

**WILLISTON-BASIN INTERNATIONAL AIRPORT
CITY OF WILLISTON, NORTH DAKOTA**

**PASSENGER FACILITY CHARGE
COMPLIANCE REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2021

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO PASSENGER FACILITY CHARGES
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH *PASSENGER FACILITY CHARGE GUIDE FOR PUBLIC AGENCIES***

To the Honorable Mayor and Members of the City Commissioners
Williston-Basin International Airport
Williston, North Dakota

Report on Compliance for Passenger Facility Charges Program

Opinion on Passenger Facility Charges Program

We have audited the compliance of the Williston-Basin International Airport, City of Williston, North Dakota, with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the “Guide”) for its passenger facility charge program for the year ended December 31, 2021.

In our opinion, the Williston-Basin International Airport, City of Williston, North Dakota complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect to the passenger facility charge program for the year ended December 31, 2021.

Basis for Opinion on Passenger Facility Charges 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 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 City of Williston and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the Passenger Facility Charges Program. Our audit does not provide a legal determination of City of Williston’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Williston's Passenger Facility Charges Program.

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 City of Williston'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 generally accepted auditing standards, *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 City of Williston's compliance with the requirements of the Passenger Facility Charges Program.

In performing an audit in accordance with generally accepted auditing standards, *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 City of Williston's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Williston'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 City of Williston'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 a 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 above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, 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 Passenger Facility Charge Revenue and Expenditures

We have audited the basic financial statements of the City of Williston, North Dakota as of and for the year ended December 31, 2021, and have issued our report thereon dated September 27, 2022, which contained a qualified opinion on the Governmental Activities, Business-Type Activities, Water Fund, Sewer Fund, and Aggregate Remaining Fund Information and an unmodified opinion on the General, Sales Tax and Capital Project Funds,. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of passenger facility charges and related expenditures is presented for purposes of additional analysis, as specified in the Guide, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges and related expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

This report is intended solely for the information of the City Commission, management, and the Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.



BRADY, MARTZ & ASSOCIATES, P.C.
GRAND FORKS, NORTH DAKOTA

September 27, 2022

WILLISTON-BASIN INTERNATIONAL AIRPORT
CITY OF WILLISTON, NORTH DAKOTA
 SCHEDULE OF PASSENGER FACILITY CHARGES AND RELATED EXPENDITURES
 FOR THE YEAR ENDED AND EACH QUARTER FROM
 JANUARY 1, 2021 THROUGH DECEMBER 31, 2021

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
PASSENGER FACILITY CHARGES	\$ 97,504	\$ 36,402	\$ 48,570	\$ 73,030	\$ 255,506
INTEREST EARNINGS	-	101	100	42	243
DISBURSEMENTS	-	-	(1,000,000)	-	(1,000,000)

See Note to the Schedule of Passenger Facility Charges and Related Expenditures

**WILLISTON-BASIN INTERNATIONAL AIRPORT
CITY OF WILLISTON, NORTH DAKOTA**
NOTE TO THE SCHEDULE OF PASSENGER FACILITY CHARGES
AND RELATED EXPENDITURES
FOR THE YEAR ENDED AND EACH QUARTER FROM
JANUARY 1, 2021 THROUGH DECEMBER 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of passenger facility charges and related expenditures is presented on the cash basis of accounting.

**WILLISTON-BASIN INTERNATIONAL AIRPORT
CITY OF WILLISTON, NORTH DAKOTA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
PASSENGER FACILITY CHARGE PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021**

I. Summary of Auditor's Results

- | | |
|--|------------|
| i) Internal control over passenger facility charge program | |
| Material Weakness(es) identified? | No |
| Significant Deficiency(ies) identified? | No |
| ii) Type of auditor's report issued on compliance for passenger facility charge program. | Unmodified |
| iii) Any audit findings disclosed that are required to be reported? | No |

II. Findings – Passenger Facility Charges

None

**WILLISTON-BASIN INTERNATIONAL AIRPORT
CITY OF WILLISTON, NORTH DAKOTA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS –
PASSENGER FACILITY CHARGE PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021**

None