

ANNUAL FINANCIAL REPORT
ASCENSION - ST. JAMES AIRPORT AND
TRANSPORTATION AUTHORITY

JUNE 30, 2022

ASCENSION - ST. JAMES AIRPORT AND
TRANSPORTATION AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

August 31, 2022

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To the Board Members
Ascension – St. James Airport
and Transportation Authority
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Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Report on the Audit of Financial Statements

Opinions

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ascension - St. James Airport and Transportation Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the index to the report.

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
William G. Stamm, CPA

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Basis for Opinions

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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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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Emphasis of Matter – Change in Accounting Principle

As disclosed in Note 10 to the financial statements, the Authority implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the index to the report, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 assurance.

Other Supplementary 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 other supplementary information as listed in the index to the report, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information as listed in the index to the report 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. Such 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 other supplementary information as listed in the index to the report 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 August 31, 2022, on our consideration of Ascension - St. James Airport and Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 Ascension - St. James Airport and Transportation 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 Ascension - St. James Airport and Transportation Authority's internal control over financial reporting and compliance.

Duplantier, Chapman, Hogan and Parker, LLP

New Orleans, Louisiana

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

This section of the Authority's annual financial report presents a discussion and analysis of the Authority's financial performance during the fiscal year that ended on June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. This analysis should be read in conjunction with the Authority's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total revenues of the Authority were \$1,407,564, which is an increase of \$139,569 from the prior year total revenues. The increase was due primarily to an increase in fuel sales in the current year.
- Grant and contribution revenues for the year ended June 30, 2022, were \$305,403, which is a decrease of \$137,636 from the prior year grant and contribution revenues. The decrease was due primarily to a decrease in capital grants received in the current year as most of the capital projects were completed or nearing completion in the prior year.
- Net position as of June 30, 2022, was \$15,980,840, which is a decrease of \$305,378 from the prior year net position. The decrease was due primarily to a decrease in capital grants received and an increase in airport operations expenses.
- Aviation fuel sales for the year ended June 30, 2022, were \$816,011, which is an increase of \$276,938 over the prior year aviation fuel sales. The increase in aviation fuel sales was largely related to increased fuel prices and increased airport traffic throughout the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Authority's annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Authority's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The statement of net position presents information on the Authority's assets, deferred outflows of resources, and liabilities, with the difference reported as net position. This statement is designed to display the financial position of the Authority. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority, as a whole, is improving or deteriorating.

The statement of activities reports how the Authority's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the Authority's net position and how it has changed. Net position is the difference between the Authority's assets, deferred outflows of resources, and liabilities. It is one way to measure the Authority's financial health or position.

FUND FINANCIAL STATEMENTS

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the statement of governmental funds revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and the governmental activities.

Proprietary Fund

The proprietary fund accounts for aviation fuel sales of the Authority. Proprietary funds are used to account for the same functions as business-type activities presented in the government-wide financial statements, but the fund presentation provides more detail.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Whereas the total column on the proprietary fund financial statements is the same as the business-type column in the government-wide financial statements, the governmental funds financial statements require a reconciliation to the governmental activities' total column of the government-wide financial statements.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Ascension - St. James Airport and Transportation Authority's budgetary comparisons.

FINANCIAL ANALYSIS OF THE AUTHORITY

The following is a summary of the statements of net position:

Condensed Statements of Net Position

June 30, 2022 and 2021

(Restated)

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>% Change</u>
Current and other assets	\$ 588,259	\$ 793,264	\$ (205,005)	-25.8%
Capital assets (net of depreciation)	16,044,957	16,265,001	(220,044)	-1.4%
Right of use assets (net of depreciation)	10,044	17,576	(7,532)	-42.9%
Total assets	<u>16,643,260</u>	<u>17,075,841</u>	<u>(432,581)</u>	<u>-2.5%</u>
Deferred outflows of resources	<u>13,748</u>	<u>15,059</u>	<u>(1,311)</u>	<u>-8.7%</u>
Current liabilities	106,970	195,984	(89,014)	-45.4%
Long-term liabilities	569,198	608,698	(39,500)	-6.5%
Total liabilities	<u>676,168</u>	<u>804,682</u>	<u>(128,514)</u>	<u>-16.0%</u>
Net position:				
Net investment in capital assets	15,446,612	15,630,136	(183,524)	-1.2%
Restricted for debt service	29,188	109,592	(80,404)	-73.4%
Unrestricted	<u>505,040</u>	<u>546,490</u>	<u>(41,450)</u>	<u>-7.6%</u>
Total net position	<u>\$15,980,840</u>	<u>\$ 16,286,218</u>	<u>\$ (305,378)</u>	<u>-1.9%</u>

The Authority's net position decreased \$305,378 in the year ended June 30, 2022. The primary reason for the decrease is due to the Authority having completed most of the construction projects in prior years, which resulted in a lesser amount of grant revenues being received in the current year. In addition, there was an increase in payroll expenses and repairs and maintenance expenses in the current year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The following is a summary of the changes in net position:

Condensed Statements of Activities
For the Years Ended June 30, 2022 and 2021

	2022	(Restated) 2021	Net Change	% Change
REVENUES:				
Program revenues:				
Charges for services	\$ 1,092,548	\$ 814,442	\$ 278,106	34.1%
Operating grants & contributions	90,883	76,861	14,022	18.2%
Capital grants & contributions	214,520	366,178	(151,658)	-41.4%
General revenues	9,613	10,514	(901)	-8.6%
Total revenues	<u>1,407,564</u>	<u>1,267,995</u>	<u>139,569</u>	<u>11.0%</u>
FUNCTIONAL/PROGRAM EXPENSES:				
Airport operations	402,932	301,925	101,007	33.5%
Depreciation	686,752	655,378	31,374	4.8%
Interest & fiscal charges	27,979	34,504	(6,525)	-18.9%
Bond issuance costs	-	52,200	(52,200)	100.0%
Fuel sales	595,279	346,989	248,290	71.6%
Total expenses	<u>1,712,942</u>	<u>1,390,996</u>	<u>321,946</u>	<u>23.1%</u>
Change in net position	<u>(305,378)</u>	<u>(123,001)</u>	<u>\$ (182,377)</u>	<u>148.3%</u>
Beginning net position, restated	<u>16,286,218</u>	<u>16,409,219</u>		
Ending net position	<u>\$ 15,980,840</u>	<u>\$ 16,286,218</u>		

The Authority's revenues for charges for services increased by \$278,106, or 34.1%, in the year ended June 30, 2022. The increase was primarily related to an increase in aviation fuel sales, which increased \$276,938 over the prior year aviation fuel sales. The increase in aviation fuel sales was largely related to increased fuel prices and increased airport traffic throughout the year. Grants and contributions revenues decreased \$137,636 in the year ended June 30, 2022. The decrease was due primarily to a decrease in capital grants and contributions, which decreased \$151,658 in the current year due to most of the Authority's capital projects being completed or nearing completion, resulting in decreased reimbursements received in the current year.

Airport operations expenses increased by \$101,007, or 33.5%, in the year ended June 30, 2022. The increase is primarily related to increases in salary and related expenses, maintenance and repairs expenses, and professional fees expenses in the current year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Bond issuance costs decreased by \$52,200, or 100.0%, in the year ended June 30, 2022. The decrease can be attributed to the bonds that were issued in the year ended June 30, 2021, and the costs related to the issuance. There were no bonds issued in the year ended June 30, 2022.

Fuel sales costs increased by \$248,290, or 71.6%, in the year ended June 30, 2022. The increase can primarily be attributed to an increase in cost of fuel purchased during the year. The average cost per gallon of Av Gas and Jet A fuel for the Authority in the year ended June 30, 2022, was \$3.93 and \$2.93. In the year ended June 30, 2021, the average cost per gallon of Av Gas and Jet A for the Authority were \$2.83 and \$1.83, respectively.

CAPITAL ASSETS

At June 30, 2022 and 2021, the Authority had invested \$16,055,001 and \$16,282,577, respectively, in capital assets. The capital assets consisted of the following:

(Restated)

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>	<u>% Change</u>
Land	\$ 1,882,915	\$ 1,882,915	\$ -	0.0%
Building	2,715,168	2,715,168	-	0.0%
Infrastructure	20,014,233	19,796,582	217,651	1.1%
Equipment	437,943	427,743	10,200	2.4%
Construction in progress	405,894	174,569	231,325	132.5%
Furniture	4,714	4,714	-	0.0%
Right of use assets	37,662	37,662	-	0.0%
Total	<u>25,498,529</u>	<u>25,039,353</u>	<u>459,176</u>	<u>1.8%</u>
Accumulated depreciation	<u>(9,443,528)</u>	<u>(8,756,776)</u>	<u>(686,752)</u>	<u>7.8%</u>
Net capital assets	<u>\$ 16,055,001</u>	<u>\$ 16,282,577</u>	<u>\$ (227,576)</u>	<u>-1.4%</u>

LONG-TERM DEBT

In July of 2006, the Authority issued Revenue Bonds, Series 2006A with total face value of \$755,000 bearing interest at 6%. Interest was to be paid on these bonds in July and January. The bonds maturing on and after July 15, 2021, were subject to redemption prior to maturity, at the option of the Authority. As to the mandatory retirement of the bonds, the Authority was required by the bond documents to redeem the bonds on July 15 of each year.

