

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-5
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9-18
OTHER INFORMATION	
Data Elements required by FL Statute 218.39 (3) (c)	19
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	20-21
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE AUDITOR GENERAL	22-23
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS	24
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE PROJECTS	25
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	26
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	27
MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	28-29



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Members of the Authority
Boca Raton Airport Authority
Boca Raton, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Boca Raton Airport Authority, Boca Raton, Florida ("Authority") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the basic financial statements of the Authority as of September 30, 2021, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance projects is presented for purposes of additional analysis as required by Chapter 10.550, *Rules of the Auditor General* of the State of Florida, 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance projects is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to 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 the Authority's 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 Authority's internal control over financial reporting and compliance.

B. H. & Associates

May 9, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Boca Raton Airport Authority, Boca Raton, Florida ("BRAA" or the "Authority") would like to offer the readers of the Authority's financial statements this discussion and analysis of the Authority's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the Authority's Independent Auditor's Report, basic financial statements, and accompanying notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$51,356,032.
- The change in the Authority's total net position in comparison with the prior fiscal year was an increase of \$3,012,802. The key components of the Authority's net position and change in net position are reflected in the table in the financial analysis section.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the Authority's basic financial statements. The basic financial statements report information about the Authority using accounting methods similar to those used by private sector enterprises. They consist of a statement of net position, a statement of revenues, expenses and changes in net position, a statement of cash flows, and notes to the financial statements.

Fund Financial Statements

The statement of net position presents information on all the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The statement of cash flows reports cash flows in and out from operating, investing, and financing activities. It details the sources of the Authority's cash, what it was used for, and the change in cash over the course of the fiscal year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the Authority, assets exceeded liabilities at the close of the most recent fiscal year.

FINANCIAL ANALYSIS (Continued)

Key components of the Authority's net position are reflected in the following table:

Key Components of Net Position

September 30,

	2021	2020
Current and other assets	\$ 16,851,153	\$ 13,855,106
Capital assets, net of depreciation	36,417,601	35,368,163
Total assets	53,268,754	49,223,269
Current liabilities	906,614	712,160
Long-term liabilities	1,006,108	167,879
Total liabilities	1,912,722	880,039
Net position		
Investment in capital assets	36,417,601	35,368,163
Unrestricted	14,938,431	12,975,067
Total net position	\$ 51,356,032	\$ 48,343,230

The Authority's net position reflects its investment of \$36,417,601 in capital assets (e.g. easements, buildings, leasehold improvements, and infrastructure). These assets are used to provide services to the flying public; consequently, these assets are not available for future spending. The remaining balance of \$14,938,431, unrestricted net position, may be used to meet the Authority's ongoing obligations and fund future capital improvement projects.

The Authority's net position increased by \$3,012,802 during the most recent fiscal year. The majority of the increase represents the extent to which operating revenues, revenues from state and federal grants, and interest income exceeded the cost of operations and depreciation expense. The majority of expenses funded by grant revenues are capitalized as capital assets and therefore not shown as expenses.

Key elements of the change in net position are reflected in the following table:

Change in Net Position

Fiscal Year Ended September 30,

	2021	2020
Operating activities:		
Operating revenues	\$ 5,688,876	\$ 6,097,855
Operating expenses	5,662,046	6,287,009
Net operating income (loss)	26,830	(189,154)
Nonoperating activities:		
Intergovernmental revenues	425,449	417,045
Interest Income	99,664	209,921
Total nonoperating revenues (expenses)	525,113	626,966
Capital contributions from state and federal grants	2,460,859	426,021
Change in net position	3,012,802	863,833
Total net position - beginning	48,343,230	47,479,397
Total net position - ending	\$ 51,356,032	\$ 48,343,230

