2025

Gainesville-Alachua County Regional Airport Authority

Financial Statements and Independent Auditor's Report

September 30, 2025 and 2024

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

GAINESVILLE-ALACHUA COUNTY REGIONAL
AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

SEPTEMBER 30, 2025 AND 2024

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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, 2025 and 2024, 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, 2025 and 2024, 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.

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 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.

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

INDEPENDENT AUDITOR'S REPORT

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 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* 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 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 12, 2026, 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.

Purvis Gray

June 12, 2026
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, 2025 and September 30, 2024. Governmental Accounting Standards Board (GASB) 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, and 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 (the 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Runway 7/25 is primarily used by general aviation aircraft. It is 4,148 feet long and 100 feet wide. Runway 11/29 is the main carrier runway used by commercial jets and other aircraft. It is 7,504 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, 2025, the Gainesville Regional Airport was served by two (2) passenger carriers and seven (7) rental car brands operated by three (3) companies.

Passenger Airlines	Rental Car Companies
Delta Airlines	Avis and Budget
American Airlines	Enterprise, National & Alamo
Silver Airways (Ended service in Oct. 2024)	Hertz and Dollar

HISTORICAL ENPLANEMENT DATA

The summary of enplaned passengers of the Gainesville Regional Airport is depicted below for fiscal years 2019 through 2025.

Fiscal Year, Ended September 30	Enplanements
2025	285,597
2024	292,800
2023	268,788
2022	267,748
2021	171,639
2020	171,745
2019	268,032

FINANCIAL RESULTS

The following is a summary of financial results for the year ended September 30, 2025.

Operating revenues increased by $426,430 from $9,218,167 in fiscal year 2024 to $9,644,597 in fiscal year 2025. The revenues are greater in fiscal year 2025 than in fiscal year 2024 mainly from the following sources: 1) Parking revenue by $77.9k, 2) rental car revenue from excess of minimum annual guarantee (MAG) by $157.8k, 3) fuel flowage fees by $159.8k, and 4) FBO rent by $23.1k. The remaining net increase of approximately $8k came from various sources.

Operating expenses increased by $745,194, from $10,707,323 in fiscal year 2024 to $11,452,517 in fiscal year 2025. Operating expenses, excluding depreciation expense, increased by $400,705; some of this is due to continued inflation. One of the primary examples of this was payroll and the related benefits that increased by $174k for Airport staff over the prior year to keep pace with inflation and job market rates.

A couple of other noteworthy operating expense increases are as follows:

Insurance by $92k, temp labor (F&M) by $51.1k, curb security by $20.3k and City Police & Fire services by $41k and $21.8k, respectively. Depreciation increased by $344,489, which is a non-cash expense.

The operating loss before non-operating revenues and expenses increased by $318,764 from a $1,489,156 loss in fiscal year 2024 to a $1,807,920 loss in fiscal year 2025. Since operating revenues increased by $426,430 in 2025 and operating expense increased by $745,194, the result is an unfavorable increase of $318,764 to the operating loss before non-operating revenues and expenses when compared to the prior fiscal year. The highlights contributing to this unfavorable increase are discussed in the previous few paragraphs.

Non-operating revenues and expenses changed negatively by $327,328, from a net revenue of $667,155 in fiscal year 2024 to a net revenue of $339,827 in fiscal year 2025. The main reason for the decrease is that interest revenue went from $656,766 in 2024 to $363,201 in 2025, or a $293,565 decrease, due to lower cash balances and interest rates. In addition, there was a decrease of interest income from leases (GASB 87) by $18,799 and a decrease of miscellaneous revenue by $14,964.

Capital contributions received in the form of grants from Federal and State governments, CFCs, and PFCs decreased by $8,685,289 from $23,714,803 in fiscal year 2024 to $15,029,514 in fiscal year 2025. This decrease is primarily driven by a decrease in Federal and State grant income of $9,763,135 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. Also, PFC's (passenger facility charges) decreased by $33,309 and net CFC's increased by $14,634. In addition, there was a combined decrease of PFC and CFC interest income of $79,794 in 2025 from 2024. Lastly, there was a capital contribution increase from Ed and Nate Hangar, LLC of $1,176,315 for a hangar that was completed in fiscal year 2025.

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 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.

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 2025	Fiscal Year 2024	Fiscal Year 2023
Operating Revenues	$ 9,644,597	$ 9,218,167	$ 8,626,093
Operating Expenses	(11,452,517)	(10,707,323)	(10,357,449)
Loss Before Non-Operating Revenues and Expenses	(1,807,920)	(1,489,156)	(1,731,356)
Non-Operating Revenues and Expenses, Net	339,827	667,155	819,151
(Loss) Before Capital Contributions	(1,468,093)	(822,001)	(912,205)
Capital Contributions	15,029,514	23,714,803	10,827,021
Increase in Net Position	$ 13,561,421	$ 22,892,802	$ 9,914,816

SUMMARY OF ASSETS, LIABILITIES, AND NET POSITION

Current and restricted assets decreased $7,062,523 from $28,734,587 in fiscal year 2024 to $21,672,064 in fiscal year 2025. This decrease breaks down as follows: grants receivable decreased by $3,816,084 and hangar construction contributions receivable decreased by $409,400; also, there was a decrease of unrestricted cash by $1,722,689 and a decrease of restricted cash by $1,169,162. Unrestricted receivables increased by $47,148 and restricted receivables increased by $11,406. Other current assets (not related to leases) increased by $8,355. The current lease receivable was $102,519 for fiscal year 2024 compared to $90,422 in fiscal year 2025 or a $12,097 decrease. In addition, the long-term lease receivable decreased by $90,420 from $457,917 in fiscal year 2024 to $367,497 in fiscal year 2025. Capital assets (net of accumulated depreciation) increased by $17,217,772 from $98,179,067 in fiscal year 2024 to $115,396,839 in fiscal year 2025.

