2035-2038	5,014
	$ 844,478

The amortization of the subscription liability for the year ended September 30, 2025 was $187,392.

Note 7—Retirement

General Information

All of the Authority's regular employees are eligible participate in the FRS. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost-sharing, multiple-employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the SBA. As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the state of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, FL 32315-9000, or from the Website: www.dms.myflorida.com/workforce_operations/retirement/publications.

The aggregate amount of net pension liabilities, related deferred outflows of resources and deferred inflows of resources, and pension expense at September 30, 2025 for the Authority's defined benefit pension plans is summarized below:

Description	Total	FRS	HIS
Net pension liabilities	$ (3,812,637)	$ (2,181,303)	$ (1,631,334)
Deferred outflow of resources related to defined benefit plans	$ 1,239,622	$ 832,352	$ 407,270
Deferred inflow of resources related to defined benefit plans	$ (843,936)	$ (439,590)	$ (404,346)
Pension expense (benefit)	$ (133,120)	$ (150,947)	$ 17,827

Florida Retirement System

Plan Description – The FRS Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service, or 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service.

Note 7—Retirement (continued)

Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service, or 30 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers class members who retire at or after age 62 with at least six years of credited service or 30 years of service, regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Pension Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65, or 33 years of service regardless of age, for Regular, Senior Management Service, and Elected Officers class members, and to age 60, or 30 years of service regardless of age, for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% 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% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Pension Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3.0% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates are as follows:

Job Class	7/1/2025 - 9/30/2025	10/1/2024 6/30/2025	10/1/2023 - 6/30/2024
Regular	14.03%	13.63%	13.57%
Special Risk Administrative Support	39.48%	39.82%	39.82%
Special Risk	35.19%	32.79%	32.67%
Senior Management Services	33.24%	34.52%	34.52%
Elected Officers	54.57%	58.68%	58.68%
DROP participants	22.02%	21.13%	21.16%

Note 7—Retirement (continued)

The Authority’s contributions to the Pension Plan totaled $422,063 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions –The Authority reported a liability of $2,181,303 for its proportionate share of the net pension liability as of September 30, 2025.

The net pension liability for the fiscal year was measured as of June 30, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1. The Authority’s proportionate share of the net pension liability was based on the Authority’s contributions relative to the same fiscal year contributions of all participating members of the Board. At September 30, 2025, the Authority’s proportionate share was .007028496% which was an increase of .000527581% from its proportionate share of .006500915% measured as of September 30, 2024.

For the fiscal year ended September 30, 2025, the Authority recognized pension benefit of $150,947.

In addition, at September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 232,986	$ -
Change of assumptions	253,306	-
Net difference between projected and actual earnings on Pension Plan investments	-	364,191
Changes in proportion and differences between the Authority's pension plan contribution and proportionate share of contributions	225,690	75,399
The Authority's Pension Plan contribution subsequent to the measurement date	120,370	-
	$ 832,352	$ 439,590

The deferred outflows of resources related to the Pension Plan, totaling $120,370, resulting from the Authority’s contributions to the Pension Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026.

Note 7—Retirement (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Years Ending September 30,	Amount
2026	$ 412,216
2027	(11,799)
2028	(73,568)
2029	(54,457)
	$ 272,392

Actuarial Assumptions – The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%

Mortality rates were based on the PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2021; details in valuation report.

The actuarial assumptions used in the June 30, 2025 valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

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 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 (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100%			
Assumed inflation - Mean			2.4%	1.5%

(1) As outlined in the Plan's investment policy.

Note 7—Retirement (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.70%. 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Authority's proportionate share of the net pension liability at September 30, 2025	$ 4,280,774	$ 2,181,303	$ 421,137

	1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Authority's proportionate share of the net pension liability at September 30, 2024	$ 4,423,550	$ 2,514,860	$ 915,927

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan – At September 30, 2025, the Authority reported no payables for the outstanding amount of contributions to the Pension Plan.

HIS Pension Plan

Plan Description – The 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 September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by $7.50. The payments are at least $45 but not more than $225 per month, pursuant to Section 112.363 Florida Statutes. To be eligible to receive these benefits, 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 September 30, 2025, the HIS contribution for the period October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025 was 2.00%. The Authority contributed 100% of its statutorily required contributions for the current and preceding three 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 legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled. The Authority's contributions to the HIS Plan totaled $115,141 for the fiscal year ended September 30, 2025.

Note 7—Retirement (continued)

Related to Pensions – At September 30, 2025, the Authority reported a net pension liability of $1,631,334, for its proportionate share of the HIS Plan's net pension liability. The net pension liability for the fiscal year was measured as of June 30, and the total net pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1. The Authority's proportionate share of the net pension liability was based on the Authority's contributions relative to the same fiscal year contributions of all participating members of the Board.

At September 30, 2025, the Authority's proportionate share was 0.012727454% which was an increase of 0.001320607% from its proportionate share of 0.011406846% measured as of September 30, 2024.