As noted above and in the statement of revenues, expenses and changes in net position, the cost of all operating activities during the fiscal year ended September 30, 2021 was \$5,662,046, which includes depreciation expense. Operating expenses decreased by \$624,963 over the prior year. Prior year's expenses were 9.9% higher mainly due to repairs made in the prior year on the Engineered Material Arresting System (EMAS) bed on the departure end of Runway 05 as a result of an airfield incident. It should be noted that the cost of these repairs were covered by the airplane owner's insurer. The costs of the Authority's activities were primarily funded by operating revenues. Overall operating revenues decreased by \$443,304 over the prior year. The majority of this 7.3% decrease is a result of the insurance settlement collected in the prior year related to the airfield incident causing damage to the EMAS.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the Authority had \$61,864,565 invested in infrastructure, easements, leasehold improvements, buildings and other capital assets and accumulated depreciation of \$25,446,963, which resulted in a net book value of \$36,417,602. More detailed information about the Authority's capital assets is presented in the notes of the financial statements.

Debt Administration

As of September 30, 2021, the Authority's liability related to compensated absences was \$90,800. More detailed information about the Authority's compensated absences is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The general operations of the Airport have rebounded since the effects of COVID-19 impacted operations and revenue. Fuel revenues are expected to increase due to increasing activity and rising fuel prices. It is anticipated that the general operations of the Authority will remain constant.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the financial resources it manages and the stewardship of the facilities it maintains to all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Boca Raton Airport Authority, 903 NW 35th Street, Boca Raton, Florida 33431.

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

ASSETS

Current assets:

Cash and cash equivalents	\$ 5,581,259
Receivables	229,953
Due from other governments	913,666
Certificates of deposit	8,469,705
Certificates of deposit, restricted	1,006,108
Other assets	289,323
Total current assets	<u>16,490,014</u>

Noncurrent assets:

Rent receivable	361,139
Capital assets:	
Non-depreciable assets	11,929,708
Depreciable assets	49,934,856
Less accumulated depreciation	<u>(25,446,963)</u>
Total noncurrent assets	<u>36,778,740</u>
Total assets	<u><u>\$ 53,268,754</u></u>

LIABILITIES AND NET POSITION

Current liabilities:

Accounts payable and accrued expenses	\$ 580,947
Compensated absences	90,800
Unearned revenue	234,867
Total current liabilities	<u>906,614</u>

Noncurrent liabilities

Security deposits, payable from restricted assets	<u>1,006,108</u>
Total noncurrent liabilities	<u>1,006,108</u>
Total liabilities	<u>1,912,722</u>

Net position

Investment in capital assets	36,417,601
Unrestricted	<u>14,938,431</u>
Total net position	<u>51,356,032</u>
Total liabilities and net position	<u><u>\$ 53,268,754</u></u>

See notes to the financial statements

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Operating revenues:	
Rental income	\$ 5,162,220
Customs facility user fee	486,805
Miscellaneous income	39,851
Total operating revenues	<u>5,688,876</u>
Operating expenses:	
Professional fees	213,215
Personnel expenses	1,182,321
Office expenses	449,931
Rental of facilities	48,355
Projects expense	436,004
Customs facility operations	365,822
Utilities	126,244
Supplies and repairs	193,632
BRAA scholarship fund	25,000
Insurance	247,820
Tower operations	93,777
Travel and seminars	12,542
Promotion and special events	100,571
Depreciation	2,166,812
Total operating expenses	<u>5,662,046</u>
Operating income (loss)	26,830
Nonoperating revenues (expenses):	
Intergovernmental revenue from state and federal grants	425,449
Interest income	99,664
Total nonoperating revenues (expenses):	<u>525,113</u>
Income before capital contributions	551,943
Capital contributions from state and federal grants	<u>2,460,859</u>
Change in net position	3,012,802
Total net position - beginning	48,343,230
Total net position - ending	<u>\$ 51,356,032</u>