Current liabilities decreased by $3,399,502 from $8,192,352 in fiscal 2024 to $4,792,850 in fiscal year 2025. This decrease is primarily driven by the decrease in the capital accounts payable by $3,938,625 and increase in the retainage accounts by $639,359. Operating accounts payable (including accrued) decreased by $136,395; the remaining balance is an increase of $36,159 that was spread over various current liability accounts. Non-current liabilities (or advanced lease payments) decreased by $10.8k from $264,965 in fiscal year 2024 to $254,132 in fiscal year 2025.

Net position may, over time, serve as a useful indicator of GACRAA's financial position. The GACRAA's net position is $131,813,806 at September 30, 2025, which is a $13,561,421 increase over the $118,252,385 September 30, 2024 balance.

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

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
ASSETS			
Current and Restricted Assets	$ 21,672,064	$ 28,734,587	$ 25,201,321
Long-Term Lease Receivable	367,497	457,917	560,435
Capital Assets, Net	115,396,839	98,179,067	73,210,154
Total Assets	137,436,400	127,371,571	98,971,910
LIABILITIES			
Current Liabilities	4,792,850	8,192,352	1,636,167
Non-Current Liabilities	254,132	264,965	275,798
Total Liabilities	5,046,982	8,457,317	1,911,965
DEFERRED INFLOWS OF RESOURCES	575,612	661,869	1,700,362
NET POSITION			
Net Investment in Capital Assets	111,478,638	90,961,600	72,573,006
Restricted	3,634,345	4,792,101	4,861,306
Unrestricted	16,700,823	22,498,684	17,925,271
Total Net Position	$ 131,813,806	$ 118,252,385	$ 95,359,583

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, 2025, 2024, and 2023, is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Operating Revenues			
Parking Revenues	$ 2,793,003	$ 2,715,122	$ 2,552,351
Commercial Terminal	2,706,027	2,758,556	2,631,840
Rental Car Companies (Including QTF)	2,330,359	2,075,161	1,841,017
General Aviation	1,260,137	1,283,474	1,267,271
Fuel Flowage and Storage Fees	555,071	385,854	333,614
Total Operating Revenues	$ 9,644,597	$ 9,218,167	$ 8,626,093

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Capital Contributions and Non-Operating Revenues			
Passenger Facilities Fees	$ 1,116,118	$ 1,149,427	$ 1,068,322
Customer Facility Charge (Net)	129,908	115,274	40,576
Federal and State Grants	12,053,581	21,816,716	9,614,679
Hangar Construction Contribution	1,658,331	482,016	-
CFC – Interest Revenue	28,435	38,345	31,088
PFC – Interest Revenue	43,141	113,025	72,356
Interest Income	379,702	692,066	579,112
Proceeds from the City – Industrial Park Land Sale	-	-	213,726
Other	10,485	25,449	26,313
Total Capital Contributions and Non-Operating Revenues	15,419,701	24,432,318	11,646,172
Total	$25,064,298	$33,650,485	$20,272,265

As previously mentioned, operating revenues increased by $426k in fiscal year 2025 over 2024. Parking revenue is up nearly $78k compared to last year. Commercial terminal revenues decreased by $52.5k; this is mainly due to the following highlighted items: 1) TSA LEO Reimbursement decreased by $69.7k (program was suspended in 2024), 2) Air Carrier Exclusive Rent increased by $7.4k, and 3) Food Concession Rent (including GASB 87) increased by $19.3k. The increase from rental car companies was mainly due to an increase of income from excess of MAG by $157.8k and rental car MAG (including GASB 87) by $91.2k. General aviation decreased by $23.3k or a 1.8% from the prior year; this is due to a decrease in driving pad revenue by $88.7k offset by an increase in various GA hangar rents and fees by $65.4k. Fuel flowage fees increased by $159.8k over the prior year, as did fuel storage fees by $9.4k. Further, there was a decrease in capital and non-capital contributions of $9,763,135 for fiscal year 2025 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) decreased by $103,193; while CFC's (net) and related interest revenue combined increased by $4,724 from the prior fiscal year 2024. A hangar construction contribution of $1,658,331 was added by Ed & Nate Hangar, LLC for the construction of a hangar completed in fiscal year 2025. Operating interest income decreased $312,364 in fiscal year 2025 over 2024. Other income was down by $14,964 compared to last year.

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 was 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. Silver Airways ended service in October 2024.

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
- Hertz and Dollar
- National and Alamo
- Enterprise Leasing

The current contract began October 1, 2019 and expired September 30, 2024. This agreement was extended to end September 30, 2025, and a new agreement will begin October 1, 2025. 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, 2025, 2024, and 2023, is as follows:

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Operating Expenses			
Administration and General	$ 1,899,252	$ 1,783,139	$ 1,569,539
Operations and Security	2,289,477	2,158,171	1,966,002
Facilities and Maintenance	2,235,541	2,076,454	2,144,908
Fuel Farm	28,156	29,154	44,742
General Aviation	69,072	57,595	65,278
Parking Lot	282,273	277,725	209,575
Quick Turn-Around Facility	380,378	401,206	428,788
Depreciation	4,268,368	3,923,879	3,928,617
Total Operating Expenses	11,452,517	10,707,323	10,357,449
Prior Years City Fire Services	50,360	50,360	-
Total Non-Operating Expenses	50,360	50,360	-
Total Expenses	$11,502,877	$10,757,683	$10,357,449

