



Meeting of the MNAA Management, Audit & Compliance (“Management”) Committee

November 13, 2024



Call to Order

November 13, 2024

Public Comment

Tennessee Code Annotated, Title 8, Chapter 44, Part 1

MNAA Policy ID: 33-007, Public Comment Policy, effective July 13, 2023

No Public Comment Requests Received by Monday, November 11, 2024, 9:00 pm

Approval of Minutes

Meeting of the MNAA Management, Audit & Compliance (“Management”)

October 9, 2024

Chair's Report

Nancy Sullivan, P.E.

Management Committee Chair

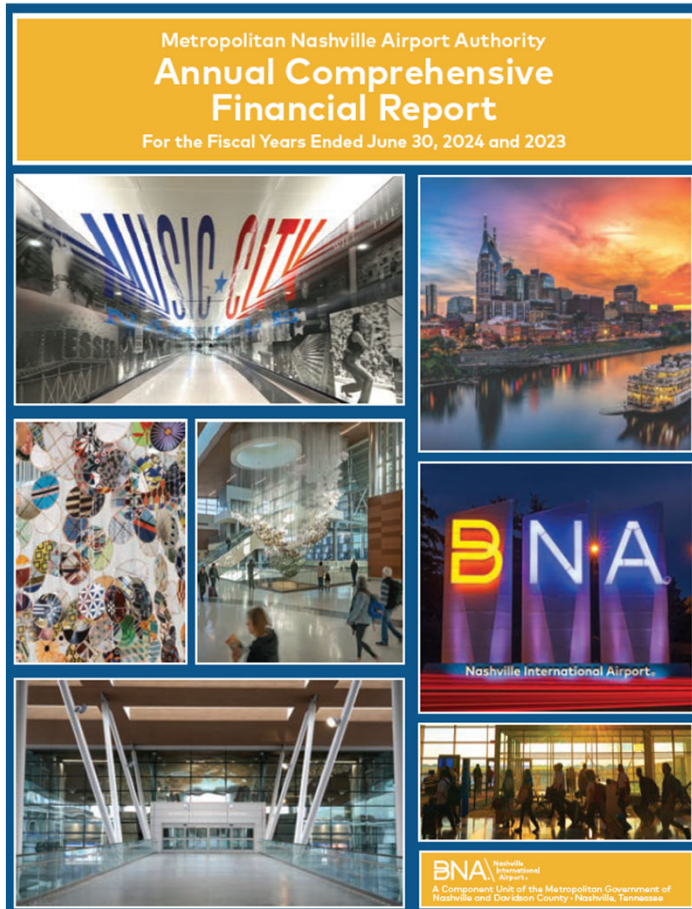
Items for Approval

November 13, 2024 - None

Information Items

November 13, 2024

- FY24 Annual Comprehensive Financial Report (ACFR)



Information Item

Marge Basrai, CPA, CGMA, C.M.
EVP, Chief Financial Officer

- FY24 External Audit Update
 - Executive Summary
 - Required Communications
 - Other Informational Items

Information Item

Ali H. Hijazi, Partner
Plante & Moran

Executive Summary

1. Financial Statement Audit
2. Federal Expenditures Audit
3. Passenger Facility Charge (PFC) Audit

- Unmodified (clean) opinion
- No internal control deficiencies identified
- First year under new Airline Use and Lease Agreement
- Implementation of Statements on Auditing Standards Nos. 143 and 145

1. Financial Statement Audit

- Executive Summary

- Unmodified (clean) opinion
- No internal control deficiencies or non-compliance matters identified
- One major program – Airport Improvement Program – \$51 million of expenditures during FY2024

2. Federal Expenditures Audit

- Executive Summary

- Unmodified (clean) opinion
- No internal control deficiencies or non-compliance matters identified
- During FY2024, \$42.7 million PFC's collected and \$21.5 million PFC's expended

3. Passenger Facility Charge (PFC) Audit

- Executive Summary

Required Communications

Post-Audit Letter

Required Communications - Financial Statement Audit Results

Conclusion regarding risks discussed in pre-audit communication

- Management override of controls
- Proper measurement and recognition of revenue under significant new grants or arrangements (new airline use and lease agreement & new hotel agreement)
- Management's valuation of the total pension and other postemployment benefit (OPEB) liabilities

No issues identified in these areas

Required Communications - Financial Statement Audit Results

Plante Moran's Responsibility Under Professional Standards

- Express an opinion on the fairness of the financial statements by obtaining sufficient evidential matter to provide a reasonable basis for forming our opinion

Planned Scope and Timing of the Audit

- Planning, Risk Assessment, and Rest of Audit Procedures conducted in phases from June 2024 – October 2024

Significant Accounting Policies and Practices

- We noted no transactions during the year lacking authoritative guidance or consensus, and no transactions recognized in a period different than when the transaction occurred.

Required Communications - Financial Statement Audit Results

Significant Accounting Estimates

- Pension and OPEB (Other Postemployment Benefit) Liabilities

Other Required Communications

- No audit adjustments or difficulties encountered in performing the audit
- No disagreements with management regarding accounting or auditing matters
- Management representation letter obtained

Other Informational Items

Other Additional Information

- Upcoming Accounting Standards
 - Implementing in Fiscal Year 2025
 - GASB 101, *Compensated Absences*
 - GASB 102, *Certain Risk Disclosures*
 - Implementing in Fiscal Year 2026
 - GASB 103, *Financial Reporting Model Improvements*

Executive Session

Litigation Update

- Executive Session – Litigation Update

Information Item

Douglas E. Kreulen, A.A.E.
President and CEO



Meeting of the MNAA Management, Audit & Compliance (“Management”) Committee

Meeting Adjourned