For the fiscal year ended September 30, 2025, the Authority recognized pension expense of $17,827.

In addition, at September 30, 2025 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 9,738	$ 2,588
Change of assumptions	14,439	394,578
Net difference between projected and actual earnings on Pension Plan investments	-	1,358
Changes in proportion and differences between the Authority's pension plan contribution and proportionate share of contributions	351,878	5,822
The Authority's Pension Plan contribution subsequent to the measurement date	31,215	-
	$ 407,270	$ 404,346

The deferred outflows of resources related to the HIS Plan, totaling $31,215 resulting from the Authority's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Years Ending September 30,	Amount
2026	$ 10,130
2027	(5,558)
2028	(6,280)
2029	(15,698)
2030	(10,885)
	$ (28,291)

Note 7—Retirement (continued)

Actuarial Assumptions – The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	5.20%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2021; details in valuation report.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate – The discount rate used to measure the total pension liability was 5.20%. 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 5.20%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Authority's proportionate share of the net HIS liability at September 30, 2025	$ 1,839,592	$ 1,631,334	$ 1,456,672

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Authority's proportionate share of the net HIS liability at September 30, 2024	$ 1,839,592	$ 1,631,334	$ 1,456,672

HIS Plan Fiduciary Net Position – Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Payables to the HIS Plan – At September 30, 2025, the Authority reported no payables for the outstanding amount of contributions to the HIS Plan.

Note 7—Retirement (continued)

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS 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.

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 Pension 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 the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Job Class (1)	Employee	Employer
Regular	3.00%	8.30%
Senior Management Services	3.00%	9.95%
Special Risk	3.00%	16.00%
Reemployed Retiree	(1)	N/A
Elected Officers	3.00%	13.34%

Notes:
(1) Contribution rates are dependent upon retirement class in which reemployed.

For all membership classes, employees are immediately vested in their own contributions and are vested after one 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. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 2.0% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2025, the information for the amount of forfeitures was unavailable from the SBA; however, management believes these amounts, if any, would be immaterial to the Authority.

Note 7—Retirement (continued)

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 Authority's Investment Plan pension expense totaled $358,235 for the fiscal year ended September 30, 2025.

Note 8—Pension plan - 457 deferred compensation

Effective October 1, 2011, the Authority approved an employee benefit plan ("ICMA") whereby, the Authority contributes to the Section 457 Plan on behalf of all Authority employees. The Authority's required Section 457 contribution for each employee is equal to the difference between the Authority's FRS contribution rate at June 30, 2011, less the combination of the Authority's FRS contribution rate at July 1, 2011, plus the employee's required FRS 3% contribution rate for each respective employee. For the fiscal years ended September 30, 2025, the Authority contributed $187,619 to the plan.

Note 9—Insurance/risk management

The Authority directly obtained third party commercial insurance coverage for property, automobile, general liability, airport liability, directors, and officers' and fuel storage tank insurance and workers' compensation. The Authority paid $1,208,918 for these coverages (not including claims expense) for the year ended September 30, 2025.

The Authority also retained third party coverage as a group, for health, accidental death and disability, EAP, vision, and life through Charlotte County. For the years ended September 30, 2025, the Authority paid $1,258,326 for these coverages.

The Authority retains the risk of loss up to a deductible amount with the risk of loss in excess of this amount transferred to the insurance carrier with limits of liability per occurrence and in aggregate.

Note 10—Contingencies

Litigation – The Authority, from time to time, is involved as a defendant or a plaintiff in certain litigation and claims arising in the ordinary course of operations. In the opinion of legal counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Authority. At September 30, 2024 and 2023, no liability had been accrued for such losses, if any. The Authority intends to vigorously pursue all potential claims.

State and Federal Grants – Grant monies received by the Authority are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Authority does not believe that such disallowances, if any, would have a material effect on the financial position of the Authority.

The operations of the Authority are dependent upon the condition of the Authority's facilities. These facilities are currently being rehabilitated and improved substantially through the receipt of federal and state funding. Loss or reduction of such funding may have a material effect on the operations of the Authority.

Note 11—Construction-related commitments

The following is a summary of construction projects contracted by the Authority and not yet completed at September 30, 2025:

	Contract Price	Amounts Paid
Terminal Expansion	$ 43,775,567	$ 13,785,939
Taxiway C and TWY C/D Intersection	15,866,108	8,703,589
S. Permitter Road	2,263,111	252,893
In-Line Baggage Handling System	22,947,841	19,281,350
NorthSide Infrastructure & Apron Expansion	7,393,075	1,410,494
FBO Hangar	2,279,416	236,654
Charlotte County Technical College Hangar	6,039,627	4,016,402
	$ 100,564,745	$47,687,322

Note 12—Post employment benefits other than pension benefits (OPEB)

In accordance with Section 112.0801, Florida Statutes, the Authority provides medical health plans to employees of the Authority and their eligible dependents. The Authority is required to provide retirees the opportunity to participate in the group employee medical health plan. As such, the Authority elected to participate in the Charlotte County (the "County") group health, life, vision, and dental plan. The Authority, therefore, must offer such coverage to its retirees. The County plan is a defined benefit cost sharing multi-employer plan which is administered by the County. The Authority is a participant in the Plan. Although not required by Florida Law, the Authority has opted to pay a portion of the cost of such participation for retired Authority employees through a single employer defined benefit plan (the "Plan").