SUMMARY OF CASH FLOW ACTIVITIES

Cash decreased by $2,891,851 in fiscal year 2025 and decreased by $4,301,697 in fiscal year 2024. This decrease was primarily due to the change in cash flow used in capital financing activities. The summary of cash flows for the years ended September 30, 2025, 2024, and 2023 are as follows:

	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Net Cash Provided by Operating Activities	$ 2,259,774	$ 2,445,429	$ 2,654,027
Cash Flows from Non-Capital Financing Activities	-	-	-
Cash Flows Provided by (Used in) Capital Financing Activities	(5,602,903)	(7,593,471)	221,113
Cash Flows from Investing Activities	451,278	846,345	685,197
Increase (Decrease) in Cash	$ (2,891,851)	$ (4,301,697)	$ 3,560,337

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2025, $28,972,202 capitalized items were moved from construction in progress to a depreciable capital asset. The major items capitalized are the Multimodal & Transit System (Garage) at $14.3 million, Terminal (BHS Phase 1 and BHS Canopy) $6.4 million, CEP (Central Energy Plant) $2.8 million, Bulk Hangar $2.6 million, ATO Offices $1.7 million, ARFF Vehicle $1.1 million & Airfield Equipment nearly $120k.

Construction in progress at September 30, 2025, is about $34.2 million. The major items in progress as of FYE 2025 are as follows: 1) Taxiway A and GA Apron Phase 1 & 2 at $30.2 million, 2) Terminal & Parking Improvements at $985.7k, 3) Terminal Expansion at $703.7k, and 4) Fuel Farm at $638.7k. The remaining balance of approximately $1.7 million 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, 2025, GACRAA has three active Passenger Facility applications, PFC #4, #5 and #6. Approved by the FAA, PFC applications allow GACRAA to impose a PFC at the $4.50 level. Air carriers are required to collect the PFC's and remit $4.39 per enplaned passenger to GACRAA monthly. PFC funds are used for specific improvements to Airport facilities, which are approved by the FAA and air carriers. The authorization to impose the PFC is contingent upon continued compliance with the terms of FAA regulations.

<u>PFC#4</u> – On January 20, 2016, PFC application #4 was approved in the amount of $6,277,987. Collections on PFC#4 began on 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" was included in the 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. On November 30, 2023, the total approved collection allowance on PFC#4 was achieved, with the excess of funds rolling over into PFC#5. Funds remaining in the PFC#4 balance are approved for application to the terminal expansion project until 100% expended.

PFC#5 – On October 27, 2023, PFC application #5 was approved in the amount of $1,956,090. Collection of PFC#5 revenue began December 1, 2023. On February 19, 2025 Amendment 1 to PFC#5 was approved by the FAA and increased collection by $136,470 for application to the Taxiway A project.

PFC#6 – On June 5, 2025, PFC application #6 was approved in the amount of $2,225,222. Collection of PFC #6 revenue began November 1, 2025. PFC 6 was amended on March 3, 2026, to reduce collections by $158,000 due to the removal of two specific scopes of work; Airfield Drainage Improvements in Infield Areas B and C – Design and Airfield Drainage Improvements in Infield Areas B and C – Construction. It was determined that this work should be done in conjunction with a future project, that being the Rehabilitation of Runway 11/29 which is the Airport's primary runway.

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, 2025, $6,397,307 in CFCs have been collected and $142,075 interest has been received, while $5,057,227 had been spent.

CURRENT OPERATION FINANCIAL SITUATION

Commercial passenger volume decreased by 2.65% or 15,431 passengers from fiscal 2024 to 2025; this is essentially due to Silver Airways ceasing service in October 2024. However, the overall airline load factor increased by 2.5% to 86.3% compared to last year; this was mainly due to a low load factor of 55.9% by Silver Airways for fiscal year 2024. The annual regional carrier passenger decrease distributed as follows: Delta (Atlanta) down by 177 (flat), American (Miami) up by 6,959 (21%), American (Charlotte) down by 12,775 (-8%), and American (Dallas) up by 8,424 (16%). Silver Airways ended service October 2024 and had activity decrease of 17,862 passengers compared to last year. Annual load factors compared to the prior year by carrier are as follows: Delta up by .9% to 88.4%, American (Charlotte) down by .1% to 85.6%, American (Dallas) up by 1.8% to 86.5%, and (Miami) up by 7.6% to 74.1%. Silver Airways had a 61.4% load factor for the month of October 2024. Specifically, commercial enplanements decreased by 2.46% or 7,194 passengers from fiscal 2024 to 2025 and the related load factor increased by 2.7% to 87%. It should be noted that these swings in activity and load factors stem from the impact of the airlines dealing with change in demand, pilot shortages and fleet availability.

General aviation operations were relatively flat as there was a .96% increase comparing fiscal year 2024 to 2025. In addition, total fuel flowage increased by 6.96% when compared to the prior fiscal year.

SUBSEQUENT EVENTS

As of March 31, 2026, YTD passenger activity is 4.84% higher than that as of March 31, 2025; however, YTD load factor is down 1.7% compared to March 2025.

Further, an inflation-ridden economy, pilot shortages and new aircraft delivery delays combine to create uncertainty as to future growth.

