



TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

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Report on Compliance for the Passenger Facility Charge Program, Report on Internal Control over Compliance, and Report on the Schedule of Passenger Facility Charges Collected and Expended

Independent Auditor's Report

To the Board of Directors
Tweed-New Haven Airport Authority

Report on Compliance for Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited the Tweed-New Haven Airport Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on the Authority's Passenger Facility Charge Program for the year ended June 30, 2021.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program for the year ended June 30, 2021.

Basis for Opinion on Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards 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 the Passenger Facility Charge Program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 21-1 to be a material weakness.

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on the response.

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

Report on the Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of passenger facility charges collected and expended is presented for purposes of additional analysis as required by the Guide and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended is fairly stated in all material respects in relation to the basic financial statements as a whole.



November 15, 2022

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

| | <u>PFC Collections</u> | <u>Interest Income</u> | <u>Total Receipts</u> | <u>Expenditures</u> | <u>Cash Balance</u> |
|--|----------------------------|----------------------------|---------------------------|---------------------|-------------------------|
| Cumulative total as of July 1, 2020 | \$ 3,950,191 | 188,677 | 4,138,868 | 3,956,025 | 182,843 |
| Adjustments to opening balances (see note 5) | (48,512) | 222 | (48,290) | 55,547 | (103,837) |
| Cumulative total as of July 1, 2020 as adjusted | <u>3,901,679</u> | <u>188,899</u> | <u>4,090,578</u> | <u>4,011,572</u> | <u>79,006</u> |
| July 2020 | 2,987 | 37 | 3,024 | - | 82,030 |
| August 2020 | 5,235 | 38 | 5,273 | - | 87,303 |
| September 2020 | 2,921 | 37 | 2,958 | - | 90,261 |
| First Quarter Subtotal | <u>11,143</u> | <u>112</u> | <u>11,255</u> | <u>-</u> | |
| October 2020 | 1,830 | 38 | 1,868 | - | 92,129 |
| November 2020 | 2,567 | 40 | 2,607 | - | 94,736 |
| December 2020 | 823 | 40 | 863 | - | 95,599 |
| Second Quarter Subtotal | <u>5,220</u> | <u>118</u> | <u>5,338</u> | <u>-</u> | |
| January 2021 | - | 37 | 37 | - | 95,636 |
| February 2021 | - | 36 | 36 | - | 95,672 |
| March 2021 | - | 36 | 36 | - | 95,708 |
| Third Quarter Subtotal | <u>-</u> | <u>109</u> | <u>109</u> | <u>-</u> | |
| April 2021 | - | 25 | 25 | - | 95,733 |
| May 2021 | 876 | 22 | 898 | - | 96,631 |
| June 2021 | 3,934 | 17 | 3,951 | - | 100,582 |
| Fourth Quarter Subtotal | <u>4,810</u> | <u>64</u> | <u>4,874</u> | <u>-</u> | |
| Total for year ended June 30, 2021 | <u>21,173</u> | <u>403</u> | <u>21,576</u> | <u>-</u> | |
| Cumulative total as of June 30, 2021 | <u>\$ 3,922,852</u> | <u>189,302</u> | <u>4,112,154</u> | <u>4,011,572</u> | |

(Continued)

See accompanying notes to this schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

| | <u>Cumulative Total July 1, 2020</u> | <u>Year Ended June 30, 2021</u> | <u>Cumulative Total June 30, 2021</u> |
|----------------------------|--|-------------------------------------|---|
| Collections: | | | |
| PFC Collections | \$ 3,901,679 | 21,173 | 3,922,852 |
| Interest Received | 188,899 | 403 | 189,302 |
| | <hr/> | <hr/> | <hr/> |
| Total Collections | 4,090,578 | 21,576 | 4,112,154 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Disbursements | | | |
| App. No. 93-01 | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 |
| App. No. 13-06 | 1,093,213 | - | 1,093,213 |
| App. No. 20-07 | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total Disbursements | \$ 4,011,572 | - | 4,011,572 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See accompanying notes to these statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

(1) **Background**

The City of New Haven, Connecticut operated Tweed-New Haven Airport (Airport) until July 1, 1997 when the Tweed-New Haven Airport Authority (Authority) was created. The Authority now handles all management of the Airport's operations, including complying with all Federal Aviation Administration (FAA) reporting requirements.

