

# CITY OF PIERRE, SOUTH DAKOTA

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Passenger Facility Charge Report

December 31, 2021

**City of Pierre, South Dakota**  
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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**

*Opinion 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) that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2021.

In our opinion, 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, 2021.

**Basis for Opinion on the Passenger Facility Charge Program**

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 audit requirements of the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pierre Regional Airport Fund and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Passenger Facility Charge Program. Our audit does not provide a legal determination of Pierre Regional Airport Fund's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management of the Pierre Regional Airport Fund is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to this program.

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## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pierre Regional Airport Fund's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pierre Regional Airport Fund's compliance with the requirements of the federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pierre Regional Airport Fund's compliance with the compliance requirements referred to above and performing such other procedures we considered necessary in the circumstances.
- Obtain an understanding of Pierre Regional Airport Fund's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of Pierre Regional Airport Fund's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of 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 Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Passenger Facility Charges**

We have audited the financial statements of the City of Pierre as and for the year ended December 31, 2021, and have issued our report thereon dated September 12, 2022, 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 12, 2022

**City of Pierre, South Dakota**  
**Schedule of Expenditures of Passenger Facility Charges**  
**December 31, 2021**

	Quarter Ended				Year Ended December 31, 2021
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	
Passenger Facility Charge Revenue Collected	\$ 4,734.91	\$ 13,969.36	\$ 22,279.05	\$ 25,656.41	\$ 66,640

  

	Date Approved	Application Amount Approved	Remaining December 31, 2020	Amount Collected in Current Year	Interest Earned	Expenditures	Remaining December 31, 2021
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	\$ 1,165,639	\$ (66,640)	\$ -	\$ -	\$ 1,098,999
				\$ (66,640)	\$ -	\$ -	\$ 1,098,500

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, 2021**

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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, 2021**

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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.