

2021

Gainesville-Alachua County Regional
Airport Authority

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

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

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

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021 and 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

Opinion

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, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport Authority's basic financial statements. The revenue comparison and expense comparison listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by 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*. The schedule of expenditures of federal awards and state financial assistance is also not a required part of the basic financial statements.

The revenue comparison, expense comparison and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the revenue comparison, expense comparison, 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.

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

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2022, on our consideration of the Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority's internal control over financial reporting and compliance.



June 20, 2022
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, 2021 and September 30, 2020. Governmental Accounting Standards Board Pronouncement Number 34 (GASB No. 34) requires an MD&A section to enhance the understandability and usefulness of the financial reports. The information contained in the MD&A has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

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

GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY

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

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

The initial construction of the Airport was done by the Work Progress Administration early in 1941. At that time, and upon conclusion of the construction by the U.S. Engineer Department, the field was known as the Alachua Army Airfield and was used by the Army Air Corp and the Army Air Forces. On March 2, 1942, the City Council, by City Ordinance No. 295, established the name of the airfield as the "John R. Alison Airport". The Airport was deeded to the City of Gainesville in 1948. At that time, the field was known as the John R. Alison Airport and also 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 current terminal was dedicated to "John R. Alison" in 1979. It has 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. The majority of this work was completed by October 2008.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021, the Gainesville Regional Airport was served by two (2) passenger carriers and four (4) rental car brands.

Passenger Airlines

Delta Airlines
American Airlines

Rental Car Companies

Avis and Budget
Enterprise
Hertz and Dollar
National and Alamo

HISTORICAL ENPLANEMENT DATA

The summary of enplaned passengers of the Gainesville Regional Airport is depicted below for fiscal years 2015 through 2021.

<u>Fiscal Year, Ended</u> <u>September 30</u>	<u>Enplanements</u>
2021	171,639
2020	171,745
2019	268,032
2018	236,019
2017	218,698
2016	211,848
2015	218,013

FINANCIAL RESULTS

The following is a summary of financial results for the year ended September 30, 2021.

Operating revenues increased by \$586,280 from \$5,619,843 in fiscal year 2020 to \$6,206,123 in fiscal year 2021. The revenues are greater in fiscal 2021 than in fiscal 2020 because the majority of COVID discounts and abatements provided to the air carriers, rental car companies and concessionaires had expired by the end of fiscal year 2020. Thus, Rental car MAG/Excess of MAG revenues increased by \$435.8k and Air carrier rents increased by \$92.3k. Other revenue increases are as follows: 1) Silver hangar rent by \$85.5k, 2) Fuel flowage fees by \$15.6k and 3) Ground transportation income by \$13.6k. This was offset by a decrease in parking revenue by \$80.8k. The remaining net increase of approximately \$24k came from various sources.

Operating expenses decreased by \$447,655, from \$8,980,988 in fiscal year 2020 to \$8,533,333 in fiscal year 2021. Operating expenses, excluding depreciation expense, decreased by \$101,773. Some noteworthy operating expense decreases are as follows: City police services by \$88.1k (mostly due to a true up), advertising expense by \$50.1k and various utility expense accounts by \$51.4k. These were offset by some highlighted operating expense increases as follows: insurance by \$35.3k, professional fees by \$21k, building maintenance for general aviation by \$10.7k (mainly due to the Silver hangar repairs for new

MANAGEMENT'S DISCUSSION AND ANALYSIS

tenant – Consortia Airways) and building maintenance for the terminal by \$9.1k. The remaining difference is spread over many line items. Depreciation decreased by \$345,882 which is a non-cash line item. The significant decrease in depreciation from fiscal year 2020 to 2021 is primarily due to terminal renovation and runway/taxiway rehabilitation projects capitalized in fiscal year 2000 that became fully depreciated in 2020. Also, a general aviation rehabilitation project capitalized in 2011 became fully amortized early in fiscal year 2021.

The operating loss before non-operating revenues and expenses decreased by \$1,033,935 from a \$3,361,145 loss in fiscal year 2020 to a \$2,327,210 loss in fiscal year 2021. While operating revenues increased by \$586.3k in 2021, operating expenses decreased by \$447.7k, which resulted in the favorable increase of \$1,033,935 to the operating loss before non-operating revenues and expenses when compared to the prior fiscal year. The highlights contributing to this favorable increase are discussed in the previous two paragraphs.

Non-operating revenues and expenses changed positively by \$2,122,331, from a net revenue of \$1,542,243 in fiscal year 2020 to a net revenue of \$3,664,574 in fiscal year 2021. The proceeds from the CARES Act and ACRGP (Airport Coronavirus Response Grant Program) #1 grants were the main contributors for this favorable change.

Capital contributions received in the form of grants from Federal and State governments, CFCs, and PFCs decreased by \$455,616 from \$8,983,049 in fiscal year 2020 to \$8,527,433 in fiscal year 2021. This decrease is primarily driven by a decrease in Federal and State grant income of \$462,548 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.

FINANCIAL STATEMENTS

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

The statement of net position presents information on all of 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, FAA Tower operations, fuel storage and usage amounts, and property vacancy rates. The statements of revenues, expenses, and changes in net position present information on how GACRAA's net position changed during the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY OF OPERATIONS AND CHANGE IN NET POSITION

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

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Fiscal Year <u>2019</u>
Operating Revenues	\$ 6,206,123	\$ 5,619,843	\$ 7,138,596
Operating Expenses	<u>(8,533,333)</u>	<u>(8,980,988)</u>	<u>(9,030,209)</u>
Loss Before Non-Operating Revenues and Expenses	(2,327,210)	(3,361,145)	(1,891,613)
Non-Operating Revenues and Expenses, Net	<u>3,664,574</u>	<u>1,542,243</u>	<u>(116,193)</u>
Income (Loss) Before Capital Contributions	1,337,364	(1,818,902)	(2,007,806)
Capital Contributions	<u>8,527,433</u>	<u>8,983,049</u>	<u>2,343,251</u>
Increase in Net Position	<u>\$ 9,864,797</u>	<u>\$ 7,164,147</u>	<u>\$ 335,445</u>

SUMMARY OF ASSETS, LIABILITIES, AND NET POSITION

Current and restricted assets increased \$872,715 from \$13,794,150 in fiscal year 2020 to \$14,666,865 in fiscal year 2021. This increase was driven by several factors: an increase of unrestricted cash by \$1,160,436 and a decrease of restricted cash by \$1,377,341; while grants receivable increased by \$848.3k. Also, unrestricted and restricted receivables increased by \$123k and \$80.5k, respectively; as did the balance of the other current assets by \$37.8k. Capital assets (net of accumulated depreciation) increased by \$6,319,889 from \$61,081,649 in fiscal year 2020 to \$67,401,538 in fiscal year 2021.

