

# 2022

Gainesville-Alachua County Regional  
Airport Authority

Financial Statements and  
Independent Auditor's Report

September 30, 2022

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

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

**SEPTEMBER 30, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of the Gainesville-Alachua County Regional Airport Authority (the Authority) as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2022 and 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, effective October 1, 2021. Accordingly, the accounting changes have been retroactively applied to prior periods presented. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

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To the Governing Board  
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## INDEPENDENT AUDITOR'S REPORT

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial

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

## INDEPENDENT AUDITOR'S REPORT

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

### Supplementary Information

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



June 21, 2023  
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, 2022 and September 30, 2021. 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 main terminal area was dedicated to "John R. Alison" in 1979. It had approximately 59,000 square feet of interior space. In 2005, it was expanded to include three passenger boarding bridges. In 2007, construction began on renovating the main passenger areas and administrative offices of the terminal building. The majority of this work was completed by October 2008. Subsequently, early in 2022 the terminal expansion project was completed adding approximately 15,000 square footage onto the main terminal area including two more boarding bridges.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

As of September 30, 2022, the Gainesville Regional Airport was served by two (2) passenger carriers and seven (7) rental car brands operated by three (3) companies.

### Passenger Airlines

Delta Airlines  
American Airlines

### Rental Car Companies

Avis and Budget  
Enterprise, National & Alamo  
Hertz and Dollar

## HISTORICAL ENPLANEMENT DATA

The summary of enplaned passengers of the Gainesville Regional Airport is depicted below for fiscal years 2016 through 2022.

<u>Fiscal Year, Ended</u> <u>September 30</u>	<u>Enplanements</u>
2022	267,748
2021	171,639
2020	171,745
2019	268,032
2018	236,019
2017	218,698
2016	211,848

## FINANCIAL RESULTS

The following is a summary of financial results for the year ended September 30, 2022.

Operating revenues increased by \$1,799,185 from \$6,177,625 in fiscal year 2021 to \$7,976,810 in fiscal year 2022. The revenues are greater in fiscal year 2022 than in fiscal year 2021 mainly as a result of passenger activity returning to normal levels since COVID, a prime example is parking revenue, which was \$1,056,311 more than last year or nearly 60% of the total operating revenue increase. Other noteworthy revenue increases are as follows: 1) Air carrier landing fees by \$165.4k, 2) QTF or car wash revenues by \$156.4k, 3) Silver/Consortia hangar rent by \$86.2k, 4) Ground transportation income by \$56.7k, 5) Food concession rent by \$59.9k, and 6) Fuel storage fees by \$53.5k. The remaining net increase of approximately \$165k came from various sources.

Operating expenses increased by \$1,143,809, from \$8,533,333 in fiscal year 2021 to \$9,677,142 in fiscal year 2022. Operating expenses, excluding depreciation expense, increased by \$909,476; most of which is due to inflation. One of the primary examples of this was payroll and related benefits that increased by \$64.4k for administration personnel and \$228.4k for operations and maintenance personnel over the



## MANAGEMENT'S DISCUSSION AND ANALYSIS

prior year to keep pace with inflation and the job market rates. Some other noteworthy operating expense increases are as follows: 1) Utilities for the terminal area by \$159.9k, 2) Fuel for the QTF/Car wash facility by \$130.5k, 3) City Police services by \$79.7k (mainly from the true-up), 4) Insurance by \$46.6k, and 5) Advertising by \$45.6k. The remaining net increase of operating expenses of \$154.4k was spread over various accounts. Depreciation increased by \$234.3k, which is mainly driven by the capitalizing of the terminal expansion for \$18.35 million and boarding bridges by \$2 million in the beginning of calendar year 2022 when they would start being depreciated.

The operating loss before non-operating revenues and expenses decreased by \$655,376 from a \$2,355,708 loss in fiscal year 2021 to a \$1,700,332 loss in fiscal year 2022. While operating revenues increased by \$1,799,185 in 2022, so did operating expenses by \$1,143,809, which resulted in the favorable increase of \$655,376 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 \$214,910, from a net revenue of \$3,772,789 in fiscal year 2021 to a net revenue of \$3,987,699 in fiscal year 2022. The main reason for the increase is the proceeds from the City-Industrial Park Land Sale for \$311,650 in fiscal year 2022.

Capital contributions received in the form of grants from Federal and State governments, CFCs, and PFCs decreased by \$5,443,956 from \$8,527,433 in fiscal year 2021 to \$3,083,477 in fiscal year 2022. This decrease is primarily driven by a decrease in Federal and State grant income of \$5,773,211 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. For example, a significantly greater amount of grant monies was recognized in fiscal year 2021 over 2022 for the terminal expansion project that was completed early in fiscal year 2022. Also, it should be noted that PFC's (passenger facility charges) increased by \$356,413 to offset the decrease in Federal and State grant income.

### FINANCIAL STATEMENTS

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### SUMMARY OF OPERATIONS AND CHANGE IN NET POSITION

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

	Fiscal Year <u>2022</u>	Restated Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
Operating Revenues	\$ 7,976,810	\$ 6,177,625	\$ 5,619,843
Operating Expenses	<u>(9,677,142)</u>	<u>(8,533,333)</u>	<u>(8,980,988)</u>
Loss Before Non-Operating Revenues and Expenses	(1,700,332)	(2,355,708)	(3,361,145)
Non-Operating Revenues and Expenses, Net	<u>3,987,699</u>	<u>3,772,789</u>	<u>1,542,243</u>
Income (Loss) Before Capital Contributions	2,287,367	1,417,081	(1,818,902)
Capital Contributions	<u>3,083,477</u>	<u>8,527,433</u>	<u>8,983,049</u>
<b>Increase in Net Position</b>	<u>\$ 5,370,844</u>	<u>\$ 9,944,514</u>	<u>\$ 7,164,147</u>

### SUMMARY OF ASSETS, LIABILITIES, AND NET POSITION

Current and restricted assets increased \$5,703,118 from \$15,604,561 in fiscal year 2021 to \$21,307,679 in fiscal year 2022. This increase breaks down as follows: an increase of unrestricted cash by \$5,845,446 and an increase of restricted cash by \$851,327; while grants receivable decreased by \$1,159,723. Also, unrestricted and restricted accounts receivables increased by \$93k and \$39.9k, respectively; while other current assets (not related to leases) decreased by \$9.9k. The current lease receivable and the related interest combine for \$980,670 for fiscal year 2022 compared to \$937,696 in fiscal year 2021. In addition, the long-term lease receivable decreased by \$975,271 from \$1,992,816 in fiscal year 2021 to \$1,017,545 in fiscal year 2022. Capital assets (net of accumulated depreciation) decreased by \$1,098,803 from \$67,401,538 in fiscal year 2021 to \$66,302,735 in fiscal year 2022.

