

2023

Gainesville-Alachua County Regional
Airport Authority

Financial Statements and
Independent Auditor's Report

September 30, 2023 and 2022

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GAINESVILLE-ALACHUA COUNTY REGIONAL
AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

SEPTEMBER 30, 2023 AND 2022

TABLE OF CONTENTS

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-13
Financial Statements	
Statements of Net Position.....	14
Statements of Revenues, Expenses, and Changes in Net Position.....	15
Statements of Cash Flows.....	16-17
Notes to Financial Statements.....	18-29
Other Supplementary Information	
Revenue Comparison - Budget vs. Actual.....	30-31
Expense Comparison - Budget vs. Actual	32
Schedule of Expenditures of Federal Awards and State Financial Assistance.....	33-35
Other Information	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36-37
Independent Auditor's Report on Compliance for Each Major Federal Program and State Projects and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i>	38-40
Schedule of Findings and Questioned Costs - Federal Programs and State Projects.....	41-42
Independent Accountant's Report on Compliance with Section 218.415, Florida Statutes.....	43
Management Letter	44-46

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority) as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport Authority, as of September 30, 2023 and 2022, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport Authority 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.

Correction of Error

As discussed in Note 13 to the financial statements, the 2022 financial statements have been restated to add an additional lease receivable in accordance with Governmental Accounting Standards Board Statement No. 87. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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To the Governing Board
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INDEPENDENT AUDITOR'S REPORT

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic

To the Governing Board
Gainesville-Alachua County Regional
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INDEPENDENT AUDITOR'S REPORT

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport Authority's basic financial statements. The accompanying Revenue Comparison - Budget vs. Actual, Expense Comparison - Budget vs. Actual, and Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; Chapter 10.550, *Rules of the Auditor General*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Revenue Comparison - Budget vs. Actual, Expense Comparison - Budget vs Actual, and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2024, on our consideration of the Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority's internal control over financial reporting and compliance.



June 27, 2024
Gainesville, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis (MD&A) of the Gainesville-Alachua County Regional Airport Authority (GACRAA) activities and financial performance serves as an introduction and overview of the audited financial statements of GACRAA for the fiscal years ended September 30, 2023 and September 30, 2022. Governmental Accounting Standards Board Pronouncement Number 34 (GASB No. 34) requires an MD&A section to enhance the understandability and usefulness of the financial reports. The information contained in the MD&A has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

GACRAA engages in business-type activities, that is, activities that are financed either in whole or in part by charges to entities that are external to the operation of GACRAA and for which charges are for goods and services rendered. As a result, GACRAA's basic financial statements include the statements of net position, revenues, expenses, changes in net position, cash flows, and notes to the financial statements. These basic financial statements are designed to provide the readers with a broad overview of GACRAA's finances in a manner like that of the private sector.

GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY

GACRAA is an independent special district of the State of Florida operating under Chapter 2006-363, Laws of Florida, *Special Acts of 2006*. This Act amends and replaces earlier Acts dating back to 1986. Prior to 1986, the Airport was considered a dependent special district of the City of Gainesville. GACRAA is overseen by a governing board of nine members, comprised of five members appointed by the City of Gainesville, three members appointed by the State of Florida and one member appointed by Alachua County. As outlined in the bylaws for the GACRAA, the purpose of GACRAA is to develop, maintain, and operate the Gainesville Regional Airport.

GACRAA operates on a fiscal year basis of October 1 through September 30. GACRAA was created to operate as a self-sustaining entity, using aircraft landing fees, fees from terminal and other rentals, and revenues from concessions to fund operating expenses. Operating expenses of GACRAA are not taxpayer funded. Capital improvements are funded by federal and state grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and GACRAA revenues.

The initial construction of the Airport was done by the Work Progress Administration early in 1941. At that time, and upon conclusion of the construction by the U.S. Engineer Department, the field was known as the Alachua Army Airfield and was used by the Army Air Corp and the Army Air Forces. On March 2, 1942, the City Council, by City Ordinance No. 295, established the name of the airfield as the "John R. Alison Airport". The Airport was deeded to the City of Gainesville in 1948. At that time, the field was known as the John R. Alison Airport and known as the Gainesville Municipal Airport. The City operated, maintained, and improved the Airport over the years as the Gainesville Municipal Airport until control transferred to GACRAA. In order to recognize the role, the Airport carries in meeting the regional demands for aviation services, the Airport was renamed the Gainesville Regional Airport in October 1977.

The main terminal area was dedicated to "John R. Alison" in 1979. It had approximately 59,000 square feet of interior space. In 2005, it was expanded to include three passenger boarding bridges. In 2007, construction began on renovating the main passenger areas and administrative offices of the terminal building. Most of this work was completed by October 2008. Subsequently, early in 2022 the terminal expansion project was completed adding approximately 15,000 square footage onto the main terminal area including two more boarding bridges.

The airport is situated on approximately 2,000 acres in the northeast section of Gainesville in Alachua County. It is classified as a commercial non-hub airport by the Federal Aviation Administration (FAA). The airport has two grooved asphalt-surfaced runways, 7/25 and 11/29 that form a closed "V" configuration.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Runway 7/25 is primarily used by general aviation aircraft. It is 4,147 feet long and 100 feet wide. Runway 11/29 is the main carrier runway used by commercial jets and other aircraft. It is 7,503 feet long and 150 feet wide. Runway 7/25, last resurfaced in 1984, was resurfaced again in 2015. Runway 11/29 was resurfaced in September 2004.

GACRAA's Board annually approves an Operating and Capital Outlay budget. GACRAA's Board relies on the advice and recommendation of GACRAA's Finance, Operations, and Audit Committee, which consists of four (4) members of the full Board.

As of September 30, 2023, the Gainesville Regional Airport was served by three (3) passenger carriers and seven (7) rental car brands operated by three (3) companies.

Passenger Airlines

Delta Airlines
American Airlines
Silver Airways

Rental Car Companies

Avis and Budget
Enterprise, National & Alamo
Hertz and Dollar

HISTORICAL ENPLANEMENT DATA

The summary of enplaned passengers of the Gainesville Regional Airport is depicted below for fiscal years 2017 through 2023.

<u>Fiscal Year, Ended</u> <u>September 30</u>	<u>Enplanements</u>
2023	268,788
2022	267,748
2021	171,639
2020	171,745
2019	268,032
2018	236,019
2017	218,698

FINANCIAL RESULTS

The following is a summary of financial results for the year ended September 30, 2023.

Operating revenues increased by \$686,124 from \$7,939,969 in fiscal year 2022 to \$8,626,093 in fiscal year 2023. The revenues are greater in fiscal year 2023 than in fiscal year 2022 mainly from the following sources: 1) Parking revenue by \$219.7k, 2) Air carrier non-exclusive rent by \$77.9k, 3) Air carrier landing fees by \$69.2k, 4) Air carrier exclusive rent by \$61.8k, 5) Food concession rent (excluding the GASB 87 adjustment) by \$120.6k, and 6) Rental car revenue from excess of MAG by \$60.5k. The remaining net increase of approximately \$76.5k came from various sources.

Operating expenses increased by \$680,307, from \$9,677,142 in fiscal year 2022 to \$10,357,449 in fiscal year 2023. Operating expenses, excluding depreciation expense, increased by \$658,134; some of this is due to continued inflation. One of the primary examples of this was payroll and related benefits that increased by \$60.4k for administration personnel and \$230.3k for operations and maintenance personnel over the prior year to keep pace with inflation and the job market rates. Some other noteworthy operating expense increases are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

1) Utilities for the terminal area by \$27.4k, 2) Other contractual services by \$38.5k, 3) City Police and Fire services by \$60.9k (mainly from the true-up) and \$66.7k; respectively, 4) Insurance by \$21.8k, 5) Temporary labor- maintenance by \$34.3k, 6) Security access by \$21.9k, 7) Credit card fees from parking revenues by \$28.6k, and 8) Advertising by \$20.4k. The remaining net increase of operating expenses of \$46.9k was spread over various accounts. Depreciation increased minimally by \$22.2k, which is a non-cash expense.

The operating loss before non-operating revenues and expenses decreased by \$5,817 from a \$1,737,173 loss in fiscal year 2022 to a \$1,731,356 loss in fiscal year 2023. While operating revenues increased by \$686,124 in 2023, so did operating expenses by \$680,307, which resulted in the favorable increase of \$5,817 to the operating loss before non-operating revenues and expenses when compared to the prior fiscal year. The highlights contributing to this favorable increase are discussed in the previous two paragraphs.

Non-operating revenues and expenses changed negatively by \$3,182,293, from a net revenue of \$4,001,444 in fiscal year 2022 to a net revenue of \$819,151 in fiscal year 2023. The main reason for the decrease is that all COVID relief monies were recognized by the end of fiscal year 2022 and the proceeds from the City-Industrial Park Land Sales in 2023 were \$97.9k less than 2022 offset by an increase in interest revenue of \$468.7k in 2023.