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, 2025 AND 2024
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2025	2024
Assets		
Current Assets		
Cash and Cash Equivalents	$ 11,393,119	$ 13,115,808
Accounts Receivable (Net of Allowance for Uncollectible Accounts of $17,445 and $17,445, Respectively)	518,103	470,955
Current Lease Receivable	90,422	102,519
Grants Receivable	5,873,623	9,689,707
Hangar Construction Contribution Receivable	-	409,400
Prepaid Expenses	138,659	128,408
Inventories	23,793	25,689
Total Current Assets	18,037,719	23,942,486
Restricted Assets		
Accounts Receivable	232,813	221,407
Cash - Passenger Facility Charge	1,919,377	3,187,408
Cash - Customer Facility Charge	1,482,155	1,383,286
Total Restricted Assets	3,634,345	4,792,101
Long-Term Lease Receivable	367,497	457,917
Property, Plant and Equipment		
Land	2,956,264	2,956,264
Buildings	66,316,269	49,394,182
Improvements Other Than Buildings	93,919,017	82,592,944
Fuel Farm Land and Improvements	681,440	681,440
Vehicles and Equipment	5,721,949	4,435,104
Leasehold Acquisitions	450,000	450,000
Construction Work in Progress	34,244,610	42,314,282
	204,289,549	182,824,216
(Accumulated Depreciation)	(88,892,710)	(84,645,149)
Total Property, Plant and Equipment - Cost Less Depreciation	115,396,839	98,179,067
Total Assets	137,436,400	127,371,571
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	2,600,215	6,641,172
Contract Retainage Payable	2,170,518	1,531,159
Current Portion of Advanced Lease Payments	22,117	20,021
Total Current Liabilities	4,792,850	8,192,352
Long-Term Liabilities		
Advanced Lease Payments	254,132	264,965
Total Long-Term Liabilities	254,132	264,965
Total Liabilities	5,046,982	8,457,317
Deferred Inflows of Resources		
Deferred Inflow - Leases	575,612	661,869
Total Deferred Inflows of Resources	575,612	661,869
Net Position		
Net Investment in Capital Assets	111,478,638	90,961,600
Restricted	3,634,345	4,792,101
Unrestricted	16,700,823	22,498,684
Total Net Position	131,813,806	118,252,385
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 137,436,400	$ 127,371,571

See accompanying notes.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2025	2024
Operating Revenues		
Sales and Service Charges	$ 9,644,597	$ 9,218,167
Operating Expenses		
Administration and General	1,899,252	1,783,139
Operations and Security	2,289,477	2,158,171
Facilities and Maintenance	2,235,541	2,076,454
Fuel Farm	28,156	29,154
General Aviation	69,072	57,595
Parking Lot	282,273	277,725
Quick Turn-Around Facility (QTF)	380,378	401,206
Depreciation and Amortization	4,268,368	3,923,879
(Total Operating Expenses)	(11,452,517)	(10,707,323)
Operating (Loss)	(1,807,920)	(1,489,156)
Non-Operating Revenues (Expenses)		
Interest Revenue	363,201	656,766
Interest Income - Leases	16,501	35,300
Miscellaneous	10,485	25,449
Prior Years City Fire Services	(50,360)	(50,360)
Total Non-Operating Revenues (Expenses)	339,827	667,155
(Loss) Before Capital Contributions	(1,468,093)	(822,001)
Capital Contributions		
Hangar Construction Contribution	1,658,331	482,016
Passenger Facility Charge Revenue	1,116,118	1,149,427
Interest Revenue - PFC	43,141	113,025
CFC Revenue (Net of $187,771 and $164,259 in 2025 and 2024, respectively, for QTF Expenses)	129,908	115,274
Interest Revenue - CFC	28,435	38,345
Federal and State Grants Income	12,053,581	21,816,716
Total Capital Contributions	15,029,514	23,714,803
Increase in Net Position	13,561,421	22,892,802
Total Net Position, Beginning of Year	118,252,385	95,359,583
Total Net Position, End of Year	$ 131,813,806	$ 118,252,385

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2025	2024
Cash Flows from Operating Activities		
Cash Received from Customers	$ 9,602,876	$ 9,319,140
Cash Paid to Employees	(3,016,483)	(2,842,463)
Cash Paid to Suppliers	(4,276,259)	(3,980,888)
Cash Paid to the City for Prior Year Fire Services	(50,360)	(50,360)
Net Cash Provided by Operating Activities	2,259,774	2,445,429
Cash Flows from Capital and Related Financing Activities		
Proceeds from Federal Grants	10,279,038	10,707,754
Proceeds from State Grants	5,590,627	2,651,691
Passenger Facility Charge Revenue	1,113,750	1,152,461
Customer Facility Charge	120,871	109,030
Hangar Construction Contribution	2,067,731	72,616
Miscellaneous	10,486	25,449
Acquisition and Construction of Fixed Assets	(24,785,406)	(22,312,472)
Net Cash (Used) by Capital and Related Financing Activities	(5,602,903)	(7,593,471)
Cash Flows from Investing Activities		
Interest Income - Leases	16,501	38,209
Interest Received	434,777	808,136
Net Cash Provided by Investing Activities	451,278	846,345
(Decrease) in Cash	(2,891,851)	(4,301,697)
Cash, Beginning of Year	17,686,502	21,988,199
Cash, End of Year	$ 14,794,651	$ 17,686,502

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2025	2024
Presented in Accompanying Financial Statements as		
Current Assets		
Cash and Cash Equivalents	$ 11,393,119	$ 13,115,808
Restricted Assets		
Cash - Passenger Facility Charge	1,919,377	3,187,408
Cash - Customer Facility Charge	1,482,155	1,383,286
Total Cash, End of Year	$ 14,794,651	$ 17,686,502
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (1,807,920)	$ (1,489,156)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Decrease (Increase) in Lease Receivables	102,517	1,134,419
Decrease (Increase) in Deferred Inflow - Leases	(86,257)	(1,038,493)
Depreciation and Amortization	4,268,368	3,923,879
Prior Years City Fire Services	(50,360)	(50,360)
Decrease (Increase) in Receivables	(47,148)	15,880
Decrease (Increase) in Inventories and Prepaid Expenses	(8,355)	(15,772)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(102,333)	(24,135)
Increase (Decrease) in Advanced Lease Payments	(8,738)	(10,833)
Net Cash Provided by Operating Activities	$ 2,259,774	$ 2,445,429

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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport Authority are revenues from airlines, concessions, rental cars, and parking. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and 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, if any, and capital-related payables and retainage 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.

