

QUINCY-GADSDEN AIRPORT AUTHORITY
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

**QUINCY-GADSDEN AIRPORT AUTHORITY
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 FOR THE YEAR ENDED SEPTEMBER 30, 2021
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INDEPENDENT AUDITOR'S REPORT

Members of the Authority
Quincy-Gadsden Airport Authority
Quincy, FL

We have audited the accompanying financial statements of Quincy-Gadsden Airport Authority (the "Authority"), which comprise the statement of net position and balance sheet – governmental fund – general fund as of and for the fiscal year ended September 30, 2021, and the related statements of activities and statement of revenues, expenditures, and changes in fund balance – governmental fund – general fund, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT

(concluded)

Other Matters

Required supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 6 and 20 through 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of State financial assistance, as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, is also not a required part of the basic financial statements.

The schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the schedule of expenditures of 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 March 21, 2022, on our consideration 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 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 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.

Moran & Smith LLP

Moran and Smith LLP
March 21, 2022
Tallahassee, FL

**QUINCY-GADSDEN AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

The following Management Discussion and Analysis (MD&A) of Quincy-Gadsden Airport Authority's activities and financial performance provides the reader with an introduction and overview to the financial statements of Quincy-Gadsden Airport Authority for the fiscal year ended September 30, 2021, with selective comparative information for the fiscal year ended September 30, 2020. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements, notes, and supplementary information found in this report.

The Quincy-Gadsden Airport Authority (the "Authority") is pleased to offer the following assessment of the business operations of the Quincy Airport for the year ending September 30, 2021.

FINANCIAL HIGHLIGHTS

- The Authority's primary sources of operating revenue consist of hangar rentals and fuel sales. Revenues from these charges for services increased by \$69 or less than 1% from the previous year.
- The Authority's net assets increased by \$1,643,262 as a result of this year's operations. The increase in net assets was primarily due to the increase in work in process of capital assets.
- The Authority's expenditures on program activities decreased by \$48,776 compared to the prior year. This decrease was primarily due to the decrease in repairs and maintenance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the basic financial statements. The MD&A document is included to assist readers of the financial statements in identifying significant financial issues and changes in the Authority's financial position. The MD&A, and the financial statements and notes thereto, are the responsibility of Quincy-Gadsden Airport Authority's management.

The Authority's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 7-8) provide information about the governmental activities of the Authority and present a broad overview of the Authority's finances, in a manner similar to a private-sector company. The purpose of the government-wide financial statements is to allow the user to be able to determine the financial condition of the Authority and to compare it to the prior year.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. 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.

The statement of activities presents revenues and expenses and shows how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported in a manner similar to the approach used by private-sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Thus, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

**QUINCY-GADSDEN AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority maintains a General Fund which measures revenues, expenditures, assets, and liabilities using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable (flow of current financial resources measurement focus). Revenues are measurable when they are subject to reasonable estimation. The available criterion is satisfied when revenues are collectible and actual collection will occur currently or after the end of the period, but in time to pay fund liabilities. Expenditures are recorded when incurred.

Governmental Fund

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to the government-wide statements in order to facilitate this comparison between governmental funds and governmental activities.

The Authority adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements.

Condensed Financial Information

Table 1 focuses on net assets. Net assets invested in capital assets increased by \$1,682,947. The Authority's net assets, consist of \$7,642,935 invested in capital assets (e.g. land, buildings, and infrastructure) which is net of accumulated depreciation and any outstanding debt related to their acquisition. The Authority invests in these capital assets to comply with airport safety standards established by the Federal Aviation Administration and the State of Florida Department of Transportation.

Table 2 focuses on the changes in net position. Program revenues consists of sales of fuel, rental income, and state and federal grant funds for airport improvements. Program revenues increased by \$1,029,531 from the prior year primarily as a result of an increase in state grants. General revenues increased by \$69. General revenues consist, mainly of FBO income, service charges, license sales, and sale of equipment. Program expenses are for airport operations and decreased \$48,776 from the prior year, mainly as a result of decreased repair and maintenance expense.