Capital contributions received in the form of grants from Federal and State governments, CFCs, and PFCs increased by \$7,743,544 from \$3,083,477 in fiscal year 2022 to \$10,827,021 in fiscal year 2023. This increase is primarily driven by an increase in Federal and State grant income of \$7,641,117 that funded capital projects. The amounts to fund these capital projects can vary substantially from one year to the next. Further, this is predicated upon the projects undertaken and their order in the capital improvement program. It should be noted that PFC's (passenger facility charges) decreased slightly by \$11,804 while net CFC's increased by \$20,568 in addition to the increase in Federal and State grant income. Lastly, there was a combined increase of PFC and CFC interest income of \$93,663 in 2023 over 2022.

FINANCIAL STATEMENTS

GACRAA's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP) promulgated by the Governmental Accounting Standards Board (GASB). GACRAA is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives. See the notes to financial statements for a summary of GACRAA's significant accounting policies.

The statements of net position present information on all GACRAA's assets, deferred outflows and inflows of resources, and liabilities, with the net amount reported as net position. Over time, increases or decreases in GACRAA's net position may serve as a useful indication of whether the financial position of GACRAA is improving or deteriorating. Also to be considered are non-financial factors when evaluating GACRAA's financial position such as passenger activity, Federal Aviation Administration (FAA) Tower operations, fuel storage and usage amounts, and property vacancy rates. The statements of revenues, expenses, and changes in net position present information on how GACRAA's net position changed during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY OF OPERATIONS AND CHANGE IN NET POSITION

See the chart below for changes in operating revenues, operating expenses, non-operating revenues and expenses, and changes in net position. The changes in net position are primarily the result of capital contributions exceeding the net operating loss.

	Fiscal Year <u>2023</u>	Restated Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>
Operating Revenues	\$ 8,626,093	\$ 7,939,969	\$ 6,177,625
Operating Expenses	(10,357,449)	(9,677,142)	(8,533,333)
Loss Before Non-Operating Revenues and Expenses	(1,731,356)	(1,737,173)	(2,355,708)
Non-Operating Revenues and Expenses, Net	819,151	4,001,444	3,772,789
Income (Loss) Before Capital Contributions	(912,205)	2,264,271	1,417,081
Capital Contributions	10,827,021	3,083,477	8,527,433
Increase in Net Position	<u>\$ 9,914,816</u>	<u>\$ 5,347,748</u>	<u>\$ 9,944,514</u>

SUMMARY OF ASSETS, LIABILITIES, AND NET POSITION

Current and restricted assets increased \$3,761,563 from \$21,439,758 in fiscal year 2022 to \$25,201,321 in fiscal year 2023. This increase breaks down as follows: an increase of unrestricted cash by \$2,627,126 and an increase of restricted cash by \$933,211; as did grants receivable increase by \$331,869. Also, unrestricted receivables decreased by \$160,138; while restricted receivables increased by \$14,709. Other current assets (not related to leases) decreased by \$9,641. The current lease receivable and the related interest combine for \$1,137,176 for fiscal year 2023 compared to \$1,112,749 in fiscal year 2022. In addition, the long-term lease receivable decreased by \$1,006,502 from \$1,566,937 in fiscal year 2022 to \$560,435 in fiscal year 2023. Capital assets (net of accumulated depreciation) increased by \$6,907,419 from \$66,302,735 in fiscal year 2022 to \$73,210,154 in fiscal year 2023.

Current liabilities increased by \$664,100 from \$972,067 in fiscal 2022 to \$1,636,167 in fiscal year 2023. This increase is primarily driven by the increase in the retainage accounts by \$440,110. Operating accounts payable (including accrued) and Capital accounts payable increased by \$104,116 and \$104,784, respectively; the remaining increase of \$15.1k was spread over various current liability accounts. Non-current liabilities (or advanced lease payments) decreased by \$10.8k from \$286,632 in fiscal year 2022 to \$275,798 in fiscal year 2023.

Net position may, over time, serve as a useful indicator of GACRAA's financial position. The GACRAA's net position is \$95,359,583 at September 30, 2023, which is a \$9,914,816 increase over the \$85,444,767 September 30, 2022 balance.

The chart below compares and summarizes assets, deferred inflows of resources, liabilities, and net position:

	Fiscal Year <u>2023</u>	Restated Fiscal Year <u>2022</u>	Fiscal Year <u>2021</u>
ASSETS			
Current and Restricted Assets	\$ 25,201,321	\$ 21,439,758	\$ 15,604,561
Long-Term Lease Receivable	560,435	1,566,937	1,992,816
Capital Assets, Net	73,210,154	66,302,735	67,401,538
Total Assets	<u>98,971,910</u>	<u>89,309,430</u>	<u>84,998,915</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Fiscal Year 2023	Restated Fiscal Year 2022	Fiscal Year 2021
LIABILITIES			
Current Liabilities	\$ 1,636,167	\$ 972,067	\$ 1,753,636
Non-Current Liabilities	<u>275,798</u>	<u>286,632</u>	<u>297,465</u>
Total Liabilities	<u>1,911,965</u>	<u>1,258,699</u>	<u>2,051,101</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,700,362</u>	<u>2,605,964</u>	<u>2,850,795</u>
NET POSITION			
Net Investment in Capital Assets	72,573,006	66,210,481	66,381,147
Restricted	4,861,306	3,913,386	3,022,144
Unrestricted	<u>17,925,271</u>	<u>15,320,900</u>	<u>10,693,728</u>
Total Net Position	<u>\$ 95,359,583</u>	<u>\$ 85,444,767</u>	<u>\$ 80,097,019</u>

The largest portion of GACRAA's net position each year represents its investment in capital assets (e.g., land, buildings, improvements, and equipment). GACRAA uses these capital assets to provide services to the airlines, concessionaires, passengers, and visitors to the Airport; consequently, these assets are not available for future spending.

An additional portion of GACRAA's net position represents PFCs that are restricted by Federal regulations and CFCs that are restricted for capital improvements and expenditures directly related to the rental car companies. The remaining portion is the unrestricted net position which may be used to meet any of GACRAA's ongoing obligations.

REVENUES AND CAPITAL CONTRIBUTIONS

A summary of revenues and capital contributions for the years ended September 30, 2023, 2022, and 2021, is as follows:

	Fiscal Year 2023	Restated Fiscal Year 2022	Fiscal Year 2021
Operating Revenues			
Parking Revenues	\$ 2,552,351	\$ 2,332,678	\$ 1,276,367
Commercial Terminal	2,631,840	2,301,290	1,929,474
Rental Car Companies (Including QTF)	1,841,017	1,793,888	1,667,294
General Aviation	1,267,271	1,189,500	1,030,786
Fuel Flowage and Storage Fees	<u>333,614</u>	<u>322,613</u>	<u>273,704</u>
Total Operating Revenues	<u>8,626,093</u>	<u>7,939,969</u>	<u>6,177,625</u>
Capital Contributions and Non-Operating Revenues			
Passenger Facilities Fees	1,068,322	1,080,126	723,713
Customer Facility Charge (Net)	40,576	20,008	53,860
Federal and State Grants	9,614,679	5,521,251	11,830,704
Sale of Surplus Equipment	-	-	-
CFC – Interest Revenue	31,088	4,044	939
PFC – Interest Revenue	72,356	5,737	2,148
Interest Income	579,112	131,602	116,025
Proceeds from the City – Industrial Park Land Sale	213,726	311,650	-
Other	<u>26,313</u>	<u>17,112</u>	<u>6,166</u>
Total Capital Contributions and Non-Operating Revenues	<u>11,646,172</u>	<u>7,091,530</u>	<u>12,733,555</u>
Total	<u>\$ 20,272,265</u>	<u>\$ 15,037,202</u>	<u>\$ 18,911,180</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

As previously mentioned, operating revenues increased by \$686k in fiscal year 2023 over 2022. Parking revenue alone is up nearly \$220k or 32% of the total operating revenue increase. In addition, air carrier exclusive and non-exclusive rent combined were up \$139.7k compared to fiscal year 2022, as were the related landing fees by \$69.2k; food concession rent (excluding the GASB 87 adjustment) was also up \$120.6k, these highlight the increase from terminal revenues. The increase from rental car companies by was mainly due to an increase of income from excess of MAG by \$60.5k offset by a decrease in QTF revenues of \$12.9k compared to last year. General aviation was up mostly due to the following increases: 1) rental income from the Consortia hangar by \$30.6k, 2) T Hangar rent by \$19.1k and 3) GA landing fees by \$18.2k. Further, there was an increase in capital and non-capital contributions of \$4,093,428 for fiscal year 2023 that came from Federal and State Grants (see above). Federal and State grant income will vary year to year based on the type and timing of the active projects. In addition, PFC's and the related interest revenue (combined) increased by \$54,815; as did CFC's (net) and related interest revenue increased by \$47,612 from the prior fiscal year 2022. Operating interest income is up \$447,510 in fiscal year 2023 over 2022. The proceeds from City Land sales in fiscal year 2023 is \$97,924 less than 2022 and other income was up by \$9.2k.