In December of 2020, the Authority issued Revenue Refunding Bonds, Series 2020A, and Taxable Refunding Revenue Bonds, Series 2020B, with a total face value of \$620,000 and bearing interest at varying rates. These bonds were issued to refund the Series 2006A Revenue Bonds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The Series 2020A Bonds consist of two term bonds with face values of \$220,000 and \$355,000, respectively, bearing interest at 3.00% and 4.25%, respectively, and maturing on July 15, 2028, and July 15, 2036, respectively. Interest is paid on each of these bonds in July and January. The bonds maturing on or after July 15, 2029, are subject to redemption prior to maturity, at the option of the Authority. As to the mandatory retirement of the bonds, the Authority is required by the bond documents to redeem the bonds on July 15 of each year, beginning on July 15, 2022, and July 15, 2029, respectively.

The Series 2020B Bond has a face value of \$45,000, bears interest at 1.15%, and matures on July 15, 2022. Interest is paid on this bond in July and January. As to the mandatory retirement of the bond, the Authority is required by the bond document to redeem the bond on July 15 of each year, beginning on July 15, 2021.

During the year ended June 30, 2022, the total amount of principal owed on bonds decreased from \$620,000 to \$585,000, a decrease of 5.65%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Authority's general fund budget for the 2022 – 2023 fiscal year was approved with increases in total budgeted revenues and other financing sources of 55.1% and increases in total budgeted expenditures and other financing uses of 1.3%. The increase in budgeted revenues and other financing sources can be attributed to expected increases in hangar rents, as Hangar 22 is expected to be repaired. The Authority's fuel sales continue to increase and is anticipated to result in significant increased transfers from the Authority's fuel service proprietary fund to the general fund in the subsequent year to support the general operations of the Authority. The increase in budgeted expenditures and other financing uses can be attributed primarily to increases in personnel costs, which are anticipated to increase 4.3%. Grant revenues are expected to increase as the Authority plans on starting new construction projects in the coming fiscal year 2023.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Jason Ball, Airport Director, at Ascension - St. James Airport and Transportation Authority, 6255 Airport Industrial Boulevard, Gonzales, LA 70737.

ASCENSION - ST. JAMES AIRPORT
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STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash	\$ 185,240	\$ 301,038	\$ 486,278
Cash and cash equivalents - restricted	39,181	-	39,181
Grants receivable	23,335	-	23,335
Accounts receivable	4,903	5,975	10,878
Inventory	-	28,587	28,587
Capital assets - net of depreciation	16,022,712	22,245	16,044,957
Right of use assets - net of depreciation	-	10,044	10,044
TOTAL ASSETS	<u>16,275,371</u>	<u>367,889</u>	<u>16,643,260</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Unamortized deferred outflow on bond refunding	13,748	-	13,748
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,748</u>	<u>-</u>	<u>13,748</u>
LIABILITIES:			
Accounts payable	6,185	-	6,185
Accounts payable - capital projects	15,735	-	15,735
Sales taxes payable	-	3,702	3,702
Lease liability	-	9,191	9,191
Accrued payroll expenses and benefits payable	15,565	-	15,565
Accrued interest payable	9,993	-	9,993
Hangar deposits	8,850	-	8,850
Unearned revenue	7,749	-	7,749
Current portion of bonds payable	30,000	-	30,000
Long-term liabilities:			
Lease liability	-	3,167	3,167
Bonds payable	555,000	-	555,000
Unamortized discount on indebtedness	(2,074)	-	(2,074)
Unamortized premium on indebtedness	13,105	-	13,105
TOTAL LIABILITIES	<u>660,108</u>	<u>16,060</u>	<u>676,168</u>
NET POSITION:			
Net investment in capital assets	15,426,681	19,931	15,446,612
Restricted for debt service	29,188	-	29,188
Unrestricted	173,142	331,898	505,040
TOTAL NET POSITION	<u>\$ 15,629,011</u>	<u>\$ 351,829</u>	<u>\$ 15,980,840</u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
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STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Transportation:					
Airport operations	\$ 402,932	\$ 276,537	\$ 90,883	\$ 214,520	\$ 179,008
Depreciation	667,947	-	-	-	(667,947)
Total transportation	1,070,879	276,537	90,883	214,520	(488,939)
Interest and fiscal charges	27,123	-	-	-	(27,123)
Total governmental activities	1,098,002	276,537	90,883	214,520	(516,062)
Business-type activities:					
Fuel sales	595,279	816,011	-	-	220,732
Interest - lease liability	856	-	-	-	(856)
Depreciation - capital assets	11,273	-	-	-	(11,273)
Depreciation - right of use assets	7,532	-	-	-	(7,532)
Total business-type activities	614,940	816,011	-	-	201,071
Total	\$1,712,942	\$ 1,092,548	\$ 90,883	\$ 214,520	\$ (314,991)
		Governmental Activities	Business-type Activities	Total	
Net expenses less program revenues		\$ (516,062)	\$ 201,071	\$ (314,991)	
General revenues:					
Land and office rental		8,065	-	8,065	
Miscellaneous		391	529	920	
Interest		392	236	628	
Transfers between funds		217,651	(217,651)	-	
Total general revenues and transfers		226,499	(216,886)	9,613	
Change in net position		(289,563)	(15,815)	(305,378)	
Net position - beginning, restated		15,918,574	367,644	16,286,218	
Net position - ending		\$15,629,011	\$ 351,829	\$ 15,980,840	

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
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GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS:				
Cash	\$ 99,044	\$ -	\$ 86,196	\$ 185,240
Cash and cash equivalents - restricted	-	39,181	-	39,181
Grants receivable	8,000	-	15,335	23,335
Accounts receivable	4,903	-	-	4,903
Due from other funds	82,000	-	-	82,000
TOTAL ASSETS	193,947	39,181	101,531	334,659
LIABILITIES:				
Accounts payable	3,685	2,500	15,735	21,920
Accrued payroll expenses and benefits payable	15,565	-	-	15,565
Due to other funds	-	-	82,000	82,000
Hangar deposits	8,850	-	-	8,850
Unearned revenue	7,749	-	-	7,749
TOTAL LIABILITIES	35,849	2,500	97,735	136,084
FUND BALANCE:				
Restricted for debt service	-	36,681	-	36,681
Unassigned	158,098	-	3,796	161,894
TOTAL FUND BALANCE	158,098	36,681	3,796	198,575
TOTAL LIABILITIES AND FUND BALANCE	\$ 193,947	\$ 39,181	\$ 101,531	\$ 334,659

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total fund balance as reflected on the governmental funds balance sheet		\$ 198,575
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		16,022,712
The deferred outflow on bond refunding is not an available resource and, therefore, is not reported in the governmental funds.		13,748
The bonds outstanding and related accrued interest are not due and payable in the current period and, accordingly, are not reported as fund liabilities:		
Bonds payable	\$ (585,000)	
Accrued interest on bonds payable	(9,993)	
Unamortized bond discount	2,074	
Unamortized bond premium	(13,105)	
Net long-term liabilities	(606,024)	(606,024)
Net position, as reflected on the statement of net position		\$15,629,011

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
JUNE 30, 2022

	General Fund	Debt Service Fund	Capital Projects Fund	Total
REVENUES:				
Service fees	\$ 276,537	\$ -	\$ -	\$ 276,537
Land and office rental	8,065	-	-	8,065
Grant income	90,883	-	214,520	305,403
Interest	148	16	228	392
Miscellaneous	391	-	-	391
TOTAL REVENUES	<u>376,024</u>	<u>16</u>	<u>214,748</u>	<u>590,788</u>
EXPENDITURES:				
Current:				
Transportation:				
Salary and related expenses	191,632	-	-	191,632
Maintenance and repairs	82,744	-	19,414	102,158
Professional fees	45,005	-	8,894	53,899
Utilities and telephone	22,577	-	-	22,577
Insurance	8,050	-	-	8,050
Per diem	4,575	-	-	4,575
Other expenses	19,698	-	343	20,041
Capital outlay	-	-	459,176	459,176
Debt Service:				
Principal payments on debt	-	35,000	-	35,000
Interest on debt	-	24,162	-	24,162
Trustee fees	-	3,993	-	3,993
TOTAL EXPENDITURES	<u>374,281</u>	<u>63,155</u>	<u>487,827</u>	<u>925,263</u>
Excess (deficiency) of revenues over expenditures	<u>1,743</u>	<u>(63,139)</u>	<u>(273,079)</u>	<u>(334,475)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	86,977	55,427	217,651	360,055
Operating transfers (out)	(55,427)	(77,227)	(9,750)	(142,404)
TOTAL OTHER FINANCING SOURCES (USES)	<u>31,550</u>	<u>(21,800)</u>	<u>207,901</u>	<u>217,651</u>
Net changes in fund balance	33,293	(84,939)	(65,178)	(116,824)
FUND BALANCE - BEGINNING	124,805	121,620	68,974	315,399
FUND BALANCE - ENDING	<u>\$ 158,098</u>	<u>\$ 36,681</u>	<u>\$ 3,796</u>	<u>\$ 198,575</u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL FUNDS REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Change in fund balance as reflected on the statement of governmental funds
revenues, expenditures, and changes in fund balance \$ (116,824)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense. This is the amount by which
capital outlays in the current period exceeded depreciation:

Capital outlays	\$ 459,176	
Depreciation expense	<u>(667,947)</u>	
		(208,771)

The issuance of long-term debt (e.g., bonds and certificates of indebtedness)
provides current financial resources to governmental funds, while the repayment
of the principal of long-term debt consumes the current financial resources of
governmental funds. Neither transaction, however, has any effect on net position.
Also, governmental funds report the effect of premiums, discounts, and similar
items when debt is first issued, whereas these amounts are deferred and amortized
in the statement of activities:

Bond principal payments		35,000
Change in accrued interest payable		2,035
Amortization of original issue discount		(596)
Amortization of original issue premium		904
Amortization of deferred outflow on bond refunding		<u>(1,311)</u>

Change in net position as reflected for the governmental activities on the
statement of activities \$ (289,563)

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF PROPRIETARY FUND NET POSITION
JUNE 30, 2022

ASSETS:

Current assets:

Cash	\$ 301,038
Receivables	5,975
Inventory	28,587
Total current assets	335,600

Noncurrent assets:

Capital assets	82,226
Accumulated depreciation - capital assets	(59,981)
Right of use assets	37,662
Accumulated depreciation - right of use assets	(27,618)
Total noncurrent assets	32,289

TOTAL ASSETS	\$ 367,889
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LIABILITIES:

Current liabilities:

Sales taxes payable	\$ 3,702
Lease liability	9,191
Total current liabilities	12,893

Noncurrent liabilities:

Lease liability	3,167
Total noncurrent liabilities	3,167

TOTAL LIABILITIES	16,060
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NET POSITION:

Net investment in capital assets	19,931
Unrestricted	331,898
	351,829

TOTAL NET POSITION	\$ 351,829
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The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF PROPRIETARY FUND REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

OPERATING REVENUES:	
Charges for services	\$ 816,011
Total operating revenues	<u>816,011</u>
OPERATING EXPENSES:	
Cost of gas	568,439
Repairs and maintenance	8,133
Depreciation - capital assets	11,273
Depreciation - right of use assets	7,532
Miscellaneous expenses	18,707
Total operating expenses	<u>614,084</u>
OPERATING INCOME	<u>201,927</u>
NON-OPERATING INCOME (EXPENSES):	
Miscellaneous income	529
Interest	236
Interest - lease liability	<u>(856)</u>
Total non-operating income (expense)	<u>(91)</u>
Change in net position before transfers	201,836
OTHER FINANCING SOURCES (USES):	
Transfers out	<u>(217,651)</u>
Change in net position after transfers	<u>(15,815)</u>
NET POSITION - BEGINNING, RESTATED	<u>367,644</u>
NET POSITION - ENDING	<u><u>\$ 351,829</u></u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
STATEMENT OF PROPRIETARY FUND CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers	\$ 814,437
Gas purchases	(595,772)
Payments to suppliers	<u>(26,840)</u>
Cash flows provided by operating activities	<u>191,825</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfers to capital projects fund for water line project	(217,651)
Miscellaneous	<u>765</u>
Cash flows used by non-capital financing activities	<u>(216,886)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Lease liability payments	<u>(9,600)</u>
Cash flows used by capital and related financing activities	<u>(9,600)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,661)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>335,699</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 301,038</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 201,927
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation - capital assets	11,273
Depreciation - right of use assets	7,532
Change in assets and liabilities:	
Increase in receivables	(2,732)
Decrease in inventory	14,636
Decrease in accounts payable	(41,969)
Increase in sales tax payable	<u>1,158</u>
Net cash provided by operating activities	<u><u>\$ 191,825</u></u>

The accompanying notes are an integral part of these financial statements.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Background:

The Ascension - St. James Airport and Transportation Authority (the Authority) was organized pursuant to LRS 2:341 and operates a regional airport located near Gonzales, Louisiana. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:514 and the Louisiana Governmental Audit Guide.

The more significant of the Authority's accounting policies are described below:

The Financial Reporting Entity:

The Authority was created, effective July 13, 1984, by Act 819 of the 1982 Legislative Session in the Executive Department of the State. The governor is responsible for appointing the Board of Commissioners of the Authority, who serves at the governor's leisure. Therefore, the Authority is considered to be a component unit of the State of Louisiana.

The Authority serves the parishes of Ascension and St. James for airport services. The accompanying financial statements include government activities, organizations, and functions for which the Authority is financially accountable.

Basis for Presentation and Accounting:

Government-wide Financial Statements

The Authority's activities generally are financed through fees for services and grants. The government-wide financial statements are reported using the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The statement of activities presents a comparison between direct expenses and program revenues for the activities of the Authority.

Governmental Fund Financial Statements

The fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and provide information about the Authority's activities. Current year construction projects are accounted for in the capital projects fund. Funds used for the retirement of bonds are reported in the debt service fund. All other activity is reported in the general fund. Transfers between the general fund and the debt service fund reflect transfers of hangar rental revenue restricted for debt service. Governmental funds are reported using the current financial resources measurement focus and the

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis for Presentation and Accounting: (Continued)

Governmental Fund Financial Statements (Continued)

modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Service fees and grants are subject to accrual. Grant revenue is recognized when the Authority is entitled to the funds. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures only to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proprietary Fund Financial Statements

The proprietary fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and or producing and delivering goods in connection with the Authority's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The proprietary fund includes the fuel fund, which accounts for the sale of aviation fuel to the users of the airport facilities. The proprietary fund uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when the sale is earned, and expenses are recognized at the time liabilities are incurred.

Cash:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Under state law, the Authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

Cash and Cash Equivalents - Restricted:

The Authority considers short-term (maturity of 90 days or less), highly-liquid investments as cash equivalents. Restricted cash equivalents are invested exclusively in a government money market fund that invests in U.S. Government and U.S. Treasury securities including bills, bonds, notes, and repurchase agreements. The government money market fund seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments. Government money market funds are considered cash equivalents and are reported at fair value.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Inventory:

Inventory is stated at cost, computed using the first in, first out (FIFO) method. Inventory consists primarily of aviation fuel purchased for resale.

Capital Assets:

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The Authority maintains a threshold level of \$1,000 or more for capitalizing capital assets. Assets are depreciated using the straight-line method of accounting over the useful lives of the asset, as follows:

Equipment	3 – 30
Furniture	7
Buildings	15 – 40
Infrastructure – runway, surface layer	20
Infrastructure – other	7 – 40

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Budget Practices:

The proposed budget for the year ended June 30, 2022, was made available for public inspection 15 days prior to the public hearing, which was held on June 22, 2021, at the terminal building for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Board members. The proposed budget was amended and adopted on June 28, 2022.

The accompanying budgetary comparison schedule presents comparisons of the legally adopted budget with actual results. The final budget was prepared on the modified cash basis of accounting. Because accounting principles applied for purposes of developing data on a budgetary basis differs significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis and timing, perspective, and entity differences for the year ended June 30, 2022, is presented.

All expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budget Practices: (Continued)

Encumbrance accounting is not used. However, the budget is integrated into the accounting records which allows monthly comparison of budget and actual amounts. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

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.

Fund Balances:

The Authority has implemented the provisions of Governmental Accounting Standards Board Statement No. 54, which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. As of June 30, 2022, the Authority did not have any nonspendable fund balance.

Restricted - Amounts that can be spent only for specific purposes because of state or federal laws, or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. As of June 30, 2022, the Authority's restricted fund balance totaled \$36,681.

Committed - Amounts that can be used only for specific purposes determined by a formal action of the Board of the Authority. The Board is the highest level of decision-making authority for the Authority. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This formal action is the adoption of a resolution by the Board. As of June 30, 2022, the Authority did not have any committed fund balances.

Assigned - Amounts that are intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Intended use is expressed by the Board who has the authority to assign amounts to be used for specific purposes. As of June 30, 2022, the Authority did not have any assigned fund balances.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balances: (Continued)

Unassigned - All amounts not included in other spendable classifications. Unassigned fund balances are the residual classifications for the Authority's General Fund and Capital Projects Fund. As of June 30, 2022, the Authority's unassigned fund balance totaled \$161,894.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balances, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could not be used.

Service Fees:

Service fees include hangar, office, and tie-down rentals as well as fuel commissions and miscellaneous revenues. These are accounted for in the Authority's statement of activities as program revenues.

Unearned Revenue:

Income from hangar rentals and tie down fees is unearned and recognized over the periods to which the dues and fees relate. Grants received in advance of the incurrence of eligible costs are recorded as unearned grant revenue until the costs are incurred.

As of June 30, 2022, \$7,749 was recorded as unearned revenue for unearned hangar fees and land lease payments.

Deferred Outflows of Resources and Deferred Inflows of Resources:

The statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and thus, will not be recognized as an outflow of resources until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and thus, will not be recognized as an inflow of resources until that time. The Authority has only one item that qualifies as a deferred outflow of resources. It is a deferred loss on bond refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fair Value of Financial Instruments:

The fair value of financial instruments classified as current assets or liabilities, including cash and cash equivalents, short-term investments, accounts receivable, and accounts payable and accrued expenses approximate carrying value, principally because of the short maturity of those items.

Compensated Absences

The Authority's full-time employees earn annual vacation leave and sick leave. Annual vacation leave and sick leave are accrued on a pay period basis, but not accumulated until the end of a pay period. All annual vacation leave and sick leave is accumulated on a pro-rata basis.

Sick leave shall accumulate equally each pay period for active full-time employees. Newly hired full-time employees will accumulate sick leave from the first day of employment and are eligible to use sick leave after completing three (3) months of continuous employment. Sick leave hours may be accumulated, but because sick leave is a gratuitous benefit of employment, which does not accrue as a wage, sick leave will not be paid out upon an employee's termination or resignation.

Employees in full-time service are credited with annual vacation leave at the end of each payroll period and are eligible to use paid vacation based on the rate in their employment agreement. Newly hired full-time employees shall be granted annual vacation leave once they have completed three (3) months of continuous full-time service, at which time the employee shall be eligible for leave and shall be credited with annual vacation leave retroactive to the date of full-time employment. Any accumulated and unused annual vacation leave earned by an employee shall be carried forward to the succeeding calendar year, but not in excess of 360 hours. Upon separation of employment, employees will be paid for any annual vacation leave granted for the current year. The rate of pay shall be computed on the basis of the rate the employee is receiving at the time of separation of employment. The Authority has recorded a liability of \$7,349 for unused annual vacation leave within accrued payroll expenses and benefits payable as of June 30, 2022.