Current liabilities decreased by \$154,278, from \$1,907,914 in fiscal 2020 to \$1,753,636 in fiscal year 2021. This decrease is primarily driven by the decrease in the current portion of long-term debt of \$345,979 (due to the payoff of the 2006A Bond) and decrease in accounts payable (capital) by \$185.4k offset by an increase of retainage accounts by \$314.2K. Also, the remaining increase of \$62.9k was spread among various current liability accounts. Non-current liabilities (excluding the derivative instrument) decreased by \$2,517,915 from \$2,815,380 in fiscal year 2020 to \$297,465 in fiscal year 2021. The decrease in non-current liabilities is mainly due to the payoff of the 2006A Bond of which the non-current portion was \$2,507,081 at the end of fiscal year 2021. The balance of the decrease of non-current liabilities is a decrease in the advanced lease payments by \$10,834.

Net position may, over time, serve as a useful indicator of GACRAA's financial position. The GACRAA's net position is \$80,017,302 at September 30, 2021, which is a \$9,864,797 increase over the \$70,152,505 September 30, 2020 balance.

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

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Fiscal Year <u>2019</u>
ASSETS			
Current and Restricted Assets	\$ 14,666,865	\$ 13,794,150	\$ 13,365,420
Capital Assets, Net	<u>67,401,538</u>	<u>61,081,649</u>	<u>53,604,889</u>
Total Assets	<u>82,068,403</u>	<u>74,875,799</u>	<u>66,970,309</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>469,692</u>	<u>458,073</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Fiscal Year <u>2019</u>
LIABILITIES			
Current Liabilities	\$ 1,753,636	\$ 1,907,914	\$ 1,128,890
Non-Current Liabilities	<u>297,465</u>	<u>3,285,072</u>	<u>3,311,134</u>
Total Liabilities	<u>2,051,101</u>	<u>5,192,986</u>	<u>4,440,024</u>
NET POSITION			
Net Investment in Capital Assets	66,381,147	57,336,953	50,241,329
Restricted	3,022,144	4,319,613	4,391,666
Unrestricted	<u>10,614,011</u>	<u>8,495,939</u>	<u>8,355,363</u>
Total Net Position	<u>\$ 80,017,302</u>	<u>\$ 70,152,505</u>	<u>\$ 62,988,358</u>

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

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

REVENUES AND CAPITAL CONTRIBUTIONS

A summary of revenues and capital contributions for the years ended September 30, 2021, 2020, and 2019, is as follows:

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Fiscal Year <u>2019</u>
Operating Revenues			
Parking Revenues	\$ 1,276,367	\$ 1,357,129	\$ 2,149,864
Commercial Terminal	1,929,474	1,845,730	2,147,428
Rental Car Companies (Including QTF)	1,695,792	1,245,816	1,604,980
General Aviation	1,030,786	918,260	939,411
Fuel Flowage and Storage Fees	<u>273,704</u>	<u>252,908</u>	<u>296,913</u>
Total Operating Revenues	<u>6,206,123</u>	<u>5,619,843</u>	<u>7,138,596</u>
Capital Contributions and Non-Operating Revenues			
Passenger Facilities Fees	723,713	702,893	1,090,551
Customer Facility Charge (Net)	53,860	23,148	57,823
Federal and State Grants	11,830,704	9,533,221	1,145,733
Sale of Surplus Equipment	-	1,965	-
CFC – Interest Revenue	939	14,142	17,418
PFC – Interest Revenue	2,148	33,545	31,726
Interest Income	7,810	62,329	74,957
Proceeds from the City – Industrial Park Land Sale	-	291,823	-
Other	<u>6,166</u>	<u>34,494</u>	<u>13,010</u>
Total Capital Contributions and Non-Operating Revenues	<u>12,625,340</u>	<u>10,697,560</u>	<u>2,431,218</u>
Total	<u>\$ 18,831,463</u>	<u>\$ 16,317,403</u>	<u>\$ 9,569,814</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

As previously mentioned, operating revenues increased from the prior year primarily from Rental car companies' MAG/Excess of MAG revenues combined by \$435.8k and Air Carrier rents of \$92.3k (see terminal above). General aviation was up mainly due to the increase of rental income from the Silver hangar by \$85.5k. Further, there was an increase in capital and non-capital contributions of \$2,297,483 for fiscal 2021 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 and CFC revenues were up by \$20.8k and \$30.7k, respectively; while interest income decreased by \$99.1k (all accounts) due to declining rates. There were no proceeds from City Land sales in fiscal year 2021 and other income was down by \$28.3k.

AIRPORT USE AND LEASE AGREEMENTS

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

- Delta
- American Airlines

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. American is exempt from paying landing and boarding bridge fees related to the Dallas service for the first two years beginning March 3, 2019. This exemption is a common practice offered to airlines for the commencement of a new route service at an airport and part of the standard incentive package approved by the Board.

LANDING FEES

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

AIRPORT LEASE AND CONCESSION AGREEMENTS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

EXPENSES

A summary of expenses for the years ended September 30, 2021, 2020, and 2019, is as follows:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Operating Expenses			
Administration and General	\$ 1,295,985	\$ 1,298,639	\$ 1,313,374
Operations and Security	1,494,902	1,553,811	1,488,280
Facilities and Maintenance	1,498,899	1,580,635	1,565,682
Fuel Farm	36,016	34,370	19,339
General Aviation	98,908	90,131	86,757
Parking Lot	139,343	150,070	169,929
Quick Turn-Around Facility	297,169	255,339	363,211
Depreciation	<u>3,672,111</u>	<u>4,017,993</u>	<u>4,023,637</u>
Total Operating Expenses	<u>8,533,333</u>	<u>8,980,988</u>	<u>9,030,209</u>
Non-Operating Expenses			
Interest Expense	89,360	172,268	204,160
Swap Payoff - 2006A Bond	343,264	-	-
Loss on NAV - Investment	709	-	-
Total Non-Operating Expenses	<u>433,333</u>	<u>172,268</u>	<u>204,160</u>
Total Expenses	<u>\$ 8,966,666</u>	<u>\$ 9,153,256</u>	<u>\$ 9,234,369</u>

SUMMARY OF CASH FLOW ACTIVITIES

Cash decreased by \$216,905 in fiscal year 2021 and decreased by \$197,527 in fiscal year 2020. This decrease was primarily due to the cash flow used in capital financing activities. The summary of cash flows for the years ended September 30, 2021, 2020, and 2019 are as follows:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
Net Cash Provided by Operating Activities	\$ 5,100,929	\$ 2,450,548	\$ 2,028,494
Cash Flows Provided By (Used in) Capital Financing Activities	(5,330,117)	(2,772,960)	9,701
Cash Flows from Investing Activities	<u>12,283</u>	<u>124,885</u>	<u>107,798</u>
Increase (Decrease) in Cash	<u>\$ (216,905)</u>	<u>\$ (197,527)</u>	<u>\$ 2,145,993</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2021, about \$2.25 million of capitalized items were moved from construction in progress to depreciable capital assets. The major item capitalized here was the GA Hangar Rehabilitation project for \$2,166,736. A dump truck for \$50k, a PBB ramp for \$23.5k and a mower for \$10.3k were also moved.