AIRPORT USE AND LEASE AGREEMENTS

GACRAA has entered into Airport Use and Lease Agreements with the following signatory airlines:

- Delta
- American Airlines
- Silver Airways

The airline agreements establish procedures for the periodic adjustment of signatory airline terminal rates and aircraft landing fees collected for the use and occupancy of terminal and airfield facilities.

The signatory airlines are granted the non-exclusive use of the airport for the purpose of operating an air transportation system for the carriage of persons, property, cargo and mail, according to the rules and regulations of GACRAA and the agreements with GACRAA.

Each of the signatory airlines leases space in the terminal for its exclusive use with the right to make certain leasehold improvements. Each of the airlines pays monthly: (1) rentals for exclusive and non-exclusive terminal space; and (2) landing fees. Rental and landing fees may be adjusted by GACRAA, as outlined in the agreements. Rental rates for space occupied and used by the Airlines were adjusted as of December 1, 2016. Silver Airways is exempt from paying landing and boarding bridge fees related to the Ft. Lauderdale service for the first two years beginning August 21, 2023. This exemption is a common practice offered to airlines for the commencement of a new route service at an airport and part of the standard incentive package approved by the Board.

LANDING FEES

All charges for the use of the field and runway area are combined in a monthly landing fee based upon the signatory airline's aircraft arrivals at the airport during the month. The landing fee is computed by multiplying the maximum gross certified landing weight of the aircraft arrival by a landing fee rate expressed in terms of thousand pound units of maximum certified landing weight.

AIRPORT LEASE AND CONCESSION AGREEMENTS

GACRAA has entered into lease and concession agreements with the following rental car companies:

- Avis and Budget
- National and Alamo
- Hertz and Dollar
- Enterprise Leasing

MANAGEMENT'S DISCUSSION AND ANALYSIS

The current contract began October 1, 2019 and expires September 30, 2024. Each contract year, the rental car companies pay rentals for exclusive terminal space, ready car return lot, and overflow lot space. Rentals are adjusted each contract year based on increases outlined in the rental agreement. In addition to rentals, the rental car companies also pay a concession fee equal to 10% of their gross revenues or a MAG, outlined in the agreement, whichever is greater.

EXPENSES

A summary of expenses for the years ended September 30, 2023, 2022, and 2021, is as follows:

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Operating Expenses			
Administration and General	\$ 1,569,539	\$ 1,438,509	\$ 1,295,985
Operations and Security	1,966,002	1,687,636	1,494,902
Facilities and Maintenance	2,144,908	1,905,805	1,498,899
Fuel Farm	44,742	37,264	36,016
General Aviation	65,278	73,323	98,908
Parking Lot	209,575	185,203	139,343
Quick Turn-Around Facility	428,788	442,958	297,169
Depreciation	3,928,617	3,906,444	3,672,111
Total Operating Expenses	10,357,449	9,677,142	8,533,333
Non-Operating Expenses			
Interest Expense	-	-	89,360
Swap Payoff - 2006A Bond	-	-	343,264
Loss on NAV - Investment	-	6,609	709
Total Non-Operating Expenses	-	6,609	433,333
Total Expenses	10,357,449	\$9,683,751	\$8,966,666

SUMMARY OF CASH FLOW ACTIVITIES

Cash increased by \$3,560,337 in fiscal year 2023 and increased by \$6,696,773 in fiscal year 2022. This increase was primarily due to the change in cash flow provided by capital financing activities. The summary of cash flows for the years ended September 30, 2023, 2022, and 2021 are as follows:

	Fiscal Year 2023	Restated Fiscal Year 2022	Restated Fiscal Year 2021
Net Cash Provided by Operating Activities	\$ 2,654,027	\$ 2,225,279	\$ 1,189,459
Cash Flows from Non-Capital Financing Activities	-	3,251,921	3,811,170
Cash Flows Provided by (Used in) Capital Financing Activities	221,113	1,082,232	(5,229,108)
Cash Flows from Investing Activities	685,197	137,341	11,574
Increase (Decrease) in Cash	\$ 3,560,337	\$ 6,696,773	\$ (216,905)

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2023, \$254.7k of capitalized items and were moved from construction in progress to depreciable capital assets and \$9.3k was expensed. The total of \$264k were all related to equipment and supplies for the new parking system.

Construction in progress at September 30, 2023, is over \$13.6 million. The major items in progress as of FYE 2023 are as follows: 1) Taxiway A at about \$6 million, 2) GA Apron rehab at nearly \$4.7 million, 3) Multimodal at \$1,040,802 and 4) Terminal related at \$1.1 million. The remaining balance of approximately \$819k is for various projects in progress. The cost of construction projects is largely paid for by Federal and State grants, as well as PFCs and CFCs.

PASSENGER FACILITY CHARGE

PFCs are available to airports to finance AIP-eligible projects approved by the FAA that preserve or enhance capacity, safety, or security of the National Air Transportation System, reduce noise resulting from airport activity, or furnish opportunities to enhance competition among air carriers. As of September 30, 2023, GACRAA has applied for and received approval to collect PFCs on four applications. The first application, PFC 1, was closed out in fiscal 2003. The second application dated June 18, 2002, was approved on August 30, 2002, to collect and use PFCs beginning January 11, 2003. The first PFC was approved at a rate of \$3.00 per enplaned passenger and the second PFC was approved at the rate of \$4.50 per enplaned passenger. PFC#2 was approved in the amount of \$4,637,954 but was amended in December of 2010, to increase collections by \$1,030,630, for a collection total of \$5,668,584.

PFC#2 was closed in September of 2014. On November 8, 2013, PFC application #3 was approved by the FAA with a total collection allowance of \$1,250,942. Collections under PFC 3 began January 1, 2014. On July 6, 2015, an amendment to PFC#3 was approved by the FAA increasing the collection allowance by \$87,218 for a total collection allowance of \$1,338,160. Effective October 31, 2015, collections under PFC application #3 were achieved. A total of \$1,287,853 had been expended on PFC#3 as of September 30, 2016. On January 20, 2016, PFC application #4 was approved in the amount of \$6,277,987. Collections on PFC #4 began March 1, 2016. Subsequently, on January 14, 2019, PFC#4 was amended to decrease the amount of collection by \$98,340, due to the rescheduling of one of the capital projects approved in the PFC#4 application. This project, the Rehabilitation and Reconfiguration of Taxiway A, will be included in the future PFC#5 application. On August 18, 2022, PFC #4 was amended to increase collections by \$1,342,675 for application to the Terminal Expansion Project.

CUSTOMER FACILITY CHARGE

On August 1, 2005, GACRAA instituted a CFC. The CFC is a \$3.00 charge per rental car per day. Rental car companies collect CFCs and remit them to the airport for use on projects which enhance the operation of rental car companies. CFCs were used to expand the rental car ready return parking lot, construct a quick turn-around service facility and pay for its maintenance, while upgrading the terminal area occupied by the rental car companies, as agreed upon. On July 1, 2014, CFC collections were reduced to \$1.00 per rental car, per day. As of September 30, 2023, \$5,815,376 in CFCs have been collected and \$75,295 interest has been received, while \$4,621,123 had been spent.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINE OF CREDIT

On January 20, 2005, GACRAA authorized the execution of a \$2,000,000 line of credit with a local bank secured by revenues generated from PFCs. Effective September 1, 2009, the agreement was amended to allow the Airport Authority to borrow \$1,250,000 under the line of credit. Later, effective August 28, 2014, the Board approved the renewal of the Airport's line of credit for \$1,000,000 maturing June 30, 2015, with an interest rate based on monthly LIBOR plus 2.75% or a floor of 4.5%. Since then, the Board has approved a renewal of the line of credit with these same terms every year through September 30, 2019. As of September 30, 2020, the amount available on the line of credit was \$1,000,000 and the terms included an interest rate of monthly LIBOR plus 2.75% or a floor of 3.75%. At the time of the most current renewal, the same terms remain, with an expiration date of August 30, 2022. The Airport Authority did not renew the line of credit that expired in August 2022 due to its favorable cash position. As of and during the years ended September 30, 2023 and 2022, the Airport Authority borrowed \$0.