Current liabilities decreased by \$781,569, from \$1,753,636 in fiscal 2021 to \$972,067 in fiscal year 2022. This decrease is primarily driven by the decrease in the retainage accounts by \$761,158. The remaining decrease of \$20.4k was spread among various current liability accounts. Non-current liabilities (or advanced lease payments) decreased by \$10.8k from \$297,465 in fiscal year 2021 to \$286,632 in fiscal year 2022.

Net position may, over time, serve as a useful indicator of GACRAA's financial position. The GACRAA's net position is \$85,467,863 at September 30, 2022, which is a \$5,370,844 increase over the \$80,097,019 September 30, 2021 balance.

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

	Fiscal Year <u>2022</u>	Restated Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
<b>ASSETS</b>			
Current and Restricted Assets	\$ 21,307,679	\$ 15,604,561	\$ 13,794,150
Long-Term Lease Receivable	1,017,545	1,992,816	-
Capital Assets, Net	<u>66,302,735</u>	<u>67,401,538</u>	<u>61,081,649</u>
Total Assets	<u>88,627,959</u>	<u>84,998,915</u>	<u>74,875,799</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>469,692</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

	Fiscal Year <u>2022</u>	Restated Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
<b>LIABILITIES</b>			
Current Liabilities	\$ 972,067	\$ 1,753,636	\$ 1,907,914
Non-Current Liabilities	<u>286,632</u>	<u>297,465</u>	<u>3,285,072</u>
Total Liabilities	<u>1,258,699</u>	<u>2,051,101</u>	<u>5,192,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,901,397</u>	<u>2,850,795</u>	<u>-</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	66,210,481	66,381,147	57,336,953
Restricted	3,913,386	3,022,144	4,319,613
Unrestricted	<u>15,343,996</u>	<u>10,693,728</u>	<u>8,495,939</u>
<b>Total Net Position</b>	<u>\$ 85,467,863</u>	<u>\$ 80,097,019</u>	<u>\$ 70,152,505</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, 2022, 2021, and 2020, is as follows:

	Fiscal Year <u>2022</u>	Restated Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>
<b>Operating Revenues</b>			
Parking Revenues	\$ 2,332,678	\$ 1,276,367	\$ 1,357,129
Commercial Terminal	2,336,151	1,929,474	1,845,730
Rental Car Companies (Including QTF)	1,795,868	1,667,294	1,245,816
General Aviation	1,189,500	1,030,786	918,260
Fuel Flowage and Storage Fees	<u>322,613</u>	<u>273,704</u>	<u>252,908</u>
<b>Total Operating Revenues</b>	<u>7,976,810</u>	<u>6,177,625</u>	<u>5,619,843</u>
<b>Capital Contributions and Non-Operating Revenues</b>			
Passenger Facilities Fees	1,080,126	723,713	702,893
Customer Facility Charge (Net)	20,008	53,860	23,148
Federal and State Grants	5,521,251	11,830,704	9,533,221
Sale of Surplus Equipment	-	-	1,965
CFC – Interest Revenue	4,044	939	14,142
PFC – Interest Revenue	5,737	2,148	33,545
Interest Income	117,857	116,025	62,329
Proceeds from the City – Industrial Park Land Sale	311,650	-	291,823
Other	<u>17,112</u>	<u>6,166</u>	<u>34,494</u>
<b>Total Capital Contributions and Non-Operating Revenues</b>	<u>7,077,785</u>	<u>12,733,555</u>	<u>10,697,560</u>
<b>Total</b>	<u>\$ 15,054,595</u>	<u>\$ 18,911,180</u>	<u>\$ 16,317,403</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As previously mentioned, operating revenues increased significantly from the prior year mostly as a result of greater passenger activity. Parking revenue alone is up over \$1 million or nearly 83% higher than last year. In addition, landing fees from the terminal were up \$165k over fiscal year 2021, as was income from the rental car companies by \$128,574. General aviation was up mainly due to the increase of rental income from the Silver (Consortia) hangar by \$86.2k. Further, there was a decrease in capital and non-capital contributions of \$6,309,453 for fiscal 2022 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 revenues and interest income (all accounts) were up by \$356.4k and \$116.7k, respectively; while CFC (net revenue) decreased by \$33.9k from the prior fiscal year 2021. There is \$311,650 proceeds from City Land sales in fiscal year 2022 and other income was up by \$10.9k.

### 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, 2022, 2021 and 2020, is as follows:

	<b>Fiscal Year 2022</b>	<b>Fiscal Year 2021</b>	<b>Fiscal Year 2020</b>
<b>Operating Expenses</b>			
Administration and General	\$ 1,438,509	\$ 1,295,985	\$ 1,298,639
Operations and Security	1,687,636	1,494,902	1,553,811
Facilities and Maintenance	1,905,805	1,498,899	1,580,635
Fuel Farm	37,264	36,016	34,370
General Aviation	73,323	98,908	90,131
Parking Lot	185,203	139,343	150,070
Quick Turn-Around Facility	442,958	297,169	255,339
Depreciation	3,906,444	3,672,111	4,017,993
<b>Total Operating Expenses</b>	<b>9,677,142</b>	<b>8,533,333</b>	<b>8,980,988</b>
<b>Non-Operating Expenses</b>			
Interest Expense	-	89,360	172,268
Swap Payoff - 2006A Bond	-	343,264	-
Loss on NAV - Investment	6,609	709	-
<b>Total Non-Operating Expenses</b>	<b>6,609</b>	<b>433,333</b>	<b>172,268</b>
<b>Total Expenses</b>	<b>\$ 9,683,751</b>	<b>\$ 8,966,666</b>	<b>\$ 9,153,256</b>

