

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**QUINCY-GADSDEN AIRPORT AUTHORITY  
 AUDITED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**TABLE OF CONTENTS**

Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	4
 BASIC FINANCIAL STATEMENTS	
Statement of Net Position .....	8
Statement of Activities .....	9
Balance Sheet – Governmental Funds .....	10
Reconciliation of the Balance Sheet to the Statement of Net Position .....	11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds .....	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance .....	13
Notes to Basic Financial Statements.....	14
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule – General Fund.....	22
Notes to Budgetary Comparison Schedule .....	23
 COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards.....	24
Schedule of Expenditures of State Financial Assistance.....	25
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.....	26
Schedule of Findings and Questioned Costs.....	27
Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance And Chapter 10.550, Rules of the Auditor General.....	28
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.....	31
Independent Auditor’s Report on Compliance with the Requirements of Section 218.415 Florida Statutes .....	33
Management Letter in Accordance with Rules of the Auditor General of the State of Florida .....	34

### INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Quincy-Gadsden Airport Authority (the "Authority"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 governmental activities and each major fund of the Authority as of September 30, 2023, and the changes in financial position 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 statement 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 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.

#### 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.

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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any 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 audited standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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 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 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 and budgetary comparison information, 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 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 opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying 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*, and 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 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 April 15, 2024, on our consideration the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Authority’s internal control over financial reporting and compliance.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
April 15, 2024

**QUINCY-GADSDEN AIRPORT AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The following Management Discussion and Analysis (MD&A) of Quincy-Gadsden Airport Authority’s activities and financial performance provides the reader with an introduction and overview to the financial statements of Quincy-Gadsden Airport Authority for the fiscal year ended September 30, 2023, with selective comparative information for the fiscal year ended September 30, 2022. The information presented in this MD&A should be considered in conjunction with the accompanying financial statements, notes, and supplementary information found in this report.

The Quincy-Gadsden Airport Authority (the “Authority”) is pleased to offer the following assessment of the business operations of the Quincy Airport for the year ending September 30, 2023.

**FINANCIAL HIGHLIGHTS**

- The Authority’s primary sources of operating revenue consist of hangar rentals and fuel sales. Revenues from these charges for services increased by \$1,800 or 0.4% from the previous year.
- The Authority’s net assets increased by \$2,461,782 as a result of this year’s operations. The increase in net assets was primarily due to the increase in federal and state funding.
- The Authority’s expenditures on program activities increased by \$2,540 or 0.3% compared to the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**Government-wide Financial Statements**

The government-wide financial statements (statement of net position and statement of activities found on pages 8-9) provide information about the governmental activities of the Authority and present a broad overview of the Authority’s finances, in a manner similar to a private-sector company. The purpose of the government-wide financial statements is to allow the user to be able to determine the financial condition of the Authority and to compare it to the prior year.

The statement of net position presents information on all of the Authority’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

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

**QUINCY-GADSDEN AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Fund Financial Statements**

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

**Governmental Fund**

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

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

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

**Notes to the Financial Statements**

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

**Condensed Financial Information**

Table 1 focuses on net assets. Net assets invested in capital assets increased by \$2,308,457. The Authority's net assets, consist of \$9,765,836 invested in capital assets (e.g. land, buildings, and infrastructure) which is net of accumulated depreciation and any outstanding debt related to their acquisition. The Authority invests in these capital assets to comply with airport safety standards established by the Federal Aviation Administration and the State of Florida Department of Transportation.

Table 2 focuses on the changes in net position. Program revenues consist of sales of fuel, rental income, and state and federal grant funds for airport improvements. Program revenues increased by \$2,732,678 from the prior year primarily as a result of an increase in federal and state grants. General revenues increased by \$1,772. General revenues consist mainly of interest income and sale of equipment. Program expenses are for airport operations and increased \$2,540 from the prior year.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Table 1  
Statement of Net Assets**

	<u>2022</u>	<u>2023</u>	Increase (Decrease)
Current Assets	\$ 155,377	\$ 191,635	\$ 36,258
Capital Assets, Net	<u>7,457,379</u>	<u>9,902,389</u>	2,445,010
Total Assets	<u>7,612,756</u>	<u>10,094,024</u>	<u>2,481,268</u>
Current Liabilities	12,312	34,751	22,439
Long-term Liabilities	<u>135,413</u>	<u>132,460</u>	(2,953)
Total Liabilities	<u>147,725</u>	<u>167,211</u>	<u>19,486</u>
Net Assets:			
Investment in Capital Assets, Net of Debt	7,457,379	9,765,836	2,308,457
Unrestricted	<u>7,652</u>	<u>160,977</u>	153,325
Total Net Assets	<u>\$ 7,465,031</u>	<u>\$ 9,926,813</u>	<u>\$ 2,461,782</u>

At the end of the 2023 fiscal year, the Authority was able to report positive balances in both categories of net assets. The same situation held true for the 2022 fiscal year.