**QUINCY-GADSDEN AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**Table 1
Statement of Net Assets**

	2020	2021	Increase (Decrease)
Current Assets	\$ 226,976	\$ 416,643	\$ 189,667
Capital Assets, Net	5,959,989	7,642,935	1,682,946
Total Assets	<u>6,188,985</u>	<u>8,059,578</u>	<u>1,870,593</u>
Current Liabilities	93,239	322,590	229,351
Long-term Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>93,239</u>	<u>322,590</u>	<u>229,351</u>
Net Assets:			
Investment in Capital Assets, Net of Debt	5,959,988	7,642,935	1,682,947
Unassigned	<u>133,737</u>	<u>94,052</u>	<u>(39,685)</u>
Total Net Assets	<u>\$ 6,093,725</u>	<u>\$ 7,736,987</u>	<u>\$ 1,643,262</u>

At the end of the 2021 fiscal year, the Authority was able to report positive balances in both categories of net assets. The same situation held true for the 2020 fiscal year.

**Table 2
Statement of Activities**

	2020	2021	Increase (Decrease)
Program Revenues:			
Charges for Services	\$ 359,305	\$ 359,374	\$ 69
Capital Grants and Contributions	891,467	1,912,808	1,021,341
General Revenues:			
Interest Income	203	23	(180)
Loss on Sale of Fixed Asset	<u>(8,300)</u>	<u>0</u>	<u>8,300</u>
Total Revenues	<u>1,242,675</u>	<u>2,272,206</u>	<u>1,029,531</u>
Program Expenses:			
Transportation	<u>677,720</u>	<u>628,944</u>	<u>(48,776)</u>
Total Expenses	<u>677,720</u>	<u>628,944</u>	<u>(48,776)</u>
Change in Net Position	564,954	1,643,261	1,078,307
Net Position, Beginning	<u>5,528,771</u>	<u>6,093,725</u>	<u>564,955</u>
Net Position, Ending	<u>\$ 6,093,725</u>	<u>\$ 7,736,987</u>	<u>\$ 1,643,262</u>

**QUINCY-GADSDEN AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Capital Asset Activity

At the end of fiscal year 2021, the Authority had \$11,223,608 invested in capital assets, less accumulated depreciation of \$3,580,672, for net capital assets of \$7,642,935. Depreciation charged for the current fiscal year totaled \$291,153. Capital asset additions included various airport safety projects. Capital asset additions totaled \$1,682,946 for the year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the original budget had several budget amendments approved at the Authority meetings held during the year. The amendments effectively approve any expenditure that had already been incurred that exceeded its original budgeted amount.

Economic Factors and Next Year's Budget

The Authority's Capital Improvement Projects are contingent upon its continued ability to obtain new grants and, therefore, its overall revenues may vary from year to year. In determining the budget for the fiscal year 2022, various factors were considered including: the ability to obtain new grants for Capital Improvement Projects, delivering the same level of expertise of service for airport users and tenants, and the wholesale price of aviation fuel.

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 the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Quincy-Gadsden Airport Authority
P.O. Box 1905
Quincy, FL 32353
quincyairport@tds.net

QUINCY-GADSDEN AIRPORT AUTHORITY

BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

QUINCY-GADSDEN AIRPORT AUTHORITY
STATEMENT OF NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Total Governmental Funds
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 65,764
Rent Receivable	885
Due From Other Governments	313,066
Prepays	24,834
Fuel Inventory	10,913
Deposits	1,181
Total Current Assets	416,643
Noncurrent Assets	
Capital Assets, Nondepreciable	3,778,572
Capital Assets, Depreciable, Net of Accumulated Depreciation	3,864,364
Total Noncurrent Assets	7,642,935
Total Assets	8,059,578
LIABILITIES	
Accounts Payable and Other Accrued Expenses	163,645
Unearned Rental Income	8,944
Rental Deposits	0
Line Of Credit Payable	150,000
Total Liabilities	322,590
NET POSITION	
Net Investment in Capital Assets	7,642,935
Unassigned	94,052
Total Net Position	\$ 7,736,987