### SUMMARY OF CASH FLOW ACTIVITIES

Cash increased by \$6,696,773 in fiscal year 2022 and decreased by \$216,905 in fiscal year 2021. This increase was primarily due to the change in cash flow provided by capital financing activities. The summary of cash flows for the years ended September 30, 2022, 2021 and 2020 are as follows:

	<b>Fiscal Year 2022</b>	<b>Restated Fiscal Year 2021</b>	<b>Fiscal Year 2020</b>
Net Cash Provided by Operating Activities	\$ 5,490,946	\$ 5,000,629	\$ 2,450,548
Cash Flows Provided by (Used in) Capital Financing Activities	1,163,447	(5,229,108)	(2,772,960)
Cash Flows from Investing Activities	42,380	11,574	124,885
<b>Increase (Decrease) in Cash</b>	<b>\$ 6,696,773</b>	<b>\$ (216,905)</b>	<b>\$ (197,527)</b>

### CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

During fiscal year 2022, nearly \$18.6 million of capitalized items were moved from construction in progress to depreciable capital assets. The major items capitalized here were the terminal expansion project and the purchase of two new PBB's (passenger boarding bridges) at \$16.35 million and about \$2 million, respectively.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Construction in progress at September 30, 2022, is just over \$3.3 million. The major items in progress as of FYE 2022 are the Design portions of the Taxiway A and GA Apron projects at \$1,077,730 and \$634,010, respectively; other projects in progress include the Intermodal Transportation & Parking Facility at \$368,209, the PBB refurbishment at \$364,351 and the hangar rehab for \$96,528. The remaining balance of \$782k is for various projects, mostly related to the terminal. The cost of construction projects is largely paid for by Federal and State grants, as well as PFCs and CFCs.

### **PASSENGER FACILITY CHARGE**

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

PFC#2 was closed in September of 2014. On November 8, 2013, PFC application #3 was approved by the FAA with a total collection allowance of \$1,250,942. Collections under PFC 3 began January 1, 2014. On July 6, 2015, an amendment to PFC#3 was approved by the FAA increasing the collection allowance by \$87,218 for a total collection allowance of \$1,338,160. Effective October 31, 2015, collections under PFC application #3 were 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. On August 18, 2022, PFC #4 was amended to increase collections by \$1,342,675 for application to the Terminal Expansion Project.

### **CUSTOMER FACILITY CHARGE**

On August 1, 2005, GACRAA instituted a CFC. The CFC is a \$3.00 charge per rental car per day. Rental car companies collect CFCs and remit them to the airport for use on projects which enhance the operation of rental car companies. CFCs were used to expand the rental car ready return parking lot, construct a quick turn-around service facility and pay for its maintenance, while upgrading the terminal area occupied by the rental car companies, as agreed upon. On July 1, 2014, CFC collections were reduced to \$1.00 per rental car, per day. As of September 30, 2022, \$5,611,617 in CFCs have been collected and \$44,207 interest has been received, while \$4,333,623 had been spent.

### **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-

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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 year 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. The Airport Authority did not renew the line of credit that expired in August 2022 due to its favorable cash position. As of and during the years ended September 30, 2022 and 2021, the Airport Authority borrowed \$0.

### CURRENT OPERATION FINANCIAL SITUATION

Commercial passenger volume increased by 56.22% or 190,793 passengers from fiscal 2021 to 2022, showing that passenger activity has returned to pre-COVID levels. In addition, overall airline load factors increased by 12.8% to 84.1%. The annual regional carrier passenger increase distributed as follows: Delta (Atlanta) by 133,420 (up 93.7%), American (Miami) by 42,466 (Miami flights were largely suspended during 2021), and American (Charlotte) by 21,925 (up 17.2%). The American (Dallas) route was the only one that reported a decrease in passenger activity by 7,018 (down 10.6%) due to a reduced flight schedule. Annual load factors compared to the prior year by carrier are as follows: Delta up by 17.6% to 84.9%, American (Charlotte) up by 11.7% to 86.9%, American (Dallas) up by 13% to 87.7%, and (Miami) up by 19.3% to 69.2%. Specifically, commercial enplanements increased by 56% or 96,106 passengers from fiscal 2021 to 2022 and the related load factor increased by 12.9% to 85%. It should be noted that these swings in activity and load factors were related to the impact of the pandemic, as the airlines tried to adjust to the change in demand and pilot shortages moving forward.

General aviation operations have been commonly weak for over a decade, seemingly due to high fuel prices and a weakened economy, combined with attrition from an aging pilot population; however, fiscal year 2016 showed a bit of a rebound in activity and this trend seemed to continue through fiscal year 2019. Given the pandemic, general aviation activity was only down by 7.43% when comparing 2021 to 2020; although, the related fuel activity did increase by about 15% during the same time frame. By the end of fiscal year 2022, general aviation operations recorded a 5.84% increase over fiscal year 2021, thus recapturing most of the activity lost through the pandemic. In addition, general aviation Jet A fuel flowage (in gallons) had an 11.53% increase over fiscal year 2021.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### SUBSEQUENT EVENTS – COVID 19 UPDATE

As of April 30, 2023, YTD passenger activity is 3.17% higher than that as of April 2022. Further, YTD passenger activity at April 30, 2023, is nearly 1% more than that of YTD April 30, 2019, the last pre-Covid fiscal year. Thus, it appears that current travel activity has returned to pre-COVID normal levels. However, an inflation-ridden economy and pilot shortages combine to create uncertainty as to future growth.

Also, Airport management had indicated in the 2019 audit report that the Airport Authority applied for and accepted a grant under the CARES Act in the amount of \$3.1 million. At fiscal year-end 2020, the Airport Authority had collected over \$1.3 million of such, with the balance of the \$3.1 million being received by February 2021. In addition, on May 7, 2021, the ACRGP #1 (Airport Coronavirus Response Grant Program) was executed and would provide further relief to the Airport Authority in the amount of \$2,294,138 that could be drawn upon in the same manner the CARES Act had been. This grant was signed into law on December 27, 2020, and allows for expenditures dating back to December 28, 2020. As of September 30, 2021, the Airport Authority collected \$2,021,377 of the \$2,294,138 with the balance of \$272,760 received in November 2021. During fiscal year 2022, the Airport Authority began taking draws against ACRGP #2, which awarded the Airport \$3,547,689 allowing for expenditures dating back to January 20, 2020. As of September 30, 2022 the Airport collected \$2,979,161 on the ACRGP #2, with the balance of \$568,528 received on November 21, 2022.