Construction in progress at September 30, 2021, is over \$19.2 million. The two major items in progress at FYE 2021 are the Terminal expansion and the PBB (passenger boarding bridge) related projects at \$16.7 and about \$2 million, respectively; the balance of nearly a half million dollars is spread over various smaller projects. 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 Federal Aviation Administration (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. GACRAA has applied for and received approval to collect PFCs on four applications. The first application, PFC 1, was closed out in fiscal 2003. The second application dated June 18, 2002, was approved on August 30, 2002, to collect and use PFCs beginning January 11, 2003. The first PFC was approved at a rate of \$3.00 per enplaned passenger and the second PFC was approved at the rate of \$4.50 per enplaned passenger. PFC#2 was approved in the amount of \$4,637,954 but was amended in December of 2010, to increase collections by \$1,030,630, for a collection total of \$5,668,584.

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

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. As of September 30, 2021, \$5,412,115 in CFCs have been collected and \$40,153 interest has been received, while \$4,139,132 had been spent. On July 1, 2014, CFC collections were reduced to \$1.00 per rental car, per day.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LONG-TERM DEBT

GACRAA issued Airport Revenue Bond, Series 2006A. The Series 2006A authorized the financing of \$6.025 million for the design and construction of a SATS maintenance facility. As of September 30, 2007, the full \$6,025,000 had been drawn against Series 2006A to pay for costs related to the project. As of September 30, 2020, the principal balance was \$2,853,060. On April 23, 2021, the Airport Authority paid off the principal balance along with an interest rate swap termination payoff of \$343,264. For fiscal year-end 2015 through the first quarter of 2016, series 2006A's amended primary revenue pledge were the rents received from Silver Airways as part of the lease agreement they entered into with GACRAA during March 2012. Subsequently, by default, the secondary revenue pledge of parking revenues from terminal parking operations became the primary revenue pledged beginning the second quarter of fiscal 2016 through the payoff date above. The interest rate on this issuance is 5.49% and was fixed for the entire term of the loan.

Airport Revenue Bond, Series 2006A had semiannual interest payments due on December 1 and June 1 from inception to maturity.

LINE OF CREDIT

On January 20, 2005, GACRAA authorized the execution of a \$2,000,000 line of credit with a local bank secured by revenues generated from PFCs. Effective September 1, 2009, the agreement was amended to allow the Airport Authority to borrow \$1,250,000 under the line of credit. Later, effective August 28, 2014, the Board approved the renewal of the Airport's line of credit for \$1,000,000 maturing June 30, 2015, with an interest rate based on monthly LIBOR plus 2.75% or a floor of 4.5%. Since then, the Board has approved a renewal of the line of credit with these same terms every year through September 30, 2019. As of September 30, 2020, the amount available on the line of credit was \$1,000,000 and the terms included an interest rate of monthly LIBOR plus 2.75% or a floor of 3.75%. At the time of the most current renewal, the same terms remain, with an expiration date of August 30, 2022. As of and during the years ended September 30, 2021 and 2020, the Airport Authority borrowed \$0.

CURRENT OPERATION FINANCIAL SITUATION

Commercial passenger volume decreased by 1.11% or 3,817 passengers from fiscal 2020 to 2021, although overall airline load factors increased by 1.5% to 71.3%. The annual regional carrier decrease distributed as follows: Delta (Atlanta) and American (Miami) were down by 27,594 (16.4%) and 21,456 (87.8%) passengers, respectively; while American (Charlotte) and American (Dallas) were up 21,886 (20.7%) and 23,347 (54.3%) passengers, respectively. American had suspended Miami service for the majority of fiscal year 2021, hence the large percentage decrease indicated above. Annual load factors compared to prior year by carrier are as follows: Delta down by 1.4% to 67.3%, American (Charlotte) up by 3.4% to 75.2%, American (Dallas) up by 7% to 74.7% and (Miami) down by 23.4% to 49.9%. Specifically, commercial enplanements decreased by .7% or 116 passengers from fiscal 2020 to 2021 and the related load factor increased by 2.2% to 72.1%. It should be noted that these swings in activity and load factors are all related to the impact of the pandemic and the airlines trying to adjust to the change in demand. However, passenger activity continued to gradually increase the latter half of fiscal year 2021 through 2022 as indicated in the subsequent events below.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General aviation operations had been weak most of the last decade, seemingly due to high fuel prices and a weakened economy, combined with attrition from an aging pilot population; however, fiscal 2016 showed a bit of a rebound in activity and this trend has seemed to continue through fiscal 2019. Given the pandemic, General aviation activity was only down by 7.43% when comparing 2021 to 2020. However, the related fuel activity did increase by about 15%.

SUBSEQUENT EVENTS – COVID 19 UPDATE

As of April 30, 2022, passenger activity continues to rebound strongly to the extent that when comparing to YTD April 30, 2019 (the latest pre-COVID fiscal year) the Airport is at nearly 98% of the passenger activity of 2019. In addition, the month of April 2022 was the first month that passenger activity outperformed the latest pre-COVID month of April 2019 by 7.43%.

Further, Airport management had indicated in the 2019 audit report that the Airport Authority applied for and accepted a grant under the CARES Act in the amount of \$3.1 million. At fiscal year-end 2020, the Airport Authority had collected over \$1.3 million of such, with the balance of the \$3.1 million being received by February 2021. In addition, on May 7, 2021, the ACRGP #1 (Airport Coronavirus Response Grant Program) was executed and would provide further relief to the Airport Authority in the amount of \$2,294,138 that could be drawn upon in the same manner the CARES Act had been. This grant was signed into law on December 27, 2020 and allows for expenditures dating back to December 28, 2020. As of September 30, 2021, the Airport Authority collected \$2,021,377 of the \$2,294,138 with the balance of \$272,760 received in November 2021. During fiscal year 2022, the Airport Authority began taking draws against ACRGP #2, which awarded the Airport \$3,547,689 allowing for expenditures dating back to January 20, 2020. As of April 30, 2022 the Airport Authority collected \$2,062,908 on the ACRGP #2.

