

REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE PASSENGER FACILITY CHARGE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF PASSENGER FACILITY CHARGES IN ACCORDANCE WITH THE *PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES*

Independent Auditors' Report

To the City Council and the Jetport Management
City of Portland, Maine

Report on Compliance for the Passenger Facility Program

Opinion on the Passenger Facility Charge Program

We have audited the Portland International Jetport (an enterprise fund of the City of Portland, Maine) (the "Jetport") compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the Guide) that could have a direct and material effect on the Jetport's Passenger Facility Charge (PFC) Program for the year ended June 30, 2024. The Jetport's PFC Program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Jetport 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 June 30, 2024.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit 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 audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of the Jetport 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 opinion on compliance for the Jetport's Passenger Facility Charge Program. Our audit does not provide a legal determination of the Jetport's compliance with the compliance requirements referred to above.

Responsibilities of Management 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, regulations, contracts, and grants applicable to the 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 the Jetport'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 GAAS, *Government Auditing Standards*, and the Guide will always detect a material noncompliance when it exists. The risk of not detecting material noncompliance 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. 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 the Jetport's compliance with the requirements of the Passenger Facility Charge Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of 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 the Jetport's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- Obtain an understanding of the Jetport'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the Jetport'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, 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 the PFC 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 PFC 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 PFC 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 above 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. However, material weaknesses and significant deficiencies may exist that have not been 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 Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charges Required by the Guide

We have audited the financial statements of the Portland International Jetport (an enterprise fund of the City of Portland, Maine) (the Jetport), as of and for the year ended June 30, 2024, and have issued our report thereon dated March 5, 2025, 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 Jetport's basic financial statements. The accompanying Schedule of Passenger Facility Charges is presented for purposes of additional analysis as required by the Guide 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 basic 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 GAAS. In our opinion, the Schedule of Passenger Facility Charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Merrimack, NH
March 4, 2025

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SCHEDULE OF COLLECTIONS AND EXPENDITURES OF PASSENGER FACILITY CHARGES
For the Year and Each Quarter Within the Year Ended June 30, 2024

	Approved Amounts Impose and Use	Memorandum Only Cumulative Totals June 30, 2023	Quarter Ended September 30, 2023	Quarter Ended December 31, 2023	Quarter Ended March 31, 2024	Quarter Ended June 30, 2024	Year Ended June 30, 2024	Memorandum Only Cumulative Totals June 30, 2024
02-03-C-00-PWM								
02-03-C-01-PWM (amended)								
02-03-C-03-PWM (amended)								
Passenger facility charge revenue and interest	\$ 19,425,418	\$ 18,307,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,307,785
Expenditures:								
Passenger boarding bridge acquisition	1,801,055	1,524,470	-	-	-	-	-	1,524,470
Terminal canopy completion	2,533,199	2,242,671	-	-	-	-	-	2,242,671
Baggage claim expansion and improvements	8,163,503	8,166,295	-	-	-	-	-	8,166,295
Passenger boarding bridge regional jet modifications	219,791	180,065	-	-	-	-	-	180,065
Runway 11/29 upgrade and relocation	1,648,223	1,480,483	-	-	-	-	-	1,480,483
Taxiway improvements	188,374	170,264	-	-	-	-	-	170,264
Terminal roadway system expansion	3,033,152	2,784,031	-	-	-	-	-	2,784,031
Snow removal equipment acquisition	1,784,926	1,694,362	-	-	-	-	-	1,694,362
PFC application costs and program administration	53,195	65,144	-	-	-	-	-	65,144
Total Expenditures	\$ 19,425,418	\$ 18,307,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,307,785
10-05-C-00-PWM								
Passenger facility charge revenue and interest	\$ 132,206,104	\$ 46,097,316	\$ 999,802	\$ 1,146,920	\$ 901,363	\$ 1,173,282	\$ 4,221,367	\$ 50,318,683
Expenditures:								
Terminal building expansion	120,717,387	38,278,454	1,025,477	-	1,025,477	-	2,050,954	40,329,408
Passenger boarding bridges	3,279,957	2,581,781	27,102	-	27,102	-	54,204	2,635,985
Roadway realignment project	8,208,760	1,064,911	71,971	-	71,971	-	143,942	1,208,853
Total Expenditures	\$ 132,206,104	\$ 41,925,146	\$ 1,124,550	\$ -	\$ 1,124,550	\$ -	\$ 2,249,100	\$ 44,174,246

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Note to the Schedule of Collections and Expenditures of Passenger Facility Charges

Year Ended June 30, 2024

1. Basis of Accounting

The Schedule of Collections and Expenditures of Passenger Facility Charges reports Passenger Facility Charge (PFC) amounts collected by the airlines and transferred to the Portland International Airport (the “Jetport”) and the Jetport’s expenditures of those funds for the debt service approved by the Federal Aviation Administration (FAA). All amounts are reported on the cash basis of accounting.

2. Amendment and Closeout

The Jetport received an amendment approval from the FAA for the closeout of application 02-03-C-01-PWM that increased the impose and use authority total from \$18,945,754 to \$19,425,418.

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**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: unmodified

Internal Control Over Financial Reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Passenger Facility Charge Program (the Program)

Internal Control over the Program:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes 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 *Passenger Facility Charge Audit Guide for Public Agencies*? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION II – FINDINGS AND QUESTIONED COSTS FOR THE PFC PROGRAM

None reported.