NAPLES AIRPORT AUTHORITY

AUDIT COMMITTEE MEETING MINUTES

Thursday, June 18, 2026

The meeting was called to order by Audit Committee Chair Arnold at 1:15 p.m. in the Airport Office Building Conference Room, 200 Aviation Drive North, Naples, Florida.

A. ROLL CALL

Attorney William L. Owens provided a detailed overview of the Authority's bylaws as they relate to Audit Committee quorum requirements. He explained that three members must be present in person to establish a quorum and that, pursuant to the bylaws, a non-committee member Board Member may elect to serve as a member pro tem in order to satisfy quorum requirements. Board Member Terrence Cavanaugh elected to serve as a member pro tem for the meeting pursuant to the Authority bylaws, establishing an in-person quorum. Board Member Bob Burns participated by video conference after requesting to participate and vote remotely.

Board Members present in person included Board Member Michelle Arnold, Chair of the Audit Committee; Board Member John Crees, Vice Chair and Audit Committee Member; and Board Member Terrence W. Cavanaugh, Board Chair, who opted in to serve as an Audit Committee Member pro tem for purposes of the meeting. With three members present in person, a quorum was declared. Staff and Authority Counsel present were Mr. Owens, Mr. Rozansky, Mr. Lobb, Mr. Warriner, Ms. Wiggins, Ms. Sarcona, Ms. Hurley, Ms. Gluck, Ms. Arenas, Ms. Munoz, Mr. Gamboa, Mr. Chrysler and Ms. Jaramillo.

B. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

C. AGENDA

Executive Director Rozansky reported that there were no additions, deletions, or changes to the sequence of the agenda.

D. PUBLIC COMMENTS

There were no public comments.

E. DISCUSSION ITEM

1. Annual Audit Firm Review – FY 2025 Audit

Ken Warriner, Senior Director of Finance and Administration, presented the annual review of the audit firm for the fiscal year 2025 engagement. He stated that this was the firm's first year under the current agreement following a competitive selection process and that staff was pleased with the engagement, which proceeded smoothly and without identified issues. Member Crees asked whether the transition from the prior firm had been seamless, and Mr. Warriner confirmed that the engagement team performed well and that staff had no concerns.

Member Crees moved that the Committee concur with and accept staff's annual audit firm review. Member Cavanaugh seconded the motion, which passed unanimously.

2. Audit Firm Engagement Letter – FY 2026 Audit

Mr. Warriner presented the draft engagement letter for the fiscal year 2026 audit. He reported that the proposed fee reflected a 3.6 percent increase, or $2,000, and that staff considered the adjustment reasonable. Minor typographical and terminology corrections had been made, and the letter had been submitted to legal counsel for review.

Jeff Wolf, engagement partner with Forvis Mazars, discussed the upcoming audit. He explained that the prior year involved a transition to a different audit methodology and that the second-year process was expected to be more efficient. He identified GASB Statement No. 103 as the principal new standard affecting presentation of the financial statements, including changes to headings, management discussion and analysis, and classification terminology. He also identified management override of controls, journal entries, revenue recognition, grants, and fuel sales as continuing audit focus areas.

Member Crees asked how the firm was incorporating artificial intelligence into its audit work. Mr. Wolf described the use of MindBridge to identify anomalies and trends in general ledger data and the use of Copilot and internal agents to assist with first-level workpaper and financial statement reviews. He emphasized that these tools do not replace partner review. Chair Arnold asked whether artificial intelligence had been used during the prior audit, and Mr. Wolf confirmed that MindBridge had been used to flag transactions for further review, with no significant matters identified for reporting. Member Crees summarized that the system produces exception flags that auditors investigate, which Mr. Wolf confirmed.

Member Burns asked how the audit verifies compliance with Federal Aviation Administration financial requirements. Mr. Wolf explained that FAA compliance is addressed principally through the single audit when applicable, including testing associated with Airport Improvement Program grants, while significant noncompliance affecting the financial statements would also be considered in the financial statement audit.

Member Burns also asked how community sponsorships and similar transactions are reviewed and requested information regarding the organizations supported and the amount of those expenditures. Mr. Wolf stated that such matters may be considered in revenue-diversion testing but were not known to be material. Executive Director Chris Rozansky explained that the Authority participates in various local sponsorships that provide community engagement and airport visibility, including events associated with the Naples Zoo, Fifth Avenue South Business Improvement District, Naples Pathways Coalition, Gulf Coast Runners, and The Naples Players. He stated that sponsorship activities are listed in the Board report and accounted for in the financial statements. Mr. Rozansky offered to provide detailed information if requested. Mr. Warriner and Member Cavanaugh noted that the aggregate amount was less than $100,000, and Mr. Wolf stated that community outreach sponsorships are common among airports.

Member Crees moved to approve the fiscal year 2026 audit engagement letter as presented. Member Cavanaugh seconded the motion, which passed unanimously.