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 e-mailing info@flygainesville.com.

FINANCIAL STATEMENTS

STATEMENTS OF NET POSITION
SEPTEMBER 30, 2021 AND 2020
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 8,872,519	\$ 7,712,083
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$17,445 and \$17,445, Respectively)	554,055	431,035
Interest Receivable	26	762
Grants Receivable	2,060,290	1,212,004
Prepaid Expenses	140,517	113,018
Inventories	17,314	5,635
Total Current Assets	11,644,721	9,474,537
Restricted Assets		
Accounts Receivable	163,551	83,030
Interest Receivable	23	672
Cash - Passenger Facility Charge	1,545,434	2,791,482
Cash - Customer Facility Charge	1,313,136	1,275,971
Cash - Debt Service	-	168,458
Total Restricted Assets	3,022,144	4,319,613
Property, Plant and Equipment		
Land	2,956,264	2,956,264
Buildings	33,040,026	33,038,326
Improvements Other Than Buildings	80,272,570	78,091,383
Fuel Farm Land and Improvements	681,440	681,440
Vehicles and Equipment	3,828,329	3,672,206
Leasehold Acquisitions	450,000	450,000
Construction Work in Progress	19,264,556	11,613,566
	140,493,185	130,503,185
(Accumulated Depreciation)	(73,091,647)	(69,421,536)
Total Property, Plant and Equipment - Cost Less Depreciation	67,401,538	61,081,649
Total Assets	82,068,403	74,875,799
Deferred Outflows of Resources		
Accumulated Decrease in Fair Value of Hedging Derivative Instrument	-	469,692
Total Assets and Deferred Outflows of Resources	82,068,403	75,345,491
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	963,499	1,085,988
Contract Retainage Payable	770,116	455,927
Current Portion of Advanced Lease Payments	20,021	20,020
Current Portion of Long-Term Liabilities	-	345,979
Total Current Liabilities	1,753,636	1,907,914
Long-Term Liabilities		
Advanced Lease Payments	297,465	308,299
Notes and Bonds Payable	-	2,507,081
Fair Value of Derivative Instrument	-	469,692
Total Long-Term Liabilities	297,465	3,285,072
Total Liabilities	2,051,101	5,192,986
Net Position		
Net Investment in Capital Assets	66,381,147	57,336,953
Restricted	3,022,144	4,319,613
Unrestricted	10,614,011	8,495,939
Total Net Position	80,017,302	70,152,505
Total Liabilities and Net Position	\$ 82,068,403	\$ 75,345,491

See accompanying notes.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Sales and Service Charges	\$ 6,206,123	\$ 5,619,843
Operating Expenses		
Administration and General	1,295,985	1,298,639
Operations and Security	1,494,902	1,553,811
Facilities and Maintenance	1,498,899	1,580,635
Fuel Farm	36,016	34,370
General Aviation	98,908	90,131
Parking Lot	139,343	150,070
Quick Turn-Around Facility (QTF)	297,169	255,339
Depreciation and Amortization	3,672,111	4,017,993
(Total Operating Expenses)	<u>(8,533,333)</u>	<u>(8,980,988)</u>
Operating (Loss)	<u>(2,327,210)</u>	<u>(3,361,145)</u>
Non-Operating Revenues (Expenses)		
Interest Revenue	7,810	62,329
Loss on NAV	(709)	-
Swap Payoff - 2006A Bond	(343,264)	-
Sale of Surplus Equipment	-	1,965
Miscellaneous	6,166	34,494
Non-Capital Federal Grants	4,083,931	1,323,900
Proceeds from the City-Industrial Park Land Sale	-	291,823
Interest Expense	(89,360)	(172,268)
Total Non-Operating Revenues (Expenses)	<u>3,664,574</u>	<u>1,542,243</u>
(Loss) Before Capital Contributions	<u>1,337,364</u>	<u>(1,818,902)</u>
Capital Contributions		
Passenger Facility Charge Revenue	723,713	702,893
Interest Revenue - PFC	2,148	33,545
Customer Facility Charge Revenue (Net of \$137,040 and \$129,329 in 2021 and 2020, Respectively, for QTF Expenses)	53,860	23,148
Interest Revenue - CFC	939	14,142
Federal and State Grants Income	7,746,773	8,209,321
Total Capital Contributions	<u>8,527,433</u>	<u>8,983,049</u>
Increase in Net Position	<u>9,864,797</u>	<u>7,164,147</u>
Total Net Position, Beginning of Year	<u>70,152,505</u>	<u>62,988,358</u>
Total Net Position, End of Year	<u>\$ 80,017,302</u>	<u>\$ 70,152,505</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 6,083,103	\$ 6,037,461
Cash Received from Federal COVID Relief Programs	3,811,170	1,323,900
Cash Paid to Employees	(2,104,251)	(2,044,585)
Cash Paid to Suppliers	(2,689,093)	(2,866,228)
Net Cash Provided by Operating Activities	<u>5,100,929</u>	<u>2,450,548</u>
Cash Flows from Capital and Related Financing Activities		
Proceeds from Federal Grants	6,074,778	6,570,573
Proceeds from State Grants	1,096,470	756,388
Passenger Facility Charge Revenue	645,740	833,016
Customer Facility Charge	51,312	29,057
Sale of Surplus Equipment	-	1,965
Miscellaneous	6,166	34,494
Proceeds from the City - Industrial Park Land Sale	-	291,823
Principal Repaid	(2,853,060)	(328,725)
Swap Payoff - 2006A Bond	(343,264)	-
Loss on NAV	(709)	-
Interest Paid	(142,658)	(176,658)
Acquisition and Construction of Fixed Assets	(9,864,892)	(10,784,893)
Net Cash (Used in) Capital and Related Financing Activities	<u>(5,330,117)</u>	<u>(2,772,960)</u>
Cash Flows from Investing Activities		
Interest Received	<u>12,283</u>	<u>124,885</u>
(Decrease) in Cash	(216,905)	(197,527)
Cash, Beginning of Year	<u>11,947,994</u>	<u>12,145,521</u>
Cash, End of Year	<u>\$ 11,731,089</u>	<u>\$ 11,947,994</u>

See accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	2021	2020
<u>Presented in Accompanying Financial Statements as</u>		
Current Assets		
Cash and Cash Equivalents	\$ 8,872,519	\$ 7,712,083
Restricted Assets		
Cash - Passenger Facility Charge	1,545,434	2,791,482
Cash - Customer Facility Charge	1,313,136	1,275,971
Cash - Debt Service	-	168,458
Total Cash, End of Year (Above)	\$ 11,731,089	\$ 11,947,994
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u>		
Operating (Loss)	\$ (2,327,210)	\$ (3,361,145)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	3,672,111	4,017,993
Non-Capital Federal Grants	4,083,931	1,323,900
Decrease (Increase) in Non-Capital Federal Grants	(272,761)	-
Decrease (Increase) in Receivables	(123,020)	98,486
Decrease (Increase) in Inventories and Prepaid Expenses	(39,178)	6,717
Increase (Decrease) in Accounts Payable and Accrued Liabilities	107,056	44,673
Increase (Decrease) in Advanced Lease Payments	-	319,924
Net Cash Provided by Operating Activities	\$ 5,100,929	\$ 2,450,548

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 (GAAP) in the United States of America 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 an accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred.