See notes to the financial statements

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Cash flows from operating activities:	
Cash received from tenants	\$ 5,746,695
Customs facility user fee	486,805
Miscellaneous income	39,851
Payments to employees for services	(1,209,138)
Payments to suppliers	(2,303,734)
Net cash provided (used) by operating activities	<u>2,760,479</u>
Cash flows from noncapital financing activities:	
State and federal noncapital grants received	442,592
Net cash provided (used) by noncapital financing activities	<u>442,592</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(3,204,255)
State and federal capital grants received	1,911,955
Net cash provided (used) by capital and related financing activities	<u>(1,292,300)</u>
Cash flows from investing activities:	
Interest income	168,030
Maturity of certificates of deposits	14,971,339
Purchase of certificates of deposit	(14,011,828)
Net cash provided (used) by investing activities	<u>1,127,541</u>
Net increase (decrease) in cash and cash equivalents	<u>3,038,312</u>
Cash and cash equivalents, beginning	<u>2,542,947</u>
Cash and cash equivalents, ending	<u>\$ 5,581,259</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 26,830
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	2,166,812
(Increase)/Decrease in accounts receivable and rents receivable	438,025
(Increase)/Decrease in other assets	(53,647)
Increase/(Decrease) in unearned revenue	146,450
Increase/(Decrease) in accounts payable	20,387
Increase/(Decrease) in compensated absences payable	15,622
Total adjustments	<u>2,733,649</u>
Net cash provided (used) by operating activities	<u>\$ 2,760,479</u>

See notes to the financial statements

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Boca Raton Airport Authority ("BRAA" or the "Authority") was created by the Legislature of the State of Florida, by Senate Bill No. 1030, Chapter 82-259, Laws of Florida, in June 1982. Membership was amended by Senate Bill No. 2594 in May 1999. In 2004, in accordance with section 189.429 of the Florida State Statutes, the Authority received codification of all special acts through Chapter 2004-468, House Bill No. 1675.

The Authority is composed of seven members who have jurisdiction over the operation and maintenance of and improvements to the Boca Raton Airport. The members, five of whom are appointed by the City Council of Boca Raton and two by the Palm Beach County Commission, represent the business and professional community, homeowners, and airport users. The Authority has the responsibility to construct, improve, equip, repair, maintain and operate the Airport and such buildings, structures, roads and any other development of land as the Authority deems necessary. The Authority also has the responsibility to let or lease any portion of the Airport and to fix, establish rates, collect fees and other charges for the use of services and facilities furnished by or at the Airport.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Authority is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the Authority are such that, if excluded, the financial statements of the Authority would be considered incomplete or misleading. There are no entities considered to be component units of the Authority; therefore, the financial statements include only the operations of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Authority operates as a proprietary fund type, specifically an enterprise fund. The Authority's financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The focus of a proprietary fund is the measurement of economic resources. Under this method revenues are recorded when earned and expenses are recorded when the liability is incurred, and all assets and liabilities associated with the entity are included on the balance sheet. The generally accepted accounting principles applicable to proprietary funds are similar to those applicable in the private sector.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The operating revenues of the Authority primarily consist of rent. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities and Net Position

Restricted Assets

These assets represent cash and investments set aside pursuant to contractual restrictions.

Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Deposits and Investments (Continued)

The Authority has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The Authority may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The Authority records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

Rent Receivable

Rent receivable is reported for rental payments abated when leases are signed. The amount collected over the life of the lease is a reduction in current period rental income.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the statement of net position. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is recorded using the straight-line method over the estimated useful life of the asset or in the case of leasehold improvements, the shorter of useful life or lease term.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Capital Assets (Continued)

The estimated useful lives of depreciable assets are as follows:

Assets	Years
Buildings	20
Leasehold improvements	5 - 20
Equipment	5 - 20
Infrastructure	20

Net Position

Net position is the difference between assets less liabilities. Net position in the financial statements is categorized as net investment in capital assets or unrestricted. Investment in capital assets represents net position related to infrastructure and property, plant and equipment. Unrestricted net position consists of the portion of net position that is available to fund future operations.

State and Federal Grants

In accordance with GASB Statement No. 33, the Authority records amounts from capital grants for capital outlay as contributions when allowable costs are incurred and other eligibility requirements are met.

Revenues

The Authority recognizes rent revenue as operating revenue. Rent revenue is recognized ratably over the term of the respective leases.