CURRENT OPERATION FINANCIAL SITUATION

Commercial passenger volume increased by .79% or 4,163 passengers from fiscal 2022 to 2023, demonstrating that passenger activity has definitively returned to pre-COVID levels. In addition, overall airline load factors increased by .9% to 85%. The annual regional carrier passenger increase distributed as follows: Delta (Atlanta) up by 33,437 (12.1%), American (Miami) down by 10,178 (-22.4%), American (Charlotte) down by 10,983 (-7.3%) and American (Dallas) down by 10,847 (-18.3%). Silver Airways began service August 21, 2023, and had activity of 2,734 passengers as of September 20, 2023. Annual load factors compared to the prior year by carrier are as follows: Delta up by .5% to 85.4%, American (Charlotte) up by 2% to 88.9%, American (Dallas) down by 1% to 86.7%, and (Miami) up by .7% to 69.9%. Silver Airways had a 61.2% load factor as of September 30, 2023. Specifically, commercial enplanements increased by .4% or 1,058 passengers from fiscal 2022 to 2023 and the related load factor increased by .5% to 85.5%. It should be noted that these swings in activity and load factors stemmed from the impact of the pandemic, as the airlines continue to adjust to the change in demand, pilot shortages and fleet availability moving forward.

General aviation operations have been commonly weak for over a decade, seemingly due to high fuel prices and a weakened economy, combined with attrition from an aging pilot population; however, fiscal year 2016 showed a bit of a rebound in activity and this trend seemed to continue through fiscal year 2019. Given the pandemic, general aviation activity was only down by 7.43% when comparing 2021 to 2020; although, the related fuel activity did increase by about 15% during the same time frame. By the end of fiscal year 2022, general aviation operations recorded a 5.84% increase over fiscal year 2021 and by the end of fiscal year of 2023 general aviation operations had a 13.47% increase over fiscal year 2022; thus, activity has gone back above recent pre-covid levels. In addition, general aviation Jet A fuel flowage (in gallons) had a 6.84% increase over fiscal year 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUBSEQUENT EVENTS – COVID 19 UPDATE

As of April 30, 2024, YTD passenger activity is 11.45% higher than that as of April 2023. Further, YTD passenger activity at April 30, 2024, is about 9.4% more than that of YTD April 30, 2019, the last pre-Covid fiscal year. Thus, it appears that current travel activity has returned to pre-COVID levels and then some. However, an inflation-ridden economy and pilot shortages combine to create uncertainty as to future growth.

Also, Airport management had indicated in the 2019 audit report that the Airport Authority applied for and accepted a grant under the CARES Act in the amount of \$3.1 million. At fiscal year-end 2020, the Airport Authority had collected over \$1.3 million of such, with the balance of the \$3.1 million being received by February 2021. In addition, on May 7, 2021, the ACRGP #1 (Airport Coronavirus Response Grant Program) was executed and would provide further relief to the Airport Authority in the amount of \$2,294,138 that could be drawn upon in the same manner the CARES Act had been. This grant was signed into law on December 27, 2020, and allows for expenditures dating back to December 28, 2020. As of September 30, 2021, the Airport Authority collected \$2,021,377 of the \$2,294,138 with the balance of \$272,760 received in November 2021. During fiscal year 2022, the Airport Authority began taking draws against ACRGP #2, which awarded the Airport \$3,547,689 allowing for expenditures dating back to January 20, 2020. As of September 30, 2022 the Airport collected \$2,979,161 on the ACRGP #2, with the balance of \$568,528 received on November 21, 2022 and accrued at FYE 2022. Thus, both ACRGP's available to the Airport have been collected in full and there is none to be realized in fiscal year end 2023.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the GACRAA's finances for all those interested. Questions concerning any of the information provided in this report, or request for additional information should be addressed to the Gainesville Regional Airport, Attn: Communications Director, 3880 NE 39th Avenue, Suite A, Gainesville, Florida 32609 or by emailing info@flygainesville.com.

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
SEPTEMBER 30, 2023 AND 2022
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2023	Restated 2022
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 17,345,091	\$ 14,717,965
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$17,445 and \$17,445, Respectively)	486,987	647,125
Current Lease Receivable	1,134,420	1,107,352
Interest Receivable - Leases	2,756	5,397
Grants Receivable	1,232,436	900,567
Prepaid Expenses	122,514	127,366
Inventories	15,811	20,600
Total Current Assets	20,340,015	17,526,372
Restricted Assets		
Accounts Receivable	218,198	203,489
Cash - Passenger Facility Charge	3,373,560	2,387,696
Cash - Customer Facility Charge	1,269,548	1,322,201
Total Restricted Assets	4,861,306	3,913,386
Long-Term Lease Receivable	560,435	1,566,937
Property, Plant and Equipment		
Land	2,956,264	2,956,264
Buildings	49,394,182	49,394,182
Improvements Other Than Buildings	82,493,813	82,353,189
Fuel Farm Land and Improvements	681,440	681,440
Vehicles and Equipment	4,305,157	3,968,959
Leasehold Acquisitions	450,000	450,000
Construction Work in Progress	13,650,568	3,322,850
	153,931,424	143,126,884
(Accumulated Depreciation)	(80,721,270)	(76,824,149)
Total Property, Plant and Equipment - Cost Less Depreciation	73,210,154	66,302,735
Total Assets	98,971,910	89,309,430
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	1,167,078	943,088
Contract Retainage Payable	449,068	8,958
Current Portion of Advanced Lease Payments	20,021	20,021
Total Current Liabilities	1,636,167	972,067
Long-Term Liabilities		
Advanced Lease Payments	275,798	286,632
Total Long-Term Liabilities	275,798	286,632
Total Liabilities	1,911,965	1,258,699
Deferred Inflows of Resources		
Deferred Inflow - Leases	1,700,362	2,605,964
Total Deferred Inflows of Resources	1,700,362	2,605,964
Net Position		
Net Investment in Capital Assets	72,573,006	66,210,481
Restricted	4,861,306	3,913,386
Unrestricted	17,925,271	15,320,900
Total Net Position	95,359,583	85,444,767
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 98,971,910	\$ 89,309,430

See accompanying notes.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2023	Restated 2022
Operating Revenues		
Sales and Service Charges	\$ 8,626,093	\$ 7,939,969
Operating Expenses		
Administration and General	1,569,539	1,438,509
Operations and Security	1,966,002	1,687,636
Facilities and Maintenance	2,144,908	1,905,805
Fuel Farm	44,742	37,264
General Aviation	65,278	73,323
Parking Lot	209,575	185,203
Quick Turn-Around Facility (QTF)	428,788	442,958
Depreciation and Amortization	3,928,617	3,906,444
(Total Operating Expenses)	(10,357,449)	(9,677,142)
Operating (Loss)	(1,731,356)	(1,737,173)
Non-Operating Revenues (Expenses)		
Interest Revenue	507,837	39,159
Loss on NAV	-	(6,609)
Interest Income - Leases	71,275	92,443
Miscellaneous	26,313	17,112
Non-Capital Federal Grants	-	3,547,689
Proceeds from the City-Industrial Park Land Sale	213,726	311,650
Total Non-Operating Revenues (Expenses)	819,151	4,001,444
Gain (Loss) Before Capital Contributions	(912,205)	2,264,271
Capital Contributions		
Passenger Facility Charge Revenue	1,068,322	1,080,126
Interest Revenue - PFC	72,356	5,737
CFC Revenue (Net of \$168,295 and \$174,680 in 2023 and 2022, Respectively, for QTF Expenses)	40,576	20,008
Interest Revenue - CFC	31,088	4,044
Federal and State Grants Income	9,614,679	1,973,562
Total Capital Contributions	10,827,021	3,083,477
Increase in Net Position	9,914,816	5,347,748
Total Net Position, Beginning of Year, as Restated	85,444,767	80,097,019
Total Net Position, End of Year	\$ 95,359,583	\$ 85,444,767

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2023	Restated 2022
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 8,849,199	\$ 7,839,543
Cash Paid to Employees	(2,687,760)	(2,399,860)
Cash Paid to Suppliers	(3,507,412)	(3,214,404)
Net Cash Provided by Operating Activities	2,654,027	2,225,279
Cash Flows from Non-Capital Financing Activities		
Proceeds from Federal COVID Relief Programs	-	3,251,921
Net Cash Provided by Noncapital Financing Activities	-	3,251,921
Cash Flows from Capital and Related Financing Activities		
Proceeds from Federal Grants	8,760,252	3,177,758
Proceeds from State Grants	503,497	251,295
Passenger Facility Charge Revenue	1,057,694	1,041,000
Customer Facility Charge	36,495	19,196
Miscellaneous	45,376	17,112
Proceeds from the City - Industrial Park Land Sale	213,726	311,650
Acquisition and Construction of Fixed Assets	(10,395,927)	(3,735,779)
Net Cash Provided by Capital and Related Financing Activities	221,113	1,082,232
Cash Flows from Investing Activities		
Loss on NAV	-	(6,609)
Interest Income - Leases	73,916	94,961
Interest Received	611,281	48,989
Net Cash Provided by Investing Activities	685,197	137,341
Increase in Cash	3,560,337	6,696,773
Cash, Beginning of Year	18,427,862	11,731,089
Cash, End of Year	\$ 21,988,199	\$ 18,427,862