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

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

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

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

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

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

Cash and Cash Equivalents

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

Accounts and Grants Receivable

Accounts receivable represent amounts due from various vendors who use airport facilities. Grants receivable represent amounts due from other government entities and are recorded when the Airport Authority has incurred qualified expenditures in accordance with various grant agreements. Receivables are recorded at net realizable value. The allowance for uncollectible receivables was \$17,445 for the years ended September 30, 2021 and 2020.

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 were no budget amendments made during fiscal years 2021 or 2020.

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.

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

Passenger Facility Charges

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

Customer Facility Charges

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

Terminal Rents and Concessions

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

Compensated Absences

Accumulated unpaid vacation pay is recorded as accrued.

Restricted Assets

Certain resources are restricted for future use by enabling legislation or debt covenants. 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.

Note 2 - Cash and Investments

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

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents:		
Cash on Hand	\$ 4,034	\$ 4,277
Deposits in Financial Institutions:		
Insured or Fully Collateralized		
Bank Deposits	10,719,026	10,939,090
Investments	<u>1,008,029</u>	<u>1,004,627</u>
Total Cash and Cash Equivalents	<u>\$ 11,731,089</u>	<u>\$ 11,947,994</u>

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

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 depositories 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; SEC 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.

As of September 30, 2021 the Airport Authority was invested in the Florida Fixed Income Trust Enhanced Cash (FL-FIT EC) Pool, an external local government investment pool established in accordance with Section 163.01, Florida Statutes.

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):

<u>Investment Type</u>	<u>Credit Rating (Fitch)</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Florida Fixed Income Trust Enhanced Cash (FL-FIT EC) Pool	AAAf/S1	\$ 1,008,029	210 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.

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

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 EC Pool is measured at NAV. The fair value of the investment is \$1,008,029. There are no unfunded commitments, and the FL-FIT EC Pool offers next day liquidity.

Note 3 - Commitments

The Airport Authority is currently conducting various improvement projects that are eligible for federal, state, and local reimbursements. Commitment's outstanding are approximately \$3,230,165 and \$9,896,821 at September 30, 2021 and 2020, respectively.

Note 4 - Pension Plans

During 2021 and 2020, the Airport Authority had approximately 35 and 34 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.

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

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 \$151,666 and \$146,817 for the years ended September 30, 2021 and 2020, respectively.

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

During the years ended September 30, 2021 and 2020, the Airport Authority paid the City of Gainesville, Florida, for services as follows:

	<u>2021</u>	<u>2020</u>
Fire Protection	\$ 556,092	\$ 553,956
Security	299,374	387,460
Indirect Costs	26,168	33,432
Utilities	<u>441,690</u>	<u>485,776</u>
Total	<u>\$ 1,323,324</u>	<u>\$ 1,460,624</u>

Note 6 - Long-Term Debt

Long-term liability activity for the years ended September 30, 2021 and 2020, was as follows:

	<u>Beginning Balance 10/1/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/21</u>	<u>Due Within One Year</u>
Revenue Bonds/Notes					
Series 2006A	\$ 2,853,060	\$ -	\$ 2,853,060	\$ -	\$ -
Total Revenue Bonds	<u>\$ 2,853,060</u>	<u>\$ -</u>	<u>\$ 2,853,060</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Beginning Balance 10/1/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/20</u>	<u>Due Within One Year</u>
Revenue Bonds/Notes					
Series 2006A	\$ 3,181,786	\$ -	\$ 328,726	\$ 2,853,060	\$ 345,979
Total Revenue Bonds	<u>\$ 3,181,786</u>	<u>\$ -</u>	<u>\$ 328,726</u>	<u>\$ 2,853,060</u>	<u>\$ 345,979</u>

Interest expense totaled \$89,360 and \$172,268, respectively, in 2021 and 2020.

\$6,025,000 Airport Revenue Bonds, Construction of a Small Aircraft Transportation System (SATS) Maintenance Facility, Series 2006A

Type—Revenue Bonds

Dated—July 6, 2006

Final Maturity—June 1, 2027

Principal Payment Date—June 1

Interest Payment Date—June 1 and December 1

Interest Rates—Floating rate (0.65 x 6 months LIBOR + 2%) through May 31, 2007, then 5.49% from June 1, 2007, through maturity.

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

Reserve Requirement—None

Purpose—To design and construct a 61,000 square foot SATS maintenance facility.

Call Provisions—The Series 2006A Bonds are subject to redemption at any time prior to maturity in \$5,000 increments at the option of the Airport Authority without a premium. However, as part of this issuance, the Airport Authority also entered into a Hedge Agreement, which provides a mechanism for fixing the interest rate. While the underlying bonds may be redeemed without premium, the Hedge Agreement is subject to gains or losses that may be incurred for early termination depending on market conditions at the time of an early termination.

On April 23, 2021, the Airport Authority paid off the remaining principal balance of the Series 2006A Bond of \$2,853,060 along with an Interest Rate Swap termination payoff of \$343,264.

Note 7 - Line of Credit

On January 31, 2005, the Airport Authority entered into a revolving loan agreement with Compass Bank secured by revenues generated from passenger facility charges. The original agreement allowed the Airport Authority to borrow up to \$2,000,000, with interest accruing on the unpaid principal balance at the LIBOR-Market Index Rate plus 200 basis points. The interest rate will not decrease below 4.5% nor increase above 18% per annum. Beginning on March 1, 2005, and continuing on the first day of each month thereafter, the Airport Authority shall pay monthly payments of interest only with interest calculated on the unpaid principal balance. With Board authorization, the agreement was subsequently amended and has been extended annually since its original expiration date of December 1, 2013. As of September 30, 2020, the amount available on the line of credit was \$1,000,000 and the terms included an interest rate of monthly LIBOR plus 2.75% or a floor of 3.75%. At the time of the most current renewal, the same terms remain and with an expiration date of August 30, 2022. As of and during the years ended September 30, 2021 and 2020, the Airport Authority borrowed \$0.