3 Special Items for Audit Firm Review~~:~~

Mr. Warriner invited the Committee to identify any additional matters for focused auditor review. He summarized prior special reviews, including information technology penetration testing, internal controls over technology systems and user access, and banking controls.

Member Crees recommended continued emphasis on cybersecurity and fraud prevention. Member Cavanaugh agreed and emphasized both current third-party cybersecurity resources and a robust employee education program focused on cyber hygiene. Mr. Warriner stated that annual cybersecurity testing and training are included in the strategic plan and that employee training on the use and security risks of artificial intelligence was planned.

Chair Arnold asked whether the auditors could review tenant leases and proposed lease amendments, including the effect of the Authority's prepaid lease. Member Cavanaugh recommended that General Counsel manage that process and determine whether accounting-firm resources were needed.

Member Crees asked staff and the auditor to identify other critical risks that might warrant review. Mr. Wolf recommended cybersecurity as the leading focus area and noted continued industry risks involving fraudulent vendor requests to change banking information. Mr. Warriner described the Authority's controls over wire transfers, including restrictions on their use, multiple-person authorization, and prior review of system access and change authority.

The Committee did not select an additional special audit item at this meeting. Mr. Warriner advised that the Committee could request additional work at a later date. No motion was required.

F. NEW BUSINESS

No new business was brought forward.

G. PUBLIC COMMENTS

There were no public comments.

H. CORRESPONDENCE, BOARD MEMBER COMMENTS AND REQUESTS

No additional Committee member correspondence, comments, or requests were offered. K. Warriner advised that interim audit work was expected to begin in the coming months and that the next Audit Committee meeting was targeted for February 2027 to review the fiscal year 2026 audit and make a recommendation to the Board.

I. ADJOURNMENT

With no further business, the meeting adjourned at approximately 1:46 p.m.

Christopher A. Rozansky
Secretary

NOTE: These minutes were prepared by Microsoft Copilot using a verbatim transcript. Printed copies of all visual presentations, transcripts and handouts are on file at the NAA's offices. The video of all meetings can be found online at https://www.flynaples.com/.

CITY OF NAPLES AIRPORT AUTHORITY (NAA) BOARD
Notice of Audit Committee Meeting

Naples Airport – Airport Office Building Conference Room
200 Aviation Drive North
Naples, FL 34104

Thursday, June 18, 2026
Immediately Following the June Regular Board Meeting

AGENDA

Member Terrence W. Cavanaugh: Chair,
Consultant Selection Committee Member
Member John Crees: Vice Chair, Audit Committee Member,
Noise Compatibility Committee Liaison
Member Robert P. Burns: Audit Committee Member
Member Michelle Arnold: Audit Committee Chair
Member Ralph Alberto, Consultant Selection Committee Chair

Executive Director: Christopher A. Rozansky
Authority Attorney: William L. Owens, Esq. of Bond, Schoeneck & King, PLLC

If you wish to address the Board regarding an item listed on the Agenda, please complete a Speaker Registration form (available at the rear of the room) and hand it to the Executive Assistant prior to consideration of that item. Public comments will be heard during Item D, during each agenda item and at the end of the meeting. Public speakers must introduce themselves by stating their name, address and the topic they intend to speak about. We ask that speakers limit comments to 5 minutes and that large groups name a spokesperson whenever possible. All written, audio-visual, and other materials distributed to the Board or staff during this meeting will become the property of NAA and will be a public record. Thank you for your interest and participation.

Any person who decides to appeal a decision of this Board with respect to any matter considered at this meeting will need a record of the proceeding and may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be heard.

Any person with a disability requiring auxiliary aids or services in order to participate in this meeting at the City Council Chamber may call the City Clerk's Office at 213-1015, or for meetings at the Airport Office Building, the NAA Executive Assistant's Office at 643-0733, with requests at least two business days before the meeting.

Information on agenda items which has been provided in advance of this meeting may be inspected at the office of the Executive Assistant, General Aviation Terminal Building, 2nd Floor, 160 Aviation Drive North or on the web site at www.flynaples.com.

Pledge of Civility

It is the desire of the City of Naples Airport Authority to encourage the open exchange of ideas, fair discussion of the issues, and the participation of all persons in government, therefore, we pledge to be respectful of each other even when we disagree, to direct all comments to the issues, and to avoid personal attacks during all meetings and workshops.

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

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

D. PUBLIC COMMENTS (5-minute limit)

E. DISCUSSION ITEM

1. Annual Audit Firm Review – FY 2025 Audit
2. Audit Firm Engagement Letter – FY 2026 Audit
3. Special Items for Audit Firm Review

F. NEW BUSINESS

G. PUBLIC COMMENTS

H. CORRESPONDENCE/BOARD MEMBER COMMENTS & REQUESTS/MEETINGS

1. Upcoming Audit Committee Meeting

I. ADJOURN

NOTE: The Audit Committee is comprised of Board Member Arnold (Chair), Board Member Burns and Board Member Crees (Members). All NAA Board Members are welcome to attend and can "opt in" to participate.