Plan Description –Employees of the Authority who retire after 30 years of service, or after attainment of age 55, with six years of credited service with the Authority and who were participants in the existing medical plan at the time of retirement, are entitled to participate in the Plan. Currently, for retired employees who have completed 20 years of service with the Authority and who are collecting FRS monthly retirement benefit plans, the medical health benefit under the Plan provides for the Authority to contribute a per month supplement. The monthly supplement for eligible retirees retired before October 1, 2008, is $5 per year of service up to $150 per month. The monthly supplement paid by the Authority for eligible retirees retiring on or after October 1, 2008, is $10 per year of service up to $300 per month. The monthly supplement is applied to medical health premium costs paid by the Authority.

All supplements cease when the retiree becomes eligible for Medicare. Dependent coverage is available for purchase by the retiree at full premium cost. All retirees and dependents may elect coverage in the dental and/or vision plans offered by the Plan. However, they must contribute 100% of the active premium rates.

Note 12—Post employment benefits other than pension benefits (OPEB) (continued)

Membership – As of October 1, 2024 (measurement date), the Authority's membership consisted of:

	Amount
Active Employees, including the Board	65
Inactive	1
	66

Funding Policy – Funding for the Plan is on a pay-as-you-go basis from the Authority's assets when due. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose.

The County had an actuarial valuation performed as of October 1, 2024, using an October 1, 2024 measurement date, to determine the other postemployment benefits ("OPEB") annual required contribution and Plan obligations for the fiscal year ended September 30, 2025.

The 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.

Actuarial Methods and Assumptions – At September 30, 2025, the Authority's had a net OPEB liability of $191,662. The following actuarial assumptions and other inputs were applied to all periods included in the measurement:

Discount Rate:	3.81%
Healthcare cost trend rates:	Based on the Getzen Model starting at 7.0% gradually decreasing to an ultimate rate of 3.9% in 2050
Projected salary increases:	3.25% - 9.30%
Inflation rate:	2.4% - not explicatory used in valuation
Mortality rates:	Healthy members based on various PUB-2010 base tables, generational mortality using gender-specific MP-2021 mortality improvements projection scale

Changes in the Total OPEB Liability	Amount
Balance at September 30, 2024	$ 59,161
Changes for the year:	
Service cost	11,944
Interest	3,238
Difference between expected and actual experience	68,879
Changes in assumptions	50,796
Contributions from employer	(2,356)
Net changes	132,501
Balance at September 30, 2025	$ 191,662

Note 12—Post employment benefits other than pension benefits (OPEB) (continued)

The following presents the total OPEB liability of the Authority as well as what the Authority's 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.

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
OPEB Liability	$ 211,924	$ 191,662	$ 174,543

The following presents the total OPEB liability of the Authority as well as what the Authority's 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 trend rate.

	1% Decrease 6.0% - 2.9%	Current Discount Rate 7.0% - 3.9%	1% Increase 8.0% - 4.9%
OPEB Liability	$ 166,859	$ 191,662	$ 223,523

For the year ended September 30, 2025, the Authority recognized OPEB expense of $19,604. At September 30, 2025, the Authority reported 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	$ 78,100	$ 6,219
Change of assumptions	49,013	16,558
	$ 127,113	$ 22,777

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

Fiscal Years Ending September 30,	Amount
2026	$ 8,488
2027	8,539
2028	8,980
2029	9,929
2030	9,817
Thereafter	58,583
	$ 104,336

Note 13—401(a) Retirement plan

The Board of Commissioners established the 401(a) Retirement Plan (ICMA) for the general executive level employees. The Plan was effective on November 17, 2016. At September 30, 2025 the Plan had three (3) active participants.

The Authority's total contributions to the Plan for the years ended September 30, 2025 was $126,937.

Note 14—Subsequent events

Subsequent to the year ended September 30, 2025, the Authority entered into a $15,000,000 SIB loan to be used for future capital improvements.

Note 15—Restatement for the correction of an error

During the fiscal year ended September 30, 2025, the Authority identified an error in previously issued financial statements related to deferred outflows of resources. The financial statements have been restated to correct this error.

Net position, beginning of year, as previously reported	$ 196,083,889
Restatement for error	(430,330)
Net position, beginning of year, as restated	$ 195,653,559

The $430,330 was reported as a deferred outflow of resources in the September 30, 2024 financial statements, but is an unreconciled account in the financial records of the Authority.