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of local Passenger Facility Charges (PFC) and use of resulting PFC revenues for FAA approved projects meeting at least one of the following criteria: (1) preserve or enhance safety, security or capacity of the national air transport system; (2) reduce noise or mitigate noise impacts resulting from an airport or (3) furnish opportunities for enhanced competition between or among carriers.

(2) **Basis of Accounting**

The accompanying Schedule of Passenger Facility Charges Collected and Expended (the Schedule) is presented on the cash basis of accounting.

The Schedule presents the revenues received from the PFC and expenditures incurred on approved projects. The information in the Schedule is presented in accordance with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the Authority's basic financial statements.

PFCs collected represent cash collected for the year ended June 30, 2021 as reported to the FAA. The interest earned represents the actual interest collected on the unexpended PFC balance throughout the year. Expenditures represent FAA-approved projects expended in the current and prior years and are reported when projects are complete.

(3) **Reconciliation to Government-Wide Financial Statements**

| | |
|---|-------------------|
| Cash balance reported on Authority financial statements | \$ 132,084 |
| Less pending cash transfers to Capital Fund | (42,038) |
| Add pending cash deposits | <u>10,536</u> |
| Cash balance per Schedule of Passenger Facility Charges | \$ <u>100,582</u> |

(4) **Date through Which Subsequent Events Have Been Evaluated**

Management has evaluated subsequent events through November 15, 2022, the date the financial statements were available to be issued. Management is not aware of any events subsequent to the statement of financial position date which would require additional adjustment to, or disclosure in, the accompanying financial statements.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

(5) Adjustments to Opening Balances

In preparation of the statements, it was discovered that certain transactions were not properly reported into the System of Airport Reporting (SOAR) system. The following table summarizes the adjustments needed to correct the opening cumulative balances, pending FAA approval:

| | <u>PFC Collections</u> | <u>Interest Income</u> | <u>Total Receipts</u> | <u>Expenditures</u> | <u>Net Adjustments</u> |
|-----------------------------|----------------------------|----------------------------|---------------------------|---------------------|----------------------------|
| Adjustments Posted to SOAR | | | | | |
| <u>Quarter Ended:</u> | | | | | |
| December 2016 | - | - | - | 5,638 | (5,638) |
| December 2017 | - | - | - | (71) | 71 |
| December 2018 | - | - | - | (20) | 20 |
| Subtotal | - | - | - | 5,547 | (5,547) |
| Adjustments Pending in SOAR | | | | | |
| <u>Quarter Ended:</u> | | | | | |
| June 2015 | 216 | - | 216 | - | 216 |
| September 2015 | (142) | - | (142) | - | (142) |
| December 2015 | (507) | - | (507) | - | (507) |
| September 2016 | 5 | - | 5 | - | 5 |
| March 2017 | 4 | - | 4 | - | 4 |
| September 2017 | 147 | (1) | 146 | - | 146 |
| December 2017 | - | (1) | (1) | - | (1) |
| March 2018 | 4 | - | 4 | - | 4 |
| September 2018 | (48,148) | 69 | (48,079) | - | (48,079) |
| December 2018 | (91) | 122 | 31 | - | 31 |
| March 2019 | - | 27 | 27 | - | 27 |
| September 2019 | - | 6 | 6 | - | 6 |
| June 2020 | - | - | - | 50,000 | (50,000) |
| Subtotal | (48,512) | 222 | (48,290) | 50,000 | (98,290) |
| Total adjustments | (48,512) | 222 | (48,290) | 55,547 | (103,837) |