Compensated Absences

Authority employees are permitted to accumulate earned but unused vacation and sick pay benefits. When employment ceases, an employee is paid for accumulated vacation leave and a percent of unused sick leave hours, subject to certain limitations in accordance with the Employee Handbook. The obligation for vacation and sick pay vests when earned. Accumulated vacation and sick leave is recorded as an expense and liability as the benefits accrue to employees.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s).

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The Executive Director submits an annual budget to the Members of the Authority. By September 30 of each year, the Members adopt the budget for the next fiscal year. Once approved, the Authority may amend the legally-adopted budget when unexpected modifications are required in estimated revenues and expenses. Legally-authorized, non-appropriated budgets are prepared for grant projects. Expenses for those projects are controlled on a project basis and are carried forward each year until the project is completed or the grant award has been expended. Revenues are budgeted in the year receipt is expected and expenses are budgeted in the year expected to be incurred.

NOTE 4 – DEPOSITS AND INVESTMENTS

The Authority's cash balances including certificates of deposit as shown below were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

As of September 30, 2021, the Authority had the following investments;

	Amortized Cost	Credit Risk	Maturities
Certificates of deposits	\$ 9,475,813	N/A	10/22/2021 - 8/30/2022
Total investments	<u>\$ 9,475,813</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The Authority places no limit on the amount the Authority may invest in any one issuer.

Interest rate risk – The Authority does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Fair Value Measurement – When applicable, the Authority measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the Authority has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Non-negotiable, non-transferable certificates of deposits that do not consider market rates are required to be reported at amortized cost, as such, the investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets, not being depreciated				
Land avigation easement	\$ 1,791,886	\$ -	\$ -	\$ 1,791,886
Avigation Easement	4,835,960	-	-	4,835,960
Projects in progress	2,105,613	2,417,823	(176,646)	4,346,790
Sublease Procurement Fee	955,071	-	-	955,071
Total capital assets, not being depreciated	9,688,530	2,417,823	(176,646)	11,929,707
Capital assets, being depreciated				
Buildings	11,527,027	-	-	11,527,027
Leasehold improvements	9,311,310	-	-	9,311,310
Machinery, equipment, and fixtures	2,032,830	-	-	2,032,830
Infrastructure	26,088,617	975,073	-	27,063,690
Total capital assets, being depreciated	48,959,784	975,073	-	49,934,857
Less accumulated depreciation for:				
Buildings	4,125,600	530,028	-	4,655,628
Leasehold improvements	6,474,912	360,957	-	6,835,869
Machinery, equipment, and fixtures	1,601,785	133,800	-	1,735,585
Infrastructure	11,077,854	1,142,027	-	12,219,881
Total accumulated depreciation	23,280,151	2,166,812	-	25,446,963
Total capital assets, being depreciated, net	25,679,633	(1,191,739)	-	24,487,894
Total capital assets, net	\$ 35,368,163	\$ 1,226,084	\$ (176,646)	\$ 36,417,601

NOTE 6 – LEASE COMMITMENTS

Land Lease

In May 2012 the Authority made a one-time payment of approximately \$950,000 (the sublease procurement fee), to an unaffiliated private company to obtain the right to lease a parcel of 1.79 acres adjacent to the Airport until 2073. The Authority then signed a lease agreement with the Florida Atlantic Research and Development Authority (FARDA), the lessor of the 1.79 acre parcel. FARDA leases this land adjacent to the Airport from the Board of Trustees of the Internal Improvement Fund of the State of Florida, the same entity which leases the Airport land to the Authority. This lease ends in 2073, and calls for rental payments of \$21,000 per year adjusted each year by the greater of 3% or the change in the Consumer Price Index. In June 2014 the lease was amended to include an additional 1.32 acre parcel. The amendment calls for additional rental payments of \$12,899 per year adjusted by the greater of 3% or the change in Consumer Price Index. The amendment did not change the term of the lease. Since neither the one-time payment nor the lease transfers title to the Authority at the end of the lease and since there is no bargain purchase option, these transactions do not meet the capitalization requirements for land under generally accepted accounting principles and is therefore treated as an operating lease. This lease also contains a fifteen year renewal option.