- 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 represents 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, 2025 and 2024.

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:

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 was no budget amendments made during fiscal years 2025 or 2024.

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 three active Passenger Facility applications, PFC 16-04-C-00-GNV, PFC 5 24-05-C-00-GNV, and PFC 6 25-06-C-00-GNV. Approved by the FAA, PFC applications allow the 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.

<u>PFC #4</u>
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”, was included in the 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. On November 30, 2023, the total approved collection allowance on PFC #4 was achieved, with the excess of funds rolling over into PFC #5. Funds remaining in the PFC #4 balance are approved for application to the terminal expansion project until 100% expended.

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Customer Facility Charges (PFC)
On June 23, 2005, the Airport Authority passed Resolution 05-025 authorizing the implementation of a $3.00 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.

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.

Adoption of New Accounting Pronouncements
The Airport Authority adopted GASB Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means, with an exception of certain types of compensated absences, such as, parental leave, military leave, and jury duty, that should not be recognized until the leave is used. This statement establishes guidance for measuring a liability for leave that has not been used, for leave that has been used but not yet paid or settled, and certain salary-related payments that are directly and incrementally associated with payments for leave. This pronouncement is effective beginning fiscal year 2025 and implementation of this guidance did not have any significant impact on the Airport Authority's financial statements and, therefore, no restatement was required.

Note 2 - Cash and Investments

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

	2025	2024
Cash and Cash Equivalents:		
Cash on Hand	$ 890	$ 1,893
Deposits in Financial Institutions:		
Insured or Fully Collateralized		
Bank Deposits	13,623,190	16,566,487
Investments	1,170,571	1,118,122
Total Cash and Cash Equivalents	$ 14,794,651	$ 17,686,502

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.

Investments
The Airport Authority does not have a formal investment policy for dealing with investment risks, and therefore follows the guidance in the Florida Statutes. The types of investments in which the Airport Authority may invest are governed by Section 218.415, Florida Statutes. According to state statutes, the Airport Authority is authorized to invest in the following instruments: Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized through the *Florida Interlocal Cooperation Act*; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating company; interest-bearing time deposits and savings accounts in qualified public depositories; and direct obligations of the U.S. Treasury.

Interest Rate Risk and Credit Risk
Interest rate risk is the risk that change in interest rates could adversely affect an investment's fair value. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The schedule below summarizes investments by credit rating and maturity (a measure of credit risk and interest rate risk):

2025:

Investment Type	Credit Rating (Fitch)	Fair Value	Weighted Average Maturity
FL-FIT Cash Pool	AAAf/S1	$ 1,170,571	85 Days

2024:

Investment Type	Credit Rating (Fitch)	Fair Value	Weighted Average Maturity
FL-FIT Cash Pool	AAAf/S1	$ 1,118,122	50 Days

Fair Value Measurement
The Airport Authority records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined in GASB Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- **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 - <u>Commitments</u>

The Airport Authority is currently conducting various improvement projects that are eligible for federal, state, and local reimbursements. Commitments outstanding are approximately \$22,023,656 and \$12,752,692 at September 30, 2025 and 2024, respectively. The current commitments are \$8,617,343 for the State and \$13,406,313 for Federal.

Note 4 - <u>Pension Plans</u>

During 2025 and 2024, the Airport Authority had approximately 41 and 38 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 $220,476 and $204,738 for the years ended September 30, 2025 and 2024, respectively.

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

During the years ended September 30, 2025 and 2024, the Airport Authority paid the City for services as follows:

	2025	2024
Fire Protection	$ 687,552	$ 665,716
Security	537,915	496,900
Indirect Costs	22,872	66,115
Utilities	589,417	571,336
Total	$ 1,837,756	$ 1,800,067

Note 6 - 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
- Business Auto
- Real and Personal Property Damage
- Cyber Liability
- Directors and Officers Liability
- Airport Liability
- Fiduciary Liability
- Crime

Settlements have not exceeded coverage during the past three years.

Note 7 - Interlocal Agreement

Pursuant to an interlocal agreement, the City 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 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 $0 and $0 for the years ended September 30, 2025 and 2024, respectively. Such amounts are recorded as revenues when they become due from the City.

Note 8 - Capital Assets

A summary of changes in capital assets for the years ended September 30, 2025 and 2024, is as follows:

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

	Beginning Balance October 1, 2024	Increases	Decreases	Ending Balance September 30, 2025
Capital Assets Not Being Depreciated				
Land	$ 2,956,264	$ -	$ -	$ 2,956,264
Capital Assets Being Depreciated				
Buildings	49,394,182	16,922,087	-	66,316,269
Improvements Other Than Buildings	82,592,944	11,326,073	-	93,919,017
Fuel Farm Land and Improvements	681,440	-	-	681,440
Vehicles and Equipment	4,435,104	1,307,652	20,807	5,721,949
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	137,553,670	29,555,812	20,807	167,088,675
Less Accumulated Depreciation for				
Buildings	19,979,042	1,147,010	-	21,126,052
Improvements Other Than Buildings	60,070,795	2,865,508	-	62,936,303
Fuel Farm Land and Improvements	581,634	1,871	13,438	570,067
Vehicles and Equipment	3,563,678	253,979	7,369	3,810,288
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	84,645,149	4,268,368	20,807	88,892,710
Total Being Depreciated, Net	52,908,521	25,287,444	-	78,195,965
Construction Work in Progress	42,314,282	20,902,530	28,972,202	34,244,610
Capital Assets, Net	$ 98,179,067	$ 46,189,974	$ 28,972,202	$ 115,396,839