Adoption of New Accounting Principles:

For the year ended June 30, 2022, the Authority implemented Governmental Accounting Standards Board Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

2. CASH:

At June 30, 2022, the Authority's cash balances are as follows:

<u>Book Balance</u>	<u>Bank Balance</u>
<u>\$486,278</u>	<u>\$589,534</u>

Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these bank balances. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The Authority's deposits are secured from risk by federal deposit insurance of \$250,000 and approximately \$983,326 of pledged securities held by the trust department of the fiscal agent bank. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the trust department of the fiscal agent bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds upon demand.

3. CASH AND CASH EQUIVALENTS - RESTRICTED:

In July of 2006, bonds in the amount of \$770,000, bearing an interest rate of 6.00% were issued. In December of 2020, bonds totaling \$620,000 and bearing interest at rates of 3.00%, 4.25%, and 1.15%, respectively, were issued to refund the 2006 bonds. As required by the bond documents, certain treasury securities are held at trustee for the payment of principal and interest on the retirement of the bonds. The balance of these cash and cash equivalents at June 30, 2022 was \$39,181.

Restricted cash equivalents are invested exclusively in a government money market fund that invests in U.S. Government and U.S. Treasury securities including bills, bonds, notes, and repurchase agreements. The government money market fund seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity by investing exclusively in high quality money market instruments. Government money market funds are considered cash equivalents and are reported at fair value.

Fair Value Measurements:

The Authority categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. Fair value measurements are categorized as follows:

- 1) Level 1 – investments that have readily available quoted prices in active markets where significant transparency exists in the executed/quoted price.
- 2) Level 2 – investments that have quoted prices with data inputs which are observable either directly or indirectly but do not represent quoted prices from an active market.
- 3) Level 3 – investments for which prices are based on significant unobservable inputs.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

3. CASH AND CASH EQUIVALENTS - RESTRICTED: (Continued)

Fair Value Measurements: (Continued)

The Authority has the following recurring fair value measurements as of June 30, 2022:

	<u>Fair Value Measurements Using</u>			<u>Total</u>
	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	
Investments by Fair Value Level:				
Restricted cash equivalents:				
Government Money Market Funds	\$ -	\$ 39,181	\$ -	\$ 39,181
Total restricted cash and cash equivalents:	<u>\$ -</u>	<u>\$ 39,181</u>	<u>\$ -</u>	<u>\$ 39,181</u>

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- 1) Money market mutual funds consist of investments in government money market funds. Money market mutual fund investments are measured on quoted prices with data inputs which are observable either directly or indirectly, but do not represent quoted prices from an active market.
- 2) The Authority's investments in government money market funds were rated AAAM by S&P and Aaa-mf by Moody's and carried a weighted average maturity of 18 days.

Interest Rate Risk:

The Authority's investments in the government money market fund are subjected to interest rate risk. When interest rates increase, the government money market fund's yield will tend to be lower than prevailing market rates, and the market value of its investments will generally decline. The government money market fund may face a heightened level of interest rate risk in connection with the type and extent of certain monetary policy changes made by the Federal Reserve, such as target interest rate changes. The risks associated with changing interest rates may have unpredictable effects on the markets and the government money market fund's investments. A low interest rate environment poses additional risks to the government money market fund, because low yields on the government money market fund's portfolio holdings may have an adverse impact on the government money market fund's ability to provide a positive yield to its shareholders, pay expenses out of current income, or, at times, maintain a stable \$1.00 share price and/or achieve its investment objective.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

3. CASH AND CASH EQUIVALENTS - RESTRICTED: (Continued)

Interest Rate Risk: (Continued)

Fluctuations in interest rates may also affect the liquidity of the government money market fund's investments. A sudden or unpredictable increase in interest rates may cause volatility in the market and may decrease the liquidity of the government money market fund's investments, which would make it harder for the government money market fund to sell its investments at an advantageous time.

Credit / Default Risk:

The Authority's investments in the government money market fund are subjected to credit risk. An issuer or guarantor of a security held by the government money market fund, or a bank or other financial institution that has entered into a repurchase agreement with the government money market fund, may default on its obligation to pay interest and repay principal or default on any other obligation. Additionally, the credit quality of securities may deteriorate rapidly, which may impair the government money market fund's liquidity and cause significant deterioration in the stable net asset value.

U.S. Government Securities Risk

The U.S. government may not provide financial support to U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. Certain U.S. Government securities, including securities issued by the Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") and Federal Home Loan Banks, are neither issued nor guaranteed by the U.S. Treasury and, therefore, are not backed by the full faith and credit of the United States. The maximum potential liability of the issuers of some U.S. Government securities held by the government money market fund may greatly exceed their current resources, including any legal right to support from the U.S. Treasury. It is possible that issuers of U.S. Government securities will not have the funds to meet their payment obligations in the future.

The Authority does not have a formal policy which covers interest rate risk, credit risk, or U.S. Government Securities risk regarding the Authority's investments and cash equivalents.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

4. CAPITAL ASSETS:

Capital asset activities for the year ended June 30, 2022:

<u>Governmental Activities</u>	(Restated)				
	Beginning		Completed		Ending
	<u>Balance</u>	<u>Additions</u>	<u>Construction</u>	<u>Disposals</u>	<u>Balance</u>
Non-depreciable assets:					
Land	\$ 1,882,915	\$ -	\$ -	\$ -	\$ 1,882,915
Construction in progress	174,569	231,325	-	-	405,894
Total non-depreciable assets	<u>2,057,484</u>	<u>231,325</u>	<u>-</u>	<u>-</u>	<u>2,288,809</u>
Depreciable assets:					
Infrastructure	19,796,582	217,651	-	-	20,014,233
Buildings	2,715,168	-	-	-	2,715,168
Equipment	345,517	10,200	-	-	355,717
Furniture	4,714	-	-	-	4,714
Total depreciable assets	<u>22,861,981</u>	<u>227,851</u>	<u>-</u>	<u>-</u>	<u>23,089,832</u>
Less accumulated depreciation					
Infrastructure	(7,644,989)	(563,773)	-	-	(8,208,762)
Buildings	(783,960)	(68,131)	-	-	(852,091)
Equipment	(254,917)	(35,880)	-	-	(290,797)
Furniture	(4,116)	(163)	-	-	(4,279)
Total accumulated depreciation	<u>(8,687,982)</u>	<u>(667,947)</u>	<u>-</u>	<u>-</u>	<u>(9,355,929)</u>
Total governmental activities	<u>\$ 16,231,483</u>	<u>\$ (208,771)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,022,712</u>
<u>Business-type Activities</u>					
	(Restated)				
	Beginning		Completed		Ending
	<u>Balance</u>	<u>Additions</u>	<u>Construction</u>	<u>Disposals</u>	<u>Balance</u>
Depreciable assets:					
Equipment	\$ 82,226	\$ -	\$ -	\$ -	\$ 82,226
Right of use assets	37,662	-	-	-	37,662
Total depreciable assets	<u>119,888</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,888</u>
Less accumulated depreciation					
Equipment	(48,708)	(11,273)	-	-	(59,981)
Right of use assets	(20,086)	(7,532)	-	-	(27,618)
Total accumulated depreciation	<u>(68,794)</u>	<u>(18,805)</u>	<u>-</u>	<u>-</u>	<u>(87,599)</u>
Total business-type activities	<u>\$ 51,094</u>	<u>\$ (18,805)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,289</u>
Total capital and right of use assets, net of depreciation	<u>\$ 16,282,577</u>	<u>\$ (227,576)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,055,001</u>

Depreciation expense recorded for the year ended June 30, 2022, was \$686,752.

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5. LONG-TERM OBLIGATIONS:

The long-term obligation outstanding at June 30, 2022, is a result of the issuance of revenue refunding bonds, Series 2020A and 2020B, totaling \$620,000, in December 2020. The proceeds of the Series 2020A Bonds were used by the Authority to currently refund the Authority's outstanding \$755,000 Tax-Exempt Revenue Bonds, Series 2006A. The proceeds of the Series 2020B Bonds were used by the Authority for the purpose of providing funds to pay the costs of issuance of the bonds. The Series 2020A Bonds consist of two term bonds with face values of \$220,000 and \$355,000, bearing interest at 3.00% and 4.25%, respectively, and maturing on July 15, 2028, and July 15, 2036, respectively. Interest is paid on each of these bonds in July and January. The bonds maturing on or after July 15, 2029, are subject to redemption prior to maturity, at the option of the Authority. The Authority is required by the bond documents to redeem the bonds on July 15 of each year, beginning on July 15, 2022, and July 15, 2029, respectively. The Series 2020B Bond has a face value of \$45,000, bears interest at 1.15%, and matures on July 15, 2022. Interest is paid on this bond in July and January. The Authority is required by the bond document to redeem the bond on July 15 of each year, beginning on July 15, 2021.

Repayment of principal and interest maturities is made from lawfully available funds of the Authority. The lawfully available funds are defined in the Loan Agreement to be the funds, income, revenue, fees, receipts or charges of any nature from any source whatsoever on deposit with or accruing from time to time to the Authority, including but not limited to hangar revenues, prior to allocating any funds for capital outlays, provided that no such funds, income, revenue, fees, receipts or charges have been or are in the future legally dedicated and required for other purposes by the electorate. The bonds are limited obligations of the Authority and shall be secured by and payable solely out of the payments made pursuant to the Agreement and the Trust Estate pledge to the Indenture.