### 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 39<sup>th</sup> Avenue, Suite A, Gainesville, Florida 32609 or by emailing [info@flygainesville.com](mailto:info@flygainesville.com).



## **FINANCIAL STATEMENTS**

**STATEMENTS OF NET POSITION**  
**SEPTEMBER 30, 2022 AND 2021**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	<u>2022</u>	<u>Restated 2021</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 14,717,965	\$ 8,872,519
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$17,445 and \$17,445, Respectively)	647,125	554,055
Interest Receivable	-	26
Current Lease Receivable	975,273	929,781
Interest Receivable - Leases	5,397	7,915
Grants Receivable	900,567	2,060,290
Prepaid Expenses	127,366	140,517
Inventories	20,600	17,314
<b>Total Current Assets</b>	<u>17,394,293</u>	<u>12,582,417</u>
<b>Restricted Assets</b>		
Accounts Receivable	203,489	163,551
Interest Receivable	-	23
Cash - Passenger Facility Charge	2,387,696	1,545,434
Cash - Customer Facility Charge	1,322,201	1,313,136
<b>Total Restricted Assets</b>	<u>3,913,386</u>	<u>3,022,144</u>
<b>Long-Term Lease Receivable</b>	<u>1,017,545</u>	<u>1,992,816</u>
<b>Property, Plant and Equipment</b>		
Land	2,956,264	2,956,264
Buildings	49,394,182	33,040,026
Improvements Other Than Buildings	82,353,189	80,272,570
Fuel Farm Land and Improvements	681,440	681,440
Vehicles and Equipment	3,968,959	3,828,329
Leasehold Acquisitions	450,000	450,000
Construction Work in Progress	3,322,850	19,264,556
	<u>143,126,884</u>	<u>140,493,185</u>
(Accumulated Depreciation)	<u>(76,824,149)</u>	<u>(73,091,647)</u>
<b>Total Property, Plant and Equipment - Cost Less Depreciation</b>	<u>66,302,735</u>	<u>67,401,538</u>
<b>Total Assets</b>	<u>88,627,959</u>	<u>84,998,915</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	943,088	963,499
Contract Retainage Payable	8,958	770,116
Current Portion of Advanced Lease Payments	20,021	20,021
<b>Total Current Liabilities</b>	<u>972,067</u>	<u>1,753,636</u>
<b>Long-Term Liabilities</b>		
Advanced Lease Payments	286,632	297,465
<b>Total Long-Term Liabilities</b>	<u>286,632</u>	<u>297,465</u>
<b>Total Liabilities</b>	<u>1,258,699</u>	<u>2,051,101</u>
<b>Deferred Inflows of Resources</b>		
Deferred Inflow - Leases	1,901,397	2,850,795
<b>Total Deferred Inflows of Resources</b>	<u>1,901,397</u>	<u>2,850,795</u>
<b>Net Position</b>		
Net Investment in Capital Assets	66,210,481	66,381,147
Restricted	3,913,386	3,022,144
Unrestricted	15,343,996	10,693,728
<b>Total Net Position</b>	<u>85,467,863</u>	<u>80,097,019</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u>\$ 88,627,959</u>	<u>\$ 84,998,915</u>

See accompanying notes.

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	<b>2022</b>	<b>Restated 2021</b>
<b>Operating Revenues</b>		
Sales and Service Charges	\$ 7,976,810	\$ 6,177,625
<b>Operating Expenses</b>		
Administration and General	1,438,509	1,295,985
Operations and Security	1,687,636	1,494,902
Facilities and Maintenance	1,905,805	1,498,899
Fuel Farm	37,264	36,016
General Aviation	73,323	98,908
Parking Lot	185,203	139,343
Quick Turn-Around Facility (QTF)	442,958	297,169
Depreciation and Amortization	3,906,444	3,672,111
<b>(Total Operating Expenses)</b>	<b>(9,677,142)</b>	<b>(8,533,333)</b>
<b>Operating (Loss)</b>	<b>(1,700,332)</b>	<b>(2,355,708)</b>
<b>Non-Operating Revenues (Expenses)</b>		
Interest Revenue	39,159	7,810
Loss on NAV	(6,609)	(709)
Swap Payoff - 2006A Bond	-	(343,264)
Interest Income - Leases	78,698	108,215
Miscellaneous	17,112	6,166
Non-Capital Federal Grants	3,547,689	4,083,931
Proceeds from the City-Industrial Park Land Sale	311,650	-
Interest Expense	-	(89,360)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>3,987,699</b>	<b>3,772,789</b>
<b>Gain Before Capital Contributions</b>	<b>2,287,367</b>	<b>1,417,081</b>
<b>Capital Contributions</b>		
Passenger Facility Charge Revenue	1,080,126	723,713
Interest Revenue - PFC	5,737	2,148
CFC Revenue (Net of \$174,680 and \$137,040 in 2022 and 2021, Respectively, for QTF Expenses)	20,008	53,860
Interest Revenue - CFC	4,044	939
Federal and State Grants Income	1,973,562	7,746,773
<b>Total Capital Contributions</b>	<b>3,083,477</b>	<b>8,527,433</b>
<b>Increase in Net Position</b>	<b>5,370,844</b>	<b>9,944,514</b>
<b>Total Net Position, Beginning of Year</b>	<b>80,097,019</b>	<b>70,152,505</b>
<b>Total Net Position, End of Year</b>	<b>\$ 85,467,863</b>	<b>\$ 80,097,019</b>

See accompanying notes.