Note 8 - Derivative Instruments

During the year, the Airport Authority was party to one interest rate swap agreement.

At September 30, 2021, the Airport Authority had no derivative instruments outstanding.

At September 30, 2020, the Airport Authority had the following derivative instruments outstanding:

	Notional Amount	Fair Value		Changes in Fair Value	
		Classification	Amount	Classification	Amount
Cash Flow Hedges					
Pay-Fixed Interest Rate Swap	\$ 6,025,000	Debt	\$ (469,692)	Deferred Outflow	\$ (11,619)

Derivative Instrument Types

During fiscal year 2021 and as of September 30, 2020, the interest rate swap was considered to be a hedging derivative instrument and was identified as a cash flow hedge. The Airport Authority used the synthetic instrument method to evaluate hedge effectiveness. This method evaluates effectiveness by combining the hedgeable item and the potential hedging derivative instrument to simulate a third synthetic instrument. A potential hedging derivative instrument is effective if its total variable cash flows substantially offset the variable cash flows of the hedgeable item, substantially fixing the actual synthetic rate.

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

Fair Values

Fair values of the interest rate swap were estimated using the zero-coupon method.

Hedging Derivative Instruments - Objectives and Terms

The objectives and terms of the Airport Authority's hedging derivative instrument outstanding at September 30, 2020, and counterparty credit ratings are as follows:

<u>Derivative Type</u>	<u>Counterparty Credit Rating</u>	<u>Objective</u>	<u>Notional Amount</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>
Pay-fixed		Hedge Changes in	\$ 6,025,000	6/29/2006	6/01/2027	Pay Synthetic Fixed
Interest Rate Swap	A3	Cash Flows on the 2006A Note				Rate of 5.49% Receive 65% of 6M LIBOR Plus 130 Basis Points

Derivative Instruments Risks

Interest Rate Risk—The Airport Authority is exposed to interest rate risk on its swap agreement. On pay-fixed, receive-variable interest rate swaps, the Airport Authority's net payment increases as LIBOR decreases.

Termination Risk—The swap may be terminated at any time if certain events occur that result in one party not performing in accordance with the agreement. If a swap is terminated, the variable rate notes would no longer carry a synthetic fixed interest rate. Also, if, at the time of termination, the swap has a negative fair value, the Airport Authority would be liable to the Counterparty for a payment equal to the swap's fair value at that time.

Note 9 - Pledged Revenues

The Authority had no revenue bonds outstanding as of September 30, 2021. The Authority pledged certain revenues to repay revenue bonds as of September 30, 2020. The following table reports the revenues pledged for each debt issue, the amount of such revenues received in the current year, the current year principal and interest paid on the debt, the approximate percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the revenue bonds at September 30, 2020:

FISCAL YEAR ENDED SEPTEMBER 30, 2020

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
Parking Revenues	Revenue Bonds, Series 2006A	\$ 1,357,129	\$ 500,993	37%	\$ 3,469,630	2027

Note 10 - 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:

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

- | | |
|--|---|
| <ul style="list-style-type: none"> ■ Workers' Compensation ■ Business Auto ■ Real and Personal Property Damage ■ Cyber Liability | <ul style="list-style-type: none"> ■ Directors and Officers Liability ■ Airport Liability ■ Fiduciary Liability ■ Crime |
|--|---|

Settlements have not exceeded coverage during the past three years.

Note 11 - Interlocal Agreement

Pursuant to an inter-local agreement, the City of Gainesville, Florida, has agreed to share the ad valorem tax proceeds for the sale of certain parcels of land owned by the City of Gainesville, Florida, in the Airport Industrial Park. All proceeds must be used for capital projects at the airport or operations. The amounts to be paid by the City of Gainesville, Florida, are based upon 50% of ad valorem tax proceeds and will be spread over periods not to exceed ten years. The ad valorem tax proceeds and land sales proceeds that were shared with the Airport Authority were \$0 and \$291,823 for the years ended September 30, 2021 and 2020, respectively. Such amounts would be recorded as revenues when they became due from the City of Gainesville, Florida. Thus, there were no parcels that actively generated revenues per the agreement for fiscal year 2021 or 2020.

Note 12 - Capital Assets

A summary of changes in capital assets for the years ended September 30, 2021 and 2020, is as follows:

	Beginning Balance October 1, 2020	Increases	Decreases	Ending Balance September 30, 2021
Capital Assets Not Being Depreciated				
Land	\$ 2,956,264	\$ -	\$ -	\$ 2,956,264
Capital Assets Being Depreciated				
Buildings	33,038,326	1,700	-	33,040,026
Improvements Other than Buildings	78,091,383	2,181,187	-	80,272,570
Fuel Farm Land and Improvements	681,440	-	-	681,440
Vehicles and Equipment	3,672,206	158,123	2,000	3,828,329
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	115,933,355	2,341,010	2,000	118,272,365
Less Accumulated Depreciation for				
Buildings	16,133,869	698,463	-	16,832,332
Improvements Other than Buildings	49,300,221	2,724,019	-	52,024,240
Fuel Farm Land and Improvements	533,038	12,149	-	545,187
Vehicles and Equipment	3,004,408	237,480	2,000	3,239,888
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	69,421,536	3,672,111	2,000	73,091,647
Total Being Depreciated, Net	46,511,819	(1,331,101)	-	45,180,718
Construction Work in Progress	11,613,566	9,907,742	2,256,752	19,264,556
Capital Assets, Net	\$ 61,081,649	\$ 8,576,641	\$ 2,256,752	\$ 67,401,538

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

	Beginning Balance October 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance September 30, <u>2020</u>
Capital Assets Not Being Depreciated				
Land	\$ 2,956,264	\$ -	\$ -	\$ 2,956,264
Capital Assets Being Depreciated				
Buildings	31,300,327	1,737,999	-	33,038,326
Improvements Other than Buildings	77,869,386	221,997	-	78,091,383
Fuel Farm Land and Improvements	653,371	28,069	-	681,440
Vehicles and Equipment	3,620,149	75,395	23,338	3,672,206
Leasehold Acquisitions	450,000	-	-	450,000
Total Capital Assets Being Depreciated	<u>113,893,233</u>	<u>2,063,460</u>	<u>23,338</u>	<u>115,933,355</u>
Less Accumulated Depreciation for				
Buildings	15,267,021	866,848	-	16,133,869
Improvements Other than Buildings	46,406,517	2,893,704	-	49,300,221
Fuel Farm Land and Improvements	521,357	11,681	-	533,038
Vehicles and Equipment	2,781,986	245,760	23,338	3,004,408
Leasehold Acquisitions	450,000	-	-	450,000
Total Accumulated Depreciation	<u>65,426,881</u>	<u>4,017,993</u>	<u>23,338</u>	<u>69,421,536</u>
Total Being Depreciated, Net	48,466,352	(1,954,533)	-	46,511,819
Construction Work in Progress	<u>2,182,273</u>	<u>11,340,503</u>	<u>1,909,210</u>	<u>11,613,566</u>
Capital Assets, Net	<u>\$ 53,604,889</u>	<u>\$ 9,385,970</u>	<u>\$ 1,909,210</u>	<u>\$ 61,081,649</u>