REQUIRED SUPPLEMENTARY INFORMATION

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - FLORIDA RETIREMENT SYSTEM PENSION PLAN

SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.0070%	0.0065%	0.0068%	0.0067%	0.0056%	0.0061%	0.0065%	0.0058%	0.0053%	0.0058%
Authority's proportionate share of the net pension liability	$ 2,181,303	$ 2,514,860	$ 2,701,939	$ 2,493,623	$ 422,621	$ 2,649,591	$ 2,227,950	$ 1,751,713	$ 1,837,767	$ 1,460,113
Authority's covered-employee payroll	$ 5,489,557	$ 5,148,465	$ 5,050,148	$ 3,831,730	$ 3,374,274	$ 3,313,848	$ 3,224,665	$ 2,980,168	$ 2,665,302	$ 2,292,120
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	39.74%	48.85%	53.50%	65.08%	12.52%	79.96%	69.10%	58.78%	68.95%	63.70%
Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.70%	82.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEM PENSION PLAN

SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 422,063	$ 613,385	$ 489,391	$ 382,790	$ 279,591	$ 249,081	$ 22,869	$ 215,433	$ 173,651	$ 177,006
Contributions in relation to the contractually required contribution	422,063	613,385	489,391	382,790	279,591	249,081	22,869	215,433	173,651	177,006
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 5,489,557	$ 5,148,465	$ 5,050,148	$ 3,831,730	$ 3,374,274	$ 3,313,848	$ 3,224,665	$ 2,980,168	$ 2,665,302	$ 2,292,120
Contributions as a percentage of covered-employee payroll	7.69%	11.91%	9.69%	9.99%	8.29%	7.52%	0.71%	7.23%	6.52%	7.72%

Note: The amounts presented for each fiscal year were determined as of September 30.

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HEALTH INSURANCE SUBSIDY PENSION PLAN

SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability	0.0127%	0.0114%	0.0111%	0.0099%	0.0084%	0.0083%	0.0086%	0.0079%	0.0080%	0.0067%
Authority's proportionate share of the net pension liability	$ 1,631,334	$ 1,711,138	$ 1,767,767	$ 1,053,614	$ 1,029,850	$ 1,011,933	$ 963,930	$ 832,563	$ 856,551	$ 778,908
Authority's covered-employee payroll	$ 5,489,557	$ 5,148,465	$ 5,050,148	$ 3,831,730	$ 3,374,274	$ 3,313,848	$ 3,224,665	$ 2,980,168	$ 2,665,302	$ 2,292,170
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	29.72%	33.24%	35.00%	27.50%	30.52%	30.54%	29.89%	27.94%	32.14%	33.98%
Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note: The amounts presented for each fiscal year were determined as of September 30.

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF AUTHORITY CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN

SEPTEMBER 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 115,141	$ 108,224	$ 86,383	$ 62,315	$ 49,340	$ 51,017	$ 57,017	$ 53,858	$ 46,161	$ 50,129
Contributions in relation to the contractually required contribution	115,141	108,224	86,383	62,315	49,340	51,017	57,017	53,858	46,161	50,129
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered-employee payroll	$ 5,489,557	$ 5,148,465	$ 5,050,148	$ 3,831,730	$ 3,374,274	$ 3,313,848	$ 3,224,665	$ 2,980,168	$ 2,665,302	$ 2,292,170
Contributions as a percentage of covered-employee payroll	2.10%	2.10%	1.71%	1.63%	1.46%	1.54%	1.77%	1.81%	1.73%	2.19%

Note: The amounts presented for each fiscal year were determined as of September 30.

Changes of Assumptions – Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was for the period July 1, 2018, through June 30, 2023. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.4%. Payroll growth, including inflation, for both plans is assumed at 3.50%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments remained constant at 6.70%. The 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 discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was increased to 3.93% and was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2021.

Florida Retirement System Pension Plan – There were changes in actuarial assumptions. As of June 30, 2024, the inflation rate assumption remained at 2.4 percent, the real payroll growth assumption increased from .85 percent to 1.1 percent, and the overall payroll growth rate assumption increased from 3.25% to 3.50%. The long-term expected rate of return was constant at 6.70 percent.

Health Insurance Subsidy Pension Plan – The municipal rate used to determine total pension liability increased from 3.65% to 3.93%.

Pension Expense and Deferred Outflows/Inflows of Resources – Changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes in proportion and differences between contributions and proportionate share of contributions - amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments- amortized over five years

Employer contributions to the pension plans from employers are not included in collective pension expense. However, employee contributions are used to reduce pension expense.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2024, for FRS was 5.3 years for FY 24, 5.3 years for FY 23, 5.5 years for FY 22, 5.7 years for FY 21, and (5.9 years in FY 20) and for HIS 6.3 years for FY 24, 6.3 years for FY 23, 6.4 years for FY 22, and FY 21 (7.2 for FY 20).

