



ARMSTRONG, BACKUS & CO., LLP

Certified Public Accountants

**CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field**

**Report on Audit of
Passenger Facility Charge Program**

For the Year Ended September 30, 2013



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CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

Report on Audit of Passenger Facility Charge Program
Table of Contents

For the Year Ended September 30, 2013

Independent Auditors' Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and on Internal Control over Compliance	1-2
PFC Revenue and Disbursement Schedule	3-4
Schedule of Passenger Facility Charge Program Findings and Questioned Costs	5
Corrective Action Plan	6
Summary Schedule of Prior Year Audit Findings	7



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American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on the Passenger Facility Charge Program and on Internal Control over Compliance

Honorable Mayor and City Council

Report on Compliance

We have audited the City of San Angelo, Texas' compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on its passenger facility charge program at San Angelo Regional Airport/Mathis Field for the year ended September 30, 2013.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to its passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City of San Angelo, Texas' 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 City of San Angelo, Texas' 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. However, our audit does not provide a legal determination of City of San Angelo, Texas' compliance with those requirements.

Opinion

In our opinion, City of San Angelo, Texas, 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, 2013.

Report on Internal Control Over Compliance

Management of the City of San Angelo, Texas 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 City of San Angelo, Texas' internal control over compliance with the requirements that could have a direct and material effect on the passenger facility charge program to

determine the auditing procedures for the purpose of expressing our opinion on compliance 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 City of San Angelo, Texas' 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 set forth by the Guide 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 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 deficiencies, 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. However, material weaknesses may exist that have not been identified.

Schedule of Revenue and Disbursement of Passenger Facility Charges

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Angelo, Texas, as of and for the year ended September 30, 2013, and have issued our report thereon dated April 28, 2014, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City of San Angelo, Texas' financial statements. The accompanying PFC Revenue and Disbursement Schedule is presented for purposes of additional analysis as required by the Guide, and is not a required part of the 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 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 financial statements or to the 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 financial statements as a whole.

This report is intended solely for the information and use of management, the City Council, others within the entity, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Armstrong, Backus & Co., L.L.P.

San Angelo, Texas
April 28, 2014



CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

PFC Revenue and Disbursement Schedule

For the Year Ended September 30, 2013

	FY12 Program Total	Quarter 1 Oct-Dec	Quarter 2 Jan-Mar	Quarter 3 Apr-Jun	Quarter 4 Jul-Sep	FY13 Total	FY13 Program Total
Revenue							
Collections	\$ 3,678,995	\$ 60,145	\$ 51,346	\$ 63,730	\$ 71,875	\$ 247,096	\$ 3,926,091
Interest	138,830	409	794	460	1,034	2,697	141,527
Total Revenue	\$ 3,817,825	\$ 60,554	\$ 52,140	\$ 64,190	\$ 72,909	\$ 249,793	\$ 4,067,618
Disbursements							
93-01-C-02-SJT-All Complete							
Ovly RW321, South GA, RW	\$ 189,876	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 189,876
EA for Runway Extensions	9,729	-0-	-0-	-0-	-0-	-0-	9,729
Master Plan Update	25,636	-0-	-0-	-0-	-0-	-0-	25,636
Upgrade Lighting RX 18/Twy P	26,827	-0-	-0-	-0-	-0-	-0-	26,827
Overlay Twy C	5,889	-0-	-0-	-0-	-0-	-0-	5,889
Total 93-01-C-02-SJT	\$ 257,957	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 257,957
96-02-U-00-SJT-All Complete							
Perimeter/Emergency Road	\$ 38,450	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 38,450
Extend RW 36, RW3-21, Parallel	298,822	-0-	-0-	-0-	-0-	-0-	298,822
Relocate ILS and ALS RW3	48,307	-0-	-0-	-0-	-0-	-0-	48,307
Security Update	22,233	-0-	-0-	-0-	-0-	-0-	22,233
Total 96-02-U-00-SJT	\$ 407,812	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 407,812
98-03-C-0-SJT							
Reconstruct Portion Twy A-Complete	\$ 74,942	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 74,942
PFC Application	50,657	-0-	-0-	-0-	-0-	-0-	50,657
Airport Lighting Upgrade-Complete	55,590	-0-	-0-	-0-	-0-	-0-	55,590
Renovate/Expand Terminal Bid	256,538	-0-	-0-	-0-	-0-	-0-	256,538
Total 98-03-C-0-SJT	\$ 437,727	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 437,727
00-04-U-00-SJT							
ARFF Building	\$ 141,982	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 141,982
Runway/Ramp Sweeper	21,400	-0-	-0-	-0-	-0-	-0-	21,400
Total 00-04-U-00-SJT	\$ 163,382	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 163,382
04-05-C-00-SJT							
Acquire 1,500 Gallon ARFF Vehicle	\$ 71,875	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 71,875
Rehabilitate Runways 9/27 and 3/21	143,968	-0-	-0-	-0-	-0-	-0-	143,968
Rehabilitate Runway Lighting	19,739	-0-	-0-	-0-	-0-	-0-	19,739
Acquire Runway 21 PRZ Land	8,545	-0-	-0-	-0-	-0-	-0-	8,545
Rehabilitate Taxiway A,B,C,D,E,F,H	15,209	-0-	-0-	-0-	-0-	-0-	15,209
Total 04-05-C-00-SJT	\$ 259,336	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 259,336
06-07-C-00-SJT							
Terminal Concourse Addition	\$ 214,246	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 214,246
Total 06-07-C-00-SJT	\$ 214,246	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 214,246
06-07-C-00-SJT							
Rehabilitate Runway 18/36	\$ 154,875	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 154,875
Rehabilitate Taxiway A, B, and Lighting	14,932	-0-	-0-	-0-	-0-	-0-	14,932
Rehabilitate Runway 9/27 Lighting	25,000	-0-	-0-	-0-	-0-	-0-	25,000
Apron Rehabilitation - Section A	426,398	-0-	-0-	-0-	-0-	-0-	426,398
Terminal Seating	103,539	-0-	-0-	-0-	-0-	-0-	103,539
Total 06-07-C-00-SJT	\$ 724,744	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 724,744

CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

PFC Revenue and Disbursement Schedule

For the Year Ended September 30, 2013

	FY12						FY13	
	Program	Quarter 1	Quarter 2	Quarter 3	Quarter 4	FY13	Program	FY13
	Total	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total	Total	Total
09-08-C-00-SJT								
Taxiway B Rehabilitation	\$ 93,508	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 93,508	\$ 93,508
Overhead Powerline Relocation	49,410	-0-	-0-	-0-	-0-	-0-	49,410	49,410
Terminal Renovations	51,598	-0-	-0-	-0-	113,730	113,730	165,328	165,328
PFC Program Application No. 8	29,800	-0-	-0-	-0-	-0-	-0-	29,800	29,800
Rehabilitate Taxiway A, D, and H	109,083	-0-	-0-	-0-	-0-	-0-	109,083	109,083
Runway 3-21 Rehab	22,999	-0-	-0-	-0-	-0-	-0-	22,999	22,999
Security Fence	3,407	-0-	-0-	-0-	-0-	-0-	3,407	3,407
Runway 9/27 Rehab	15,757	-0-	-0-	-0-	-0-	-0-	15,757	15,757
Total 09-08-C-00-SJT	\$ 375,562	\$ -0-	\$ -0-	\$ -0-	\$ 113,730	\$ 113,730	\$ 489,292	\$ 489,292
2012 09 C								
Improve Terminal Building	\$ 36,555	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 36,555	\$ 36,555
PFC Application #9	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Wildlife Hazard Assessment	2,854	-0-	-0-	-0-	-0-	-0-	2,854	2,854
Airport Layout Plan Update	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	\$ 39,409	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 39,409	\$ 39,409
Total Disbursements	\$ 2,880,175	\$ -0-	\$ -0-	\$ -0-	\$ 113,730	\$ 113,730	\$ 2,993,905	\$ 2,993,905
Net PFC Revenue (Rev - Disb)		\$ 60,554	\$ 52,140	\$ 64,190	(\$ 40,821)	\$ 136,063		
PFC Account Balance	\$ 937,650	\$ 998,204	\$ 1,050,344	\$ 1,114,534	\$ 1,073,713	\$ 1,073,713	\$ 1,073,713	\$ 1,073,713

CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

Schedule of Passenger Facility Charge Program
Findings and Questioned Costs

For the Year Ended September 30, 2013

I. Summary of Auditors' Results

- | | |
|--|---------------------|
| a. Type of report issued on the financial statements: | Unqualified Opinion |
| b. Deficiencies in internal control: | None |
| c. Material Weaknesses involving deficiencies in internal control: | None |
| d. Type of Report on compliance with PFC program: | Unqualified Opinion |
| e. Findings and questioned costs for PFC program: | None |

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with *Generally Accepted Auditing Standards*

None

III. Findings and Questioned Costs for PFC Programs

None

**CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field**

Corrective Action Plan

For the Year Ended September 30, 2013

There were no findings; therefore, Corrective Action Plan – N/A.

CITY OF SAN ANGELO, TEXAS
San Angelo Regional Airport/Mathis Field

Summary Schedule of Prior Year Audit Findings

For the Year Ended September 30, 2013

There were no prior year findings; therefore, Summary Schedule of Prior Year Audit Findings –
N/A.