Note 13 - Operating Leases

The Airport Authority is the lessor on various leases of facilities located at the Gainesville Regional Airport and other leases for property owned by the City of Gainesville. The following is a schedule of estimated minimum future lease income on non-cancelable operating leases:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 736,366
2023	768,841
2024	444,762
2025	455,343
2026	130,867
2027-2031	521,432
2032-2036	265,795
2037-2039	82,220
Total	<u>\$ 3,405,626</u>

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

Assumptions:

- Tenants do not exercise the no-fault cancellation option in lease.
- Tenants accept renewal options in lease.
- CPI increases are estimated at 2%.

Note 14 - 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, any claims existing from last fiscal year were settled without any adverse financial impact to the Airport Authority. Currently, the Airport Authority’s management is aware of one existing claim outstanding that is being litigated by the Airport’s insurance company’s appointed attorney. It is not anticipated that this claim will have any adverse financial impact on the Airport Authority.

Note 15 - 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, 2021 and 2020, is as follows:

	2021	2020
Customer Facility Charge	\$ 1,326,478	\$ 1,286,969
Passenger Facility Charge	1,695,666	2,864,186
Debt Service	-	168,458
Total Restricted Net Position	\$ 3,022,144	\$ 4,319,613

Note 16 - Subsequent Events – COVID-19 Update

As of April 30, 2022, passenger activity continues to rebound strongly to the extent that when comparing to YTD April 30, 2019 (the latest pre-COVID fiscal year) the Airport is at nearly 98% of the passenger activity of 2019. In addition, the month of April 2022 was the first month that passenger activity outperformed the latest pre-COVID month of April 2019 by 7.43%.

During fiscal year 2022, the Airport Authority began taking draws against ACRGP (Airport Coronavirus Response Grant Program) #2, which awarded the Airport \$3,547,689 allowing for expenditures dating back to January 20, 2020. As of April 30, 2022, the Airport Authority collected \$2,062,908 on the ACRGP #2.

OTHER SUPPLEMENTARY INFORMATION

REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA

	Fiscal Year 2020-2021 <u>Total Budget</u>	Fiscal Year 2020-2021 <u>Actual Revenues</u>	Over (Under) <u>Budget</u>
Operating Revenues			
Commercial Terminals:			
Airport Terminal Parking	\$ 1,100,000	\$ 1,276,367	\$ 176,367
Air Carriers Rent - Exclusive Space	495,443	504,290	8,847
Other Exclusive Rent	2,127	1,997	(130)
Air Carriers Rent - Non-Exclusive Space	585,125	585,305	180
Air Carriers - Landing Fees	221,344	343,886	122,542
Passenger Boarding Bridge Fees	35,658	37,634	1,976
Charter Landing Fees	11,784	19,105	7,321
TSA LEO Reimbursement	80,000	105,740	25,740
TSA Office Rent	42,236	43,235	999
TSA Screening Checkpoint Reimbursement	4,086	4,086	-
Airways Facility Rent	41,040	42,262	1,222
Industrial Park Rent	8,692	9,846	1,154
Rental Car Company Rent - Exclusive Space	98,595	81,868	(16,727)
Rental Car Company Concession Fees	859,159	898,047	38,888
Rental Car Company over MAG	-	346,149	346,149
QTF	339,015	369,728	30,713
Food Concessionaire	25,000	41,035	16,035
Advertising Fees	37,000	20,026	(16,974)
Ground Transportation Fees	64,183	44,102	(20,081)
Automated Teller Machine Revenue	578	2,200	1,622
Cell Phone Tower Rent	19,044	19,044	-
Solar Revenue	90,000	90,247	247
Miscellaneous Revenue	2,750	15,434	12,684
Total Commercial Terminals	<u>4,162,859</u>	<u>4,901,633</u>	<u>738,774</u>
General Aviation:			
Fuel Flowage Fees	83,190	101,905	18,715
Fixed Base Operators' Rent	240,230	241,231	1,001
FBO/GA Landing Fees	5,000	5,295	295
FBO Specialty Airport Services Rent	139,049	140,877	1,828
Corporate Aviation Rent	26,546	38,578	12,032
T-Hangar Rent (FBO/GA)	238,490	212,588	(25,902)
Sunshade Rent (FBO/GA)	3,082	2,865	(217)
Bulk Hangar Rent	45,800	46,489	689
Tie Downs (FBO/GA)	3,000	3,423	423
Storage Fees (GA)	1,940	1,940	-
Port-O-Port Rent (FBO/GA)	16,334	15,780	(554)
FBO Charter Passenger Fee	-	288	288
FBO Ramp Parking Fees	-	4,004	4,004
GA Grounds Support Equipment Rental	2,500	5,460	2,960
Fuel Farm Facilities Storage Fees	136,980	171,799	34,819
Silver Hangar Rents	101,750	201,959	100,209
Driving Pad Lease - Amazon	108,324	110,009	1,685
Total General Aviation	<u>1,152,215</u>	<u>1,304,490</u>	<u>152,275</u>
Total Operating Revenues	<u>5,315,074</u>	<u>6,206,123</u>	<u>891,049</u>

**REVENUE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

	Fiscal Year 2020-2021 Total Budget	Fiscal Year 2020-2021 Actual Revenues	Over (Under) Budget
Non-Operating Revenues			
Passenger Facility Charge Revenue	\$ -	\$ 723,713	\$ 723,713
PFC - Interest revenue	-	2,148	2,148
Capital Facility Charge Revenue	-	53,860	53,860
CFC - Interest revenue	-	939	939
Federal and State Grants	-	11,830,704	11,830,704
Miscellaneous	-	6,166	6,166
Interest Income	15,000	7,810	(7,190)
Sale of Surplus Equipment	3,000	-	(3,000)
Total Non-Operating Revenues	18,000	12,625,340	12,607,340
Total Revenues	\$ 5,333,074	\$ 18,831,463	\$ 13,498,389