See accompanying notes to Financial Statements

**QUINCY-GADSDEN AIRPORT AUTHORITY
STATEMENT AIRPORT AUTHORITY
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities				
General Government:				
Transportation	\$ 628,944	\$ 359,374	\$ 1,912,808	\$ 1,643,239
Total Primary Government	<u>\$ 628,944</u>	<u>\$ 359,374</u>	<u>\$ 1,912,808</u>	<u>\$ 1,643,239</u>

General Revenues

Interest Earnings	23
Miscellaneous	0
Total General Revenues	<u>23</u>
Change in Net Position	<u>1,643,262</u>
Net Position, Beginning of Year	<u>6,093,725</u>
Net Position, End of Year	<u><u>\$ 7,736,987</u></u>

See accompanying notes to Financial Statements

QUINCY-GADSDEN AIRPORT AUTHORITY
BALANCE SHEET
SEPTEMBER 30, 2021

	Major Fund
	General Fund
Assets	
Cash and Cash Equivalent	\$ 65,764
Rent Receivable	885
Due From Other Governments	313,066
Prepaid Expenses	24,834
Fuel Inventory	10,913
Deposits	1,181
Total Assets	416,643
 Liabilities	
Accounts Payable and Other Accrued Expenses	163,645
Unearned Rental Income	8,944
Total Liabilities	172,590
 Fund Balances	
Nonspendable	
Prepays	24,834
Inventory	10,913
Total nonspendable	35,747
Unassigned	112,245
Total Fund Balances	244,053
 Total Liabilities and Fund Balances	\$ 416,643

See accompanying notes to Financial Statements

QUINCY-GADSDEN AIRPORT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Total Fund Balances of Governmental Funds	\$	244,053
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Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	7,642,934
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Long-term Liabilities are not due and payable in the current period and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of:

Line of Credit at local bank	(150,000)
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Total Net Position of Governmental Activities	<u>\$</u>	<u>7,736,987</u>
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QUINCY-GADSDEN AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Major Funds
	General Fund
Revenues	
Intergovernmental Revenues	\$ 1,912,808
Charges for Services	359,374
Licenses and Other	0
Interest Income	23
Total Revenues	2,272,206
Expenditures	
Current:	
Transportation	
Operating Expenses	337,791
Capital Outlay	1,974,100
Debt Service	270,000
Total Expenditures	2,581,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	(309,684)
Other Financing Sources (Uses)	
Proceeds from Long-term debt	420,000
Sale of General Fixed Assets	0
Total Other Financing Sources (Uses)	420,000
Net Change in Fund Balance	110,316
Fund Balance, Beginning of Year	133,737
Fund Balance, End of Year	\$ 244,053

See accompanying notes to Financial Statements

**QUINCY-GADSDEN AIRPORT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

Net Change in Fund Balances - Total Governmental Funds. \$ 110,316

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Assets	1,974,100	
Disposal of Fixed Assets	0	
Less: Current Year Depreciation	<u>(291,153)</u>	1,682,946

The Issuance of long-term debt and the repayment of long-term debt provide current financial resources to governmental funds and as a reduction of long-term liabilities.

Debt proceeds	(420,000)	
Repayment of long-term debt	<u>270,000</u>	(150,000)

Change in Net Position of Governmental Activities \$ 1,643,262

QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 1 - Summary of Significant Accounting Policies

Reporting entity

Quincy-Gadsden Airport Authority (the “Authority”) is a local unit of special purpose government created by Chapter 88-439, Laws of Florida. The Authority was established to provide sound planning for, and development and maintenance of an airport and for the purpose of managing airport facilities in Gadsden County, Florida.