NOTE 6 – LEASE COMMITMENTS (Continued)

Minimum annual rent commitments under the operating lease noted above are as follows:

Fiscal Year Ending September 30,		Amount
		Land
2022	\$	3,672,957
2023		3,628,575
2024		3,628,575
2025		3,628,575
2026		3,628,575
Thereafter		29,813,407
	\$	<u>48,000,664</u>

NOTE 7 – COMPENSATED ABSENCES

Compensated absences activity for the year ended September 30, 2021 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Compensated absences	\$ 75,178	\$ 87,935	\$ (72,313)	\$ 90,800	\$ 90,800

NOTE 8 – RENTAL INCOME

The Authority has lease agreements with fixed base operators and various other tenants. Each lease agreement varies as to expiration and lease rates, contingent on location and terms of each agreement. The lease rates are reviewed annually and adjustments are made based on the provisions of each agreement. At September 30, 2021, cost and net book value of capital assets that are leased are \$2,102,577 and \$116,201, respectively.

Rental income for the year ended September 30, 2021 is summarized as follows:

Tenant	Property Leased	Lease Expiration	
Tenant A	Acreage and Hangar	September 2031	\$ 279,164
Tenant B	Acreage and Hangar	June 2033	2,187,499
Tenant C	Acreage	June 2041	402,344
Tenant D	Acreage	February 2032	818,383
Tenant E	Acreage and Hangar	September 2035	565,342
Tenant F	Acreage	November 2038	909,488
			<u>\$ 5,162,220</u>

At September 30, 2021, future minimum lease payments under the operating leases are as follows:

Fiscal Year Ending September 30,	
2022	\$ 43,764
2023	45,077
2024	46,429
2025	47,822
2026	49,257
Thereafter	4,961,848
	<u>\$ 5,194,197</u>

In addition to base rent and past annual consumer price index adjustments, the lease agreements include future annual consumer price index adjustments and various usage charges. Given the uncertainty of these future adjustments and usage charges, they have not been included in the schedule of future minimum lease payments.

NOTE 9 – RETIREMENT PLANS

Employee Retirement Plan

The Authority sponsors a Qualified Retirement Plan (the “401(a) Plan”) as defined by Section 401 (a) of the Internal Revenue Code to provide for employees when they retire. The Authority contributes an amount equal to 25% of an employee's base pay plus any bonus (performance incentive) to the Plan. Employees may contribute additional amounts to the Plan up to the limits established from time to time by the IRS, but such additional amounts are subject to income taxation, FICA and Medicare deductions. All full-time employees over 18 years of age are eligible to participate in the 401(a) Plan after ninety days of service. Contributions are vested after one (1) year of employment.

Deferred Compensation Plan

The Authority has also adopted a Deferred Compensation Plan (the “457 Plan”) to provide retirement income and other deferred benefits to its employees in accordance with the provisions of Section 457 of the Internal Revenue Code. Under the 457 Plan, employees may defer a portion of their pre-tax salary, which is then unavailable until retirement, separation from service, death or in the case of an unforeseeable emergency. All full-time employees over 18 years of age are eligible to participate in the 457 Plan after ninety days of service. The Authority contributes 5% of the employee's base pay plus any bonus (performance incentive) to the Plan. Employees may contribute additional amounts to the Plan on a pre-income tax basis, up to the limits established from time to time by the IRS. All contributions are subject to FICA and Medicare deductions. The assets of the 457 Plan are held by a third party in trust for the exclusive benefit of the 457 Plan participants and their beneficiaries, and the assets shall not be diverted to any other purpose.

For the year ended September 30, 2021, the Authority contributed \$204,042 to the Plans.

The Plans are administered by ICMA Retirement Corporation, an independent third party administrator.

NOTE 10 – LAND LEASE WITH THE STATE OF FLORIDA

In October 1983, the Authority entered into an agreement with the Board of Trustees of the Internal Improvement Fund of the State of Florida to lease the Airport land rent-free, together with existing improvements, for a period of ninety years from January 1983 to 2073. This lease with the State of Florida can be terminated at the sole option of the State of Florida if and when the Airport facilities cease to be used for the operation of the Airport. At termination, all fixed improvements would become the property of the State of Florida.

