



TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

Table of Contents

| | <u>Index</u> |
|---|---------------------|
| 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 | 1 - 3 |
| Schedule of Passenger Facility Charges Collected and Expended | 4 - 5 |
| Notes to the Schedule of Passenger Facility Charges Collected and Expended | 6 - 7 |
| Schedule of Passenger Facility Charge Program Findings and Questioned Costs | 8 - 9 |
| Summary Schedule of Prior Audit Findings | 10 |

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 Authority Authority

Report on Compliance for Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited the Tweed-New Haven Authority 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, 2022.

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, 2022.

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated January 18, 2023, 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.



January 18, 2023

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

| | <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, 2021 | \$ 3,922,852 | 189,302 | 4,112,154 | 4,011,572 | 100,582 |
| July 2021 | 5,265 | 16 | 5,281 | - | 105,863 |
| August 2021 | 6,430 | 16 | 6,446 | 28,000 | 84,309 |
| September 2021 | 4,920 | 14 | 4,934 | - | 89,243 |
| First Quarter Subtotal | <u>16,615</u> | <u>46</u> | <u>16,661</u> | <u>28,000</u> | |
| October 2021 | 10,281 | 15 | 10,296 | - | 99,539 |
| November 2021 | 15,739 | 17 | 15,756 | - | 115,295 |
| December 2021 | 47,865 | 19 | 47,884 | - | 163,179 |
| Second Quarter Subtotal | <u>73,885</u> | <u>51</u> | <u>73,936</u> | <u>-</u> | |
| January 2022 | 91,401 | 35 | 91,436 | - | 254,615 |
| February 2022 | 55,663 | 38 | 55,701 | - | 310,316 |
| March 2022 | 81,070 | 53 | 81,123 | - | 391,439 |
| Third Quarter Subtotal | <u>228,134</u> | <u>126</u> | <u>228,260</u> | <u>-</u> | |
| April 2022 | 105,888 | 60 | 105,948 | - | 497,387 |
| May 2022 | 128,075 | 74 | 128,149 | 340,854 | 284,682 |
| June 2022 | 266,601 | 52 | 266,653 | - | 551,335 |
| Fourth Quarter Subtotal | <u>500,564</u> | <u>186</u> | <u>500,750</u> | <u>340,854</u> | |
| Total for year ended June 30, 2022 | <u>819,198</u> | <u>409</u> | <u>819,607</u> | <u>368,854</u> | |
| Cumulative total as of June 30, 2022 | \$ <u>4,742,050</u> | <u>189,711</u> | <u>4,931,761</u> | <u>4,380,426</u> | |

See accompanying notes to the Schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

| | <u>Cumulative Total as of July 1, 2021</u> | <u>Year Ended June 30, 2022</u> | <u>Cumulative Total as of June 30, 2022</u> |
|----------------------------|--|-------------------------------------|---|
| Collections: | | | |
| PFC Collections | \$ 3,922,852 | 819,198 | 4,742,050 |
| Interest Received | 189,302 | 409 | 189,711 |
| Total Collections | <u>4,112,154</u> | <u>819,607</u> | <u>4,931,761</u> |
| 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 | 147,642 | 1,240,855 |
| App. No. 20-07 | - | 221,212 | 221,212 |
| Total Disbursements | <u>\$ 4,011,572</u> | <u>368,854</u> | <u>4,380,426</u> |

See accompanying notes to the Schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

(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 under Connecticut General Statutes. The Authority now handles all management of the Airport's operations, including complying with all Federal Aviation Administration (FAA) reporting requirements.

In 1990, the United States Congress enacted the Aviation Safety and Capacity Expansion Act (ASCEA) of 1990, which allows public agencies controlling commercial service airports to charge eligible enplaning passengers at the airport a \$1, \$2 or \$3 passenger facility charge, or PFC. In 2000, the U.S. Congress passed the Aviation Investment and Reform Act for the 21st Century (AIR-21), which allowed airports to levy a PFC of \$4.00 or \$4.50 per eligible enplaned passenger. The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

(2) **Basis of Accounting**

The Statement of Passenger Facility Charges Collected and Expended is presented on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. The opening cumulative totals represent the balances as reported in the FAA Systems of Airports Reporting (SOAR).

The information in the attached 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 the basic financial statements of Tweed-New Haven Airport.

PFCs collected represent cash collected for the year ended June 30, 2022 as reported to the FAA. The interest earned represents the actual interest collected on the unexpended PFC balance throughout the year. Expenditures represent quarterly disbursements on FAA-approved projects. Disbursements can be for current period invoices or contractor payments, or reimbursement of prior payments made by the Authority for eligible projects.

(3) **Reconciliation to SOAR**

The following is a reconciliation of the cash balance per the Schedule of Passenger Facility Charges to SOAR at June 30, 2022:

| | |
|---|-------------------|
| Cash balance per SOAR at June 30, 2022 | \$ 649,625 |
| Less pending corrections as reported June 30, 2021 | <u>(98,290)</u> |
| Cash balance per Schedule of Passenger Facility Charges | \$ <u>551,335</u> |

(Continued)

TWEED-NEW HAVEN AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charges Collected and Expended

Year ended June 30, 2022

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

Management has evaluated subsequent events through January 18, 2023, the date the schedule was available to be issued. Management is not aware of any events subsequent to the schedule date which would require additional adjustment to, or disclosure in, the accompanying schedule.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Schedule of Passenger Facility Charge Program Findings and Questioned Costs

Year Ended June 30, 2022

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, 2022

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 checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Section II – Findings and Questioned Costs Passenger Facility Charge Program

No findings or questioned costs are reported relating to the Passenger Facility Charge Program.

TWEED-NEW HAVEN AIRPORT AUTHORITY

Summary Schedule of Prior Audit Findings

Year ended June 30, 2022

Reference Number: 21-1

Fiscal Year of Initial Occurrence: June 30, 2021

Summary of Finding:

The Authority is required to enter all applicable transactions into the SOAR data portal as set out by FAA regulations. The Authority did not accurately enter certain transactions into SOAR; consequently, there were differences in certain balances reported on the Authority's books and records with amounts recorded within SOAR.

Status:

Management of the Authority addressed this matter with the issuance of the Schedule of Passenger Facility Charges Collected and Expended for the year ended June 30, 2021 by ensuring that all transactions were properly reviewed prior to being entered into SOAR. The Authority also worked with the airport manager to ensure the Authority has a complete understanding of FAA requirements relating to the SOAR data portal.