

# **Key West Express, LLC**

State of Florida Project-Specific Audit Reports

*Year Ended December 31, 2023*

Baker Newman & Noyes LLC

MAINE | MASSACHUSETTS | NEW HAMPSHIRE

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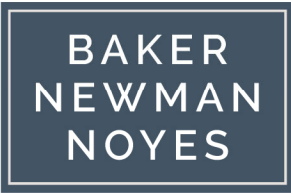
**KEY WEST EXPRESS, LLC**

**STATE OF FLORIDA PROJECT-SPECIFIC AUDIT REPORTS**

December 31, 2023

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**INDEPENDENT AUDITORS' REPORT**

The Members  
Key West Express, LLC

**Opinion**

We have audited the schedule of expenditures of state financial assistance of Key West Express, LLC (the Company) for the year ended December 31, 2023, and the related notes to the schedule of expenditures of state financial assistance (collectively, the schedule).

In our opinion, the accompanying schedule presents fairly, in all material respects, the expenditures of state financial assistance for the Company for the year ended December 31, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General of the State of Florida. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Schedule**

Management is responsible for the preparation and fair presentation of the schedule 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 a schedule that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibilities for the Audit of the Schedule**

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS, *Government Auditing Standards*, Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General of the State of Florida, 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 schedule.

The Members  
Key West Express, LLC

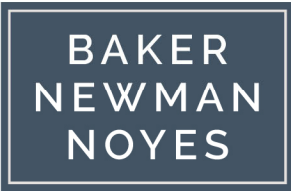
In performing an audit in accordance with GAAS, *Government Auditing Standards*, Section 215.97, Florida Statutes, and Chapter 10.650, Rules of the Auditor General of the State of Florida, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedule, 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 schedule.
- 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 Company'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 schedule.

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.

Baker Newman & Noyes LLC

Manchester, New Hampshire  
November 20, 2024



**INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.650, RULES OF THE AUDITOR GENERAL**

The Members  
Key West Express, LLC

**Report on Compliance for Each Major State Project**

We have audited Key West Express, LLC’s (the Company) compliance with the types of compliance requirements described in the Florida Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of the Company’s major State projects for the year ended December 31, 2023. The Company’s major State projects are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its State projects applicable to its State projects.

***Auditors’ Responsibility***

Our responsibility is to express an opinion on compliance for each of the Company’s major State projects based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Chapter 10.650, Rules of the Auditor General. Those standards, and Chapter 10.650, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State project occurred. An audit includes examining, on a test basis, evidence about the Company’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State project. However, our audit does not provide a legal determination of the Company’s compliance.

***Opinion on Each Major State Project***

In our opinion, the Company 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 State projects for the year ended December 31, 2023.

The Members  
Key West Express, LLC

## Report on Internal Control Over Compliance

Management of the Company is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Company's internal control over compliance with the types of requirements that could have a direct and material effect on each major State project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major State project and to test and report on internal control over compliance in accordance with Chapter 10.650, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Company's 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 State project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 State project 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 the type of compliance requirement of a State project 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 results of that testing based on the requirements of Chapter 10.650, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Baker Newman & Noyes LLC

Manchester, New Hampshire  
August 14, 2024

**KEY WEST EXPRESS, LLC**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

Year Ended December 31, 2023

<u>State Grantor/Pass-Through Grantor/Project Title or Cluster Title</u>	<u>State CSFA Number</u>	<u>Total State Expenditures</u>
State of Florida Department of Environmental Protection: Diesel Emissions Mitigation Program – Volkswagen Settlement	37.102*	<u>\$1,200,000</u>
Total Expenditures of State Financial Assistance		<u>\$1,200,000</u>

\* Major Project

See notes to this schedule.

## KEY WEST EXPRESS, LLC

### NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

Year Ended December 31, 2023

#### 1. **Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance (the Schedule) includes the state award activity of Key West Express, LLC (the Company) under projects of the State of Florida for the year ended December 31, 2023. The information in this Schedule is presented in accordance with accounting principles generally accepted in the United States of America and the requirements of Chapter 10.650, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to and does not present the financial position, changes in members' equity, or cash flows of the Company.

#### 2. **Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Chapter 10.650, Rules of the Auditor General, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Schedule does not include matching amounts that the Company expends in connection with its state projects. The categorization of expenditures by project included in the Schedule is based upon the Catalog of State Financial Assistance (CSFA).

#### 3. **Subrecipients**

No grant monies expended and reported within the Schedule were passed through to subrecipients.

**KEY WEST EXPRESS, LLC**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended December 31, 2023

**Summary of Auditors' Results**

State Projects:

Internal control over major State projects:

Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditors' report issued on compliance for major State projects:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with Chapter 10.656, Rules of the Auditor General?	No
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Identification of Major State Projects:

<u>State Project</u>	<u>State CSFA No.</u>
Diesel Emissions Mitigation Program – Volkswagen Settlement	37.102
Dollar threshold used to distinguish between Type A and Type B State projects:	\$300,000

Other Issues:

No Summary Schedule of Prior Audit Findings is required because there were no prior audit findings related to State projects.