



COLEMAN & WILLIAMS, LTD.
A Professional Services Firm

General Mitchell International Airport

Schedule of Passenger Facility Charges, Revenues, and
Expenses for the Period and Each Quarter During The
Period From January 1, 2011 To December 31, 2011

Together With Report of Independent Public Accountants



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULE OF
PASSENGER FACILITY CHARGES, REVENUES, AND EXPENSES**

To the Honorable Members of the Board of Supervisors
of the County of Milwaukee, Wisconsin:

We have audited the accompanying Schedule of Passenger Facility Charges (PFC), Revenues, and Expenses (Schedule) of the General Mitchell International Airport (Airport) for the annual period and each quarterly period from January 1, 2011 to December 31, 2011. The Schedule is the responsibility of the Airport's management. 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the schedule was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the passenger facility charges received, held, and used by the Airport for the period and each quarter during the period from January 1, 2011 to December 31, 2011, as defined by the Federal Aviation Administration of the U.S. Department of Transportation.

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2012 on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Milwaukee, Wisconsin

March 6, 2012

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GENERAL MITCHELL INTERNATIONAL AIRPORT

Schedule of Passenger Facility Charges, Revenues And
Expenses for the Period and Each Quarter during the Period
From January 1, 2011 to December 31, 2011

	Quarter Ended March 31, 2011	Quarter Ended June 30, 2011	Quarter Ended September 30, 2011	Quarter Ended December 31, 2011	2011 Total
Revenues	\$ 3,352,107	\$ 3,475,970	\$ 3,294,222	\$ 3,968,018	\$ 12,951,555
Expenses	(344,396)	(1,861,884)	(2,640,153)	(7,981,170)	(12,827,603)
Interest	78,462	79,596	85,299	48,539	291,896
Revenues/ (expenses)	\$ 3,086,173	\$ 1,693,682	\$ 739,368	\$ (5,103,375)	\$ 415,848

(1) Basis of Accounting-

The Schedule of Passenger Facility Charges (“PFC”), Revenues, and Expenses has been prepared on a cash basis, as prescribed by Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, issued by the Federal Aviation Administration of the United States Department of Transportation.

Revenues include amounts collected by the airlines. Expenses are presented on a cash basis and include only the expenses on approved PFC projects.

The total amount of interest reported this year consists of the actual interest for the fourth quarter of the prior year and the actual interest for the report year through December 31.

(2) Unspent Funds –

Unspent funds, December 31, 2010	\$ 19,757,232
Revenues in excess of expenses and interest	<u>415,848</u>
Unspent funds, December 31, 2011	<u>\$ 20,173,080</u>

These funds are used to cover the expenditures that may be incurred on an annual basis in current or future years. The nature of many project expenditures span several years; revenue and expenditures may not correspond on an annual basis.



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE
PASSENGER FACILITY CHARGES PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE**

To the Honorable Members of the Board of Supervisors
of the County of Milwaukee, Wisconsin:

Compliance

We have audited the compliance of General Mitchell International Airport (Airport) with the compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (Guide), for its Passenger Facility Charge program for the period and each quarter during the period from January 1, 2011 to December 31, 2011. Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge program is the responsibility of the Airport's management. Our responsibility is to express an opinion on the Airport's compliance based on our audit.

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 non-compliance with the 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 Airport'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. Our audit does not provide a legal determination of the Airport's compliance with those requirements.

In our opinion, the Airport complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge program for the period and each quarter during the period from January 1, 2011 to December 31, 2011.

Internal Control Over Compliance

The management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge program. In planning and performing our audit, we considered the Airport's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Airport's internal control over compliance.



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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 a combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that a 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the Honorable Members of the Board of Supervisors, the County of Milwaukee, the U.S Federal Aviation Administration, and the airline parties operating at the Airport and it is not intended to be and should not be used by anyone other than these specified parties.

Milwaukee, Wisconsin
March 6, 2012

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE
SCHEDULE OF PASSENGER FACILITY CHARGES, REVENUES AND
EXPENSES PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Honorable Members of the Board of Supervisors
of the County of Milwaukee, Wisconsin:

We have audited the Schedule of Passenger Facility Charges, Revenues and Expenses (Schedule) of General Mitchell International Airport (Airport) for the period and each quarter during the period from January 1, 2011 to December 31, 2011, and have issued our report thereon dated March 6, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Airport's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the Schedule but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over financial reporting.

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 Schedule will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Schedule of the Airport is free of material misstatement, we performed tests of its compliance with certain



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provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the Schedule's amounts. 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*.

This report is intended for the Honorable Members of the Board of Supervisors, the County of Milwaukee, the U.S Federal Aviation Administration, and the airline parties operating at the Airport and it is not intended to be and should not be used by anyone other than these specified parties.

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March 6, 2012

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