The Authority is composed of five members. Two members are appointed by the City of Quincy, Florida, two members are appointed by the Gadsden County Board of County Commissioners, and one member is appointed by these four members.

Governmental Accounting Standards Board (GASB) Statement No. 14, “Financial Reporting Entity,” as amended, requires the financial statements of the Authority (the primary government) to include its component units, if any. A component unit is a legally separate organization for which the officials of the primary government are financially accountable. Based on the criteria established in GASB Statement No. 14, there are no component unity required to be included in the Authority’s financial statements.

Government-wide and Fund Financial Statements

These financial statements have been prepared in conformity with reporting guidelines established by GASB and in conformity with accounting principles generally accepted in the United States of America. As a result of adopting GASB Statement No. 34 and GASB Statement No. 63, the following types of financial statements are reported by the Authority:

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position (statement of activities)) report information on all of the activities of the Authority. Governments typically report activities as either governmental activities, which normally are supported by taxes and intergovernmental revenues, or business-type activities, which rely to a significant extent on fees and charges for support. The Authority reports only governmental activities as it has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Member dues and other items not properly included among program revenues are reported instead as general revenues. Since the Authority’s primary function is the maintenance and operation of a Florida General Aviation Public Airport, all revenues and expenses are considered to be for this purpose and the accompanying financial statements do not segregate beyond this function.

A separate financial statement is provided for the Authority’s governmental fund. The Authority reports on governmental fund, general fund.

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Fund Type – used to account for all operations of the Authority. The measurement focus of this fund type is based upon determination of changes in financial position or the financial flow measurement focus, rather than upon net income determination. Only current assets and current liabilities are generally included on its balance sheet. The operating statement presents sources (revenues and other financial sources) and uses (expenditures and other financial uses) of available spendable resources during the period. The general fund comprises the Authority’s major governmental fund. Since the Authority’s primary function is the maintenance and operation of a Florida General Aviation Public Airport, all revenues and expenses are considered to be for this purpose and the accompanying financial statements do not segregate beyond this function.

Measurement focus, basis of accounting, and financial statement presentation

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

Governmental Fund Financial Statements– The Authority uses the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when obligations are incurred, except for expenditures related to claims and judgments, which are recorded only when payment is due.

Government-wide Financial Statements– The government-wide financial statements are reported using the resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Intergovernmental and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Classification of Revenue

The Authority classifies its revenue as operating and non-operating according to the following criteria:

- **Operating Revenue** – include activities that have the characteristics of exchange transactions, such as fuel sales
- **Non-operating revenues** – include activities that have the characteristics of non-exchange transactions, such as revenues from contributions

Receivables

Receivables consist of rent due for hangar rentals and are deemed fully collectible; therefore, an allowance for uncollectible accounts has not been recorded. Accounts receivable totaled \$885 at September 30, 2021.

Budget Policy

The annual budget is adopted for the governmental fund. Budgeted amounts presented in the accompanying financial statements are prepared on the same basis of accounting as described above for governmental fund types and were based upon the original budget as originally approved or as amended by the Quincy-Gadsden Airport Authority. Expenditures cannot legally exceed the total amount of budgeted expenditures.

QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property and equipment and leasehold improvements, are recorded as capital outlay expenditures in the General Fund at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position. Fixed assets are depreciated using the straight-line method over the estimated useful lives of the related assets and is recorded in the government-wide financial statements. The depreciation expense is recorded in the statement of activities. The Authority's estimates of useful lives are as follows:

<u>Asset</u>	<u>Years</u>
Hangars and Buildings	40
Runways and Taxiways	20
Improvements	15
Equipment	5-10

Compensated Absences

The Authority has no employees and as such there are no accruals for unpaid vacation or sick pay to record.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financials statements. Prepaid expenses consist primarily of prepaid insurance. The Authority paid for next year's policy. These items are considered expenditures/expenses over the term of the contract.