Upon the occurrence of an event of default, the Trustee may with the consent of a majority of the bondholders declare the principal of the bonds and the interest accrued to the date of payment immediately due and payable. Events of default, as defined in the Trust Indenture, include among other events of default, the inability to make a payment of any installment of interest on any of the bonds when interest is due and payable and the inability to make a payment of principal on any of the bonds when a principal payment is due and payable.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

5. LONG-TERM OBLIGATIONS: (Continued)

The following is a summary of the changes in long-term obligation transactions and balances as reported in the statement of net position for the year ended June 30, 2022:

	Balance <u>July 01, 2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2022</u>	Due Within <u>One Year</u>
<u>Governmental Activities</u>					
Bonds payable	\$ 620,000	\$ -	\$ (35,000)	\$ 585,000	\$ 30,000
Less: bond discounts	(2,670)	-	596	(2,074)	-
Plus: bond premiums	14,009	-	(904)	13,105	-
	<u>\$ 631,339</u>	<u>\$ -</u>	<u>\$ (35,308)</u>	<u>\$ 596,031</u>	<u>\$ 30,000</u>

The original par value on the Series 2006A bonds totaled \$770,000. Proceeds from the bonds were \$737,136. The difference of \$32,864 was recorded as a discount on the issuance of the bond. This difference was amortized as interest over the life of the bonds. The remaining unamortized discount of \$15,059 at the time of bond refunding was recognized as a deferred outflow on bond refunding. The original par value on the Series 2020A and 2020B bonds totaled \$620,000. Proceeds from the bonds were \$631,339. The difference of \$11,339 included a discount on the issuance of the bonds of \$2,670 and a premium on the issuance of the bonds of \$14,009. During the year ended June 30, 2022, \$596 of bond discount amortization and \$904 of bond premium amortization was included in interest expense. In addition, \$1,311 of bond amortization on the deferred outflow on bond refunding was included in interest expense. \$27,123 of interest was recognized as current period interest expense, which included a net of \$1,003 of bond amortization and trustee fees of \$3,993.

The annual principal and interest payments on the long-term obligations outstanding at June 30, 2022, are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Discount</u>	<u>Premium</u>	<u>Interest</u>
June 30,				
2023	\$ 30,000	\$ (446)	\$ 904	\$ 21,446
2024	30,000	(296)	904	20,638
2025	30,000	(296)	904	19,738
2026	35,000	(296)	904	18,763
2027	35,000	(296)	904	17,713
2028-2032	190,000	(444)	4,519	69,888
2033-2037	235,000	-	4,066	25,606
	<u>\$ 585,000</u>	<u>\$ (2,074)</u>	<u>\$ 13,105</u>	<u>\$ 193,792</u>

ASCENSION - ST. JAMES AIRPORT
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6. LEASES:

Aviation Refueling Truck Lease

As a part of its Bulk Aviation Fuel and Related Services Contract with Eastern Aviation Fuels, Inc., the Authority leases an aviation refueling truck with a 2,200 gallon capacity to carry Jet A-1 fuel at the Authority. The aviation refueling truck was leased for a term of 60 months, effective October 18, 2018, at a rate of \$800 per month, with the monthly fee being waived for the first six (6) months of the agreement. There is no renewal clause noted in the lease agreement and the aviation refueling truck is to be returned at the termination of the agreement. Interest due by the Authority for late payments shall be in accordance with LA. R.S. 39:1695 at the rates established in LA R.S. 13:4202.

The aviation refueling truck lease is summarized as follows:

<u>Description</u>	<u>Date</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Interest Rate</u>	<u>Lease Liability Total</u>	<u>Lease Liability 6/30/2022</u>
Aviation refueling truck	10/18/2018	60 months	\$ 800	5.00%	\$37,662	\$ 12,358

As of June 30, 2022, a right to use asset, net of depreciation, of \$10,044 and a lease liability of \$12,358 are recorded in the Authority's Proprietary Fund.

Annual requirements to amortize the long-term obligation and related interest on the aviation refueling truck lease are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30,</u> 2023	\$ 9,191	\$ 409
2024	3,167	33
	<u>\$12,358</u>	<u>\$ 442</u>

Land Leases

On March 1, 2004, the Authority entered into a lease and operating agreement in which the Authority leased a parcel of land to an individual to operate as a Non-Commercial Aviation Operator. The parcel of land was for an area sized 60 feet by 280 feet (16,800 square feet) for a proposed hangar. The primary term of the lease was for a period of 25 years commencing on March 1, 2004, with an option to renew the lease for an additional period of twenty-five (25) years pursuant to provisions for such an extension in Section 135 of Title 2 of the Louisiana Revised Statutes.

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6. LEASES: (Continued)

Land Leases (Continued)

The consideration of this lease for the land use is the payment to the Authority of an annual rental of \$2,520 based on use by the lessee of the 16,800 square feet of land at 15 cents per square foot. The annual rent for the first twenty-five (25) year term is to be increased every year, starting with the sixth year, by a fixed percentage of five (5%) per annum of the preceding period. The annual rent for any period of time or part thereof beyond twenty-five (25) years is to be increased every fifth year by an amount equal to five (5%) percent of the preceding five-year period or by the Consumer Cost Index, whichever is greater.

On March 14, 2006, the Authority entered into a lease and operating agreement in which the Authority leased two parcels of land to Aviation Specialists, Inc. to operate as a Fixed Base Operator. One parcel of land was for an area sized 100 feet by 150 feet (15,000 square feet) for a proposed hangar and a second parcel of land was for an area sized 16 feet by 100 feet (1,600 square feet) for a pilot lobby, public restrooms, a conference area, and office spaces consistent with Fixed Base Operations. The primary term of the lease was for a period of 25 years commencing on May 1, 2006, with an option to renew the lease for an additional period of twenty-five (25) years pursuant to provisions for such an extension in Section 135 of Title 2 of the Louisiana Revised Statutes.

The consideration of this lease for the land use is the payment to the Authority of an annual rental of \$2,250 based on use by the lessee of the 15,000 square feet of land at 15 cents per square foot and an annual rental of \$160 based on use by lessee of the additional 1,600 square feet of land at 10 cents per square foot. The annual rent for the first twenty-five (25) year term is to be increased every year, starting with the sixth year, by a fixed percentage of five (5%) per annum of the preceding period. The annual rent for any period of time or part thereof beyond twenty-five (25) years is to be increased every fifth year by an amount equal to five (5%) percent of the preceding five-year period or by the Consumer Cost Index, whichever is greater.

Rental revenues from the two land lease and operating agreements were \$8,065 for the year ended June 30, 2022.

The future minimum rentals to be received from the two land lease and operating agreements are as follows:

<u>Year Ending June 30,</u>	
2023	\$ 9,437
2024	9,908
2025	10,404
2026	10,924
2027	11,470
2028-2032	33,819
	<u>\$ 85,962</u>

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6. LEASES: (Continued)

Hangar and Tie-Down Leases

The Authority leases approximately 59 hangar spaces and approximately 12 spaces in a community hangar. The hangar spaces are leased for periods of 12 months at time with no option to renew and new lease agreements signed annually. For the year ended June 30, 2022, all of the Authority's hangar spaces were on 12 month leases, which expired on June 30, 2022. New annual lease agreements had not been signed as of June 30, 2022, and the hangar leases were operating on a month-to-month basis. The hangar spaces are leased at varying rates based upon the square footage of each hangar space. The monthly rates for the hangar spaces range from \$297 per month to \$425 per month. Per the lease agreements, lessees are to occupy the hangars for the sole purpose of storage of the aircrafts identified in the lease agreements and only said aircrafts and equipment related to aircraft activities will be stored in the hangars per the FAA Hangar Use Policy. Rental revenues from the hangar lease agreements were \$267,430 for the year ended June 30, 2022. Leased hangars have asset book value of \$2,403,800, accumulated depreciation of \$744,293, and carrying costs of \$1,659,507.

In August 2021, Hurricane Ida damaged the Authority's community hangar resulting in the Authority being unable to lease the community hangar spaces from September 2021 through June 30, 2022. The Authority received \$9,636 in business interruption insurance to cover a portion of the lost hangar lease revenues during the year ended June 30, 2022. The business interruption insurance payment is included with service fees revenues in the financial statements. Restorative efforts to the community hangar are ongoing as of June 30, 2022. Preliminary damage assessments estimated that the cost to completely restore the community hangar could be up to \$500,000 or greater, and is subject to change and dependent upon external factors. The Authority has filed insurance claims, but there have been no insurance claim settlements received as of June 30, 2022.

The Authority also has tie-down spaces available to be leased. Tie-down spaces are leased on a month-to-month basis at a rate of \$40 per month. Lessees agree to occupy the tie-downs for parking of the identified aircraft in the lease agreements. Rental revenues from the tie-down agreements were \$7,400 for the year ended June 30, 2022.

7. INTERFUND RECEIVABLE / PAYABLE AND INTERFUND TRANSFERS:

Interfund receivables and interfund payables in the year ended June 30, 2022, are primarily related to CARES Act funds and Airport Rescue Grants received by the Capital Projects Fund account and owed to the General Fund. The composition of interfund balances at June 30, 2022, is as follows:

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JUNE 30, 2022

7. INTERFUND RECEIVABLE / PAYABLE AND INTERFUND TRANSFERS: (Continued)

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 82,000
		\$ 82,000

Transfers are used primarily to move revenues generated by the lease of the hangars from the General Fund to the Debt Service Fund to pay down the outstanding bonds' principal and interest payments and to move funds from the Proprietary Fund to the General Fund to assist with covering costs related to the General Fund operations of the Authority.