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS GASB 75

SEPTEMBER 30, 2025

Changes in Employer's Net OPEB Liability and Related Ratios as of September 30:

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service Cost	$ 11,944	$ 12,613	$ 5,663	$ 5,222	$ 6,872	$ 5,813	$ 5,265	$ 5,300
Interest Cost	3,238	2,530	731	-	1,127	1,168	1,398	1,258
Changes in Benefit Terms	-	469	-	-	-	-	-	-
Differences Between Expected and Actual Experience	68,879	-	20,206	-	(2,826)	-	(16,928)	-
Changes in Assumptions	50,796	(1,089)	(8,954)	-	(16,403)	3,012	3,847	(879)
Benefit Payments	(2,356)	474	(498)	-	(580)	(224)	(6,921)	(5,651)
Net Change in total OPEB Liability	132,501	14,049	17,148	5,222	(11,810)	9,769	(13,339)	28
Total OPEB liability, beginning of year	59,161	45,112	27,964	22,742	34,552	24,783	38,122	38,094
Total OPEB liability, end of year	$ 191,662	$ 59,161	$ 45,112	$ 27,964	$ 22,742	$ 34,552	$ 24,783	$ 38,122

Note: Information for FY 2017 and earlier is not available.

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS GASB 75 (CONTINUED)

SEPTEMBER 30, 2025

Plan Fiduciary Net Position as of September 30:

	2025	2024	2023	2022	2021	2020	2019	2018
Contributions - Employer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Investment Income	-	-	-	-	-	-	-	-
Benefit Payments	-	-	-	-	-	-	-	-
Administrative Expense	-	-	-	-	-	-	-	-
Net Change in Fiduciary Net Position	-	-	-	-	-	-	-	-
Fiduciary net position, beginning of year	-	-	-	-	-	-	-	-
Fiduciary net position, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total OPEB Liability	$ 191,662	$ 59,161	$ 45,112	$ 27,964	$ 22,742	$ 34,552	$ 24,783	$ 38,122
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	$ 4,713,736	$ 3,289,672	$ 3,142,878	$ 3,831,730	$ 2,249,021	$ 1,864,910	$ 178,338	$ 1,634,957
Total OPEB Liability as a % of Payroll	4.07%	1.80%	1.44%	0.73%	1.01%	1.85%	13.90%	2.33%

NOTE: Information for FY 2017 and earlier is not available.

Note: Information for FY 2017 and earlier is not available.

Notes to the Schedule:

Benefit Changes	None	
Changes of Assumptions:	The discount rate was changed as follows:	Changes to health care trend rate:
9/30/2018	3.50%	
9/30/2019	3.83%	
9/30/2020	2.74%	
9/30/2021	2.43%	
9/30/2022	2.43%	
9/30/2023	4.40%	
9/30/2024	4.63%	5.9% to 3.8% in 2041+
9/30/2025	3.81%	7.0% to 3.9% in 2050+

Population covered by Plan: 54 active 0 inactive

Plan has no specific trust established and no assets were assigned for OPEB by the Authority.

SUPPLEMENTARY INFORMATION

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL WITH RECONCILIATION TO GAAP BASIS

SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating Revenues:				
Fuel and oil sales	$ 5,974,627	$ 5,442,665	$ 5,467,019	24,354
Industrial and commercial park rentals	2,400,350	2,263,202	2,301,331	38,129
Hangar rentals and tie downs	1,416,000	1,371,327	1,382,608	11,281
Airline-Related Revenues:				
Car rentals	7,235,508	7,786,629	8,293,826	507,197
Parking	5,122,949	5,678,720	5,677,573	(1,147)
Other, including LEO and concessions	1,871,466	2,124,797	2,014,527	(110,270)
Other operating revenues	29,486	81,162	204,272	123,110
Total Operating Revenues	24,050,386	24,748,502	25,341,156	592,654
Operating Expenditures:				
Salaries and wages	6,131,969	6,344,578	6,235,130	(109,448)
Payroll taxes and retirement	1,550,048	1,497,516	1,500,058	2,542
Personnel expenses	1,638,397	1,331,138	1,366,669	35,531
Cost of fuel and oil sales	3,340,380	2,691,626	2,694,685	3,059
Advertising	20,880	72,769	73,629	860
Marketing and promotional	445,000	256,223	257,188	965
Bank charges and credit card fees	112,000	99,874	99,874	-
Dues and subscriptions	79,975	58,327	59,406	1,079
Insurance	1,229,918	1,229,697	1,208,918	(20,779)
Legal and professional	433,000	406,860	406,859	(1)
Licenses and permits	5,000	4,340	4,423	83
Mowing	23,000	8,823	8,823	-
Postage	5,000	5,133	5,133	-
Repairs and maintenance and equipment fuel	1,234,100	1,298,055	1,010,331	(287,724)
Computer maintenance and expense	662,940	800,552	569,240	(231,312)
Supplies (including vending purchases)	492,724	529,698	537,862	8,164
Telephone and communications	68,780	55,877	55,877	-
Travel and auto allowance	155,445	117,396	117,286	(110)
Utilities	729,685	799,951	799,950	(1)
Airline expenses	2,366,587	2,169,287	2,178,148	8,861
Security	56,179	35,068	35,068	-
Bad debt expense	-	108	2,820	2,712
Other	-	-	140,254	140,254
Total Operating Expenditures Before Depreciation	20,781,007	19,812,896	19,367,631	(445,265)
Net operating income before depreciation	3,269,379	4,935,606	5,973,525	1,037,919
Less depreciation	(5,052,000)	(4,621,917)	(5,348,882)	(726,965)
Operating revenue (loss)	(1,782,621)	313,689	624,643	310,954