The following pages summarize, by year, the amounts previously reported in SOAR with the required adjustments.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2015:

| | <u>Cumulative Total</u> <u>July 1, 2014</u> | <u>Year ended</u> <u>June 30, 2015</u> | <u>Cumulative Total</u> <u>June 30, 2015</u> | <u>SOAR</u> <u>Adjustments</u> | <u>Revised</u> <u>June 30, 2015</u> |
|---------------------|--|---|---|-----------------------------------|--|
| PFC Collections | 3,026,816 | 136,963 | 3,163,779 | 216 | 3,163,995 |
| Interest Received | 185,121 | 141 | 185,262 | - | 185,262 |
| Total | <u>3,211,937</u> | <u>137,104</u> | <u>3,349,041</u> | <u>216</u> | <u>3,349,257</u> |
| Disbursements: | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 232,553 | 70,596 | 303,149 | - | 303,149 |
| App. No. 13-06 | - | 136,663 | 136,663 | - | 136,663 |
| App. No. 20-07 | - | - | - | - | - |
| Total Disbursements | <u>2,840,511</u> | <u>207,259</u> | <u>3,047,770</u> | <u>-</u> | <u>3,047,770</u> |

The Authority identified \$216.23 of PFC revenues previously deposited into the PFC bank account not recorded in SOAR for the quarter ending June 30, 2015. The Authority had previously recorded this PFC revenue in its audited financial statements.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2016:

| | <u>Cumulative Total</u> <u>July 1, 2015</u> | <u>Year ended</u> <u>June 30, 2016</u> | <u>Cumulative Total</u> <u>June 30, 2016</u> | <u>SOAR</u> <u>Adjustments</u> | <u>Revised</u> <u>June 30 2016</u> |
|---------------------|--|---|---|-----------------------------------|---------------------------------------|
| PFC Collections | 3,163,995 | 125,189 | 3,289,184 | (649) | 3,288,535 |
| Interest Received | 185,262 | 504 | 185,766 | - | 185,766 |
| Total | <u>3,349,257</u> | <u>125,693</u> | <u>3,474,950</u> | <u>(649)</u> | <u>3,474,301</u> |
| Disbursements: | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 303,149 | 7,252 | 310,401 | - | 310,401 |
| App. No. 13-06 | 136,663 | 149,019 | 285,682 | - | 285,682 |
| App. No. 20-07 | - | - | - | - | - |
| Total Disbursements | <u>3,047,770</u> | <u>156,271</u> | <u>3,204,041</u> | <u>-</u> | <u>3,204,041</u> |

The Authority identified \$648.69 of deposits into the PFC account that should have been made into the Authority's capital account. This comprises \$141.82 for the September 2015 quarter and \$506.87 for the December 2015 quarter ended. The Authority has made this reclassification to its general ledger accounts.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2017:

| | <u>Cumulative Total</u> <u>July 1, 2016</u> | <u>Year ended</u> <u>June 30, 2017</u> | <u>Cumulative Total</u> <u>June 30, 2017</u> | <u>SOAR</u> <u>Adjustments</u> | <u>Revised</u> <u>June 30, 2017</u> |
|---------------------|--|---|---|-----------------------------------|--|
| PFC Collections | 3,288,535 | 118,631 | 3,407,166 | 9 | 3,407,175 |
| Interest Received | 185,766 | 778 | 186,544 | - | 186,544 |
| Total | <u>3,474,301</u> | <u>119,409</u> | <u>3,593,710</u> | <u>9</u> | <u>3,593,719</u> |
| Disbursements: | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 | - | 310,401 |
| App. No. 13-06 | 285,682 | 88,803 | 374,485 | 5,638 | 380,123 |
| App. No. 20-07 | - | - | - | - | - |
| Total Disbursements | <u>3,204,041</u> | <u>88,803</u> | <u>3,292,844</u> | <u>5,638</u> | <u>3,298,482</u> |

The Authority identified \$8.78 of PFC revenues previously deposited into the PFC bank account not recorded in SOAR. This comprises \$4.39 for the quarter ending September 30, 2016 and \$4.39 for the quarter ending March 31, 2017. The Authority had previously recorded this PFC revenue in its audited financial statements.