NOTE 11 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for these risks of loss. Claims have not exceeded this commercial coverage in any of the past three years. Prior to December 2020, the Authority had decided not to insure the Engineered Material Arresting Systems (EMAS). Since December 2020, the Authority has carried commercial insurance on the EMAS.

NOTE 12 – PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 84 - Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

NOTE 12 – PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

GASB Statement No. 87 – Leases

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. For construction-in-progress, interest cost incurred after the beginning of the first reporting period to which this Statement is applied should not be capitalized.

GASB 91 - Conduit Debt Obligations

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. As amended by GASB statement No. 95, the requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

NOTE 12 – PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

GASB 92 – *Omnibus 2020*

This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including: effective date of GASB 87 for interim financial reports; intra-entity transfers between primary governments and component unit pension or OPEB plans; applicability of Statements No. 73 and 74 for reporting assets accumulated for postemployment benefits; applicability of certain requirements of GASB 84 to postemployment benefit arrangements; measurement of asset retirement obligations in government acquisitions; reporting by public entity risk pools for amounts recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements in authoritative literature and terminology used related to derivative instruments. As amended by GASB statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

GASB 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

This statement improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB 96 – *Subscription-Based Information Technology Arrangements*

This statement provides new accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs), which have become increasingly common among state and local governments in recent years. Statement 96 is based on the standards established in Statement 87, Leases. The new statement defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The guidance requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability (with an exception for short-term SBITAs, those with a maximum possible term of 12 months) and provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

NOTE 12 – PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (Continued)

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

This statement provides the following guidance: 1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) addresses relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefit provided through those plans. The first two provisions of this statement are effective immediately. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

NOTE 13 – PROJECT COMMITMENTS

In addition to fully funding projects, the Authority receives grant funding from the Federal Aviation Administration ("FAA") and the Florida Department of Transportation ("FDOT") for the costs of various projects. A grant agreement is entered into for each grant funded project the Authority begins and it may be with the FAA, FDOT or both. The grant agreements specify the percentage for which the FAA is responsible, if applicable, the percentage for which the FDOT is responsible, if applicable, and the percentage for which the Authority is responsible. The Authority's commitment to each project varies from 1% to 20%.

As of September 30, 2021, the Authority had open contracts for various projects. The contracts totaled approximately \$8,277,039, of which approximately \$4,277,253 was uncompleted at September 30, 2021.

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

<u>Item</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2021	0
Number of independent contractors compensated in September 2021	20
Employee compensation for FYE 9/30/2021 (paid/accrued)	(\$90,800.36/\$15,621.91)
Independent contractor compensation for FYE 9/30/2021	\$527,560.62
Construction projects to begin on or after October 1; (\$65K)	
Airport Road Improvements	expenditures total \$2,324,773 as of 9/30/2021
Taxiways Papa 5, Charlie, Papa 9, and Papa 10 Widening	expenditures total \$735,604 as of 9/30/2021
Storm Water Drainage System Upgrades	expenditures total \$432,706 as of 9/30/2021
Budget variance report if amended under s. 189.016(6)	Not applicable
Ad Valorem taxes;	Not applicable
Millage rate FYE 9/30/2021	Not applicable
Ad valorem taxes collected FYE 9/30/2021	Not applicable
Outstanding Bonds:	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2021	Not applicable
Special assessments collected FYE 9/30/2021	Not applicable
Outstanding Bonds:	Not applicable



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the Authority
Boca Raton Airport Authority
Boca Raton, Florida

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 basic financial statements of the Boca Raton Airport Authority, Boca Raton, Florida ("Authority") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our opinion thereon dated May 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 entity'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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*.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Shaw & Associates".

May 9, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

To the Members of the Authority
Boca Raton Airport Authority
Boca Raton, Florida

Report on Compliance for the Major State Project

We have audited the Boca Raton Airport Authority's (the "Authority") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Authority's major state project for the fiscal year ended September 30, 2021. The Authority's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, laws, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major state project 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 and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550 Rules of the Auditor General, 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 a major state project occurred. An audit includes examining, on a test basis, evidence about the Authority'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 major state project. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major State Project

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the fiscal year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority 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 Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, 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 Authority'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 a state project 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 state project 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 state project 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.