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND
ACTUAL WITH RECONCILIATION TO GAAP BASIS (CONTINUED)

SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual	Variance Over (Under)
Operating revenue (loss) brought forward	$ (1,782,621)	$ 313,689	$ 624,643	$ 310,954
Nonoperating Revenues (Expenses):				
PFCs	4,517,913	4,590,536	4,984,631	394,095
CFCs	1,800,618	1,991,874	1,991,874	-
Grant receipts (contributed capital)	9,568,000	31,670,319	30,134,174	(1,536,145)
Interest on investments	1,916,200	1,620,722	1,335,129	(285,593)
Interest on lease receivables	-	-	129,674	129,674
Interest income - PFCs	-	-	285,594	285,594
Construction in progress	(26,200,000)	(47,143,062)	(46,492,249)	650,813
Miscellaneous revenue (expense)	-	(1,439,392)	1,411,549	2,850,941
SBITA interest expense	-	-	(14,743)	(14,743)
Gain (loss) on disposition of capital assets	-	2,786	(77,080)	(79,866)
Reserves	(1,705,012)	(2,061,466)	-	2,061,466
Net assets carryforward	14,517,632	10,997,232	-	(10,997,232)
Hurricane expenses	-	-	(2,559,178)	(2,559,178)
Capital expenditures	(2,627,000)	(539,145)	(1,888,532)	(1,349,387)
Post retirement benefit accrual (1)	(5,730)	(4,093)	-	4,093
Total Nonoperating Revenues (Expenses)	1,782,621	(313,689)	(10,759,157)	(10,445,468)
Net Income (Loss)	$ -	$ -	$ (10,134,514)	$ (10,134,514)

Reconciliation:	
Net income (loss) (Non-GAAP Budgetary Basis)	$ (10,134,514)
Capital outlay (expenditures)	1,888,532
Construction in progress	46,492,249
Increase in net position (GAAP Basis)	38,246,267
Net position, beginning of year, restated	195,653,559
Net position, end of year	$ 233,899,826

Notes:
1) Included in personnel expenses on the Actuals

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

SEPTEMBER 30, 2025

Federal Agency/Pass Through State Agency/Program Title	ALN# CSFA #	Grantor's Contract Number	Grant AIP/ Financial Project Number	Program/ Award Amount	Receipts/ Revenue Recognized	Disbursements/ Expenditures	Pass Through to Subrecipients
FEDERAL AWARDS							
U.S. Department of Transportation - Federal Aviation Administration							
Terminal Expansion ATP #1 (July 24,2024)	20.106	AIP 49	3-12-0067-049-2024	$ 10,000,000	$ 5,001,788	$ 5,001,788	$ -
Taxiway C-D Intersection (Shift TWY C) (90/10) (Sept 10, 2024)	20.106	AIP 50	3-12-0067-050-2024	8,089,275	6,652,291	6,652,291	-
Taxiway C (90/10) (Aug 19, 2024)	20.106	AIP 51	3-12-0067-051-2024	6,364,401	1,725,875	1,725,875	-
Taxiway A (Aug 11, 2025) (90/10)	20.106	AIP 53	3-12-0067-053-2025	8,907,747	515,544	515,544	-
S. Perimeter Road Project (8/27/2025)	20.106	AIP 54	3-12-0067-054-2025	2,174,769	231,913	231,913	-
				46,470,303	14,127,411	14,127,411	-
Passed through State of Florida Department of Transportation							
SIB Loan 2024	20.205	G2V75	454149-1-94-01	15,000,000	1,000,000	1,000,000	-
U.S. Department of Homeland Security - FEMA							
Passed through State of Florida Division of Emergency							
Management Disaster Grant - DR 4673 - Hurricane Ian	97.036	Z3162		432,185	432,185	432,185	-
TOTAL FEDERAL FINANCIAL AWARDS				61,902,488	15,559,596	15,559,596	-
STATE AWARDS							
State of Florida Department of Transportation							
Maintenance and Operatins Builing	55.004	G2H86	451216-1-94-01	3,650,000	1,507,699	1,507,699	-
Taxiway A-C	55.004	G2L01	451993-1-94-01	745,000	458,129	458,129	-
Fuel Farm Security	55.004	G2L96	453088-1-94-01	324,292	16,734	16,734	-
Baggage Handling System	55.004	G2M59	453402-1-94-01	3,051,449	1,373,024	1,373,024	-
Terminal Expansion	55.004	G2N49	453809-1-94-01	1,475,000	127,905	127,905	-
North Side Infrastructure	55.004	G3249	454888-1-94-01	3,750,000	989,593	989,593	-
Department of Commerce-CTC Facility	55.004	HL156		5,750,000	4,135,794	4,135,794	-
TOTAL STATE FINANCIAL AWARDS				18,745,741	8,608,878	8,608,878	-
TOTAL FEDERAL FINANCIAL AWARDS AND STATE FINANCIAL AWARDS					$ 24,168,474	$ 24,168,474	$ -