The Authority also noted an incorrect disbursement amount was entered in SOAR in December 2016 for PFC #13-06. The amount should have been \$36,606.24, not \$30,967.97. The Authority has made an adjustment to SOAR for \$5,638.27. The correct disbursement was previously recorded in the audited financial statements.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2018:

| | <u>Cumulative Total</u> <u>July 1, 2017</u> | <u>Year ended</u> <u>June 30, 2018</u> | <u>Cumulative Total</u> <u>June 30, 2018</u> | <u>SOAR</u> <u>Adjustments</u> | <u>Revised</u> <u>June 30, 2018</u> |
|---------------------|--|---|---|-----------------------------------|--|
| PFC Collections | 3,407,175 | 159,293 | 3,566,468 | 151 | 3,566,619 |
| Interest Received | 186,544 | 927 | 187,471 | (2) | 187,469 |
| Total | <u>3,593,719</u> | <u>160,220</u> | <u>3,753,939</u> | <u>149</u> | <u>3,754,088</u> |
| Disbursements: | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 | - | 310,401 |
| App. No. 13-06 | 380,123 | 186,113 | 566,236 | (71) | 566,165 |
| App. No. 20-07 | - | - | - | - | - |
| Total Disbursements | <u>3,298,482</u> | <u>186,113</u> | <u>3,484,595</u> | <u>(71)</u> | <u>3,484,524</u> |

The Authority identified \$151.48 of PFC revenues previously deposited into the PFC bank account not recorded in SOAR. This comprises \$147.07 for the quarter ending September 30, 2017 and \$4.39 for the quarter ending March 31, 2018. The Authority had previously recorded this PFC revenue in its audited financial statements.

The Authority identified \$2.80 of interest revenue was incorrectly recorded in SOAR. This comprises \$1.42 for the quarter ending September 30, 2017 and \$1.38 for the quarter ending December 31, 2018.

The Authority identified \$71.06 of bank fees that were incorrectly recorded as a disbursement in SOAR in the quarter ended December 31, 2017. This amount has been repaid to the PFC account from the Authority's operating account.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Statement Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2019:

| | <u>Cumulative Total as of July 1, 2018</u> | <u>Year Ended June 30, 2019</u> | <u>Cumulative Total as of June 30, 2019</u> | <u>Adjustments</u> | <u>Revised June 30, 2019</u> |
|----------------------|--|-------------------------------------|---|------------------------|------------------------------|
| PFC Collections | 3,566,619 | 202,734 | 3,769,353 | (48,239) | 3,721,114 |
| Interest Received | <u>187,469</u> | <u>576</u> | <u>188,045</u> | <u>218</u> | <u>188,263</u> |
| Total | <u><u>3,754,088</u></u> | <u><u>203,310</u></u> | <u><u>3,957,398</u></u> | <u><u>(48,021)</u></u> | <u><u>3,909,377</u></u> |
| Disbursements | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 | - | 310,401 |
| App. No. 13-06 | 566,165 | 271,068 | 837,233 | (20) | 837,213 |
| App. No. 20-07 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Disbursements | <u><u>3,484,524</u></u> | <u><u>271,068</u></u> | <u><u>3,755,592</u></u> | <u><u>(20)</u></u> | <u><u>3,755,572</u></u> |

The Authority identified duplicate entries in SOAR for PFC revenues during the quarter ended September 30, 2018 due to a change in accounting treatment. The correct revenues of \$48,147.57 were previously recorded in the Authority's financial statements.

The Authority identified \$91.61 of interest revenue that was incorrectly recorded in SOAR as PFC revenues for the quarter ended December 31, 2018. The Authority has previously recorded this revenue in its audited financial statements.

The Authority identified \$218.52 of interest income that was not recorded in SOAR. This comprises \$69.16 for the quarter ending September 30, 2018, \$122.29 for the quarter ending December 31, 2018, and \$27.07 for the quarter ending March 31, 2019. The Authority had previously recorded this revenue in its audited financial statements.

The Authority identified \$20.00 of bank fees that were incorrectly recorded as a disbursement in SOAR in the quarter ended December 31, 2018. This amount has been repaid to the PFC account from the Authority's operating account.