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2023	2022
<u>Presented in Accompanying Financial Statements as</u>		
Current Assets		
Cash and Cash Equivalents	\$ 17,345,091	\$ 14,717,965
Restricted Assets		
Cash - Passenger Facility Charge	3,373,560	2,387,696
Cash - Customer Facility Charge	1,269,548	1,322,201
Total Cash, End of Year (Above)	\$ 21,988,199	\$ 18,427,862
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>		
Operating (Loss)	\$ (1,731,356)	\$ (1,737,173)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Decrease (Increase) in Lease Receivables	979,434	248,308
Decrease (Increase) in Deferred Inflow - Leases	(905,602)	(244,831)
Depreciation and Amortization	3,928,617	3,906,444
Decrease (Increase) in Receivables	160,138	(93,070)
Decrease (Increase) in Inventories and Prepaid Expenses	9,641	9,865
Increase (Decrease) in Accounts Payable and Accrued Liabilities	223,989	146,569
Increase (Decrease) in Advanced Lease Payments	(10,834)	(10,833)
Net Cash Provided by Operating Activities	\$ 2,654,027	\$ 2,225,279

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Gainesville-Alachua County Regional Airport Authority (the Airport Authority) is an independent special district created for the purpose of providing airport services and facilities for the citizens of Alachua County, Florida, and surrounding areas. The accompanying financial statements of the Airport Authority have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. As a result of applying the reporting entity criteria under GASB, no other component units exist in which the Airport Authority has any financial accountability, which would require inclusion in the Airport Authority's financial statements.

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 disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The Airport Authority's financial statements are presented in the form of a single enterprise fund, which encompasses all financial activity relative to owning, operating, and improving the airport facilities.

Governmental proprietary operations (enterprise funds) are accounted for using a flow of economic resources measurement focus on the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred.

Revenues from airlines, concessions, rental cars, and parking are reported as operating revenues. Transactions which are capital, financing, or investing-related are reported as non-operating revenues. All expenses related to operating the Airport Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

The accounting and reporting policies of the Airport Authority conform to the accounting rules prescribed by GASB.

The difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components as follows:

- Net Investment in Capital Assets—Capital assets, net of accumulated depreciation/amortization and reduced by outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

- Restricted—Restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provisions or enabling legislation.
- Unrestricted—Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include cash on hand, demand deposits, and short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less.

Accounts and Grants Receivable

Accounts receivable represent amounts due from various vendors who use airport facilities. Grants receivable represent amounts due from other government entities and are recorded when the Airport Authority has incurred qualified expenditures in accordance with various grant agreements. Receivables are recorded at net realizable value. The allowance for uncollectible receivables was \$17,445 for the years ended September 30, 2023 and 2022.

Leases

The Airport Authority is a lessor for several non-cancellable leases. The Airport Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Airport Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Airport Authority determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

Inventories

Inventories are recorded at the lower of cost or market and are valued using the specific identification method.

Property, Plant and Equipment

Property, plant and equipment purchased or constructed are recorded at cost. Repairs and maintenance are charged to expense as incurred. Donated assets are recorded at acquisition cost at the date of contribution. Assets acquired or constructed are depreciated using the straight-line method over their estimated useful lives as follows:

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Buildings	10-40 Years
Improvements Other Than Buildings	20-30 Years
Vehicles and Equipment	3-15 Years
Leasehold Acquisitions	20 Years

Budgets

Estimates of revenues and expenses are adopted prior to October 1 of each year. There were no budget amendments made during fiscal years 2023 or 2022.

Capital Contributions

Contributions and grants are funds granted by various governmental agencies and collected from tenants for specific improvements to the airport facilities (improvements). In the normal course of business, the Airport Authority applies for and receives grant funds primarily from the Federal Aviation Administration (FAA) and the Florida Department of Transportation (FDOT). Costs incurred under these agreements are subject to review and approval by the FAA and FDOT. Contributions and grants for improvements are reported in the statements of revenues, expenses, and changes in net position after non-operating revenues and expenses as capital contributions.

Passenger Facility Charges (PFC)

The Airport Authority currently has one active Passenger Facility application, PFC 16-04-C-00-GNV. Approved by the FAA, PFC applications allow the Airport Authority to impose a PFC at the \$4.50 level. Air carriers are required to collect the PFCs and remit \$4.39 per enplaned passenger to the Airport Authority on a monthly basis. PFC funds are used for specific improvements to Airport facilities, which are approved by the FAA and the air carriers. The authorization to impose the PFC is contingent on continued compliance with the terms of FAA regulations. On January 20, 2016, PFC application #4 was approved in the amount of \$6,277,987. Collections on PFC#4 began March 1, 2016. Subsequently, on January 14, 2019, PFC#4 was amended to decrease the amount of collection by \$98,340, due to rescheduling one of the capital projects approved in the PFC#4 application. This project, the Rehabilitation and Reconfiguration of Taxiway "A" will be included in the future PFC#5 application. On August 18, 2022, PFC#4 was amended to increase collections by \$1,342,675 for application to the Terminal Expansion Project.

Customer Facility Charges

On June 23, 2005, the Airport Authority passed Resolution 05-025 authorizing the implementation of a \$3.00 Customer Facility Charge (CFC), for use on rental car-related projects. The CFC has been collected by the rental car companies at the rate of \$3.00 per rented car per day and is remitted to the Airport Authority monthly. As a result of completing the Quick Turn-Around Facility in fiscal year 2012, as well as other rental car-related projects it was determined that the CFC rate would be reduced from \$3 to \$1 as of July 1, 2014.

Terminal Rents and Concessions

Rental and concession fees are generated from airlines, parking lots, food and beverage, rental cars, advertising, and other commercial tenants.

Compensated Absences

Accumulated unpaid vacation pay is recorded as accrued.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Restricted Assets

Certain resources are restricted for future use by enabling legislation. These resources are classified as restricted because their use is limited. When both restricted and unrestricted resources are available for use, the Airport Authority’s practice is to use the restricted resources first, then unrestricted resources as they are needed.

Change in Accounting Principle

The GASB issued Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements* (SBITAs), in June of 2020. This statement is effective for the current fiscal year ended September 30, 2023. The Airport Authority reviewed the provisions of GASB 96 and compiled an inventory of agreements that would potentially be impacted by the implementation of this statement. An evaluation of each agreement was made, based on materiality to the Airport Authority’s financial statements. Based on this evaluation, the impact of the provisions of GASB 96 to the Airport Authority was deemed not significant for SBITAs to which the Airport Authority is a party and acts as an end user. All agreements were evaluated as of the implementation date of October 1, 2022. As such, no restatement of prior period balances related to affected agreements was required and no current year financial impact occurred.

Note 2 - Cash and Investments

The carrying amount of the Airport Authority’s deposits and investments as of September 30 is summarized below:

	2023	2022
Cash and Cash Equivalents:		
Cash on Hand	\$ 1,034	\$ 4,818
Deposits in Financial Institutions:		
Insured or Fully Collateralized		
Bank Deposits	20,928,802	17,413,169
Investments	1,058,363	1,009,875
Total Cash and Cash Equivalents	\$ 21,988,199	\$ 18,427,862

Deposits

All of the Airport Authority’s public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository’s collateral pledged level. The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Airport Authority’s cash deposits may not be returned to the Airport Authority. The Airport Authority’s deposits are considered to be fully insured.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

- **Level 1**—inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2**—inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3**—inputs are unobservable inputs that reflect the Airport Authority’s own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

For investments in certain entities that calculate net asset value (NAV) that do not have a readily determinable fair value, the Airport Authority is permitted to report fair value on the NAV per share as a practical expedient, where certain conditions are met. Such measurements are included within the disclosure, but should not be classified as Level 1, Level 2, or Level 3 within the hierarchy.

The Airport Authority’s investment in FL-FIT Cash Pool is measured at NAV. There are no unfunded commitments, and the FL-FIT Cash Pool offers next day liquidity.

Note 3 - Commitments

The Airport Authority is currently conducting various improvement projects that are eligible for federal, state, and local reimbursements. Commitment’s outstanding are approximately \$27,141,162 and \$7,245,996 at September 30, 2023 and 2022, respectively.