**Table 2  
Statement of Activities**

	<u>2022</u>	<u>2023</u>	Increase (Decrease)
Program Revenues:			
Charges for Services	\$ 452,454	\$ 454,254	\$ 1,800
Operating Grants and Contributions	28,900	13,799	(15,101)
Capital Grants and Contributions	110,771	2,856,750	2,745,979
General Revenues:			
Interest Income	68	340	272
Other Income	-	1,500	1,500
Total Revenues	<u>592,193</u>	<u>3,326,643</u>	<u>2,734,450</u>
Program Expenditures:			
Transportation	<u>862,321</u>	<u>864,861</u>	2,540
Total Expenses	<u>862,321</u>	<u>864,861</u>	<u>2,540</u>
Change in Net Position	(270,128)	2,461,782	2,731,910
Net Position, Beginning	<u>7,735,159</u>	<u>7,465,031</u>	(270,128)
Net Position, Ending	<u>\$ 7,465,031</u>	<u>\$ 9,926,813</u>	<u>\$ 2,461,782</u>



**QUINCY-GADSDEN AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Capital Asset Activity**

At the end of fiscal year 2023, the Authority had \$14,340,744 invested in capital assets, less accumulated depreciation of \$4,438,355, for net capital assets of \$9,902,389. Depreciation charged for the current fiscal year totaled \$420,504. Capital asset additions included various airport safety projects. Capital asset additions totaled \$2,870,042 for the current fiscal year.

**General Fund Budgetary Highlights**

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

**Economic Factors and Next Year's Budget**

The Authority's Capital Improvement Projects are contingent upon its continued ability to obtain new grants and, therefore, its overall revenues may vary from year to year. In determining the budget for the fiscal year 2024, various factors were considered including: the ability to obtain new grants for Capital Improvement Projects, delivering the same level of expertise of service for airport users and tenants, and the wholesale price of aviation fuel.

**Request for Information**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

**QUINCY-GADSDEN AIRPORT AUTHORITY**

**BASIC FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2023**

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	<b>Total Governmental Funds</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 133,562
Rent Receivable	1,095
Due From Other Governments	14,058
Fuel Inventory	24,274
Prepaid Expenses	16,965
Deposits	1,681
<b>Total Current Assets</b>	191,635
<b>Noncurrent Assets</b>	
Capital Assets, Nondepreciable	3,876,151
Capital Assets, Depreciable, Net of Accumulated Depreciation	6,026,238
<b>Total Noncurrent Assets</b>	9,902,389
<b>Total Assets</b>	10,094,024
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	24,158
Unearned Rental Income	6,500
Lease Liability, Current Portion	4,093
<b>Total Current Liabilities</b>	34,751
<b>Noncurrent Liabilities</b>	
Lease Liability, Long-Term	132,460
<b>Total Noncurrent Liabilities</b>	132,460
<b>Total Liabilities</b>	167,211
<b>NET POSITION</b>	
Net Investment in Capital Assets	9,765,836
Unrestricted	160,977
<b>Total Net Position</b>	\$ 9,926,813

See accompanying notes to Financial Statements.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental Activities</b>					
General Government:					
Transportation	\$ 864,861	\$ 454,254	\$ 13,799	\$ 2,856,750	\$ 2,459,942
<b>Total Primary Government</b>	<u>\$ 864,861</u>	<u>\$ 454,254</u>	<u>\$ 13,799</u>	<u>\$ 2,856,750</u>	<u>2,459,942</u>
<b>General Revenues</b>					
					340
					1,500
					<u>1,840</u>
					2,461,782
					7,465,031
					<u>\$ 9,926,813</u>