During the year ended June 30, 2022, transfers were also made from the Proprietary Fund to the Capital Projects Fund to cover the costs of a water line extension project and from the Capital Projects Fund to the General Fund to cover hangar repairs and maintenance.

A summary of interfund transfers for the year ended June 30, 2022, is as follows:

	Transfer In				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Proprietary Fund	
Transfer Out:					
General Fund	\$ -	\$ 55,427	\$ -	\$ -	\$ 55,427
Debt Service Fund	77,227	-	-	-	77,227
Capital Projects Fund	9,750	-	-	-	9,750
Proprietary Fund	-	-	217,651	-	217,651
	\$ 86,977	\$ 55,427	\$ 217,651	\$ -	\$ 360,055

8. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS:

At June 30, 2022, the Authority had several active construction contracts. The remaining commitments on these contracts are as follows:

<u>Project</u>	<u>Contract Amount</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Master Plan Project - Engineering	\$ 189,000	\$ 146,590	\$ 42,410
Terminal Apron - Design	60,000	41,925	18,075
Box Hangar Development & Access - Design	59,525	46,910	12,615
Terminal Expansion - Phase II	119,650	107,685	11,965
Total	\$ 428,175	\$ 343,110	\$ 85,065

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9. RISK MANAGEMENT:

The Authority limits its exposure to risk of loss through the Office of Risk Management, a statewide insurance program. Through the payment of premiums to the program, the Authority transfers the risk of loss from theft, torts, damage to and destruction of assets, workers' compensation, errors and omissions, and natural disasters.

10. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT:

During the year ended June 30, 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. These changes were incorporated in the Authority's 2022 financial statements and had an effect on the beginning net position of the Authority's Proprietary Fund. The Authority recognized \$17,576 in net book value for an intangible right to use asset and a lease liability of \$21,102 for a refueler truck leased in October 2018. The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2021:

	Governmental <u>Activities</u>	Proprietary Fund / Business-type <u>Activities</u>	<u>Total</u>
Net position - June 30, 2021	\$ 15,918,574	\$ 371,170	\$ 16,289,744
Adjustments:			
Net book value - right of use lease asset	-	17,576	17,576
Lease liability	-	(21,102)	(21,102)
Net position - June 30, 2021, restated	<u>\$ 15,918,574</u>	<u>\$ 367,644</u>	<u>\$ 16,286,218</u>

11. SUBSEQUENT EVENTS:

On August 17, 2022, the Authority entered into an agreement to buy out the remaining term of the lease and operating agreement in which the Authority leased two parcels of land to Aviation Specialists, Inc. to operate as a Fixed Base Operator. The Authority paid \$120,000 to buy out the remaining term on the lease and operating agreement. As a part of the agreement, the Authority also acquired Hangar 25 and assumed all obligations and liabilities associated with Hangar 25.

Management of the Authority has evaluated all subsequent events through August 31, 2022, the date the financial statements were available to be issued. No additional disclosures are considered necessary.

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REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Budgetary Basis	Variances with Final Budget Positive (Negative)
REVENUES:				
Service fees	\$ 338,684	\$ 269,003	\$ 276,316	\$ 7,313
Land and office rental	8,500	8,500	8,065	(435)
Grant income	-	-	8,883	8,883
Interest	120	120	148	28
Miscellaneous	3,000	3,000	391	(2,609)
TOTAL REVENUES	<u>350,304</u>	<u>280,623</u>	<u>293,803</u>	<u>13,180</u>
EXPENDITURES:				
Current:				
Transportation:				
Salary and related expenses	222,000	211,000	189,024	21,976
Maintenance and repairs	64,224	75,000	83,846	(8,846)
Professional fees	30,000	45,000	45,005	(5)
Utilities and telephone	22,000	23,500	22,577	923
Insurance	7,600	7,600	8,050	(450)
Per diem	8,100	4,500	4,575	(75)
Other expenses	25,000	23,500	18,567	4,933
TOTAL EXPENDITURES	<u>378,924</u>	<u>390,100</u>	<u>371,644</u>	<u>18,456</u>
Excess (deficiency) of revenues over expenditures	<u>(28,620)</u>	<u>(109,477)</u>	<u>(77,841)</u>	<u>31,636</u>
OTHER FINANCING SOURCES (USES):				
Transfers in - Proprietary Fund	129,390	-	-	-
Transfers in - Capital Projects Fund	8,000	8,000	9,750	1,750
Transfers In - Debt Service Fund	-	-	77,227	77,227
Transfers out - Debt Service Fund	(54,390)	(51,803)	(55,427)	(3,624)
TOTAL OTHER FINANCING SOURCES (USES)	<u>83,000</u>	<u>(43,803)</u>	<u>31,550</u>	<u>75,353</u>
Net change in fund balance	54,380	(153,280)	(46,291)	106,989
FUND BALANCE - BEGINNING	<u>124,805</u>	<u>124,805</u>	<u>124,805</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 179,185</u>	<u>\$ (28,475)</u>	<u>\$ 78,514</u>	<u>\$ 106,989</u>

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NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

The final budget is prepared on the cash basis of accounting. All expenditure appropriations lapse at year-end.

Explanation of differences between Budgetary Revenues and Expenditures and GAAP Revenues and Expenditures

	<u>General Fund</u>
Revenues:	
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 293,803
Adjustments:	
To adjust for decrease in accrued income and grants due from Capital Projects Fund	
Service fees	221
Grant income	<u>82,000</u>
Total revenues as reported on the statement of governmental funds revenues, expenditures, and changes in fund balance	<u>\$ 376,024</u>
Expenditures:	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	\$ 371,644
Adjustments:	
To adjust for increase in accrued expenditures	
Airport operations	<u>2,637</u>
Total expenditures as reported on the statement of governmental funds revenues, expenditures, and changes in fund balance	<u>\$ 374,281</u>



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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*

August 31, 2022

To the Board Members
Ascension – St. James Airport
and Transportation Authority
Gonzales, Louisiana

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Ascension - St. James Airport and Transportation Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 31, 2022.

Report on 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) as a basis for designing 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.

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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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 or significant deficiencies may exist that were not identified. In a separate letter to management dated August 31, 2022, we have communicated matters for which we became aware that are opportunities for strengthening internal controls and operating efficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 result 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Chapman, Hogan and O'Keefe, LLP

New Orleans, Louisiana

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness identified? YES X NO
- Significant deficiency identified? YES X NO

Noncompliance material to financial statements noted? YES X NO

Noncompliance with laws and regulations noted? YES X NO

Management letter was issued? X YES NO

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS

None.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

PRIOR YEAR FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY
ACCEPTED GOVERNMENTAL AUDITING STANDARDS

2021-01: ACCOUNT RECONCILIATIONS

Criteria: An account reconciliation that reconciles the bank balance to the general ledger balance should be prepared to determine that all cash transactions have been recorded properly and to discover bank errors.

Condition: In the fiscal year ended June 30, 2021, the Authority refunded all of the outstanding \$755,000 Tax-Exempt Revenue Bonds, Series 2006A. In February of 2021, the Authority's accounts associated with the Series 2006A Bonds were closed by Trustee. In conjunction with the refunding, excess funds in the amount of \$77,227 was reported on the trust statement as being remitted to the Authority. Using the trust statement, the Authority recorded the transaction as an uncategorized expense. However, the Authority did not receive the funds.

Effect: As a result of not investigating the transaction, the Authority never received the check from Trustee and reported the transaction incorrectly on the general ledger.

Recommendation: We recommend that reconciling items are resolved and should be investigated timely. This will ensure the timely identification and resolution of errors and will ensure that general ledger balances are accurate and properly supported.

Status: Resolved.

ASCENSION - ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMMISSIONERS' PER DIEM
FOR THE YEAR ENDED JUNE 30, 2022

Per diems totaling \$4,575 were expended during the year ended June 30, 2022, for the members of the Authority's Board of Commissioners. The per diems paid during the year ended June 30, 2022, are as follows:

<u>Name</u>	<u>Per Diem</u>
Richard Webre - Chairman	\$ 750
Jared Amato - Vice Chairman	525
Cynthia Stafford	450
Roger Keese	525
Jeff Gaudin - Treasurer	750
Kevin Landry	525
Rydell Malancon	600
Felix Boughton	450
	\$ 4,575

The Board of Commissioners did not receive any additional payments for compensation, benefits, or expenses and none of the above individuals are designated as the agency head.