Note 1—Basis of presentation

The Schedule of Expenditures of Federal Awards and State Financial Assistance has been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America and is in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and the Audit Requirements for Federal Awards (Uniform Guidance), the Florida Single Audit Act (FS 215.97) and the State of Florida, Rules of the Auditor General 10.550.

Expenditures reported on the Schedule of Expenditures of Federal Awards and State Financial Assistance include cash disbursements, whether capitalized or expensed, during the fiscal year as well as grant related amounts recorded as payable at year end. Revenues reported on the schedule of expenditures of Federal Awards and State Financial Assistance include cash receipts, whether recognized or deferred, as well as grant receivables recorded at year end.

Note 2—Indirect costs

The Authority did not routinely allocate costs to Federal Awards and State Financial Assistance programs. Costs charged to such programs were direct costs unless specifically incurred for the program and allowed and indicated as such.

The Authority has elected not to use the 10% de minimus indirect cost rate allowed under OMB Uniform Guidance.

Note 3—Match/participation requirements

The Authority received financial assistance under several grants and contracts requiring local match/participation in the form of cash. A maximum match/participation amount is established at the time the financial assistance is awarded. However, revenue is earned on the reimbursement basis and can only be recognized to the extent of applicable, eligible, and allowable disbursement. The match/participation requirement is therefore based on a contracted portion of allowable disbursements.

Note 4—Loan outstanding

The Authority had a state infrastructure bank loan in the amount of $1,000,000 outstanding at September 30, 2026 under the Highway Planning and Construction (State Infrastructure Bank Loan Agreement) 20.205. This loan balance outstanding is included in the federal expenditures presented in the schedule.

COMPLIANCE SECTION

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Commissioners
Charlotte County Airport Authority
Punta Gorda, Florida

We have audited, in accordance with the 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, the financial statements of the Charlotte County Airport Authority (the "Authority"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
June 23, 2026

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Compliance for Each Major Program and Each Major State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida

To the Board of Commissioners
Charlotte County Airport Authority
Punta Gorda, Florida

Report on Compliance for Each Major Federal Program and State Financial Assistance Project

Opinion on Each Major Federal Program and State Financial Assistance Project

We have audited the Charlotte County Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the state of Florida Department of Financial Services *State Projects Compliance Supplement* that could have a direct and material effect on each of Authority's major federal programs and state financial assistance projects for the year ended September 30, 2025. The Authority's major federal programs and state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state financial assistance projects for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program and State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state financial assistance project. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs and state financial assistance projects.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program and state financial assistance program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program and state financial assistance program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program and state financial assistance program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Tampa, Florida
June 23, 2026

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
FEDERAL AWARDS PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS

YEAR ENDED SEPTEMBER 30, 2025

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
• Material weakness(es) identified?	X yes	__ no
• Significant deficiency(ies) identified not considered to be material weakness(es)?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards and State Financial Assistance Section

Internal control over major federal award programs and state financial assistance projects:		
• Material weaknesses identified?	___ yes	X no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes	X none reported
Noncompliance material to federal award programs and State financial assistance projects noted?	___ yes	X no
Type of auditor's report issued on compliance for major programs:		Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550	___ yes	X no

Identification of major federal programs:

Assistance Listing Number	Cluster or Program Name
20.106	Airport Improvement Program
20.205	Highway Planning and Construction (State Infrastructure Bank Loan Agreement)

Identification of major state projects:

CSFA#	Cluster or Program Name
55.004	Aviation Grant Programs

Dollar threshold used to distinguish between Type A and Type B Programs:

Federal	$ 1,000,000
State	$ 750,000

Auditee qualified as low-risk auditee	X yes	___ no

Part II – Findings Related to the Audit of the Basic Financial Statements of the Authority

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements that required to be reported in accordance with *Government Auditing Standards*.

2025-001 – Material Weakness –Financial Reporting Review
Condition: During the audit, several journal entries were requested to properly reflect transactions related to pensions, other post-employment benefits, lease agreements (as lessor), and subscription-based technology arrangements. There was a balance of $430,330 reported as a deferred outflow of resources in the September 30, 2024 financial statements and this amount was not reflected in the underlying financial records. Management is not aware the rationale for this balance and did not have any records documenting how the amount originally recorded. As such, it was determined that the amount should be expensed and removed through a prior year restatement of net position. In addition, there were several accrued expenses related to the total purchase order value as opposed to the invoiced amount. This caused an overstatement of other assets/constructed work in progress and accrued expenses in the amount of $2,648,680 which was corrected by management.