See accompanying notes to Financial Statements.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
BALANCE SHEET-GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	<b>Major Fund</b>
	<b>General Fund</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 133,562
Rent Receivable	1,095
Due From Other Governments	14,058
Fuel Inventory	24,274
Prepaid Expenses	16,965
Deposits	1,681
<b>Total Assets</b>	<b>191,635</b>
 <b>Liabilities</b>	
Accounts Payable	24,158
Unearned Rental Income	6,500
<b>Total Liabilities</b>	<b>30,658</b>
 <b>Fund Balance</b>	
Nonspendable	
Fuel Inventory	24,274
Prepaid Expenses	16,965
Total Nonspendable	41,239
Unassigned	119,738
<b>Total Fund Balance</b>	<b>160,977</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 191,635</b>

See accompanying notes to Financial Statements.

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

**Total Fund Balance of Governmental Funds** \$ 160,977

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 9,902,389

Lease liabilities related to right of use assets included in capital assets are included in governmental activities in the statement of net position but not in the governmental funds. (136,553)

**Total Net Position of Governmental Activities** \$ 9,926,813

See accompanying notes to Financial Statements.

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>
<b>Revenues</b>	
Intergovernmental Revenues	\$ 2,870,549
Charges for Services	454,254
Interest Income	340
Other Income	1,500
<b>Total Revenues</b>	<b>3,326,643</b>
<b>Expenditures</b>	
Current:	
Transportation	
Operating Expenses	442,478
Capital Outlay	2,870,042
Debt Service	1,205,000
<b>Total Expenditures</b>	<b>4,517,520</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(1,190,877)</b>
<b>Other Financing Sources (Uses)</b>	
Proceeds from Long-term Debt	1,205,000
<b>Total Other Financing Sources (Uses)</b>	<b>1,205,000</b>
<b>Net Change in Fund Balance</b>	<b>14,123</b>
<b>Fund Balance, Beginning of Year</b>	<b>146,854</b>
<b>Fund Balance, End of Year</b>	<b>\$ 160,977</b>

See accompanying notes to Financial Statements.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF  
ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** \$ 14,123

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital outlay	2,870,042	
Depreciation expense	<u>(420,504)</u>	2,449,538

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes current financial resources:

Proceeds from long-term debt	(1,205,000)	
Repayment of long-term debt	<u>1,205,000</u>	-

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

(1,879)

**Change in Net Position - Statement of Activities** \$ 2,461,782

See accompanying notes to Financial Statements.



**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting Entity**

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

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

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

**Government-wide and Fund Financial Statements**

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

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

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

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

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 - Summary of Significant Accounting Policies - Continued**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

**Classification of Revenue**

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

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

**Rent Receivable**

Receivables consist of rent due for short-term hangar rentals and are deemed fully collectible; therefore, an allowance for uncollectible accounts has not been recorded.

**Budget Policy**

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

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 – Summary of Significant Accounting Policies – Continued**

**Capital Assets**

Capital assets, which include property and equipment and leasehold improvements, are recorded as capital outlay expenditures in the General Fund at the time goods are received and a liability is incurred. These assets are then capitalized at cost in the statement of net position. The Authority capitalizes assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Fixed assets are depreciated using the straight-line method over the estimated useful lives of the related assets and are recorded in the government-wide financial statements. The depreciation expense is recorded in the statement of activities. The Authority's estimates of useful lives are as follows:

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

**Compensated Absences**

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

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. Prepaid expenses consist primarily of prepaid insurance. These items are considered expenditures/expenses over the term of the contract.

**Unearned Rental Income**

Unearned rental income represents hangar rent payments received before their due date.

**Long-term Obligations**

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

**Grants**

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

**Income Taxes**

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

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 1 – Summary of Significant Accounting Policies – Continued**

**Use of 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 certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncements**

The Authority implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements (“SBITA’s”), in fiscal year 2023. The Authority has no SBITA’s that require recognition under GASBS No. 96.

**Note 2 – Cash and Cash Equivalents**

**Cash**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid instruments with original maturities of three months or less from the date of acquisition.

At September 30, 2023, Quincy-Gadsden Airport Authority had a balance of \$126,601 held at Capital City Bank.

Florida PRIME is not a registrant with the Securities and Exchange Commission (SEC); however, SBA has adopted operating procedures consistent with those required of an SEC Rule 2a-7-like fund. A 2a-7-like external investment pool is one that is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with SEC Rule 2a-7, which governs the operation of SEC regulated money market funds. At September 30, 2023, the Authority had a balance of \$6,961.

