

Broward County Aviation Department

Report on Passenger Facility Charge Program
in Accordance with the *Passenger Facility Charge
Audit Guide for Public Agencies*
Fiscal Year Ended September 30, 2020

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RSM US LLP

Independent Auditor's Report

To the Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, Florida

Report on the Schedule of the Passenger Facility Charges Collected and Expended

We have audited the accompanying Schedule of Passenger Facility Charges Collected and Expended (the Schedule) by the Broward County Aviation Department (the Department) for the passenger facility charge program for the year ended September 30, 2020 and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this Schedule in accordance with the cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

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

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the passenger facility charges collected and expended by the Department for the passenger facility charge program for the year ended September 30, 2020, in accordance with the cash basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the Schedule, which describes the basis of accounting. The Schedule is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, our report dated May 18, 2021, on our consideration of the Department'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 Department'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 Department's internal control over financial reporting and compliance.

Restriction on Use

This report is intended solely for the information and use of the management of the Department, the Board of County Commissioners and the Federal Aviation Administration, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
May 18, 2021

Broward County Aviation Department

**Schedule of Passenger Facility Charges Collected and Expended
Fiscal Year Ended September 30, 2020**

Beginning Balance of PFC Collections	\$ 175,828,477
PFC Collections	45,577,660
Interest Earned	2,686,209
PFC Expenditures	<u>(84,902,064)</u>
Ending Balance of PFC Collections	<u><u>\$ 139,190,282</u></u>

See accompanying notes to Schedule.

Broward County Aviation Department

Notes to Schedule of Passenger Facility Charges Collected and Expended Fiscal Year Ended September 30, 2020

Note 1. General

The accompanying Schedule of Passenger Facility Charges Collected and Expended (the Schedule) presents the activity of the passenger facility charge program of the Broward County Aviation Department (the Department) for the year ended September 30, 2020. All passenger facility charges collected and expended are included in the accompanying Schedule. Because the Schedule presents only a select portion of the operations of the Department, it is not intended to and does not present the financial position, change in net position or cash flows of the Department.

The Passenger Facility Charge program authorizes public agencies controlling commercial service airports to impose a charge of \$1, \$2, \$3 or \$4.50 per enplaned passenger. The objective of such proceeds from such passenger facility charges (PFCs) is to finance approved, eligible airport-related projects that preserve or enhance safety or security of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

Note 2. Basis of Accounting

The Schedule is prepared on the cash basis of accounting. Under the cash basis, expenses are recognized when paid rather than when the obligation is incurred and receipts are recorded when cash is received rather than when earned. However, the Department's financial statements are prepared on the accrual basis of accounting and such transactions are recorded in the financial statements when revenue is earned or expenses are incurred. The information in this Schedule is presented in accordance with the requirements of the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration in September 2000. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



RSM US LLP

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based
on an Audit of the Schedule of Passenger Facility
Charges Collected and Expended Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

To the Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, 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 Schedule of Passenger Facility Charges Collected and Expended (the Schedule) of the Broward County Aviation Department (the Department), for the passenger facility charge program for the year ended September 30, 2020, and the related notes to the Schedule and have issued our report thereon dated May 18, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's Schedule 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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the Schedule. 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 noncompliance 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 Department'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Fort Lauderdale, Florida
May 18, 2021



RSM US LLP

**Report on Compliance With Requirements Applicable
to the Passenger Facility Charge Program and
on Internal Control Over Compliance in Accordance With
the *Passenger Facility Charge Guide for Public Agencies***

Independent Auditor's Report

To the Honorable Board of County Commissioners
Broward County Aviation Department
Broward County, Florida

Report on Compliance for the Passenger Facility Charge Program

We have audited the Broward County Aviation Department's (the Department) 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 its passenger facility charge program for the year ended September 30, 2020.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions applicable to the passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Department's passenger facility charge program 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 the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Compliance for the Passenger Facility Charge Program

In our opinion, the Department 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, 2020.

Report on Internal Control Over Compliance

Management of the Department 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 Department's internal control over compliance with the types of requirements that could have a direct and material effect on its 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 its 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 Department'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 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.

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.

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

Restriction on Use

This report is intended solely for the information and use of the management of the Department, the Board of County Commissioners and the Federal Aviation Administration, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
May 18, 2021

Broward County Aviation Department

**Schedule of Findings and Questioned Costs of Passenger Facility Charges
Collected and Expended
Fiscal Year Ended September 30, 2020**

I – Summary of Independent Auditor’s Results

Schedule of Passenger Facility Charges Collected and Expended

Type of report the auditor issued on whether the Schedule audited was prepared in accordance with the cash basis of accounting:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified

_____ Yes X None Reported

Noncompliance material to Schedule noted?

_____ Yes X No

Passenger Facility Charge Program

Internal control over the program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified

_____ Yes X None Reported

Type of auditor’s report issued on compliance for the 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 X No

II – Financial Statements Findings

No matters to report.

III – Findings and Questioned Costs for the Program

No matters to report.

IV – Status of Prior Year Audit Findings

The prior year program specific audit disclosed no significant findings, and no significant uncorrected or unresolved findings exist from prior program specific audits.