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 Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

 G. Har & Associates

May 9, 2022

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Federal/State Agency, <i>Federal Award/State Project</i>	CFDA/CSFA Number	Contract Number	Grant Number	BRAA Task/Phase	Expenditures
FEDERAL AWARDS					
US Department of Transportation:					
Federal Aviation Administration					
<i>Airport Improvement Program</i>					
	20.106	N/A	3-12-0006-024-2020	70	\$ 307,473
			3-12-0006-027-2021	55	35,686
	20.106	N/A	3-12-0006-026-2021	73	91,162
Total Expenditures of Federal Awards					<u>434,321</u>
STATE FINANCIAL ASSISTANCE					
Florida Department of Transportation					
<i>Aviation Development Grants</i>					
	55.004	G0D61	437978-1-94-01	47	446,699
	55.004	G1B50	443871-1-94-01	47A	34,301
	55.004	G1L85	423957-3-91-01	47C	62,069
	55.004	G1L86	445961-1-94--01	47B	24,966
	55.004	G1L84	437978-2-94-01	47D	151,138
	55.004	GOY90	423957-1-94-01	53	788,163
	55.004	G0T27	437955-1-94-01	54	247,320
	55.004	G01P59	447633-1-94-01	55	2,026
	55.004	ASB05	437967-1-94-01	59	14,703
	55.004	G1V26	448907-1-94-01	60B	23,162
	55.004	G1970	445678-1-94-01	64	583,589
	55.004	G1I39	429710-1-94-01	65	42,294
	55.004	G1H63	441605-1-94-01	66	18,367
	55.004	G1P58	440094-1-94-01	70	3,651
	55.004	G1W31	448978-1-94-01	75A	9,539
Total Expenditures of State Financial Assistance					<u>2,451,987</u>
Total Expenditures of Federal Awards and State Financial Assistance					<u>\$ 2,886,308</u>

See accompanying notes to schedule of expenditures of state financial assistance.

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the Boca Raton Airport Authority, Boca Raton, Florida (the “Authority”) under the federal program and state project for the fiscal year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting.

**BOCA RATON AIRPORT AUTHORITY
BOCA RATON, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
STATE PROJECTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of the Boca Raton Airport Authority, Boca Raton, Florida (the "Authority").
2. No significant deficiencies relating to the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Authority were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major state project are reported in the independent auditor's report on compliance for each major State project and on internal control over compliance required by Chapter 10.550, rules of the Auditor General.
5. The independent auditor's report on compliance with requirements that could have a direct and material effect on the state project for the Authority expresses an unmodified opinion.
6. Audit findings relative to the state project for the Authority are reported in Parts C and D of this Schedule.
7. The state project tested as a major project include:

<u>State Project</u>	<u>CFDA/CSFA#</u>
Florida Department of Transportation Aviation Development Grants	55.004

8. The dollar threshold used to distinguish between Type A or Type B for major state projects was \$300,000.

B. FINDINGS –FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – STATE PROJECTS

None

D. OTHER ISSUES

1. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act.

E. PRIOR YEAR FINDINGS - MAJOR STATE PROJECTS

N/A – no single audit performed in prior fiscal year



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Members of the Authority
Boca Raton Airport Authority
Boca Raton, Florida

We have examined the Boca Raton Airport Authority's (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Members of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

May 9, 2022



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

To the Members of the Authority
Boca Raton Airport Authority
Boca Raton, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Boca Raton Airport Authority, Boca Raton, Florida ("Authority") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 9, 2022.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 9, 2022, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the Authority, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Member of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank the Boca Raton Airport Authority, Boca Raton, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

May 9, 2022

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2020.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2021.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2021.

4. The name or official title and legal authority of the Authority are disclosed in the notes to the financial statements.
5. The Authority has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2021. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 19.