**Deposits**

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

**Note 3 – Fuel Inventory**

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

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023**

**Note 4 – Capital Assets**

The Authority had several capital projects in the current fiscal year included in work in process that are expected to be completed during the next fiscal year. Capital asset activity for the year ended September 30, 2023 was as follows:

	<u>9/30/2022</u> <u>Balance</u>	<u>Additions</u> <u>and Transfers</u>	<u>Retirements</u> <u>and Transfers</u>	<u>9/30/2023</u> <u>Balance</u>
Capital assets not being depreciated:				
Land and improvements	\$ 1,017,399	\$ 91,133	\$ -	\$ 1,108,532
Work in process	-	2,767,619	-	2,767,619
Total capital assets not being depreciated	<u>1,017,399</u>	<u>2,858,752</u>	<u>-</u>	<u>3,876,151</u>
Capital assets being depreciated:				
Improvements	764,344	-	-	764,344
Equipment	158,157	11,290	-	169,447
FBO expansion	528,446	-	-	528,446
Runways/taxiways	4,965,406	-	-	4,965,406
Hangars	3,758,910	-	-	3,758,910
Security	130,541	-	-	130,541
Leased land	147,499	-	-	147,499
Total capital assets being depreciated	<u>10,453,303</u>	<u>11,290</u>	<u>-</u>	<u>10,464,593</u>
Less accumulated depreciation for:				
Improvements	(431,507)	(56,618)	-	(488,125)
Equipment	(113,518)	(9,988)	-	(123,506)
FBO expansion	(193,879)	(14,478)	-	(208,357)
Runways/taxiways	(2,040,848)	(211,294)	-	(2,252,142)
Hangars	(1,102,237)	(121,255)	-	(1,223,492)
Security	(118,271)	(6,871)	-	(125,142)
Leased land	(13,063)	(4,528)	-	(17,591)
Total accumulated depreciation	<u>(4,013,323)</u>	<u>(425,032)</u>	<u>-</u>	<u>(4,438,355)</u>
Total being depreciated, net	<u>6,439,980</u>	<u>(413,742)</u>	<u>-</u>	<u>6,026,238</u>
Total capital assets, net	<u>\$ 7,457,379</u>	<u>\$ 2,445,010</u>	<u>\$ -</u>	<u>\$ 9,902,389</u>

Depreciation expense of \$420,504 was charged to the governmental activities transportation function in the statement of activities.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 5 – Line of Credit**

The Authority has a \$350,000 line of credit with Capital City Bank, maturing January 10, 2025, with a variable interest rate subject to change based on changes in the Prime Rate, secured by mortgage. The line of credit is used to pay for grant approved expenditures. The Authority borrows money, in exact amounts related to grant expenses, that are later reimbursed by the granting agency. The Authority paid back the amounts borrowed as soon as they were reimbursed.

Line of credit activity during the year ending September 30, 2023 was as follows:

Balance as of 9/30/2022	\$	-
<u>Advance (Repayment) on:</u>		
12/19/22		80,000
01/06/23		(80,000)
01/11/23		75,000
01/31/23		(75,000)
02/01/23		300,000
02/14/23		(300,000)
03/01/23		80,000
03/16/23		(80,000)
03/19/23		220,000
04/11/23		(220,000)
08/06/23		350,000
08/17/23		(75,000)
09/14/23		100,000
09/14/23		(275,000)
09/30/23		<u>(100,000)</u>
Balance as of 9/30/2023	\$	<u>-</u>

**Note 6 – Risk Management**

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

Insurance coverage for such losses is purchased from commercial insurance companies. Management believes that the coverage is adequate to preclude any significant uninsured risk. For the fiscal year ended September 30, 2023, the Authority paid \$27,818 in premiums for policies to insure for these risks. No accrual has been provided for claims and incidents not reported to insurers. All known claims have been reported to insurers. Claims made in the past three years have not exceeded the insurance coverage.

**Note 7 – Related Party**

The Authority is not aware of any related party transactions.