Unearned Revenues

Unearned revenues are hangar rent payments received before their due date.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position.

Grants

Grants received from state government agencies that are restricted for the acquisition or construction of capital assets are recorded as capital contributions when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants have been incurred.

Income Taxes

The Authority is exempt from federal and state income taxes; accordingly, no provision for income taxes is included in the financial statements.

Investments

The Authority did not have any investments during the year ended September 30, 2021.

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 1 - Summary of Significant Accounting Policies (concluded)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash

Cash

At September 30, 2021, Quincy-Gadsden Airport Authority had a balance of \$65,764 invested in Capital City Bank.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, SBA has adopted operating procedures consistent with those required of an SEC Rule 2a-7-like fund. A 2a-7-like external investment pool is one that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with SEC Rule 2a-7, which governs the operation of SEC regulated money market funds. At September 30, 2021, the Authority had a balance of \$6,579.

Deposits

The Authority's deposits are held in financial institutions with Federal depository insurance that are approved by the State Treasurer to hold public funds.

Note 3 – Fuel Inventory

The Authority directly purchases and sells aviation fuel. The inventory consists of fuel in the tanks and is valued at cost. The inventory is recorded under the purchase method, and accordingly expenditures are incurred when inventory is purchased. Reported inventory is equally offset by a fund balance reserve which indicates it does not constitute "available spendable resources".

Note 4 – Capital Assets

The Authority started several capital projects the previous year that were completed during the year. At September 30, 2021, there were multiple projects just in the construction phase of construction. These included a hangar taxiway, comprehensive masterplan, and runway rehabilitation and lighting. These are included on the capital assets schedule as work in process.

QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 4 – Capital Assets

	9/30/2020 Balance	Additions and Transfers	Retirements and Transfers	9/30/2021 Balance
Capital assets not being depreciated				
Land and Improvements	\$ 1,017,399	\$ 0	\$ 0	\$ 1,017,399
Work in Process	965,092	1,796,081	(562,964)	2,198,209
Total Capital assets not being depreciated	<u>1,982,491</u>	<u>1,796,081</u>	<u>(562,964)</u>	<u>3,215,608</u>
Capital assets being depreciated				
Improvements	764,344	0	0	764,344
Equipment	158,157	0	0	158,157
FBO Expansion	528,446	0	0	528,446
Runways/taxiways	2,667,602	0	0	2,667,602
Hangars	3,017,927	740,983	0	3,758,910
Security	130,541	0	0	130,541
Total capital assets being depreciated	<u>7,267,017</u>	<u>740,983</u>	<u>0</u>	<u>8,008,000</u>
Less accumulated depreciation for:				
Improvements	(319,189)	(56,159)	0	(375,348)
Equipment	(94,270)	(9,624)	0	(103,894)
FBO Expansion	(164,899)	(14,490)	0	(179,389)
Runways/taxiways	(1,725,436)	(102,751)	0	(1,828,187)
Hangars	(881,046)	(101,333)	0	(982,379)
Security	(104,679)	(6,796)	0	(111,475)
Total accumulated depreciation	<u>(3,289,519)</u>	<u>(291,153)</u>	<u>0</u>	<u>(3,580,672)</u>
Total being depreciated, net	<u>3,977,498</u>	<u>449,829</u>	<u>0</u>	<u>4,427,327</u>
Total capital assets, net	<u>\$ 5,959,989</u>	<u>\$ 2,245,910</u>	<u>\$ (562,964)</u>	<u>\$ 7,642,935</u>

Depreciation expense of \$291,153 was charged to the governmental activities transportation function in the statement of activities.

QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 5- Line of Credit

The Authority has a \$150,000 line of credit with Capital City Bank. The authority used it to pay for grant approved expenditures. They borrowed money, in exact amounts related to grant expenses that were later reimbursed by the granting agency. The Authority paid back the amounts borrowed as soon as they were reimbursed.

