

# **CITY OF PIERRE, SOUTH DAKOTA**

## **PASSENGER FACILITY CHARGE REPORT**

**DECEMBER 31, 2019**



**RAPID CITY, SOUTH DAKOTA  
GILLETTE, WYOMING**

**City of Pierre, South Dakota**  
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**December 31, 2019**

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Independent Auditor's Report on Compliance with  
Requirements Applicable to the Passenger Facility Charge  
Program; Report on Internal Control over Compliance; and Report  
on the Schedule of Expenditures of Passenger Facility Charges

City Commission  
City of Pierre, South Dakota

Report on Compliance for the Passenger Facility Charge Program

We have audited Pierre Regional Airport Fund's 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), for its passenger facility charge program for the year ended December 31, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions applicable to this program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Pierre Regional Airport Fund's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about Pierre Regional Airport Fund'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 with the passenger facility charge program. However, our audit does not provide a legal determination of the Pierre Regional Airport Fund's Compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, the Pierre Regional Airport Fund 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 December 31, 2019.

## Report on Internal Control over Compliance

Management of the Pierre Regional Airport Fund 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 Pierre Regional Airport Fund's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pierre Regional Airport Fund'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 federal 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 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 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 the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the City of Pierre as and for the year ended December 31, 2019, and have issued our report thereon dated September 30, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of passenger facility charges 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 records 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 schedule of expenditures of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements of the City of Pierre, South Dakota.

*Casey Peterson, LTD.*

Casey Peterson, Ltd.

Rapid City, South Dakota  
September 30, 2020

**City of Pierre, South Dakota**  
**Schedule of Expenditures of Passenger Facility Charges**  
**December 31, 2019**

	Quarter Ended				Year Ended December 31, 2019		
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019			
Passenger Facility Charge Revenue Collected	\$ 4.00	\$ 12,117	\$ 21,662	\$ 24,675	\$ 58,458		
	Date Approved	Application Amount Approved	Remaining December 31, 2018	Amount Collected in Current Year	Interest Earned	Expenditures	Remaining December 31, 2019
Application 09-02-C-00-PIR	July 9, 2009	\$ 422,107	\$ (499)	\$ -	\$ -	\$ -	\$ (499)
Application 18-03-C-00-PIR	July 6, 2018	\$ 1,282,443	<u>\$ 1,269,194</u>	<u>\$ (58,458)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,210,736</u>
				\$ (58,458)	\$ -	\$ -	\$ 1,210,237

Notes to the Schedule of Expenditures of Passenger Facility Charges

The schedule is prepared on the cash basis of accounting in accordance with the passenger facility charge reporting guidelines. The City's financial statements are prepared using the full or modified-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. The PFC revenues presented represent the cash received in the quarter reported. PFC revenues not received prior to the end of each quarter are not accrued and are reported as revenues in the subsequent reporting period.

See independent auditor's report on compliance.

**City of Pierre, South Dakota  
Schedule of Current Audit Findings  
December 31, 2019**

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There were no audit findings related to the Passenger Facility Charge Program.

See independent auditor's report on compliance.

**City of Pierre, South Dakota  
Schedule of Prior Audit Findings  
December 31, 2019**

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There were no prior year audit findings related to the Passenger Facility Charge Program.

See independent auditor's report on compliance.