**QUINCY-GADSDEN AIRPORT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 8 – Leases**

The Authority entered into a thirty-year lease for 3.74 acres of land in March of 2013. Lease payments are \$4,000 base rent for the first year, increasing 3% per year. In addition to the base rent, the Authority will pay an amount equal to the ad valorem taxes due on the property. The Authority will not acquire the land at the end of the thirty years. The Authority used a risk-free annual interest rate of 2.17%. Lease expense was \$8,720 for the year ended September 30, 2023, which included \$1,465 for ad valorem taxes.

Annual requirements to amortize this lease liability and related interest are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2024	\$ 4,093	\$ 2,923	\$ 7,016
2025	4,366	2,831	7,197
2026	4,649	2,734	7,383
2027	4,945	2,630	7,575
2028	5,253	2,519	7,772
5 Years Ending 2033	31,303	10,695	41,998
5 Years Ending 2038	40,949	6,800	47,749
4 Years Ending 2042	40,995	1,871	42,866
	<u>\$ 136,553</u>	<u>\$ 33,003</u>	<u>\$ 169,556</u>

**Note 9 – Contingencies**

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

**Note 10 – Fund Balance**

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

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

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



**QUINCY-GADSDEN AIRPORT AUTHORITY  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2023**

**Note 11 – Subsequent Events**

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or are available to be issued. Subsequent events should be disclosed in the financial statements if exclusion of such disclosure would cause the financial statements to be misleading. Management has evaluated subsequent events through April 15, 2024, the date the financial statements were available to be issued.

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2023**

**QUINCY-GADSDEN AIRPORT AUTHORITY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental Revenues	\$ 2,956,200	\$ 2,956,200	\$ 2,870,549	\$ (85,651)
Charges for Services	457,000	455,100	454,254	(846)
Interest Income	-	-	340	340
Other Income	2,200	4,100	1,500	(2,600)
<b>Total Revenues</b>	<u>3,415,400</u>	<u>3,415,400</u>	<u>3,326,643</u>	<u>(88,757)</u>
<b>Expenditures</b>				
Current:				
Transportation				
Operating Expenses	475,400	475,400	442,478	32,922
Capital Outlay	2,940,000	2,940,000	2,870,042	69,958
Debt Service	-	-	1,205,000	(1,205,000)
<b>Total Expenditures</b>	<u>3,415,400</u>	<u>3,415,400</u>	<u>4,517,520</u>	<u>(1,102,120)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	-	-	(1,190,877)	(1,190,877)
<b>Other Financing Sources (Uses)</b>				
Proceeds from Long-term Debt	-	-	1,205,000	1,205,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,205,000</u>	<u>1,205,000</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>14,123</u>	<u>14,123</u>
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>146,854</u>	<u>146,854</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,977</u>	<u>\$ 160,977</u>

**QUINCY-GADSDEN AIRPORT AUTHORITY  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2023**

**Note 1- Budgetary Requirements**

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

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

For the year ended September 30, 2023, the Authority’s General Fund revenues were \$3,326,643, or \$88,757 below the final budget. The variance in revenues is due to the Authority budgeting for grant revenue that was not received or expended in the current fiscal year. General Fund expenditures were \$4,517,520, or \$1,102,120 above the final budget. The variance in expenditures is due to the Authority borrowing on their line of credit to cover the costs of projects while they waited on reimbursements from grantors, which was not budgeted for.

**QUINCY-GADSDEN AIRPORT AUTHORITY**

**COMPLIANCE SECTION**

**SEPTEMBER 30, 2023**

**QUINCY-GADSDEN AIRPORT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

<b>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</b>	<b>ALN</b>	<b>Contract #</b>	<b>Grant Amount</b>	<b>Total Expenditures</b>
<i>U.S. Department of Transportation - Federal Aviation Administration</i>				
Cares Act 3	20.106	3-12-0068-014-2022	\$ 32,000	\$ 13,800
Airport Improvement Program	20.106	3-12-0068-015-2022	<u>850,000</u>	<u>849,793</u>
<b>Total Federal Awards</b>			<u>\$ 882,000</u>	<u>\$ 863,593</u>

**QUINCY-GADSDEN AIRPORT AUTHORITY  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
SEPTEMBER 30, 2023**

<u>STATE GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>CSFA #</u>	<u>Contract #</u>	<u>Grant Amount</u>	<u>Total Expenditures</u>
<i>Florida Department of Transportation</i>				
Aviation Grant Program	55.004	G2E77	\$ 90,000	\$ 89,133
Aviation Grant Program	55.004	G2900	<u>2,000,000</u>	<u>1,917,823</u>
<b>Total State Awards</b>			<u>\$ 2,090,000</u>	<u>\$ 2,006,956</u>

**QUINCY-GADSDEN AIRPORT AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**SEPTEMBER 30, 2023**

**Note 1 – General**

The accounting policies and presentations of the accompanying schedule of expenditures of federal awards of Quincy-Gadsden Airport Authority (the “Authority”) have been designed to conform with generally accepted accounting principles applicable to governmental units. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance).