Line of Credit activity during the year ending September 30, 2021 are as follows:

	<u>Repayments</u>	<u>Advances</u>	<u>Outstanding Balances</u>
10/12/20	\$ 0	\$ 70,000	\$ (70,000)
11/10/20	70,000	0	0
01/26/21	0	100,000	(100,000)
03/12/21	0	50,000	(150,000)
03/23/21	100,000	0	(50,000)
06/08/21	0	100,000	(150,000)
07/16/21	0	100,000	(250,000)
09/30/21	100,000	0	(150,000)
Totals	<u>\$ 270,000</u>	<u>\$ 420,000</u>	<u>\$ (150,000)</u>

Note 6- Commitments

The Authority entered into a thirty-year lease for 3.74 acres of land in March of 2013. Lease payments are \$4,000 base rent for the first year, increasing 3% per year. In addition to the base rent, the Authority will pay an amount equal to the ad valorem taxes due on the property. Lease expense was \$5,067 for the year ended September 30, 2021, and an additional amount which included \$1,514 for ad valorem taxes.

Annual lease commitments for the operating lease are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 5,219
2023	5,376
2024	5,537
2025	5,703
2026	5,874
2027-2031	32,122
2032-2036	37,238
2037-2041	43,170
2042-2043	19,135
	<u>\$ 159,374</u>

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 7- Grants

The Authority had the following federal and state grant expenditures as of September 30, 2021:

Grantor	CSFA	Contract #	Grant Amount	Total Expenditures
Florida Department of Transportation				
Hangar L and Taxiway	55.004	G0U85	\$ 650,000	\$ 119,517
Runway Rehab Design Taxiway A/B	55.004	G1781	700,000	272,401
Runway Rehabilitation	55.004	G1K48	1,250,000	1,174,733
Total Florida Department of Transportation			2,600,000	1,566,651
Federal Aviation Administration				
	<u>CFDA</u>			
Master Plan and ALP Update	20.106	3-12-0068-010-2018	339,926	89,328
Runway Lighting	20.106	3-12-0068-011-2020	274,857	232,329
FAA Cares Act-Operating	20.106	3-12-0068-012-2020	30,000	22,000
FAA Cares Act-Operating	20.106	3-12-0068-013-2021	13,000	2,300
Total Federal Aviation Administration			657,783	345,957
Total State and Federal Expenditures			\$ 3,257,783	\$ 1,912,608

Note 8- Risk Management

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

Insurance coverage for such losses is purchased from commercial insurance companies. Management believes that the coverage is adequate to preclude any significant uninsured risk. For the fiscal year ended September 30, 2021, the Authority paid \$21,081 in premiums for policies to insure for these risks. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to insurers. Claims made in the past three years have not exceeded the insurance coverage.

Note 9 – Related Party

The Authority is not aware of any related party transactions.

Note 10 - Contingencies

The Authority participates in a number of State projects. These programs and projects are subject to financial and compliance audits by the grantors or their respective representatives. The possible disallowance of any item charged to the program or project or request for the return of any unexpended funds cannot be determined at this time. No provision for any liability that may result has been made in the financial statements.

Note 11 - Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. Management has evaluated subsequent events through March 21, 2022, the date the financial statements were available to be issued.

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 12- Fund Balance

In accordance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Authority classifies governmental fund balances as follows:

- **Nonspendable**-includes fund balance amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes item that are not expected to be converted to cash, such as prepaid expenses, and inventory.
- **Unassigned**-includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Authority spends restricted amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The Authority does not have a formal fund balance policy.

