

Muskegon County Airport

(An Enterprise Fund of
the County of
Muskegon, Michigan)



For the
Year Ended
September 30,
2019

Report on
Schedule of
Passenger Facility
Charges (PFC)
Collected and
Expended

MUSKEGON COUNTY AIRPORT

(An Enterprise Fund of the County of Muskegon, Michigan)

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**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF PASSENGER FACILITY CHARGES
COLLECTED AND EXPENDED**

March 27, 2020

Honorable Members of the
Board of Commissioners
of the County of Muskegon, Michigan
Muskegon, Michigan

We have audited the financial statements of the *County of Muskegon, Michigan* (the "County") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated March 27, 2020, which contained unmodified opinions on those financial statements. The County's financial statements include the financial position and results of operations of the Muskegon County Airport, a major enterprise fund. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Schedule of Passenger Facility Charges (PFC) Collected and Expended is presented for purposes of additional analysis as required by the *Passenger Facility Charge Audit Compliance and Reporting Guide for Public Agencies* (the "Guide"), issued 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Robson LLC

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Schedule of Passenger Facility Charges (PFC) Collected and Expended

For the Year Ended September 30, 2019

Period	Unliquidated PFC Revenue Account, Beginning Balance	PFC Receipts	Expenditures	Unliquidated PFC Revenue Account, Ending Balance
First Quarter				
October 1 - December 31, 2018	\$ (811,264)	\$ 17,825	\$ -	\$ (793,439)
Second Quarter				
January 1 - March 31, 2019	(793,439)	11,637	-	(781,802)
Third Quarter				
April 1 - June 30, 2019	(781,802)	33,872	-	(747,930)
Fourth Quarter				
July 1 - September 30, 2019	(747,930)	25,849	-	(722,081)
Fiscal Year				
October 1, 2018 - September 30, 2019	<u>\$ (811,264)</u>	<u>\$ 89,183</u>	<u>\$ -</u>	<u>\$ (722,081)</u>

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE
PASSENGER FACILITIES CHARGE (PFC) PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

March 27, 2020

Honorable Members of the
Board of Commissioners
of the County of Muskegon, Michigan
Muskegon, Michigan

Report on Compliance for the Passenger Facility Charge Program

We have audited the compliance of the *Muskegon County Airport* (the “Department”, an enterprise fund of the County of Muskegon, Michigan) with the types of compliance requirements described in the *Passenger Facility Charge Audit Compliance and Reporting Guide for Public Agencies* (the “Guide”), issued by the Federal Aviation Administration for its 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 its Passenger Facility Charge program.

Independent Auditors' 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 Passenger Facility Charge program. However, our audit does not provide a legal determination of the Department's compliance with those requirements.

Opinion on the Passenger Facility Charge Program

In our opinion, the Department complied, in all material respects, with the types of 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 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 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 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 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.

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.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

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Schedule of Findings and Questioned Costs

For the Year Ended September 30, 2019

None noted

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Summary Schedule of Prior Audit Findings

For the Year Ended September 30, 2019

None noted