**EXPENSE COMPARISON - BUDGET VS. ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

	Fiscal Year 2020-2021 Total Budget	Fiscal Year 2020-2021 Actual Expenses	(Over) Under Budget
Expenses from Operations			
Airport Administration:			
Personnel Services	\$ 779,326	\$ 775,099	\$ 4,227
Operating Expenses	610,683	520,886	89,797
Total Airport Administration	<u>1,390,009</u>	<u>1,295,985</u>	<u>94,024</u>
Airport Operations and Maintenance:			
Personnel Services	1,365,814	1,329,152	36,662
Operating Expenses	2,104,191	1,803,992	300,199
Total Airport Operations and Maintenance	<u>3,470,005</u>	<u>3,133,144</u>	<u>336,861</u>
General Aviation Operations:			
Operating Expenses	82,412	92,753	(10,341)
Cost of Sales	5,250	6,155	(905)
Total General Aviation Operations	<u>87,662</u>	<u>98,908</u>	<u>(11,246)</u>
Fuel Farm:			
Operating Expenses	52,050	36,016	16,034
Total Fuel Farm	<u>52,050</u>	<u>36,016</u>	<u>16,034</u>
Quick Turn-Around Facility:			
Operating Expenses	287,729	297,169	(9,440)
Total Quick Turn-Around Facility	<u>287,729</u>	<u>297,169</u>	<u>(9,440)</u>
Depreciation Expense	-	3,672,111	(3,672,111)
Total Expenses from Operations	<u>5,287,455</u>	<u>8,533,333</u>	<u>(3,245,878)</u>
Non-Operating Expenses			
Interest Expense	161,424	89,360	72,064
Swap Payoff - 2006A Bond	-	343,264	(343,264)
Loss on NAV	-	709	(709)
Total Non-Operating Expenses	<u>161,424</u>	<u>433,333</u>	<u>(271,909)</u>
(Total Expenses)	<u>\$ 5,448,879</u>	<u>\$ 8,966,666</u>	<u>\$ (3,517,787)</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

<u>Grantor/Program Title</u>	<u>Assistance Listing (AL) Number</u>	<u>Program or Award Amount</u>	<u>Receivable (Payable) Balance 10/1/2020</u>	<u>(Receipts)</u>	<u>Eligible Expenditures</u>	<u>Receivable (Payable) Balance 9/30/2021</u>
U.S. Department of Transportation, Federal Aviation Administration:						
Airport Improvement Program (AIP):						
Terminal Expansion Utility (AIP 41)	20.106	\$ 660,126	\$ 78,053	\$ (78,053)	\$ -	\$ -
Terminal Expansion Phase 2 (AIP 42)	20.106	12,163,252	195,402	(4,510,574)	5,532,378	1,217,206
CARES Act Grant (AIP 44)	20.106	3,113,693	-	(1,789,793)	1,789,793	-
Terminal Expansion Phase 3 (AIP 45)	20.106	1,996,350	33,459	(1,486,150)	1,597,822	145,131
ACRGP #1 (COVID-19 Relief Grant) (AIP 46)	20.106	2,294,138	-	(2,021,378)	2,294,138	272,760
Design GA Apron & TXWY A/E (AIP 48)	20.106	2,140,265	-	-	145,989	145,989
Subtotal Expenditures - AL No. 20.106		<u>22,367,824</u>	<u>306,914</u>	<u>(9,885,948)</u>	<u>11,360,120</u>	<u>1,781,086</u>
Total Federal Financial Assistance		<u>\$ 22,367,824</u>	<u>\$ 306,914</u>	<u>\$ (9,885,948)</u>	<u>\$ 11,360,120</u>	<u>\$ 1,781,086</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

<u>Grantor/Program Title</u>	<u>CSFA Contract Number</u>	<u>FIN Number</u>	<u>Program or Award Amount</u>	<u>Receivable (Payable) Balance 10/1/2020</u>	<u>(Receipts)</u>	<u>Eligible Expenditures</u>	<u>Receivable (Payable) Balance 9/30/2021</u>
Florida Department of Transportation							
Aviation Grant Program:							
Terminal and Parking Improvements	55.004	43873919416	\$ 2,782,896	\$ 619,442	\$ (542,676)	\$ 113,391	\$ 190,157
Tractors	55.004	43676119419	175,000	1,171	(31,142)	29,971	-
GA Facility Rehab and Bulk Hangar	55.004	43492119419	1,583,825	264,375	(502,550)	241,911	3,736
Multimodal	55.004	44513419419	5,500,000	20,102	(20,102)	85,311	85,311
Subtotal Expenditures - CSFA No. 55.004			<u>10,041,721</u>	<u>905,090</u>	<u>(1,096,470)</u>	<u>470,584</u>	<u>279,204</u>
Total State Financial Assistance			<u>10,041,721</u>	<u>905,090</u>	<u>(1,096,470)</u>	<u>470,584</u>	<u>279,204</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 32,409,545</u>	<u>\$ 1,212,004</u>	<u>\$ (10,982,418)</u>	<u>\$ 11,830,704</u>	<u>\$ 2,060,290</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

Note to Schedule of Federal Awards and State Financial Assistance

Basis of Presentation

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

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

OTHER INFORMATION

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority) as of and for the year ended September 30, 2021, 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 20, 2022.

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 Airport Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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



June 20, 2022
Gainesville, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the Gainesville-Alachua County Regional Airport Authority's (the Airport Authority) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Airport Authority's major federal programs for the year ended September 30, 2021. The Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Airport Authority's compliance.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

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. Accordingly, this report is not suitable for any other purpose.



June 20, 2022
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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.
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

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

Federal Program	Assistance Listing No.
Airport Improvement Program	20.106

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY
GAINESVILLE, FLORIDA**

**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.

III. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS

There were no findings or questioned costs for the year ended September 30, 2021.

IV. OTHER ISSUES

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

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

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, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. 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.

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, 2021.

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



June 20, 2022
Gainesville, Florida

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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority), whose headquarters are located in Gainesville, Florida, as of and for the year ended September 30, 2021, and have issued our report thereon dated June 20, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 20, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Airport Authority was established by Chapters 86-469 and 89-433, Laws of Florida, as amended by Chapter 95-457 in 1996 and Chapter 2006-363 in 2006. There were no component units related to the Airport Authority.

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To the Governing Board
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.

Special District Component Unit

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

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

- a. The total number of Airport Authority employees compensated in the last pay period of the Airport Authority's fiscal year as 35.
- 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 24.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$2,104,251.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$11,607,846.
- 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 3-12-0028-045-2020 - \$1,728,290

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

MANAGEMENT LETTER

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Airport Authority amends a final adopted budget under Section 189.016(6), Florida Statutes. No budget amendments (see pages 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 abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2022
Gainesville, Florida