	Beginning Balance October 1, 2023	Increases	Decreases	Ending Balance September 30, 2024
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	82,493,813	99,131	-	82,592,944
Fuel Farm Land and Improvements	681,440	-	-	681,440
Vehicles and Equipment	4,305,157	129,947	-	4,435,104
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	137,324,592	229,078	-	137,553,670
Less Accumulated Depreciation for				
Buildings	18,900,900	1,078,142	-	19,979,042
Improvements Other Than Buildings	57,424,553	2,646,242	-	60,070,795
Fuel Farm Land and Improvements	569,485	12,149	-	581,634
Vehicles and Equipment	3,376,332	187,346	-	3,563,678
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	80,721,270	3,923,879	-	84,645,149
Total Being Depreciated, Net	56,603,322	(3,694,801)	-	52,908,521
Construction Work in Progress	13,650,568	28,711,524	47,810	42,314,282
Capital Assets, Net	$ 73,210,154	$ 25,016,723	$ 47,810	$ 98,179,067

Note 9 - Hangar Construction Costs Receivable

Ed and Nate Hangar, LLC (the Company) agreed to jointly fund along with the Airport Authority the construction of an aircraft hangar, office space, parking facilities and other improvements on airport land (the Project). The Airport Authority has agreed to fund the Project in the amount of $450,000 and the Company will reimburse the Airport Authority the remaining balance of the Project costs. The Project and all permanent improvements, whether jointly funded or individually funded, immediately become property of the Airport Authority and are leased back to the Company. During the year ended September 30, 2025 and 2024, the Airport Authority recognized $1,658,331 and $482,016 of hangar construction contributions, respectively; there was a related receivable as of September 30, 2024 of $409,400 and none for the year ended September 30, 2025.

Note 10 - Contingencies

The Airport Authority would be contingently liable with respect to any claims incidental to its ordinary course of business. The Airport Authority is insured and, to the best of the Airport Authority management's knowledge, there are no outstanding claims existing and any prior year's claims were settled without any adverse financial impact to the Airport Authority.

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, 2025 and 2024, is as follows:

	2025	2024
Customer Facility Charge	$ 1,515,661	$ 1,407,755
Passenger Facility Charge	2,118,684	3,384,346
Total Restricted Net Position	$ 3,634,345	$ 4,792,101

Note 12 - Lessor Leases

The Airport Authority leases terminal space, aircraft maintenance and overhaul facilities, cargo facilities, hangars and other building facilities, and ancillary land facilities to air carriers and other third-party tenants under various cancelable and non-cancelable agreements. The Airport has grouped non-regulated leases into three categories: Rental Car Leases, Concession Leases, and Other Property Leases. Rental Car Leases are for rental car agencies located at the Airport. Concession leases are leases for retail and food and beverage tenants at the Airport. Other Property Leases contain various leases for property and space located around the Airport. The agreements, as summarized below, provide for fixed and/or variable rental payments.

A summary of lease activity for the year ended September 30, 2025 is as follows:

	Beginning Lease Receivable	Receivable Additions	Receivable Deductions	Ending Lease Receivable	Total Inflows of Resources from Lease	
					Annual Lease Revenue	Interest
Concession Leases	$ 435,866	$ -	$ 100,495	$ 335,371	$ 71,305	$ 12,786
Other Property Leases	124,570	-	2,022	122,548	14,952	3,846
	$ 560,436	$ -	$ 102,517	$ 457,919	$ 86,257	$ 16,632

A summary of lease activity for the year ended September 30, 2024 is as follows:

	Beginning Lease Receivable	Receivable Additions	Receivable Deductions	Ending Lease Receivable	Total Inflows of Resources from Lease: Annual Lease Revenue	Interest
Rental Car Leases	$ 1,017,547	$ -	$ 1,017,547	$ -	$ 952,000	$ 15,094
Concession Leases	539,474	-	103,608	435,866	71,500	15,923
Other Property Leases	137,834	-	13,264	124,570	14,993	4,283
	$ 1,694,855	$ -	$ 1,134,419	$ 560,436	$ 1,038,493	$ 35,300

Rental Car Leases

The Airport Authority entered into five-year agreements with four rental car agencies that originally expired on September 30, 2024. Each agreement includes the rental of counter and office space, quick turnaround space, and parking space. Each contract has a minimum annual guarantee (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.

Upon expiration of the original agreements, the Airport Authority and the rental car agencies continued operations under a month-to-month extension through September 30, 2025. Because the extension expired on September 30, 2025, and no future non-cancelable lease term existed as of that date, there were no future minimum lease payments or related lease receivable balances outstanding at September 30, 2025.

Concession Leases

The Airport Authority has entered into a concession agreement with an operator to provide food and beverage services. The lease term is for 10 years and includes options to extend that are not deemed to be reasonably certain to be exercised by the Airport Authority based on all available information and past experience. The contract has a MAG and a variable component (percentage of gross revenues). The tenant pays the higher amount of the MAG or variable amount. The MAG was set in the contract and is 85% of the prior year's MAG. Based on these terms, the minimum payment will always be the MAG. The lease receivable is calculated using minimum payments due each year over the course of contract. The variable component is not used to calculate the lease receivable.

Other Property Leases

The Airport has entered into an agreement with an operator to provide advertising sales and management services. The lease term is for 10 years and includes options to extend that are not deemed to be reasonably certain to be exercised by the Airport Authority based on all available information and past experience. The contract has a MAG and a variable component (percentage of gross revenues). The tenant pays the higher amount of the MAG or variable amount. The MAG was set in the contract and is fixed throughout the duration of the 10 years. Based on these terms, the minimum payment will always be the MAG. The lease receivable is calculated using minimum payments due each year over the course of contract. The variable component is not used to calculate the lease receivable.