Criteria: The Authority's Finance Department oversees the preparation, processing, and recording of thousands of financial transactions that ultimately will be reported externally through its financial statements. The efficient, effective, and timely preparation of the financial statement depends heavily on finance personnel to close the Authority's general ledger, perform appropriate financial analyses and reconciliations of financial activity, and accumulate the required data for reporting and ensuring the financial records match the audited records and were incurred in during the fiscal year.

Cause: Previous policy did not include a requirement to ensure the financial statement records are the same or reconcile to the audited financial statements on an annual basis or to ensure liabilities had been incurred during the fiscal year.

Effect: A restatement of September 30, 2024 net position in the amount of $430,330. In addition, construction in progress was reduced by $2,726,401, other assets were reduced by $359,352, and various expenses were reduced by $705,574. Accrued expenses were reduced by $3,791,327.

Recommendation: We recommend the Authority include procedures to ensure the financial statement records are the same or reconcile to the audited financial statements and that all entries and adjustments are posted on a timely basis.

Part III – Findings and Questioned Costs Related to the Audit of Federal Awards Programs and State Financial Assistance Projects

This section identifies the significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs, as well as any material abuse findings, related to the audit of major federal programs and state financial assistance projects, as required to be reported by 2 CFR 200.516(a) and Chapter 10.550, Rules of the Auditor General.

There were no findings required to be reported in accordance with 2 CFR 200.516(a) and Chapter 10.550, Rules of the Auditor General.

Part IV – Summary of Prior Audit Findings
There were no prior year findings.

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CHARLOTTE COUNTY
AIRPORT AUTHORITY

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Corrective Action Plan

Finding 2025-001 — Material Weakness: Financial Reporting Review

To address the condition identified in Finding 2025-001, the Authority will implement the following corrective actions:

1. The Authority will establish a written procedure requiring that, on an annual basis, the Authority's financial statement records be reconciled to the audited financial statements. Any differences identified through this reconciliation will be researched, documented, and resolved prior to the issuance of the financial statements. This procedure will specifically require that all balances, including deferred outflows and deferred inflows of resources, be supported by documentation establishing their origin and basis,
2. The Authority will implement a structured year-end financial close review that includes a side-by-side comparison of the general ledger trial balance to the draft financial statements. All material journal entries and adjustments will be reviewed for proper support and authorization, posted on a timely basis. This review will also include verification that accrued liabilities are recorded based on invoiced amounts incurred during the fiscal year rather than total purchase order commitment amounts.

Responsible party: Director of Finance and Administration, with oversight by the Chief Financial Officer.

Implementation date: The procedure will be adopted for FY 2026 and first applied during the September 30, 2026 year-end close.

Respectfully submitted,

Chad Rosenstein

Chad Rosenstein, MBA, A.A.E
Chief Financial Officer
Charlotte County Airport Authority

Cherry Bekaert LLP
Your Guide Forward

Independent Auditor's Management Letter

To the Board of Commissioners
Charlotte County Airport Authority
Punta Gorda, Florida

Report on the Financial Statements
We have audited the financial statements of the Charlotte County Airport Authority (the "Authority"), as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 23, 2026.

Auditor's Responsibility
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"), and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements
We have issued our Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the State of Florida; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Polices, regarding compliance in accordance with Chapter 10.550, Rules of the Auditor General. Disclosure in those reports and schedule, which are dated June 23, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings
Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Comment 2024-1 is repeated as finding 2025-001.

Official Title and Legal Authority
Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Such disclosure is included in the notes to the financial statements.

Financial Condition and Management
Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), *Florida Statutes* and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs
As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Authority's geographical boundaries during the fiscal year under audit.

Special District Component Units
Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information (unaudited)
As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Authority reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 119.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as -0-.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $6,289,855.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $-0-.
e. Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. See Footnote 11 to the financial statements.
f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as $-968,111.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8., Rules of the Auditor General:
a. The mileage rate or rates imposed by the district as $-0-.
b. The total amount of ad valorem taxes collected by or on behalf of the district as $-0-.
c. The total amount of outstanding bonds issued by the district and the terms of such bonds: $-0-.

Additional Matters
Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Letter
Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Tampa, Florida
June 23, 2026

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Board of Commissioners
Charlotte County Airport Authority
Punta Gorda, Florida

We have examined the Charlotte County Airport Authority's (the "Authority") compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes*, during the year ended September 30, 2025. The Authority's management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet out other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

The purpose of this report is to comply with the audit requirements of Section 218.415, *Florida Statutes*, and Rules of the Auditor General.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, *Florida Statutes*, during the year ended September 30, 2025.

Cherry Bekaert LLP

Tampa, Florida
June 23, 2026