Note 4 - Pension Plans

During 2023 and 2022, the Airport Authority had approximately 38 and 37 employees, respectively; hired and supervised directly by the Airport Authority. The employees who worked for the Airport Authority participated in a defined contribution pension plan administered by the Airport Authority.

Defined Contribution Pension Plan

The Plan is open to all Airport Authority personnel. The Plan is qualified under the provisions of Section 401(a) of the Internal Revenue Code. Under the provisions of the Plan, the Airport Authority contributes an amount equal to 10% of the employees’ gross pay. Covered employees are required to contribute 5% of gross pay. Employees are vested in the Plan when they begin employment.

Employer contributions are submitted to Mission Square Retirement, which invests the assets on behalf of the employees and reports the results of the investment activity on a quarterly basis. Employees may withdraw these contributions and any interest earned thereon upon separation from service. Withdrawals prior to the age of 55 are subject to a 10% penalty.

Total pension expense under this plan was \$192,690 and \$169,655 for the years ended September 30, 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Note 5 - Services Provided by the City of Gainesville, Florida

During the years ended September 30, 2023 and 2022, the Airport Authority paid the City of Gainesville, Florida, for services as follows:

	<u>2023</u>	<u>2022</u>
Fire Protection	\$ 639,497	\$ 572,772
Security	439,919	379,032
Indirect Costs	24,542	8,186
Utilities	<u>620,679</u>	<u>553,507</u>
Total	<u>\$ 1,724,637</u>	<u>\$ 1,513,497</u>

Note 6 - Line of Credit

On January 31, 2005, the Airport Authority entered into a revolving loan agreement with Compass Bank secured by revenues generated from passenger facility charges. The original agreement allowed the Airport Authority to borrow up to \$2,000,000, with interest accruing on the unpaid principal balance at the LIBOR-Market Index Rate plus 200 basis points. The interest rate will not decrease below 4.5% nor increase above 18% per annum. Beginning on March 1, 2005, and continuing on the first day of each month thereafter, the Airport Authority shall make monthly payments of interest only with interest calculated on the unpaid principal balance. With Board authorization, the agreement was subsequently amended and has been extended annually since its original expiration date of December 1, 2013. As of September 30, 2021, the amount available on the line of credit was \$1,000,000 and the terms included an interest rate of monthly LIBOR plus 2.75% or a floor of 3.75%. At the time of the most current renewal, the same terms remain and with an expiration date of August 30, 2022. The Airport Authority did not renew the line of credit that expired in August 2022 due to its favorable cash position. As of and during the years ended September 30, 2023 and 2022, the Airport Authority borrowed \$0.

Note 7 - Risk Management

The Airport Authority is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the Airport Authority carries commercial insurance. Insurance against losses are provided for the following types of risk:

- | | |
|-------------------------------------|------------------------------------|
| ■ Workers' Compensation | ■ Directors and Officers Liability |
| ■ Business Auto | ■ Airport Liability |
| ■ Real and Personal Property Damage | ■ Fiduciary Liability |
| ■ Cyber Liability | ■ Crime |

Settlements have not exceeded coverage during the past three years.

Note 8 - Interlocal Agreement

Pursuant to an interlocal agreement, the City of Gainesville, Florida, has agreed to pay the Airport Authority fair market value for the sale of certain parcels of City-owned land in the Airport Industrial Park. If the City sells the land below fair market value, then the City will reimburse the Airport Authority 50% of the amount of ad valorem taxes attributable to the property over a period not to exceed ten

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

years or the difference between the sales price and the fair market value has been paid, whichever occurs first. All proceeds must be used for capital projects at the airport or operations. The ad valorem tax proceeds and land sales proceeds that were shared with the Airport Authority were \$213,726 and \$311,650 for the years ended September 30, 2023 and 2022, respectively. Such amounts are recorded as revenues when they become due from the City of Gainesville, Florida.

Note 9 - Capital Assets

A summary of changes in capital assets for the years ended September 30, 2023 and 2022, is as follows:

	Beginning Balance October 1, 2022	Increases	Decreases	Ending Balance September 30, 2023
Capital Assets Not Being Depreciated				
Land	\$ 2,956,264	\$ -	\$ -	\$ 2,956,264
Capital Assets Being Depreciated				
Buildings	49,394,182	-	-	49,394,182
Improvements Other Than Buildings	82,353,189	140,624	-	82,493,813
Fuel Farm Land and Improvements	681,440	-	-	681,440
Vehicles and Equipment	3,968,959	367,695	31,497	4,305,157
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	136,847,770	508,319	31,497	137,324,592
Less Accumulated Depreciation for				
Buildings	17,822,757	1,078,143	-	18,900,900
Improvements Other Than Buildings	54,754,183	2,670,370	-	57,424,553
Fuel Farm Land and Improvements	557,336	12,149	-	569,485
Vehicles and Equipment	3,239,873	167,956	31,497	3,376,332
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	76,824,149	3,928,618	31,497	80,721,270
Total Being Depreciated, Net	60,023,621	(3,420,299)	-	56,603,322
Construction Work in Progress	3,322,850	10,591,721	264,003	13,650,568
Capital Assets, Net	\$ 66,302,735	\$ 7,171,422	\$ 264,003	\$ 73,210,154

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Beginning Balance October 1, <u>2021</u>	Increases	Decreases	Ending Balance September 30, <u>2022</u>
Capital Assets Not Being Depreciated				
Land	\$ 2,956,264	\$ -	\$ -	\$ 2,956,264
Capital Assets Being Depreciated				
Buildings	33,040,026	16,354,156	-	49,394,182
Improvements Other Than Buildings	80,272,570	2,080,619	-	82,353,189
Fuel Farm Land and Improvements	681,440	-	-	681,440
Vehicles and Equipment	3,828,329	314,572	173,942	3,968,959
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	<u>118,272,365</u>	<u>18,749,347</u>	<u>173,942</u>	<u>136,847,770</u>
Less Accumulated Depreciation for				
Buildings	16,832,332	990,425	-	17,822,757
Improvements Other Than Buildings	52,024,240	2,729,943	-	54,754,183
Fuel Farm Land and Improvements	545,187	12,149	-	557,336
Vehicles and Equipment	3,239,888	173,927	173,942	3,239,873
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	<u>73,091,647</u>	<u>3,906,444</u>	<u>173,942</u>	<u>76,824,149</u>
Total Being Depreciated, Net	45,180,718	14,842,903	-	60,023,621
Construction Work in Progress	<u>19,264,556</u>	<u>2,637,617</u>	<u>18,579,323</u>	<u>3,322,850</u>
Capital Assets, Net	<u>\$ 67,401,538</u>	<u>\$ 17,480,520</u>	<u>\$ 18,579,323</u>	<u>\$ 66,302,735</u>

Note 10 - Contingencies

The Airport Authority would be contingently liable with respect to any claims incidental to its ordinary course of business to which the Airport Authority carries commercial insurance. The Airport Authority has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 11 - Restricted Net Position

Certain net position is considered restricted for future use by enabling legislation or from other restricted sources. A summary of the Airport Authority's restricted net position at September 30, 2023 and 2022, is as follows:

	<u>2023</u>	<u>2022</u>
Customer Facility Charge	\$ 1,287,773	\$ 1,336,345
Passenger Facility Charge	3,573,533	2,577,041
Total Restricted Net Position	<u>\$ 4,861,306</u>	<u>\$ 3,913,386</u>

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Note 12 - Leases

Non-Regulated Leases

The Airport Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases, short-term leases, and leases, if any, that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the minimum lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relates to future periods.

The Airport Authority recognizes a lease receivable and a deferred inflow of resources for leases that meet the criteria in GASB No. 87. The Airport Authority has grouped these leases into three categories: Concession Leases, Rental Car Leases, and Other Property Leases. Concession leases are leases for food and beverage tenants at the Airport Authority. Rental Car Leases are rental car agencies located at the Airport Authority. Other Property Leases contain various leases for property and space located around the Airport.

Concession Leases

The Airport Authority has two food and beverage locations managed by one operator. All food and beverage contracts are for ten years. The option to extend was not assumed to be exercised. Each contract has a minimum annual guarantee (MAG) and a variable component (percentage of gross revenues). The tenant pays the higher amount of the MAG or variable amount. The MAG is set in the contract and increases to 85% of the prior year's rent but can also decrease. Based on these terms, the minimum payment each subsequent year will be 85% of the initial MAG. The lease receivable is calculated using minimum payments due each year over the course of contract and discounted to the net present value using the Airport Authority's estimated incremental borrowing rate of 3.25%. The variable component is not used to calculate the lease receivable.