The expected future lease payments included in the measurement of the lease receivable as of September 30, 2025, are as follows:

Years Ending September 30,	Principal	Interest	Total
2026	$ 90,422	$ 13,489	$ 103,911
2027	80,246	10,709	90,955
2028	71,710	8,234	79,944
2029	64,569	6,015	70,584
2030	58,619	4,010	62,629
2031-2034	92,353	2,767	95,120
Total	$ 457,919	$ 45,224	$ 503,143

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, that regulate aviation leases between airports and air carriers and other aeronautical users. The Authority recognized $1,158,124 and $1,442,492 of lease revenue from these agreements for the year ended September 30, 2025 and 2024, respectively.

Future minimum lease payments are as follows:

September 30,	Amount
2026	$ 1,542,680
2027	1,491,204
2028	1,519,711
2029	652,190
2030	589,554
2031-2035	2,637,881
2036-2040	2,922,327
2041-2045	812,085
2046-2050	304,300
2051-2055	80,516
2056-2057	19,729

OTHER SUPPLEMENTARY INFORMATION

REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Fiscal Year 2024-2025 Total Budget	Fiscal Year 2024-2025 Actual Revenues	Over (Under) Budget
Operating Revenues			
Commercial Terminals:			
Airport Terminal Parking	$ 3,000,000	$ 2,793,003	$ (206,997)
Air Carriers Rent - Exclusive Space	611,804	598,935	(12,869)
Other Exclusive Rent	1,997	1,997	-
Air Carriers Rent - Non-Exclusive Space	702,225	692,173	(10,052)
Air Carriers - Landing Fees	662,436	658,284	(4,152)
Passenger Boarding Bridge Fees	64,008	74,254	10,246
Charter Landing Fees	20,188	24,216	4,028
TSA Office Rent	43,235	43,884	649
TSA Screening Checkpoint Reimbursement	7,040	7,081	41
Airways Facility Rent	45,552	46,774	1,222
Industrial Park Rent	11,030	11,674	644
Rental Car Company Rent - Exclusive Space	97,947	98,205	258
Rental Car Company Concession Fees - MAG	943,517	960,749	17,232
Rental Car Company Over MAG	450,000	770,585	320,585
Overflow Parking	-	1,150	1,150
QTF	467,490	499,670	32,180
Food Concessionaire	268,000	271,681	3,681
Food Concessionaire Rent (GASB 87)	-	(30,673)	(30,673)
Advertising Fees	63,000	62,913	(87)
Advertising Revenue MAG (GASB 87)	-	(2,219)	(2,219)
Ground Transportation Fees	135,000	138,495	3,495
Cell Phone Tower Rent	21,901	21,901	-
Solar Revenue	80,000	55,341	(24,659)
Miscellaneous Revenue	27,370	29,316	1,946
Total Commercial Terminals	7,723,740	7,829,389	105,649
General Aviation:			
Fuel Flowage Fees	279,189	304,547	25,358
Fixed Base Operators' (FBO) Rent	252,741	277,466	24,725
FBO/GA Landing Fees	30,000	28,912	(1,088)
FBO Specialty Airport Services Rent	153,580	153,088	(492)
Corporate Aviation Rent	47,508	51,782	4,274
T-Hangar Rent (FBO/GA)	289,860	291,015	1,155
Sunshade Rent (FBO/GA)	5,126	7,093	1,967
Bulk Hangar Rent	55,844	55,907	63
Tie Downs (FBO/GA)	2,973	3,044	71
Storage Fees (GA)	4,000	4,040	40
Port-O-Port Rent (FBO/GA)	9,752	12,316	2,564
FBO Charter Passenger Fee	-	36	36
FBO Ramp Parking Fees	2,000	5,379	3,379
GA Grounds Support Equipment Rental	2,000	495	(1,505)
Fuel Farm Facilities Storage Fees	251,214	250,524	(690)
Consortia Hangar Rents	219,288	349,029	129,741
GA 37 - Ed & Nate Hangar/Office	-	13,035	13,035
Driving Pad Lease	-	7,500	7,500
Total General Aviation	1,605,075	1,815,208	210,133
Total Operating Revenues	9,328,815	9,644,597	315,782

REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Fiscal Year 2024-2025 Total Budget	Fiscal Year 2024-2025 Actual Revenues	Over (Under) Budget
Non-Operating Revenues			
Passenger Facility Charge (PFC) Revenue	$ -	$ 1,116,118	$ 1,116,118
PFC - Interest Revenue	-	43,141	43,141
Capital Facility Charge (CFC) Revenue	-	129,908	129,908
CFC - Interest Revenue	-	28,435	28,435
Federal and State Grants	-	12,053,581	12,053,581
Miscellaneous	-	10,485	10,485
Interest Revenue	238,375	363,201	124,826
Interest Income - Leases	-	16,501	16,501
Hangar Construction Contribution	-	1,658,331	1,658,331
Total Non-Operating Revenues	238,375	15,419,701	15,181,326
Total Revenues	$ 9,567,190	$ 25,064,298	$ 15,497,108