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	<b>2022</b>	<b>Restated 2021</b>
<b>Cash Flows from Operating Activities</b>		
Cash Received from Customers	\$ 7,853,288	\$ 5,982,803
Cash Received from Federal COVID Relief Programs	3,251,921	3,811,170
Cash Paid to Employees	(2,399,860)	(2,104,251)
Cash Paid to Suppliers	(3,214,404)	(2,689,093)
<b>Net Cash Provided by Operating Activities</b>	<b>5,490,945</b>	<b>5,000,629</b>
 <b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Federal Grants	3,177,758	6,074,778
Proceeds from State Grants	251,295	1,096,470
Passenger Facility Charge Revenue	1,041,000	645,740
Customer Facility Charge	19,196	51,312
Miscellaneous	17,113	6,166
Proceeds from the City - Industrial Park Land Sale	311,650	-
Principal Repaid	-	(2,853,060)
Swap Payoff - 2006A Bond	-	(343,264)
Interest Income - Leases	81,215	100,300
Interest Paid	-	(142,658)
Acquisition and Construction of Fixed Assets	(3,735,779)	(9,864,892)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>1,163,448</b>	<b>(5,229,108)</b>
 <b>Cash Flows from Investing Activities</b>		
Loss on NAV	(6,609)	(709)
Interest Received	48,989	12,283
<b>Net Cash Provided by Investing Activities</b>	<b>42,380</b>	<b>11,574</b>
 <b>Increase (Decrease) in Cash</b>	<b>6,696,773</b>	<b>(216,905)</b>
 <b>Cash, Beginning of Year</b>	<b>11,731,089</b>	<b>11,947,994</b>
 <b>Cash, End of Year</b>	<b>\$ 18,427,862</b>	<b>\$ 11,731,089</b>

See accompanying notes.

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	<b>2022</b>	<b>2021</b>
<b><u>Presented in Accompanying Financial Statements as</u></b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 14,717,965	\$ 8,872,519
<b>Restricted Assets</b>		
Cash - Passenger Facility Charge	2,387,696	1,545,434
Cash - Customer Facility Charge	1,322,201	1,313,136
<b>Total Cash, End of Year (Above)</b>	<b>\$ 18,427,862</b>	<b>\$ 11,731,089</b>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</u></b>		
Operating (Loss)	\$ (1,700,332)	\$ (2,355,708)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Decrease (Increase) in Lease Receivables	929,779	(2,922,597)
Decrease (Increase) in Deferred Inflow - Leases	(949,398)	2,850,795
Depreciation and Amortization	3,906,444	3,672,111
Non-Capital Federal Grants	3,547,689	4,083,931
Decrease (Increase) in Non-Capital Federal Grants Receivable	(295,768)	(272,761)
Decrease (Increase) in Receivables	(93,070)	(123,020)
Decrease (Increase) in Inventories and Prepaid Expenses	9,865	(39,178)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	146,569	107,056
Increase (Decrease) in Advanced Lease Payments	(10,833)	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 5,490,945</b>	<b>\$ 5,000,629</b>

See accompanying notes.

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

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

**Reporting Entity**

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

**Accounting Estimates**

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

**Basis of Presentation**

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

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

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

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

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

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

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

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

**Cash and Cash Equivalents**

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

**Accounts and Grants Receivable**

Accounts receivable represent amounts due from various vendors who use airport facilities. Grants receivable represent amounts due from other government entities and are recorded when the Airport Authority has incurred qualified expenditures in accordance with various grant agreements. Receivables are recorded at net realizable value. The allowance for uncollectible receivables was \$17,445 for the years ended September 30, 2022 and 2021.

**Leases**

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

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

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

**Inventories**

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

**Property, Plant and Equipment**

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

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

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

**Budgets**

Estimates of revenues and expenses are adopted prior to October 1 of each year. There were no budget amendments made during fiscal years 2022 or 2021.

**Capital Contributions**

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

**Passenger Facility Charges (PFC)**

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

**Customer Facility Charges**

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

**Terminal Rents and Concessions**

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

**Compensated Absences**

Accumulated unpaid vacation pay is recorded as accrued.



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

**Restricted Assets**

Certain resources are restricted for future use by enabling legislation 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.

**Change in Accounting Principle**

During the year ended September 30, 2022, the Airport Authority adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Prior year balances were restated to include the impact of the standard. See Notes 13 and 14 for additional information.

**Note 2 - Cash and Investments**

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

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents:		
Cash on Hand	\$ 4,818	\$ 4,034
Deposits in Financial Institutions:		
Insured or Fully Collateralized		
Bank Deposits	17,413,169	10,719,026
Investments	<u>1,009,875</u>	<u>1,008,029</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 18,427,862</u>	<u>\$ 11,731,089</u>

**Deposits**

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

*Custodial Credit Risk*

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



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- **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 Enhanced Cash Pool and Cash Pool are measured at NAV. There are no unfunded commitments, and the FL-FIT Enhanced Cash Pool and Cash Pool offers next day liquidity.

**Note 3 - Commitments**

The Airport Authority is currently conducting various improvement projects that are eligible for federal, state, and local reimbursements. Commitment’s outstanding are approximately \$7,245,996 and \$3,230,165 at September 30, 2022 and 2021, respectively.

**Note 4 - Pension Plans**

During 2022 and 2021, the Airport Authority had approximately 37 and 35 employees, respectively; hired and supervised directly by the Airport Authority. The employees who worked for the Airport Authority participated in a defined contribution pension plan administered by the Airport Authority.

**Defined Contribution Pension Plan**

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

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

Total pension expense under this plan was \$169,655 and \$151,666 for the years ended September 30, 2022 and 2021, respectively.

**NOTES TO FINANCIAL STATEMENTS**  
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**Note 5 - Services Provided by the City of Gainesville, Florida**

During the years ended September 30, 2022 and 2021, the Airport Authority paid the City of Gainesville, Florida, for services as follows:

	<u>2022</u>	<u>2021</u>
Fire Protection	\$ 572,772	\$ 556,092
Security	379,032	299,374
Indirect Costs	8,186	26,168
Utilities	553,507	441,690
<b>Total</b>	<u>\$ 1,513,497</u>	<u>\$ 1,323,324</u>

**Note 6 - Long-Term Debt**

Long-term liability activity for the year ended September 30, 2021, 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>
<b>Revenue Bonds/Notes</b>					
Series 2006A	\$ 2,853,060	\$ -	\$ 2,853,060	\$ -	\$ -
<b>Total Revenue Bonds</b>	<u>\$ 2,853,060</u>	<u>\$ -</u>	<u>\$ 2,853,060</u>	<u>\$ -</u>	<u>\$ -</u>

**\$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.

**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. Interest expense totaled \$0 and \$89,360, respectively, in 2022 and 2021.