Future minimum lease payments are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 103,608	\$ 15,923
2025	88,815	12,786
2026	76,266	10,095
2027	65,625	7,782
2028	56,606	5,790
2029-2032	148,554	8,149

Rental Car Leases

The Airport Authority entered into five-year agreements with four rental car agencies through September 30, 2024. Each agreement includes the rental of counter and office space, quick turnaround space, and parking space. Each contract has a MAG and a variable component, in addition to the space rentals. The tenant pays the higher amount of the MAG or 10% of gross revenues. The lease receivable is calculated using the contractual amounts for the space rental and minimum payments due for percentage rent each year over the course of the contract and discounted to the net present value using the Airport Authority's estimated incremental borrowing rate of 3.25%. The variable component is not used to calculate the lease receivable.

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Future minimum lease payments are as follows:

September 30,	Principal	Interest
2024	\$ 1,017,546	\$ 18,002

Other Property Leases

The Airport has entered into several agreements to lease space inside the airport or property on airport grounds. The agreements included under GASB 87 are for advertising space. The termination dates for these agreements run through 2032.

Future minimum lease payments are as follows:

September 30,	Principal	Interest
2024	\$ 13,266	\$ 4,283
2025	13,702	3,846
2026	14,155	3,394
2027	14,621	2,927
2028	15,104	2,444
2029-2032	66,987	4,643

The following summarizes the Airport Authority's total inflows of resources from leases:

	2023	Restated 2022
Lease Revenue Recognized	\$ 1,033,520	\$ 980,198
Interest Revenue Recognized	71,275	92,443
Total Inflows of Resources from Leases	\$ 1,104,795	\$ 1,072,641

Regulated Leases

In accordance with GASB Statement No. 87, the Airport Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S Department of Transportation and the FAA, regulated aviation leases between airports and air carriers and other aeronautical users. The Airport Authority recognized \$1,751,742 and \$1,632,737 of lease revenue from these agreements for the year ended September 30, 2023 and 2022, respectively.

Future minimum lease payments are as follows:

September 30,	Amount
2024	\$ 1,762,476
2025	1,827,799
2026	1,883,048
2027	1,842,250
2028	1,888,026
2029-2033	2,786,633
2034-2038	3,062,521
2039-2043	2,009,909
2044-2048	286,527
2049-2053	188,196
2054-2057	39,313

NOTES TO FINANCIAL STATEMENTS
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Note 13 - Restatement

The Airport Authority recorded a prior period adjustment to recognize certain lease revenues relating to prior periods. The Airport Authority recorded the following prior period adjustment:

	<u>As Originally Reported</u> <u>(September 30, 2022)</u>	<u>Adjustment</u> <u>for GASB No. 87</u>	<u>As Restated</u> <u>(September 30, 2022)</u>
Statement of Net Position			
Current Lease Receivable	\$ 975,273	\$ 132,079	\$ 1,107,352
Interest Receivable - Leases	5,397	-	5,397
Long-Term Lease Receivable	1,017,545	549,392	1,566,937
Deferred Inflow - Leases	(1,901,397)	(704,567)	(2,605,964)
	<u>\$ 96,818</u>	<u>\$ (23,096)</u>	<u>\$ 73,722</u>
Unrestricted Net Position	\$ 15,343,996	(23,096)	\$ 15,320,900
Statement of Revenues, Expenses, and Changes in Net Position			
Sales and Service Charges	7,976,810	(36,841)	7,939,969
Interest Income - Leases	78,698	\$ 13,745	92,443
Total Statement of Revenues, Expenses and Changes in Net Position	<u>8,055,508</u>	<u>(23,096)</u>	<u>8,032,412</u>
Changes in Net Position	<u>\$ 5,370,844</u>	<u>\$ (23,096)</u>	<u>\$ 5,347,748</u>

In May 2024, management identified a GASB 87 lease from the previous year that had not been recorded on the Airport Authority's books. These are reflected as prior period revenues. The adjustment is reflected as a restatement to the beginning net position in 2023.

OTHER SUPPLEMENTARY INFORMATION

REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Fiscal Year 2022-2023 Total Budget	Fiscal Year 2022-2023 Actual Revenues	Over (Under) Budget
Operating Revenues			
Commercial Terminals:			
Airport Terminal Parking	\$ 1,945,000	\$ 2,552,351	\$ 607,351
Air Carriers Rent - Exclusive Space	590,120	607,168	17,048
Other Exclusive Rent	1,997	1,997	-
Air Carriers Rent - Non-Exclusive Space	711,793	702,225	(9,568)
Air Carriers - Landing Fees	366,000	578,486	212,486
Passenger Boarding Bridge Fees	42,100	70,004	27,904
Charter Landing Fees	24,058	24,740	682
TSA LEO Reimbursement	90,000	109,836	19,836
TSA Office Rent	43,235	43,235	-
TSA Screening Checkpoint Reimbursement	4,086	4,086	-
Airways Facility Rent	44,424	44,518	94
Industrial Park Rent	10,866	10,918	52
Rental Car Company Rent - Exclusive Space	92,556	92,211	(345)
Rental Car Company Rent - GASB 87 Adjustment	-	(9,855)	(9,855)
Rental Car Company Concession Fees - MAG	933,565	934,394	829
Rental Car Company MAG - GASB 87 Adjustment	-	(66,343)	(66,343)
Rental Car Company Over MAG	256,400	377,442	121,042
Overflow Parking	-	250	250
QTF	510,165	513,168	3,003
Food Concessionaire	81,000	221,561	140,561
Food Concessionaire Rent (GASB 87)	-	(69,697)	(69,697)
Advertising Fees	36,000	45,843	9,843
Advertising Revenue MAG (GASB 87)	-	(1,855)	(1,855)
Ground Transportation Fees	72,250	113,927	41,677
Automated Teller Machine Revenue	578	400	(178)
Cell Phone Tower Rent	19,044	21,901	2,857
Solar Revenue	90,000	81,675	(8,325)
Miscellaneous Revenue	10,001	20,622	10,621
Total Commercial Terminals	<u>5,975,238</u>	<u>7,025,208</u>	<u>1,049,970</u>
General Aviation:			
Fuel Flowage Fees	105,200	89,788	(15,412)
Fixed Base Operators' (FBO) Rent	252,241	252,241	-
FBO/GA Landing Fees	5,000	28,369	23,369
FBO Specialty Airport Services Rent	145,635	146,786	1,151
Corporate Aviation Rent	38,126	50,692	12,566
T-Hangar Rent (FBO/GA)	290,825	262,055	(28,770)
Sunshade Rent (FBO/GA)	3,209	4,633	1,424
Bulk Hangar Rent	51,294	52,793	1,499
Tie Downs (FBO/GA)	3,382	3,606	224
Storage Fees (GA)	4,040	4,040	-
Port-O-Port Rent (FBO/GA)	12,739	15,577	2,838
FBO Charter Passenger Fee	-	54	54
FBO Ramp Parking Fees	2,000	2,257	257
GA Grounds Support Equipment Rental	3,000	4,755	1,755
Fuel Farm Facilities Storage Fees	220,000	243,826	23,826
Consortia Hangar Rents	186,204	318,752	132,548
Driving Pad Lease	56,233	120,661	64,428
Total General Aviation	<u>1,379,128</u>	<u>1,600,885</u>	<u>221,757</u>
Total Operating Revenues	<u>7,354,366</u>	<u>8,626,093</u>	<u>1,271,727</u>

**REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

	Fiscal Year 2022-2023 Total Budget	Fiscal Year 2022-2023 Actual Revenues	Over (Under) Budget
Non-Operating Revenues			
Passenger Facility Charge (PFC) Revenue	\$ -	\$ 1,068,322	\$ 1,068,322
PFC - Interest Revenue	-	72,356	72,356
Capital Facility Charge (CFC) Revenue	-	40,576	40,576
CFC - Interest Revenue	-	31,088	31,088
Federal and State Grants	-	9,614,679	9,614,679
Miscellaneous	-	26,313	26,313
Proceeds from the City - Industrial Park Land Sale	459,000	213,726	(245,274)
Interest Revenue	67,250	507,837	440,587
Interest Income - Leases	-	71,275	71,275
ACRGP#2 (COVID-19 Relief Grant) AIP 49	568,528 *	-	(568,528)
Total Non-Operating Revenues	1,094,778	11,646,172	10,551,394
Total Revenues	\$ 8,449,144	\$ 20,272,265	\$ 11,823,121

* The \$568,528 of COVID-19 budgeted revenues were recognized in the 2021-2022 fiscal year after the adoption of the 2022-2023 budget.