EXPENSE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Fiscal Year 2024-2025 Total Budget	Fiscal Year 2025-2024 Actual Expenses	(Over) Under Budget
Expenses from Operations			
Airport Administration:			
Personnel Services	$ 988,244	$ 981,856	$ 6,388
Operating Expenses	983,056	917,396	65,660
Total Airport Administration	1,971,300	1,899,252	72,048
Airport Operations and Maintenance:			
Personnel Services	2,330,010	2,053,046	276,964
Operating Expenses	2,887,879	2,754,245	133,634
Total Airport Operations and Maintenance	5,217,889	4,807,291	410,598
General Aviation Operations:			
Operating Expenses	59,264	59,109	155
Cost of Sales	9,762	9,963	(201)
Total General Aviation Operations	69,026	69,072	(46)
Fuel Farm:			
Operating Expenses	40,181	28,156	12,025
Total Fuel Farm	40,181	28,156	12,025
Quick Turn-Around Facility:			
Operating Expenses	451,132	380,378	70,754
Total Quick Turn-Around Facility	451,132	380,378	70,754
Depreciation Expense	-	4,268,368	(4,268,368)
Total Expenses from Operations	7,749,528	11,452,517	(3,702,989)
Non-Operating Expenses			
Prior Years City Fire Services	50,360	50,360	-
Total Non-Operating Expenses	50,360	50,360	-
(Total Expenses)	$ 7,799,888	$ 11,502,877	$ (3,702,989)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Grantor/Program Title	Assistance Listing (AL) Number	Receivable (Payable) Balance 10/1/2024	(Receipts)	Eligible Expenditures	Receivable (Payable) Balance 9/30/2025
U.S. Department of Transportation, Federal Aviation Administration:					
Airport Improvement Program (AIP):					
Taxiway A and GA Apron Phase 1 (AIP51/52)	20.106	$ 2,141,713	$ (2,748,807)	$ 2,435,184	$ 1,828,090
Transit Center (AIP53)	20.106	58,712	(1,412,580)	1,553,864	199,996
ARFF Vehicle and GA Apron Phase 2 (AIP54)	20.106	2,369,115	(2,763,420)	1,488,731	1,094,426
Central Energy Plant (AIP55)	20.106	1,582,826	(2,660,383)	1,425,853	348,296
Master Plan & SWMP (AIP56)	20.106	8,082	(375,642)	391,187	23,627
Baggage Phase 2 Design (AIP57)	20.106	-	(301,189)	331,703	30,514
Commercial Apron Expansion Design (AIP58)	20.106	-	(14,543)	42,647	28,104
Baggage Phase 2 Construction (AIP59)	20.106	-	(2,475)	2,475	-
Subtotal Expenditures - AL No. 20.106		6,160,448	(10,279,039)	7,671,644	3,553,053
Total Federal Financial Assistance		$ 6,160,448	$ (10,279,039)	$ 7,671,644	$ 3,553,053

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

Grantor/Program Title	CSFA Contract Number	FIN Number	Receivable (Payable) Balance 10/1/2024	(Receipts)	Eligible Expenditures	Receivable (Payable) Balance 9/30/2025
Florida Department of Transportation						
Aviation Grant Program:						
Terminal and Parking Improvements	55.004	43873919416	$ 795,964	$ (812,346)	$ 369,420	$ 353,038
GA Facility Rehab and Bulk Hangar	55.004	43492119419	385,058	(421,348)	36,290	-
Intermodal	55.004	44513419419	873,792	(2,283,658)	2,592,049	1,182,183
Taxiway A Construction	55.004	440065-19421	193,018	-	118,660	311,678
Design GA Terminal	55.004	438739-3-94-24	175	-	13,053	13,228
GA Apron Rehab Phase 1	55.004	44440819401	1,636	-	-	1,636
Design Construct Fuel Farm	55.004	428830-1	11,956	(104,422)	272,869	180,403
Terminal Phase 4 Baggage	55.004	44204619421	1,267,660	(1,858,898)	794,630	203,392
Airfield Equipment	55.004	443800-1-94-25	-	(59,954)	59,954	-
Commercial Apron Expansion Design & Construction	55.004	436594-3-94-25	-	-	18,428	18,428
ARFF Vehicle and GA Apron Phase 2	55.004	440037-1	-	(50,000)	50,000	-
Transit Center	55.004	429958-3	-	-	56,584	56,584
Subtotal Expenditures - CSFA No. 55.004			3,529,259	(5,590,626)	4,381,937	2,320,570
Total State Financial Assistance			3,529,259	(5,590,626)	4,381,937	2,320,570
Total Expenditures of Federal Awards and State Financial Assistance			$ 9,689,707	$ (15,869,665)	$ 12,053,581	$ 5,873,623

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025
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 15% 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, 2025, 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 12, 2026.

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.

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.

Purvis Gray

June 12, 2026
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 the Airport Authority's major federal program and state project for the year ended September 30, 2025. The Airport Authority's major federal program and state project 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 its major federal program and state project for the year ended September 30, 2025.

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.

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*

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 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 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 12, 2026
Gainesville, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025
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:

Federal Program	Assistance Listing No.
Airport Improvement Program	20.106

State Project	Assistance Listing No.
Aviation Grant Program	55.004

8. The threshold for distinguishing Type A and B programs was $1,000,000 for major federal award programs and $750,000 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, 2025
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, 2025.

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, 2025. 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, 2025.

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.

Purvis Gray

June 12, 2026
Gainesville, Florida

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, 2025, and have issued our report thereon dated June 12, 2026.

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 12, 2026, 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.

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

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.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Airport Authority is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Airport Authority's geographical boundaries during the fiscal year under audit. The Airport Authority has not authorized the operation of a PACE program, and management is not aware of the operation of any such program, within its geographical boundaries.

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 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)7, *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 41.
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 18.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $3,055,904.

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

MANAGEMENT LETTER

d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as $25,854,180.
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 3-12-0028-057-2024 In-Line Baggage Phase 2 Design - $368,559
    - Project # FDOT 438739-3 GA Terminal Design FAA - $82,921

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 29-31 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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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.

Purvis Gray

June 12, 2026
Gainesville, Florida