**NOTES TO FINANCIAL STATEMENTS**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
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**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, 2021, the amount available on the line of credit was \$1,000,000 and the terms included an interest rate of monthly LIBOR plus 2.75% or a floor of 3.75%. At the time of the most current renewal, the same terms remain and with an expiration date of August 30, 2022. The Airport Authority did not renew the line of credit that expired in August 2022 due to its favorable cash position. As of and during the years ended September 30, 2022 and 2021, the Airport Authority borrowed \$0.

**Note 8 - Risk Management**

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

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

Settlements have not exceeded coverage during the past three years.

**Note 9 - Interlocal Agreement**

Pursuant to an interlocal agreement, the City of Gainesville, Florida, has agreed to pay the Airport Authority fair market value for the sale of certain parcels of City-owned land in the Airport Industrial Park. If the City sells the land below fair market value, then the City will reimburse the Airport Authority 50% of the amount of ad valorem taxes attributable to the property over a period not to exceed ten years or the difference between the sales price and the fair market value has been paid, whichever occurs first. All proceeds must be used for capital projects at the airport or operations. The ad valorem tax proceeds and land sales proceeds that were shared with the Airport Authority were \$311,650 and \$0 for the years ended September 30, 2022 and 2021, respectively. Such amounts are recorded as revenues when they become due from the City of Gainesville, Florida.

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

**Note 10 - Capital Assets**

A summary of changes in capital assets for the years ended September 30, 2022 and 2021, is as follows:

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

**NOTES TO FINANCIAL STATEMENTS**  
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	Beginning Balance October 1, 2020	Increases	Decreases	Ending Balance September 30, 2021
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 2,956,264	\$ -	\$ -	\$ 2,956,264
<b>Capital Assets Being Depreciated</b>				
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
<b>Total Capital Assets Being Depreciated</b>	<u>115,933,355</u>	<u>2,341,010</u>	<u>2,000</u>	<u>118,272,365</u>
<b>Less Accumulated Depreciation for</b>				
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
<b>Total Accumulated Depreciation</b>	<u>69,421,536</u>	<u>3,672,111</u>	<u>2,000</u>	<u>73,091,647</u>
<b>Total Being Depreciated, Net</b>	46,511,819	(1,331,101)	-	45,180,718
<b>Construction Work in Progress</b>	<u>11,613,566</u>	<u>9,907,742</u>	<u>2,256,752</u>	<u>19,264,556</u>
<b>Capital Assets, Net</b>	<u>\$ 61,081,649</u>	<u>\$ 8,576,641</u>	<u>\$ 2,256,752</u>	<u>\$ 67,401,538</u>

**Note 11 - 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. At the end of fiscal year 2021, the Airport Authority's management had knowledge of one claim outstanding that was being litigated by the Airport's insurance company's appointed attorney. Since then, during fiscal year 2022, the claim was settled through the insurance company without any adverse financial impact on the Airport Authority.

**NOTES TO FINANCIAL STATEMENTS**  
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**Note 12 - 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, 2022 and 2021, is as follows:

	<b>2022</b>	<b>2021</b>
Customer Facility Charge	\$ 1,336,345	\$ 1,326,478
Passenger Facility Charge	2,577,041	1,695,666
<b>Total Restricted Net Position</b>	<b>\$ 3,913,386</b>	<b>\$ 3,022,144</b>

**Note 13 - Leases**

**Non-Regulated Leases**

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

In accordance with GASB Statement No. 87, the leases included are the agreements entered into with the rental car agencies located at the airport. The Airport Authority entered into five-year agreements with four rental car agencies through September 30, 2024. Each agreement includes the rental of counter and office space, quick turnaround space, and parking space. Each contract has a minimum annual guarantee (MAG) and a variable component, in addition to the space rentals. The tenant pays the higher amount of the MAG or 10% of gross revenues. The lease receivable is calculated using the contractual amounts for the space rental and minimum payments due for percentage rent each year over the course of the contract and discounted to the net present value using the Airport Authority's estimated incremental borrowing rate of 3.25%. The variable component is not used to calculate the lease receivable.

The Airport Authority received the following inflows of resources from leases:

	<b>2022</b>	<b>2021</b>
Lease Revenue Recognized	\$ 950,795	\$ 951,417
Interest Revenue Recognized	78,698	108,215
<b>Total Inflows of Resources from Leases</b>	<b>\$ 1,029,493</b>	<b>\$ 1,059,632</b>

**Regulated Leases**

In accordance with GASB Statement No. 87, the Airport Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S Department of Transportation and the FAA, regulated aviation leases between airports and air carriers and other aeronautical users. The Authority recognized \$674,247 and \$643,629 of lease revenue from these agreements for the year ended September 30, 2022 and 2021, respectively.



**NOTES TO FINANCIAL STATEMENTS**  
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Future minimum lease payments are as follows:

<u>September 30,</u>	<u>Amount</u>
2023	\$ 758,930
2024	737,864
2025	634,143
2026	486,201
2027	433,032
2028-2032	1,500,145
2033-2037	267,512
2038-2042	115,988
2043-2047	102,214
2048-2052	64,504

**Note 14 - Restatement**

The Airport Authority adopted GASB Statement No. 87 effective October 1, 2021. The impact of the implementation did affect net position. However, prior year balances were restated for the new standard. The following balances were restated at September 30, 2021:

	<u>As Originally Reported</u> <u>(September 30, 2021)</u>	<u>Adjustment</u> <u>for GASB No. 87</u>	<u>As Restated</u> <u>(September 30, 2021)</u>
<b>Statement of Net Position</b>			
Current Lease Receivable	\$ -	\$ 929,781	\$ 929,781
Interest Receivable - Leases	-	7,915	7,915
Long-Term Lease Receivable	-	1,992,816	1,992,816
Deferred Inflow - Leases	-	2,850,795	2,850,795
Unrestricted Net Position	10,614,011	79,717	10,693,728
<b>Total Statement of Net Position</b>	<u>10,614,011</u>	<u>5,861,024</u>	<u>16,475,035</u>
<b>Statement of Revenues, Expenses, and Changes in Net Position</b>			
Sales and Service Charges	6,206,123	(28,498)	6,177,625
Interest Income - Leases	-	108,215	108,215
<b>Total Statement of Revenues, Expenses and Changes in Net Position</b>	<u>6,206,123</u>	<u>79,717</u>	<u>6,285,840</u>
<b>Changes in Net Position</b>	<u>\$ 9,864,797</u>	<u>\$ 79,717</u>	<u>\$ 9,944,514</u>