**EXPENSE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

	Fiscal Year 2022-2023 Total Budget	Fiscal Year 2022-2023 Actual Expenses	(Over) Under Budget
Expenses from Operations			
Airport Administration:			
Personnel Services	\$ 908,774	\$ 899,861	\$ 8,913
Operating Expenses	782,305	669,678	112,627
Total Airport Administration	<u>1,691,079</u>	<u>1,569,539</u>	<u>121,540</u>
Airport Operations and Maintenance:			
Personnel Services	1,993,842	1,787,899	205,943
Operating Expenses	2,370,858	2,532,586	(161,728)
Total Airport Operations and Maintenance	<u>4,364,700</u>	<u>4,320,485</u>	<u>44,215</u>
General Aviation Operations:			
Operating Expenses	61,484	56,870	4,614
Cost of Sales	7,668	8,408	(740)
Total General Aviation Operations	<u>69,152</u>	<u>65,278</u>	<u>3,874</u>
Fuel Farm:			
Operating Expenses	56,988	44,742	12,246
Total Fuel Farm	<u>56,988</u>	<u>44,742</u>	<u>12,246</u>
Quick Turn-Around Facility:			
Operating Expenses	426,379	428,788	(2,409)
Total Quick Turn-Around Facility	<u>426,379</u>	<u>428,788</u>	<u>(2,409)</u>
Depreciation Expense	-	3,928,617	(3,928,617)
Total Expenses from Operations	<u>6,608,298</u>	<u>10,357,449</u>	<u>(3,749,151)</u>
Non-Operating Expenses			
Interest Expense	-	-	-
Loss on NAV	-	-	-
Total Non-Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
(Total Expenses)	<u>\$ 6,608,298</u>	<u>\$ 10,357,449</u>	<u>\$ (3,749,151)</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

Grantor/Program Title	Assistance Listing (AL) Number	Receivable (Payable) Balance 10/1/2022	(Receipts)	Eligible Expenditures	Receivable (Payable) Balance 9/30/2023
U.S. Department of Transportation, Federal Aviation Administration:					
Airport Improvement Program (AIP):					
Design GA Apron & TXWY A/E (AIP 48)	20.106	\$ 54,103	\$ (485,608)	\$ 431,505	\$ -
ACRGP #2 (COVID-19 Relief Grant) (AIP 49)	20.106	568,528	(568,528)	-	-
Taxiway A and GA Apron Phase 1 (AIP51/52)	20.106	7,651	(7,682,668)	8,226,732	551,715
Transit Center (AIP53)	20.106	-	(18,498)	19,472	974
ARFF Vehicle and GA Apron Phase 2 (AIP54)	20.106	-	(2,475)	29,848	27,373
Central Energy Plant (AIP55)	20.106	-	(2,475)	90,475	88,000
Subtotal Expenditures - AL No. 20.106		<u>630,282</u>	<u>(8,760,252)</u>	<u>8,798,032</u>	<u>668,062</u>
Total Federal Financial Assistance		<u>\$ 630,282</u>	<u>\$ (8,760,252)</u>	<u>\$ 8,798,032</u>	<u>\$ 668,062</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

<u>Grantor/Program Title</u>	<u>CSFA Contract Number</u>	<u>FIN Number</u>	<u>Receivable (Payable) Balance 10/1/2022</u>	<u>(Receipts)</u>	<u>Eligible Expenditures</u>	<u>Receivable (Payable) Balance 9/30/2023</u>
Florida Department of Transportation						
Aviation Grant Program:						
Terminal and Parking Improvements	55.004	43873919416	\$ 127,201	\$ (254,541)	\$ 223,752	\$ 96,412
GA Facility Rehab and Bulk Hangar	55.004	43492119419	47,837	(51,336)	49,850	46,351
Intermodal	55.004	44513419419	18,307	-	336,297	354,604
GA Apron Rehab Phase 1	55.004	444408-1	-	(46,763)	48,399	1,636
Design Construct Fuel Farm	55.004	428830-1	-	-	7,510	7,510
Terminal Phase 4 Baggage	55.004	44204619421	76,940	(150,858)	131,779	57,861
Subtotal Expenditures - CSFA No. 55.004			<u>270,285</u>	<u>(503,498)</u>	<u>797,587</u>	<u>564,374</u>
Total State Financial Assistance			<u>270,285</u>	<u>(503,498)</u>	<u>797,587</u>	<u>564,374</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 900,567</u>	<u>\$ (9,263,750)</u>	<u>\$ 9,595,619</u>	<u>\$ 1,232,436</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

Note to Schedule of Federal Awards and State Financial Assistance

Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting.

The Airport Authority did not elect to use the 10% de minimis indirect cost rate as covered in Section 200.414, Indirect (F&A) Costs, of the Uniform Guidance.

OTHER INFORMATION

**INDEPENDENT AUDITOR'S 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***

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Airport Authority's financial statements, and have issued our report thereon dated June 27, 2024.

Report on Internal Control Over Financial Reporting

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

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To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

**INDEPENDENT AUDITOR'S 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***

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport 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, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 Airport 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 Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 27, 2024
Gainesville, Florida

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

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited the Gainesville-Alachua County Regional Airport Authority's (the Airport Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Department of Financial Services' State Projects *Compliance Supplement* that could have a direct and material effect on each of the Airport Authority's major federal programs and state projects for the year ended September 30, 2023. The Airport Authority's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

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

We are required to be independent of the Airport Authority and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of the Airport Authority's compliance with the compliance requirements referred to above.

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To the Governing Board
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Gainesville, Florida

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, 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 Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or 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 a type of compliance requirement of a federal program or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

PURVIS GRAY

June 27, 2024
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL PROGRAMS AND STATE PROJECTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2023
 GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
 GAINESVILLE, FLORIDA**

I. SUMMARY OF AUDITOR’S RESULTS

Financial Statements

1. The independent auditor’s report expresses an unmodified opinion on the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority).
2. The audit disclosed no material weaknesses or significant deficiencies in internal control over financial reporting.
3. No instances of non-compliance material to the financial statements of the Airport Authority were disclosed during the audit.

Federal Awards and State Financial Assistance

4. No significant deficiencies and/or material weaknesses relating to internal control over compliance with major federal programs and state projects were disclosed.
5. The report on compliance for major federal programs and state projects expresses an unmodified opinion.
6. The audit disclosed no findings relative to the major federal programs and state projects.
7. The programs tested as major programs included the following:

<u>Federal Program</u>	<u>Assistance Listing No.</u>
Airport Improvement Program	20.106
<u>State Project</u>	<u>Assistance Listing No.</u>
Aviation Grant Program	55.004

8. The threshold for distinguishing Type A and B programs was \$750,000 for major federal award programs and \$300,000 for major state projects.
9. The Airport Authority did qualify as a low-risk auditee pursuant to the Uniform Guidance.

II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS (GAGAS)

The audit disclosed no findings that are required to be reported under GAGAS.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

III. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS AND STATE PROJECTS

There were no findings or questioned costs for the year ended September 30, 2023.

IV. OTHER ISSUES

No summary schedule of prior audit findings is required because there were no prior year audit findings related to federal programs or state projects.

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

We have examined the Gainesville-Alachua County Regional Airport Authority's (the Airport Authority) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2023. Management is responsible for the Airport Authority's compliance with those requirements. Our responsibility is to express an opinion on the Airport 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Airport Authority complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Airport Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

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

In our opinion, the Airport Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Airport Authority and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



June 27, 2024
Gainesville, Florida

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MANAGEMENT LETTER

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

Report on the Financial Statements

We have audited the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority), as of and for the year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and 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 American Institute of Certified Public Accountants 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 June 27, 2024, 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 or 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 this management letter, unless disclosed in the notes to the financial statements. The Airport Authority was established by Chapters 86-469 and 89-433, Laws of Florida, as amended by Chapter 95-457 in 1996 and Chapter 2006-363 in 2006. There were no component units related to the Airport Authority.

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To the Governing Board
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MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Airport 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 Airport Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Airport Authority. It is management's responsibility to monitor the Airport Authority's financial condition, and our financial condition assessment was based in part on representations made by management and 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.

Special District Component Unit

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

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Airport Authority reported:

- a. The total number of Airport Authority employees compensated in the last pay period of the Airport Authority's fiscal year as 38.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Airport Authority's fiscal year as 26.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$2,687,760.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$3,909,890.
- e. Each construction project with a total cost of at least \$65,000 approved by the Airport Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:
 - Project # AIP 3-12-0028-054-2024 Purchase of ARFF Vehicle, GA Apron Rehab Phase 2 - \$6,354,437
 - Project # AIP 3-12-0028-055-2023 Central Energy Plant - \$3,473,236
 - Project # AIP 3-12-0028-056-2024 Master Plan and Storm Water Master Plan - \$1,185,805

To the Governing Board
Gainesville-Alachua County Regional
Airport Authority
Gainesville, Florida

MANAGEMENT LETTER

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Airport Authority amends a final adopted budget under Section 189.016(6), Florida Statutes. No budget amendments (see pages 30-32 of the financial statements).

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Airport Authority, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 27, 2024
Gainesville, Florida

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