

CHARLOTTE COUNTY AIRPORT AUTHORITY

**SCHEDULE OF PASSENGER FACILITY
CHARGES COLLECTED AND EXPENDED
TOGETHER WITH ADDITIONAL REPORTS**

**YEAR ENDED
SEPTEMBER 30, 2019**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditor's Report on Compliance With Requirements Applicable to the Passenger Facility Charge Program and Internal Control Over Compliance in Accordance with the Passenger Facility Charge Audit Guide Including the Independent Auditor's Report on the Schedule of Passenger Facility Charges Collected and Expended.....	1-4
Schedule of Passenger Facility Charges (PFC) Collected and Expended (as Reported to FAA) - Cash Basis.....	5
Notes to the Schedule of Schedule of Passenger Facility Charges (PFC) Collected and Expended (as Reported to FAA) - Cash Basis.....	6
Schedule of Findings and Questioned Costs - Passenger Facility Charge Program.....	7



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY
CHARGE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE
PASSENGER FACILITY CHARGE AUDIT GUIDE
INCLUDING THE INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF PASSENGER FACILITY CHARGES
COLLECTED AND EXPENDED**

Board of Commissioners
Charlotte County Airport Authority
28000 A-1 Airport Road
Punta Gorda, Florida 33982

Report on Compliance for the Passenger Facility Charge Program

We have audited Charlotte County Airport Authority's (the "Authority") compliance with the types of compliance requirements described 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 September 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on

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the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Passenger Facility Charge Program

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 its passenger facility charge program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge 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 the passenger facility charge program that is less

severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Passenger Facility Charges Collected and Expended

We have audited the financial statements of the business-type activities of the Charlotte County Airport Authority as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Charlotte County Airport Authority's basic financial statements. We issued our report thereon dated January 22, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of passenger facility charges collected and expended for the year ended September 30, 2019 (cash basis) is presented for purposes of additional analysis as required by the Federal Aviation Administration, 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 (cash basis) reported is fairly stated in all material respects in relation to the basic financial statements as a whole.

Matter of Emphasis

The accompanying schedule of passenger facility charges collected and expended is presented using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Purpose of this Report

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 result of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "TUSCAN & COMPANY, P.A." in a cursive, slightly slanted script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
January 22, 2020

CHARLOTTE COUNTY AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES (PFC) COLLECTED
AND EXPENDED (AS REPORTED TO FAA) - CASH BASIS
Year ended September 30, 2019

	Quarter Ended December 31, 2018	Quarter Ended March 31, 2019	Quarter Ended June 30, 2019	Quarter Ended September 30, 2019
Collections				
PFCs Collected	\$ 374,869	\$ 622,631	\$ 1,011,629	\$ 1,116,162
Interest Earned	1	127	3,232	6,092
Total Collection	<u>\$ 374,870</u>	<u>\$ 622,758</u>	<u>\$ 1,014,861</u>	<u>\$ 1,122,254</u>
Expenditures on Approved PFC Projects Included in Application No. 1				
17-01-C-00-PGD	\$ 333,215	\$ 592,756	\$ -	\$ -
17-01-C-01-PGD	41,614	29,938	1,472	-
19-02-C-00-PGD	-	-	-	783,076
	<u>\$ 374,829</u>	<u>\$ 622,694</u>	<u>\$ 1,472</u>	<u>\$ 783,076</u>

Notes to the Schedule of Passengers Facility Charges Collected and Expended are an integral part of this schedule.

Totals for the Year Ended September 30, 2019	Cumulative Totals for the Year Ended September 30, 2018	Cumulative Totals for the Year Ended September 30, 2019
\$ 3,125,291	\$ 1,549,773	\$ 4,675,064
9,452	57	9,509
<u>\$ 3,134,743</u>	<u>\$ 1,549,830</u>	<u>\$ 4,684,573</u>
\$ 925,971	\$ 1,549,822	\$ 2,475,793
73,024	-	73,024
<u>783,076</u>	<u>-</u>	<u>783,076</u>
-	-	-
<u>\$ 1,782,071</u>	<u>\$ 1,549,822</u>	<u>\$ 3,331,893</u>

Notes to the Schedule of Passengers Facility Charges Collected and Expended are an integral part of this schedule.

CHARLOTTE COUNTY AIRPORT AUTHORITY
NOTES TO THE SCHEDULE OF PASSENGER FACILITY
CHARGES (PFC) COLLECTED AND EXPENDED - CASH BASIS
Year ended September 30, 2019

General

The accompanying schedule of passenger facility charges (PFC) collected and expended presents the activity of all passenger facility charges of Charlotte County Airport Authority pursuant to application 17-01-C-00-PGD. The Charlotte County Airport Authority is approved for a level of PFC of \$2.00 per passenger to a total revenue of \$5,225,793 beginning August 1, 2017, and approved for use of \$2,475,793. On November 1, 2018 the FAA approved Amendment No. 17-01-C-01-PGD to increase the collection level from \$2.00 to \$4.50 per passenger, with an overall increase in collections and use of \$73,024 with total approved collection increasing to \$5,298,817 effective January 1, 2019. Expiration date of this amendment is August 1, 2020. Collections prior to January 1, 2019 continued at the previously approved level of \$2.00 per passenger.

The Authority was approved for Application 19-02-C-00-PGD for a level of PFC of \$4.50 per passenger effective August 1, 2020 based upon the estimated charge expiration date for the previously collections in application 17-01-C-00-PGD, as amended. The total approved revenue to be collected for this application is \$6,804,381 and the total amount approved for use of PFC revenue in this application is \$9,554,381. The approval of this application brings the total approved PFC collection and use amount to \$12,103,198. This application is anticipated to expire on June 1, 2023.

Basis of Accounting

The accompanying schedule of passenger facility charges collected and expended is presented using the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**CHARLOTTE COUNTY AIRPORT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
 PASSENGER FACILITY CHARGE PROGRAM
 Year ended September 30, 2019**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified		
Internal control over financial reporting:			
Significant deficiency(ies) identified?	_____ Yes	<u> X </u>	No
Material weakness(es) identified?	_____ Yes	<u> X </u>	None reported
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u>	No

Passenger Facility Charge Program Section

Internal control over program:			
Significant deficiency(ies) identified?	_____ Yes	<u> X </u>	No
Material weakness(es) identified?	_____ Yes	<u> X </u>	None reported
Type of auditors report issued on compliance for the passenger facility charge program?	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies?	_____ Yes	<u> X </u>	No

This Schedule encompasses the Charlotte County Airport Authority only, and is provided as required by the Passenger Facility Charge Program

Section II- Financial Statement Findings

There were no deficiencies, material weaknesses, or instances of noncompliance related to the financial statements.

Section III- Findings and Questioned Costs - Passenger Facility Charge Program

There were no such findings required to be reported related to the audit of the Passenger Facility Charge Program.

Section IV- Status of Prior Year Findings

There were no prior year findings.