**OTHER SUPPLEMENTARY INFORMATION**

**REVENUE COMPARISON - BUDGET VS. ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	Fiscal Year 2021-2022 <u>Total Budget</u>	Fiscal Year 2021-2022 <u>Actual Revenues</u>	Over (Under) <u>Budget</u>
<b>Operating Revenues</b>			
Commercial Terminals:			
Airport Terminal Parking	\$ 1,715,000	\$ 2,332,678	\$ 617,678
Air Carriers Rent - Exclusive Space	564,902	545,324	(19,578)
Other Exclusive Rent	1,997	1,997	-
Air Carriers Rent - Non-Exclusive Space	624,325	624,325	-
Air Carriers - Landing Fees	363,787	509,328	145,541
Passenger Boarding Bridge Fees	44,872	50,548	5,676
Charter Landing Fees	17,000	20,353	3,353
TSA LEO Reimbursement	90,000	114,385	24,385
TSA Office Rent	43,235	43,235	-
TSA Screening Checkpoint Reimbursement	4,086	4,086	-
Airways Facility Rent	43,296	43,390	94
Industrial Park Rent	10,238	10,279	41
Rental Car Company Rent - Exclusive Space	86,907	86,794	(113)
Rental Car Company Rent - GASB 87 Adjustment	-	(3,945)	(3,945)
Rental Car Company Concession Fees - MAG	924,874	925,598	724
Rental Car Company MAG - GASB 87 Adjustment	-	(57,652)	(57,652)
Rental Car Company Over MAG	200,000	316,984	116,984
Overflow Parking	-	1,980	1,980
QTF	370,655	526,109	155,454
Food Concessionaire	39,000	100,930	61,930
Advertising Fees	28,000	38,724	10,724
Ground Transportation Fees	45,000	100,846	55,846
Automated Teller Machine Revenue	578	1,400	822
Cell Phone Tower Rent	19,044	21,555	2,511
Solar Revenue	90,000	88,395	(1,605)
Miscellaneous Revenue	4,500	17,051	12,551
<b>Total Commercial Terminals</b>	<u>5,331,296</u>	<u>6,464,697</u>	<u>1,133,401</u>
General Aviation:			
Fuel Flowage Fees	96,000	97,341	1,341
Fixed Base Operators' (FBO) Rent	252,241	252,241	-
FBO/GA Landing Fees	5,000	10,147	5,147
FBO Specialty Airport Services Rent	142,183	142,934	751
Corporate Aviation Rent	37,126	49,606	12,480
T-Hangar Rent (FBO/GA)	244,935	242,967	(1,968)
Sunshade Rent (FBO/GA)	2,989	3,127	138
Bulk Hangar Rent	48,090	49,621	1,531
Tie Downs (FBO/GA)	3,000	3,109	109
Storage Fees (GA)	1,940	4,915	2,975
Port-O-Port Rent (FBO/GA)	19,133	17,354	(1,779)
FBO Charter Passenger Fee	-	414	414
FBO Ramp Parking Fees	-	4,437	4,437
GA Grounds Support Equipment Rental	5,000	8,010	3,010
Fuel Farm Facilities Storage Fees	175,500	225,272	49,772
Silver Hangar Rents	285,602	288,152	2,550
Driving Pad Lease - Amazon	65,605	112,466	46,861
<b>Total General Aviation</b>	<u>1,384,344</u>	<u>1,512,113</u>	<u>127,769</u>
<b>Total Operating Revenues</b>	<u>6,715,640</u>	<u>7,976,810</u>	<u>1,261,170</u>

**REVENUE COMPARISON - BUDGET VS. ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY  
GAINESVILLE, FLORIDA**

	<b>Fiscal Year 2021-2022 Total Budget</b>	<b>Fiscal Year 2021-2022 Actual Revenues</b>	<b>Over (Under) Budget</b>
<b>Non-Operating Revenues</b>			
Passenger Facility Charge (PFC) Revenue	\$ -	\$ 1,080,126	\$ 1,080,126
PFC - Interest Revenue	-	5,737	5,737
Capital Facility Charge (CFC) Revenue	-	20,008	20,008
CFC - Interest Revenue	-	4,044	4,044
Federal and State Grants	-	5,521,251	5,521,251
Miscellaneous	-	17,112	17,112
Proceeds from the City - Industrial Park Land Sale	-	311,650	311,650
Interest Revenue	4,500	39,159	34,659
Interest Income - Leases	-	78,698	78,698
<b>Total Non-Operating Revenues</b>	<u>4,500</u>	<u>7,077,785</u>	<u>7,073,285</u>
<b>Total Revenues</b>	<u>\$ 6,720,140</u>	<u>\$ 15,054,595</u>	<u>\$ 8,334,455</u>

**EXPENSE COMPARISON - BUDGET VS. ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**  
**GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY**  
**GAINESVILLE, FLORIDA**