QUINCY-GADSDEN AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

QUINCY-GADSDEN AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ 2,545,340	\$ 2,547,040	\$ 1,912,808	\$ (634,232)
Charges for Services	361,900	371,400	359,374	(12,026)
Licenses and Other	0	0	0	0
Interest Income	0	0	23	23
Miscellaneous	1,500	1,900	0	(1,900)
Total Revenues	<u>2,908,740</u>	<u>2,920,340</u>	<u>2,272,206</u>	<u>(648,134)</u>
Expenditures				
Current:				
Transportation				
Operating Expenses	385,600	421,700	337,791	(83,909)
Capital Outlay	2,523,140	2,523,140	1,974,100	(549,040)
Debt Service	0	0	270,000	270,000
Total Expenditures	<u>2,908,740</u>	<u>2,944,840</u>	<u>2,581,890</u>	<u>(362,950)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>0</u>	<u>(24,500)</u>	<u>(309,684)</u>	<u>(285,184)</u>
Other Financing Sources (Uses)				
Proceeds from Long term debt	0	0	420,000	420,000
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>420,000</u>	<u>420,000</u>
Net Change in Fund Balance	<u>0</u>	<u>(24,500)</u>	<u>110,316</u>	<u>134,816</u>
Fund Balance, Beginning of Year	<u>0</u>	<u>24,500</u>	<u>133,737</u>	<u>109,237</u>
Fund Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 244,053</u>	<u>\$ 244,053</u>

See notes to budgetary comparison schedule.

**QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2021**

Note 1- Budgetary Requirements

The Quincy-Gadsden Airport Authority (“the Authority”) prepares an annual operating budget for the general fund which is reflected in these financial statements. The Authority’s budgeting process is based on estimates of revenues and expenditures and requires that all budgets be approved by the Board of the Authority (the “Board”). Subsequent amendments to the budget, if any, are approved by the Board.

Budgets are prepared on the same basis of accounting as required for Governmental Fund Types. Any remaining fund balances remain with the Authority at the end of the year.

For the year ended September 30, 2021, the Authority’s General Fund revenues were \$2,272,206 or \$648,134, below the final budget and General Fund expenditures were \$2,581,890 or \$362,950, below the final budget. The variances in revenues and expenses is because the authority budgeted for grant money that was not received in their fiscal year.

QUINCY-GADSDEN AIRPORT AUTHORITY

COMPLIANCE SECTION

SEPTEMBER 30, 2021

**INDEPENDENT AUDITORS' REPORT 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***

Members of the Authority
Quincy-Gadsden Airport Authority
Quincy, FL

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 governmental activities and each major fund of Quincy-Gadsden Airport Authority (the "Authority"), as of and for the year ended September 30, 2021 and the related notes to the financial statements, and have issued our report thereon dated March 21, 2022.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT 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***

(concluded)

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 determination of financial statement amounts. 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*.

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 Authority'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.

Moran & Smith LLP

Moran and Smith LLP
March 21, 2022
Tallahassee, FL

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Members of the Authority
Quincy-Gadsden Airport Authority
Quincy, FL

Report on Compliance for Each Major State Project

We have audited Quincy-Gadsden Airport Authority (the "Authority") compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement*, that could have a direct and material effect on each of its major state projects for the year ended September 30, 2021. Quincy-Gadsden Airport Authority 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 the requirements of laws, regulations, contracts and grants applicable to its state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority'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 Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550, 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 authority'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 Authority's compliance.

Opinion on each Major State Project

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state project for the year ended September 30, 2021.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL
(Concluded)**

Report on Internal Control over Compliance

Management of the Authority 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, we considered the Board's internal control over compliance with the type 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 10.550, 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 Authority'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 combination of deficiencies, in internal control over compliance with a 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.

Purpose of this Report

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Moran & Smith LLP

Moran & Smith LLP
March 21, 2022
Tallahassee, Florida

**QUINCY-GADSDEN AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

State GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	CSFA #	Contract #	Grant Amount	Total Expenditures
<i>Florida Department of Transportation</i>				
Direct Programs				
Hangar L and Taxiway	55.004	G0U85	\$ 650,000	\$ 119,517
Runway Rehab Design Taxiway A/B	55.004	G1781	700,000	272,401
Runway Rehab Construction	55.004	G14K8	1,250,000	1,174,733
<i>Total Florida Department of Transportation</i>			<u>\$ 2,600,000</u>	<u>\$ 1,566,651</u>
<i>Total State Financial Assistance</i>			<u><u>\$ 2,600,000</u></u>	<u><u>\$ 1,566,651</u></u>