APPENDIX A

ANNUAL FISCAL REPORT (AFR) FOR 2022

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

EMAIL ADDRESS: manager@flykreg.com

SUBMITTAL DATE: 08/31/2022 12:36 PM

STATEMENT OF NET POSITION

ASSETS

CURRENT ASSETS:

CASH AND CASH EQUIVALENTS	486,278.00
RESTRICTED CASH AND CASH EQUIVALENTS	39,181.00
INVESTMENTS	0.00
RESTRICTED INVESTMENTS	0.00
DERIVATIVE INSTRUMENTS	0.00
RECEIVABLES (NET)	10,878.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
AMOUNTS DUE FROM PRIMARY GOVERNMENT	23,335.00
DUE FROM FEDERAL GOVERNMENT	0.00
INVENTORIES	28,587.00
PREPAYMENTS	0.00
NOTES RECEIVABLE	0.00
OTHER CURRENT ASSETS	0.00
TOTAL CURRENT ASSETS	\$588,259.00

NONCURRENT ASSETS:

RESTRICTED ASSETS:

CASH	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
OTHER	0.00
INVESTMENTS	0.00
RECEIVABLES (NET)	0.00
NOTES RECEIVABLE	0.00
PLEDGES RECEIVABLE (NET)	0.00
LEASES RECEIVABLE (NET)	0.00
CAPITAL ASSETS (NET OF DEPRECIATION & AMORTIZATION)	
LAND	1,882,915.00
BUILDINGS AND IMPROVEMENTS	1,863,077.00
MACHINERY AND EQUIPMENT	87,600.00
INFRASTRUCTURE	11,805,471.00
OTHER INTANGIBLE ASSETS	0.00
CONSTRUCTION IN PROGRESS	405,894.00
INTANGIBLE RIGHT-TO-USE LEASED ASSETS:	
LEASED LAND	0.00
LEASED BUILDING & OFFICE SPACE	0.00
LEASED MACHINERY & EQUIPMENT	10,044.00
OTHER NONCURRENT ASSETS	0.00
TOTAL NONCURRENT ASSETS	\$16,055,001.00
TOTAL ASSETS	\$16,643,260.00

DEFERRED OUTFLOWS OF RESOURCES

ACCUMULATED DECREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	13,748.00
LEASE RELATED DEFERRED OUTFLOW OF RESOURCES	0.00
GRANTS PAID PRIOR TO MEETING TIME REQUIREMENTS	0.00
INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEREE)	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

EMAIL ADDRESS: manager@flykreg.com

SUBMITTAL DATE: 08/31/2022 12:36 PM

LOSSES FROM SALE-LEASEBACK TRANSACTIONS	0.00
DIRECT LOAN ORIGATION COSTS FOR MORTGAGE LOANS HELD FOR SALE	0.00
ASSET RETIREMENT OBLIGATIONS	0.00
OPEB-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED OUTFLOWS OF RESOURCES	0.00
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$13,748.00

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES **\$16,657,008.00**

LIABILITIES

CURRENT LIABILITIES:

ACCOUNTS PAYABLE AND ACCRUALS	37,485.00
ACCRUED INTEREST	9,993.00
DERIVATIVE INSTRUMENTS	0.00
AMOUNTS DUE TO PRIMARY GOVERNMENT	3,702.00
DUE TO FEDERAL GOVERNMENT	0.00
AMOUNTS HELD IN CUSTODY FOR OTHERS	8,850.00
UNEARNED REVENUES	7,749.00
OTHER CURRENT LIABILITIES	0.00

CURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	9,191.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	30,000.00
OPEB LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
TOTAL CURRENT LIABILITIES	\$106,970.00

NONCURRENT PORTION OF LONG-TERM LIABILITIES:

CONTRACTS PAYABLE	0.00
COMPENSATED ABSENCES PAYABLE	0.00
LEASE LIABILITY	3,167.00
ESTIMATED LIABILITY FOR CLAIMS	0.00
NOTES PAYABLE	0.00
BONDS PAYABLE	566,031.00
TOTAL OPEB LIABILITY	0.00
NET PENSION LIABILITY	0.00
POLLUTION REMEDIATION OBLIGATIONS	0.00
OTHER LONG-TERM LIABILITIES	0.00
UNEARNED REVENUE	0.00
TOTAL LONG-TERM LIABILITIES	\$569,198.00
TOTAL LIABILITIES	\$676,168.00

DEFERRED INFLOWS OF RESOURCES

ACCUMULATED INCREASE IN FAIR VALUE OF HEDGING DERIVATIVE INSTRUMENTS	0.00
DEFERRED AMOUNTS ON DEBT REFUNDING	0.00
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	0.00
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	0.00
SALES/INTRA-ENTITY TRANSFER OF FUTURE REVENUES (TRANSFEROR)	0.00
GAINS FROM SALE-LEASEBACK TRANSACTIONS	0.00
SPLIT INTEREST AGREEMENTS	0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

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SUBMITTAL DATE: 08/31/2022 12:36 PM

POINTS RECEIVED ON LOAN ORIGINATION	0.00
LOAN ORIGINATION FEES RECEIVED FOR MORTGAGE LOANS HELD FOR SALE	0.00
OPEB-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
PENSION-RELATED DEFERRED INFLOWS OF RESOURCES	0.00
TOTAL DEFERRED INFLOWS OF RESOURCES	\$0.00

NET POSITION:

NET INVESTMENT IN CAPITAL ASSETS	15,446,612.00
RESTRICTED FOR:	
CAPITAL PROJECTS	0.00
DEBT SERVICE	29,188.00
NONEXPENDABLE	0.00
EXPENDABLE	0.00
OTHER PURPOSES	0.00
UNRESTRICTED	\$505,040.00
TOTAL NET POSITION	\$15,980,840.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

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SUBMITTAL DATE: 08/31/2022 12:36 PM

STATEMENT OF ACTIVITIES

PROGRAM REVENUES

EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE
1,712,942.00	1,092,548.00	90,883.00	214,520.00	\$(314,991.00)

GENERAL REVENUES

PAYMENTS FROM PRIMARY GOVERNMENT	0.00
OTHER	9,613.00
ADDITIONS TO PERMANENT ENDOWMENTS	0.00
CHANGE IN NET POSITION	\$(305,378.00)
NET POSITION - BEGINNING	\$16,289,744.00
NET POSITION - RESTATEMENT	(3,526.00)
NET POSITION - ENDING	\$15,980,840.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

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SUBMITTAL DATE: 08/31/2022 12:36 PM

DUES AND TRANSFERS

Account Type Amounts due from Primary Government	Intercompany (Fund)	Amount
	GF - General Fund	23,335.00
	Total	\$23,335.00

Account Type Amounts due to Primary Government	Intercompany (Fund)	Amount
	GF - General Fund	3,702.00
	Total	\$3,702.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

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SCHEDULE OF BONDS PAYABLE

Series Issue	Date of Issue	Original Issue Amount	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY	Interest Outstanding CFY
2020B	12/10/2020	45,000.00	45,000.00	(35,000.00)	\$ 10,000.00	53.00
2020A	12/10/2020	575,000.00	575,000.00	0.00	\$ 575,000.00	9,940.00
		Totals	\$620,000.00	\$(35,000.00)	\$585,000.00	\$9,993.00

Series - Unamortized Premiums:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
2020A	12/10/2020	14,009.00	(904.00)	\$ 13,105.00
		Totals	\$(904.00)	\$13,105.00

Series - Unamortized Discounts:

Series Issue	Date of Issue	Principal Outstanding PFY	Issue (Redeemed)	Principal Outstanding CFY
2020A	12/10/2020	2,220.00	(296.00)	\$ 1,924.00
2020B	12/10/2020	450.00	(300.00)	\$ 150.00
		Totals	\$(596.00)	\$2,074.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

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SUBMITTAL DATE: 08/31/2022 12:36 PM

SCHEDULE OF BONDS PAYABLE AMORTIZATION

Fiscal Year Ending:	Principal	Interest
2023	30,000.00	21,446.00
2024	30,000.00	20,638.00
2025	30,000.00	19,738.00
2026	35,000.00	18,763.00
2027	35,000.00	17,713.00
2028	35,000.00	16,663.00
2029	35,000.00	15,613.00
2030	40,000.00	14,237.00
2031	40,000.00	12,537.00
2032	40,000.00	10,838.00
2033	45,000.00	9,031.00
2034	45,000.00	7,119.00
2035	45,000.00	5,206.00
2036	50,000.00	3,187.00
2037	50,000.00	1,063.00
2038	0.00	0.00
2039	0.00	0.00
2040	0.00	0.00
2041	0.00	0.00
2042	0.00	0.00
2043	0.00	0.00
2044	0.00	0.00
2045	0.00	0.00
2046	0.00	0.00
2047	0.00	0.00
2048	0.00	0.00
2049	0.00	0.00
2050	0.00	0.00
2051	0.00	0.00
2052	0.00	0.00
2053	0.00	0.00
2054	0.00	0.00
2055	0.00	0.00
2056	0.00	0.00
2057	0.00	0.00
Premiums and Discounts	\$11,031.00	
Total	\$596,031.00	\$193,792.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

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SUBMITTAL DATE: 08/31/2022 12:36 PM

Other Postemployment Benefits (OPEB)

If your agency has active or retired employees who are members of the Office of Group Benefits (OGB) Health Plan, please provide the following information: (Note: OGB has a 6/30/2021 measurement date for their OPEB valuation)

Benefit payments made subsequent to the measurement date of the **OGB** Actuarial Valuation Report until the employer's fiscal year end. (Benefit payments are defined as the employer payments for retirees' health and life insurance premiums). For agencies with a 6/30 year end this covers the current fiscal year being reported. For calendar year end agencies, it covers the period 7/1 to 12/31 for the current year being reported. 0.00

Covered Employee Payroll for the **PRIOR** fiscal year (not including related benefits) 0.00

For calendar year-end agencies only: Benefit payments or employer payments for retirees' health and life insurance premiums made for the next year's valuation reporting period (7/1/2021 - 6/30/2022). This information will be provided to the actuary for the valuation report early next year. 0.00

For agencies that have employees that participate in the **LSU Health Plan**, provide the following information: (Note: The LSU Health Plan has a measurement date of 6/30/2022 for their OPEB valuation report.)

