



COLEMAN & WILLIAMS, LTD.  
*A Professional Services Firm*

## **Milwaukee Mitchell International Airport**

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Schedule of Passenger Facility Charges, Revenues, and  
Expenses for the period of, and each quarter within, January  
1, 2021 to December 31, 2021

Together with Independent Auditors' Report



## INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF PASSENGER FACILITY CHARGES, REVENUES, AND EXPENSES

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

### Report on the Schedule of Passenger Facility Charges, Revenues, and Expenses

#### Opinion

We have audited the accompanying Schedule of Passenger Facility Charges (PFC), Revenues, and Expenses (Schedule) of Milwaukee Mitchell International Airport (the "Airport"), for the annual period and each quarterly period from January 1, 2021 to December 31, 2021 and the related notes to the accompanying Schedule.

In our opinion, the Schedule referred to above present 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, 2021 to December 31, 2021, in accordance with the provisions of 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 as described in Note 1.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are required to be independent of the Airport, and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

#### Emphasis of a Matter - Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared by Milwaukee Mitchell International Airport on the basis of the financial reporting provisions of Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the



requirements of the Federal Aviation Administration of the United States Department of Transportation. Our opinion is not modified with respect to that matter.

### **Management's Responsibility for the Schedule of Passenger Facility Charges, Revenues, and Expenses**

The Airport's management is responsible for the preparation and fair presentation of the Schedule in accordance with 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. 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.

### **Auditors' Responsibilities for the Audit of the Schedule**

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards,

we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
  
- Identify and assess the risks of material misstatement of the schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
  
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- Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedule.
- Obtain an understanding of internal control relevant to the audit 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 Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluate the overall presentation of the schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated July 5, 2022, 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, grants, agreements and other matters. The purpose of that report is to solely 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 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 Airport's internal control over financial reporting and compliance.

#### **Restriction on Use**

This report is intended for the Board of Supervisors of the County of Milwaukee, the U.S. Federal Aviation Administration, and the airlines 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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Milwaukee, Wisconsin  
July 5, 2021



## MILWAUKEE MITCHELL INTERNATIONAL AIRPORT

Schedule of Passenger Facility Charges, Revenues and Expenses for the Period and Each Quarter during the Period From January 1, 2021 to December 31, 2021

	Quarter Ended March 31, 2021	Quarter Ended June 30, 2021	Quarter Ended September 30, 2021	Quarter Ended December 31, 2021	Total 2021
Revenues	\$ 1,078,409	\$ 2,136,647	\$ 2,514,175	\$ 2,532,185	\$ 8,261,416
(Expenses)	-	-	-	(8,321,360)	(8,321,360)
Interest	-	-	-	116,880	116,880
Revenues/ (Expenses)	\$ 1,078,409	\$ 2,136,647	\$ 2,514,175	\$ (5,672,294)	\$ 56,936

### (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 actual interest for the report year through December 31.

### (2) Unspent Funds –

Unspent funds, December 31, 2020	\$ 42,738,931
Adjustment to unspent funds balance	(101,643)
Revenues more than Expenses	<u>56,936</u>
Unspent funds, December 31, 2021	<u>\$ 42,694,224</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.



**INDEPENDENT AUDITORS' 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 Board of Supervisors of the  
County of Milwaukee, Wisconsin:

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, Revenues and Expenses (the "Schedule") of Milwaukee Mitchell International Airport (Airport) for the period and each quarter during the period from January 1, 2021 to December 31, 2021, and have issued our report there on dated July 5, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the Airport's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Airport'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 Airport's financial statements 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 or significant deficiencies may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Schedule of the Airport 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 Airport'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 Airport's internal control and of compliance. Accordingly, this communication is not suitable for any other purpose.

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Milwaukee, Wisconsin  
July 5, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH  
THE PASSENGER FACILITY AUDIT GUIDE**

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

**Report on Compliance**

**Opinion on Compliance for Passenger Facility Charge Program**

We have audited Milwaukee Mitchell International Airport (Airport) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (PFC), that could have a direct and material effect on the Airport's Passenger Facility Charge Program for the period and each quarter during the period from January 1, 2021 to December 31, 2021.

**Basis for Opinion**

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; and the PFC Guide. Our responsibilities under those standards and the PFC Guide 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 Airport and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Airport's compliance with the compliance requirements referred to above.





## **Management's Responsibilities 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 Airport's Passenger Facility Charge program.

## **Auditors' 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 Milwaukee Mitchell International Airport'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 generally accepted auditing standards, Government Auditing Standards, and the PFC 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 Milwaukee Mitchell International Airport's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the PFC Guide, we:

- Exercise professional judgement and 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 Milwaukee Mitchell International Airport'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 Milwaukee Mitchell International Airport'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 PFC Guide but not for the purpose of expressing an opinion on the effectiveness of Milwaukee Mitchell International Airport'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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section 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 PFC Guide. Accordingly, this report is not suitable for any other purpose.

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Milwaukee, Wisconsin  
July 5, 2022