The accompanying notes are an integral part of this schedule

QUINCY-GADSDEN AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Note 1 – Basis of Accounting

The supplementary Schedule of Expenditures of State Financial Assistance Projects includes the grant activity of Quincy-Gadsden Airport Authority (the “Authority”) State expenditures are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Chapter 10.550, Rules of the Florida Auditor General. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Reporting Entity

The Authority for purposes of the supplementary Schedule of Expenditures of State Financial Assistance Projects includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

Note 3 – Indirect Cost

The Authority has not elected to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Other Types of Financial Assistance

There were no other types of financial assistance to include endowments, insurance in effect, non-cash assistance, donated property, or free rent received or included in the schedule of expenditures of state financial assistance.

**QUINCY-GADSDEN AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Summary of Audit Results

Financial Statements

I. Type of Audit Report Issued on Financial Statement

Unmodified Opinion

II. Significant Deficiency and / or Material Weaknesses in Internal Control

Audit disclosed no significant deficiencies in internal control over financial reporting

III. Non-Compliance Material to Auditee Financial Statements

Audit disclosed no material instances of non-compliance

IV. Significant Deficiencies and / or Material Weaknesses in Internal Control Over Major State Projects

Audit Disclosed no significant deficiencies and / or material weaknesses in internal control over major state projects that are required to be reported in the schedule of findings and questioned costs.

V. Type of Audit Report Issued on Compliance with Requirements Applicable to Major State Projects

Unmodified Opinion

VI. Audit Findings Relative to Major State Projects

The audit disclosed no findings required to be reported.

VII. Projects Tested as Major State Projects Included

State Projects	<u>CSFA No.</u>
<u>Florida Department of Transportation</u>	
Aviation Grant Programs	
Hangar L and Taxiway Project	55.004
Runway Rehab and Design Taxiway A/B	55.004
Runway Rehab Construction	55.004

VIII. Dollar Threshold Used to Distinguish Between Type A and Type B State Projects

\$300,000

**QUINCY-GADSDEN AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Quincy Gadsden Airport Authority did not qualify as a low-risk auditee.

Financial Statement Findings

No matters are reported.

State Awards Findings and Questioned Costs

No matters are reported.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415 FLORIDA STATUTES**

Members of the Authority
Quincy-Gadsden Airport Authority
Quincy, FL

We have examined the Quincy-Gadsden Airport Authority (the "Authority"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), Rules of the Auditor General. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report 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, and the Authority and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moran & Smith LLP

Moran and Smith LLP
March 21, 2022
Tallahassee, FL

**MANAGEMENT LETTER IN ACCORDANCE WITH
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Members of the Authority
Quincy-Gadsden Airport Authority
Quincy, FL

Report on the Financial Statements

We have audited the financial statements of the Quincy-Gadsden Airport Authority (the “Authority”) as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated March 21, 2022.

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 and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor’s Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 21, 2022, 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 financial audit report. There were no findings and recommendations made in the preceding financial audit report.

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 the management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government and component unit are disclosed in the notes to the financial statements.

**MANAGEMENT LETTER IN ACCORDANCE WITH
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**
(continued)

Financial Condition and Management

Section 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 conditions 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)5b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Quincy-Gadsden Airport 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the independent special district shall specify:

1. The total number of District employees compensated in the last pay period of the District's fiscal year as 0.
2. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year as 9.
3. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$ 0.
4. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$ 1,988,102
5. Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures of such projects as \$ 0.
6. 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 \$ 0.

**MANAGEMENT LETTER IN ACCORDANCE WITH
RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**
(concluded)

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, Members of the Authority and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Moran & Smith LLP

Moran and Smith LLP
March 21, 2022
Tallahassee, FL