Covered Employee Payroll for the **CURRENT** fiscal year (not including related benefits) 0.00

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

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SUBMITTAL DATE: 08/31/2022 12:36 PM

FUND BALANCE/NET POSITION RESTATEMENT

Account Name/Description	Restatement Amount
NONCURRENT ASSETS - LEASED MACHINERY & EQUIPMENT	
Description:	17,576.00
Lease of Jet A Fuel Truck (Aviation Refueling Truck)	
CURRENT LIABILITIES - LEASE LIABILITY	
Description:	(8,743.00)
Lease of Jet A Fuel Truck (Aviation Refueling Truck)	
NONCURRENT LIABILITIES - OTHER LONG-TERM LIABILITIES	
Description:	(12,359.00)
Noncurrent Portion of Long Term Liability - Lease of Jet A Fuel Truck (Aviation Refueling Truck)	
Total	\$(3,526.00)

**ANNUAL FISCAL REPORT (AFR)
FOR 2022**

AGENCY: 20-1F - Ascension St. James Airport and Transportation Authority

PREPARED BY: Jason Ball

PHONE NUMBER: 225-450-9230

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SUBMITTAL DATE: 08/31/2022 12:36 PM

SUBMISSION

Before submitting, ensure that all data (statements, notes, schedules) have been entered for the agency.

Once submitted no changes can be made to any of the agency data for the specified year.

By clicking 'Submit' below you certify that the financial statements herewith given present fairly the financial position and the results of operations for the year ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board.

Reminder: You must send Louisiana Legislative Auditors an electronic copy of the AFR report in a pdf, tiff, or some other electronic format to the following e-mail address:
LLAFileroom@lla.la.gov.



Duplantier Hrapmann Hogan & Maher, LLP

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August 31, 2022

To the Board Members
Ascension - St. James Airport and Transportation Authority
Gonzales, Louisiana

In planning and performing our audit of the financial statements of the Ascension - St. James Airport and Transportation Authority as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

However, during our audit, we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies. The attachment that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated August 31, 2022, on the financial statements of the Ascension - St. James Airport and Transportation Authority.

We will review the status of these comments during any future audit engagements. We have already discussed many of these comments and suggestions with various Authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study on these matters, or to assist you in implementing the recommendations.

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Members
American Institute of
Certified Public Accountants
Society of LA CPAs

To the Board of Commissioners
Ascension - St. James Airport and Transportation Authority


August 31, 2022

This communication is intended solely for the information and use of management and the Board of Commissioners of Ascension - St. James Airport and Transportation Authority, and the Louisiana Legislative Auditor, and is not intended to be, and should not be, used by anyone other than these specified parties.

Under Louisiana Revised Statute 24:513, this letter is distributed by the Louisiana Legislative Auditor as a public document.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



Michelle H. Cunningham, CPA
Partner

MHC/ct

ASCENSION – ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
ATTACHMENT – MANAGEMENT COMMENTS
JUNE 30, 2022

2022-01: ACCOUNTING RECORDS – GENERAL LEDGER RECONCILIATIONS

Criteria:

In order to make the financial reports generated by the accounting system as meaningful as possible, the Authority should reconcile the general ledger accounts for receivables, payables, grant revenues, and grant expenses on a monthly, quarterly, or periodic basis. A reconciliation of receivables from the general ledger to the accounts receivable detail ledger should be prepared to check that the recording of transactions is accurate and proper and to determine that any adjustments to, or write-offs of, accounts receivable have been recorded and approved. A reconciliation of payables from the general ledger to the outstanding accounts payable detail should be prepared to determine that all additions to, and payments of, accounts payable are correctly recorded and to determine whether there are any disputed items. A reconciliation of all grant expenses and grant revenues should be prepared to determine that grant revenues are requested or received for all grant expenses.

Condition:

During our testing performed over the Authority's receivables, we noted that the Authority's accounts receivable aging detail is carrying several receivables balances greater than one year old. Long outstanding receivables related primarily to hangar and tie-down receivables and amounted to a total of \$2,122 across six lessee accounts.

During our testing performed over payables, we noted the following with regard to the Authority's accounts payable, hangar deposits, and unearned revenues:

- There was a minor difference noted when reconciling the Authority's credit card liability recorded on the general ledger to transactions posted on the Authority's credit card account.
- There was no change in the current year related to the Authority's hangar deposits liability. It was determined that a reconciliation of the hangar deposits listing had not been performed.
- There was unearned revenues noted for funds received that was greater than one year old.

ASCENSION – ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
ATTACHMENT – MANAGEMENT COMMENTS
JUNE 30, 2022

2022-01: ACCOUNTING RECORDS – GENERAL LEDGER RECONCILIATIONS (Continued)

Condition: (Continued)

During the performance of revenue and expense testing procedures, we noted that certain grant expenses and grant reimbursements were not properly recorded in the general ledger in the correct project account. As a result, we were unable to determine if all grant revenue was requested or received for grant expenses.

Effect:

If reconciliations are performed infrequently, errors and adjustments can occur, resulting in the need for significant corrections when reconciliations are performed. Not posting grant expenses and grant revenues to the appropriate grant project accounts on the general ledger resulted in a number of reclassification journal entries needing to be recorded during the audit to match grant expenses with grant reimbursements (revenues) to ensure all grant revenues were requested or received from grant expenses.

Recommendation:

We recommend that the Authority review its receivables aging detail on a periodic basis to determine if accounts are collectible or if accounts are to be written off as uncollectible. We recommend that the Authority reconcile its credit card payable recorded on the general ledger to the transactions posted on its credit card statement on a monthly basis to ensure that payments and expenses are recorded to the appropriate accounts on the general ledger. We recommend that the Authority review its hangar deposit listing to determine if the deposits are still valid or to determine if any individuals are owed a refund of any unused deposits. We recommend that the Authority properly record grant activity to the general ledger, reconcile to the appropriate grant activity schedules, and determine that grant expenses and grant reimbursements are applied to the correct project accounts on the general ledger. This will ensure that all grant revenues are received for grant expenses.

ASCENSION – ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
ATTACHMENT – MANAGEMENT COMMENTS
JUNE 30, 2022

2022-02: LEASES

Criteria:

Lease records and related data should be maintained in an orderly filing manner. Orderly filing should be maintained to ensure proper control over all supporting lease documentation and lease agreements to support lease payments and lease receipts. Lease payments are to be made and collected in accordance with the terms and conditions as set forth in a lease agreement.

Condition:

During the performance of the audit, we noted that the Authority's Master Tenant Lease Listing had not been updated to account for all of the new lease agreements that had been signed in the current year. The Master Tenant Lease Listing properly documented the lease rates of all of the Authority's hangars and that the hangars were occupied, but there were instances noted in which the schedule had not been updated to reflect the current lessee or the current annual term.

During the audit procedures performed over leases, a sample of six lease agreements were requested to verify existence of signed lease agreement and terms of lease. While there were no issues noted during the year with regard to making collections on the selected leases, the following was noted related to the Authority's recordkeeping of the leases:

- 1 of the 6 lease agreements requested could not be located and provided during the audit.
- 3 of the 5 lease agreements provided were not signed by the Authority as lessor.
- 1 of the 5 leases provided did not list the monthly rent amount in the terms of the lease agreement.
- We noted instances in which the contractual rent amounts for two multi-year leases were not increased according to their contracts.

ASCENSION – ST. JAMES AIRPORT
AND TRANSPORTATION AUTHORITY
ATTACHMENT – MANAGEMENT COMMENTS
JUNE 30, 2022

2022-02: LEASES (Continued)

Effect:

Without proper lease documentation, the Authority may receive lesser rental revenues than are dictated by the lease agreements. The Authority may also fail to renew lease agreements in a timely manner.

Recommendation:

We recommend that the Authority periodically review its lease agreements maintained on file to determine that the copies on file are the most current and up-to-date signed copies of the agreements. We also recommend that the Authority review its leases on an annual basis, at a minimum, to ensure that rents are billed to lessees at the proper rates.

Additionally, we recommend that the Authority periodically review and update its Master Tenant Lease Listing for the following:

- Accuracy of the contact information for each lessee
- Accuracy of the lease terms for each lessee
- Accuracy of the hangar information for each lease agreement
- Determination of if a signed lease agreement has been received and is maintained on file with the Authority



Ascension-St. James Airport and Transportation Authority
Louisiana Regional Airport
6255 Airport Industrial Blvd., Gonzales, LA 70737

August 31, 2022

Duplantier, Hrapmann, Hogan & Maher, LLP
Certified Public Accountants
1615 Poydras St., Suite 2100
New Orleans, LA 70112

This letter is in response to the management letter comments for the audit period ending June 30, 2022:

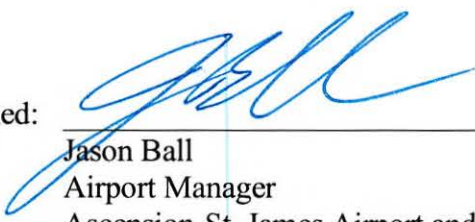
2022-01: Accounting Records – General Ledger Reconciliations

Management Response: Accounts receivable will be reviewed every 3 months to determine if any balances are old or will not be collected. In addition, unearned revenue will be reviewed. Before the audit, management will obtain a final credit card statement to capture any existing expenses. The hangar deposits will be reviewed every 6 months by management and compared to the hangar deposits liability. Management will create a spreadsheet to manage grant requests, income, and expenses.

2022-02: Leases

Management Response: The airport has begun using Docusign to obtain all signatures for leases. This allows for tenants to not have to come in to sign documents and the airport to have digital copies of all executed leases. The amounts are prefilled in, so that also resolves the other issue.

Signed: _____



Jason Ball
Airport Manager
Ascension-St. James Airport and Transportation Authority