**Note 2 – Basis of Presentation**

The accompanying schedule of federal awards includes the federal award activity of the Authority and is presented using the same basis of accounting as the fund in which the grant is recorded, generally the accrual or modified accrual basis of accounting, as described in Note 1 to the Authority’s financial statements.

**Note 3 – Indirect Cost Rate**

The Authority elected not to use the 10% de minimis indirect cost rate.

**Note 4 – Contingencies**

Grant monies received and disbursed by the Authority are for specific purposes and are subject to review by grantor agencies. Such audits may result in requests for reimbursements due to disallowance of expenditures. Based upon prior experience, the Authority does not believe that such disallowances, if any, would have a material effect on the financial position of the Authority.

**Note 5 - Subrecipients**

For the year ended September 30, 2023, the Authority did not pass any grant funding through to subrecipients.



**QUINCY-GADSDEN AIRPORT AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness identified?        yes   X   no
- Significant deficiency identified?        yes   X   none noted
3. Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

1. Internal control over major federal programs and state projects:
- Material weakness identified?        yes   X   no
- Significant deficiency identified?        yes   X   none noted
2. Type of auditor's report issued on compliance for major federal programs and state projects: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        yes   X   no

**Identification of Major Federal Programs and State Projects**

Major Federal Programs	Assistance Listing Number
Cares Act 3	20.106
Airport Improvement Program	20.106
Major State Project	CSFA Number
Aviation Grant Program	55.004

Dollar threshold used to distinguish between Type A and Type B programs:

Federal Programs	\$ 750,000
State Projects	\$ 602,087

Auditee qualified as low-risk auditee?        yes   X   no

**Section II - Financial Statement Findings**

None noted for the year ended September 30, 2023.

**Section III - Findings and Questioned Costs - Federal Award Programs and State Projects**

None noted for the year ended September 30, 2023.

**Section IV - Summary Schedule of Prior Audit Findings Relative to Federal Awards and State Projects**

No prior audit findings.

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

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

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited Quincy-Gadsden Airport Authority’s (the “Authority”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the Department of Financial Services’ *State Projects Compliance Supplement* that could have a direct and material effect on each of the Authority’s major federal programs and state projects for the year ended September 30, 2023. The 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 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 10.500, Rules of the Auditor General. Our responsibilities under those standards, 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 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 Authority’s compliance with the compliance requirements referred to above.

***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 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 noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 Authority's compliance with the requirements of each major federal program and state project 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 noncompliance, 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 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 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 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.

### **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, noncompliance 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 noncompliance 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.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
April 15, 2024

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Quincy-Gadsden Airport Authority (the "Authority"), as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 15, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
April 15, 2024

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

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

We have examined the Quincy-Gadsden Airport Authority's (the "Authority"), compliance with the requirements of Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2023, as required by Section 10.556(10)(a), Rules of the Auditor General. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

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

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
April 15, 2024

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

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

**Report on the Financial Statements**

We have audited the financial statements of the Quincy-Gadsden Airport Authority (the “Authority”) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 15, 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 Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditor’s Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor’s Report on Compliance for Each Major Federal Program and State Project, and Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Auditor’s Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated April 15, 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 and recommendations made in the preceding financial audit report.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority of the primary government and component unit are disclosed in the notes to the financial statements.



## **Financial Condition and Management**

Section 10.554(1)(i)5.a., and 10.556(7) Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Special District Component Units**

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district 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 independent special district shall specify:

1. The total number of district employees compensated in the last pay period of the district's fiscal year as: 0.
2. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: 6.
3. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$0.
4. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$76,244.
5. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin after October 1 of the fiscal year being reported, together with the total expenditures of such projects as: \$1,950,000.
6. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is included on page 21.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

**Purpose of this Letter**

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

*Moran & Smith LLP*

Moran & Smith LLP  
Tallahassee, Florida  
April 15, 2024