	<b>Fiscal Year 2021-2022 Total Budget</b>	<b>Fiscal Year 2021-2022 Actual Expenses</b>	<b>(Over) Under Budget</b>
<b>Expenses from Operations</b>			
Airport Administration:			
Personnel Services	\$ 840,206	\$ 839,494	\$ 712
Operating Expenses	704,718	599,015	105,703
Total Airport Administration	<u>1,544,924</u>	<u>1,438,509</u>	<u>106,415</u>
Airport Operations and Maintenance:			
Personnel Services	1,703,254	1,557,559	145,695
Operating Expenses	2,133,287	2,221,085	(87,798)
Total Airport Operations and Maintenance	<u>3,836,541</u>	<u>3,778,644</u>	<u>57,897</u>
General Aviation Operations:			
Operating Expenses	6,100	7,315	(1,215)
Cost of Sales	52,702	66,008	(13,306)
Total General Aviation Operations	<u>58,802</u>	<u>73,323</u>	<u>(14,521)</u>
Fuel Farm:			
Operating Expenses	41,869	37,264	4,605
Total Fuel Farm	<u>41,869</u>	<u>37,264</u>	<u>4,605</u>
Quick Turn-Around Facility:			
Operating Expenses	314,809	442,958	(128,149)
Total Quick Turn-Around Facility	<u>314,809</u>	<u>442,958</u>	<u>(128,149)</u>
Depreciation Expense	-	3,906,444	(3,906,444)
<b>Total Expenses from Operations</b>	<u>5,796,945</u>	<u>9,677,142</u>	<u>(3,880,197)</u>
<b>Non-Operating Expenses</b>			
Interest Expense	6,000	-	6,000
Loss on NAV	-	6,609	(6,609)
<b>Total Non-Operating Expenses</b>	<u>6,000</u>	<u>6,609</u>	<u>(609)</u>
<b>(Total Expenses)</b>	<u>\$ 5,802,945</u>	<u>\$ 9,683,751</u>	<u>\$ (3,880,806)</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY  
GAINESVILLE, FLORIDA**

<u>Grantor/Program Title</u>	<u>Assistance Listing (AL) Number</u>	<u>Receivable (Payable) Balance 10/1/2021</u>	<u>(Receipts)</u>	<u>Eligible Expenditures</u>	<u>Receivable (Payable) Balance 9/30/2022</u>
<b>U.S. Department of Transportation, Federal Aviation Administration:</b>					
<b>Airport Improvement Program (AIP):</b>					
Terminal Expansion Phase 2 (AIP 42)	20.106	\$ 1,217,206	\$ (1,217,206)	\$ -	\$ -
Terminal Expansion Phase 3 (AIP 45)	20.106	145,131	(310,565)	165,434	-
ACRGP #1 (COVID-19 Relief Grant) (AIP 46)	20.106	272,760	(272,760)	-	-
Design GA Apron & TXWY A/E (AIP 48)	20.106	145,989	(1,649,987)	1,558,101	54,103
ACRGP #2 (COVID-19 Relief Grant) (AIP 49)	20.106	-	(2,979,161)	3,547,689	568,528
Taxiway A and GA Apron Phase 1 (AIP51/52)	20.106	-	-	7,651	7,651
<b>Subtotal Expenditures - AL No. 20.106</b>		<u>1,781,086</u>	<u>(6,429,679)</u>	<u>5,278,875</u>	<u>630,282</u>
<b>Total Federal Financial Assistance</b>		<u>\$ 1,781,086</u>	<u>\$ (6,429,679)</u>	<u>\$ 5,278,875</u>	<u>\$ 630,282</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY  
GAINESVILLE, FLORIDA**

<u>Grantor/Program Title</u>	<u>CSFA Contract Number</u>	<u>FIN Number</u>	<u>Receivable (Payable) Balance 10/1/2021</u>	<u>(Receipts)</u>	<u>Eligible Expenditures</u>	<u>Receivable (Payable) Balance 9/30/2022</u>
<b>Florida Department of Transportation</b>						
<b>Aviation Grant Program:</b>						
Terminal and Parking Improvements	55.004	43873919416	\$ 190,157	\$ (158,970)	\$ 96,014	\$ 127,201
GA Facility Rehab and Bulk Hangar	55.004	43492119419	3,736	-	44,101	47,837
Intermodal	55.004	44513419419	85,311	(86,460)	19,456	18,307
Airfield Markings	55.004	44379919421	-	(5,865)	5,865	-
Terminal Phase 4 Baggage	55.004	44204619421	-	-	76,940	76,940
<b>Subtotal Expenditures - CSFA No. 55.004</b>			<u>279,204</u>	<u>(251,295)</u>	<u>242,376</u>	<u>270,285</u>
<b>Total State Financial Assistance</b>			<u>279,204</u>	<u>(251,295)</u>	<u>242,376</u>	<u>270,285</u>
<b>Total Expenditures of Federal Awards and State Financial Assistance</b>			<u>\$ 2,060,290</u>	<u>\$ (6,680,974)</u>	<u>\$ 5,521,251</u>	<u>\$ 900,567</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
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, 2022, 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 21, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

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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 21, 2023  
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**

***Opinion on Each Major Federal Program***

We have audited the Gainesville-Alachua County Regional Airport Authority's (the Airport Authority)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Airport Authority's compliance with the compliance requirements referred to above.

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To the Governing Board  
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**

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

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**

**Report on Internal Control Over Compliance**

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

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

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



June 21, 2023  
Gainesville, Florida

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY  
GAINESVILLE, FLORIDA**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

**Federal Awards**

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:

<b>Federal Program</b>	<b>Assistance Listing No.</b>
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 Airport Authority did qualify as a low-risk auditee pursuant to the Uniform Guidance.

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FEDERAL PROGRAMS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022  
GAINESVILLE-ALACHUA COUNTY REGIONAL AIRPORT AUTHORITY  
GAINESVILLE, FLORIDA**

**III. FINDINGS AND QUESTIONED COSTS FOR MAJOR FEDERAL AWARD PROGRAMS**

There were no findings or questioned costs for the year ended September 30, 2022.

**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, 2022, 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.

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

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

In our opinion, the Airport Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

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



June 21, 2023  
Gainesville, Florida

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## MANAGEMENT LETTER

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

### Report on the Financial Statements

We have audited the financial statements of the Gainesville-Alachua County Regional Airport Authority (the Airport Authority), as of and for the year ended September 30, 2022, and have issued our report thereon dated June 21, 2023.

### 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 American Institute of Certified Public Accountants Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 21, 2023, 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 38.
- b. The total number of independent contractors to whom non-employee compensation was paid in the last month of the Airport Authority's fiscal year as 22.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$2,399,860.
- d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$5,604,889.
- 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 3-12-0028-051-2022 - \$22,708,530
  - Project # AIP 3-12-0028-053-2023/State # 445134-1 - \$13,240,293

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 28-30 of the financial statements).

#### **Additional Matters**

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

#### **Purpose of this Letter**

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

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 21, 2023  
Gainesville, Florida

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