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended-Adjusted for the Fiscal Year Ended June 30, 2020:

| | <u>Cumulative Total</u> <u>July 1, 2019</u> | <u>Year ended</u> <u>June 30, 2020</u> | <u>Cumulative Total</u> <u>June 30, 2020</u> | <u>SOAR</u> <u>Adjustments</u> | <u>Revised</u> <u>June 30, 2020</u> |
|---------------------|--|---|---|-----------------------------------|--|
| PFC Collections | 3,721,114 | 180,565 | 3,901,679 | - | 3,901,679 |
| Interest Received | 188,263 | 630 | 188,893 | 6 | 188,899 |
| Total | <u>3,909,377</u> | <u>181,195</u> | <u>4,090,572</u> | <u>6</u> | <u>4,090,578</u> |
| Disbursements: | | | | | |
| App. No. 93-01 | 983,636 | - | 983,636 | - | 983,636 |
| App. No. 01-02 | 567,286 | - | 567,286 | - | 567,286 |
| App. No. 06-03 | 780,834 | - | 780,834 | - | 780,834 |
| App. No. 08-04 | 276,202 | - | 276,202 | - | 276,202 |
| App. No. 11-05 | 310,401 | - | 310,401 | - | 310,401 |
| App. No. 13-06 | 837,213 | 206,000 | 1,043,213 | 50,000 | 1,093,213 |
| App. No. 20-07 | - | - | - | - | - |
| Total Disbursements | <u>3,755,572</u> | <u>206,000</u> | <u>3,961,572</u> | <u>50,000</u> | <u>4,011,572</u> |

The Authority identified a \$50,000.00 disbursement made on May 22, 2020 for PFC project #13-06 that was not recorded in SOAR. The Authority had previously recorded this payment in its audited financial statements.

The Authority identified \$5.93 of interest revenue was not recorded in SOAR for the quarter ended September 30, 2019. The Authority had previously recorded this revenue in its audited financial statements.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

- | | | |
|--|--|------------------------------------|
| 1. Type of report issued on schedule of passenger facility charges collected and expended. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 2. Type of report on PFC compliance. | <input checked="" type="checkbox"/> Unmodified | <input type="checkbox"/> Qualified |
| 3. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. The Public Agency maintains a separate financial accounting record for each application. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Funds disbursed were for PFC-eligible items as identified in the FAA decision to pay only for the allowable costs of the project. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Monthly carrier receipts were reconciled with quarterly carrier reports. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Quarterly Revenue and Disbursements reported in SOAR reconcile with PFC fund deposits and withdrawals. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Unliquidated PFC revenues reported in SOAR reconcile to PFC bank accounts and the Authority’s general ledger | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. The Public Agency is in compliance with assurances 5, 6, 7 and 8. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2021

Section I – Summary of Auditor’s Results (continued)

- | | | | |
|---|---|-----------------------------|---|
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 13. Program administration is carried out in accordance with Assurance 10. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence. | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |
| 15. The recommended revisions to SOAR for prior audits are supported by audit documentation and have been reviewed by the auditor the fiscal years ended: | | | |
| June 30, 2015 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| June 30, 2016 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| June 30, 2017 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| June 30, 2018 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| June 30, 2019 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| June 30, 2020 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2021

Section II – Findings and Questioned Costs Passenger Facility Charge Program

Reference Number 21-1

Criteria:

The Authority is required to enter all applicable transactions into the SOAR data portal as set out by FAA regulations.

Cause/Condition:

The Authority did not accurately enter certain transactions into SOAR in a timely manner.

Effect:

There were differences between PFC revenues, expenses, and PFC funds on hand as reported in SOAR compared to the Authority's Financial Statements. As shown in this report, cumulative PFC revenues were overstated in SOAR by \$48,290 and total PFC disbursements understated by \$55,547. There is no material change to the Authority's net position as all PFC revenues and disbursements were correctly recorded in the Authority's general ledger during the period(s) audited. The audit also identified an incorrect deposit into the PFC bank account which was rectified through an internal interfund transfer, again not impacting the Authority's net position. This did not impact reporting in SOAR.

Recommendation:

We recommend that the Authority review its policies and procedures to clarify who will perform the entries into SOAR, these are reviewed for accuracy prior to submission, and that the Authority sign-off on SOAR updates prior to the required FAA reporting deadlines.

Questioned Costs:

None

Response:

Management of the Authority has addressed this matter with the issuance of the accompanying Schedule of Passenger Facility Charges Collected and Expended by ensuring that all transactions are properly reviewed prior to being entered into SOAR. The Authority is also working with the airport manager to ensure existing PFC policies and procedures are updated to confirm roles and responsibilities, and that processes for reporting and reviewing PFCs are established that meet FAA timelines and are in line with industry best practices.