

**FALSE RIVER AIR PARK COMMISSION  
ANNUAL FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019**

FALSE RIVER AIR PARK COMMISSION  
ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION  
YEAR ENDED DECEMBER 31, 2019  
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(A Professional Accounting Corporation)

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## Independent Auditor's Report

Members of the Board of Directors  
False River Air Park Commission  
New Roads, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities of the False River Air Park Commission (the Commission), a component unit of Pointe Coupee Parish, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission as of December 31, 2019, and the respective changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

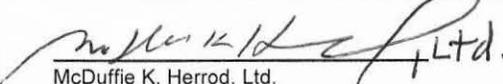
### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. Supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also not a required part of the financial statements. The supplementary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 2020, on our consideration of the Commission'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 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 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 Commission's internal control over financial reporting and compliance.

  
McDuffie K. Herrod, Ltd.  
A Professional Accounting Corporation  
July 24, 2020

**REQUIRED SUPPLEMENTAL INFORMATION  
MANAGEMENT DISCUSSION AND ANALYSIS**

FALSE RIVER AIR PARK COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

Management's discussion and analysis (MD&A) is a required element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34. Its purpose is to provide an overview of the financial activities of the False River Air Park Commission based on currently known facts, decisions or conditions.

### HIGHLIGHTS OF THE PAST YEAR

- Net assets of the Commission as a whole at year-end were \$9,276,164, with \$9,263,117 being invested in capital assets, and there were no restrictions by management for spending on capital projects during the upcoming year.
- The Commission's net position increased by \$711,245 during the year, 2019.

The Commission is dependent upon grants for its survival. We truly appreciate all of the agencies that donate money for our capital improvements. Otherwise, we would be unable to acquire new equipment and improve our facilities.

### OVERVIEW OF THE FINANCIAL STATEMENT PRESENTATION

These financial statements are comprised of three components - (1) Management discussion and Analysis, (2) basic financial statements with footnotes and, (3) supplementary information.

**Statement of Net Position.** This statement presents information on all of the Commission's assets and deferred outflows of resources and liabilities and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or not.

**Statement of Activities.** This statement presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This statement is designed to show the Commission's financial reliance on general revenues.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements and begin on page 11.

FALSE RIVER AIR PARK COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**FINANCIAL ANALYSIS OF THE COMMISSION**

Net assets are an indicator of the Commission's financial position from year to year. A summary of net position follows.

STATEMENT OF NET POSITION

	2019	2018
<b>Assets</b>		
Current and Restricted Assets	\$ 13,047	\$ 66,413
Capital assets, net	9,263,117	8,576,605
Total Assets	9,276,164	8,643,018
<b>Liabilities</b>		
Current liabilities	7,942	86,041
Long-term liabilities	0	0
Total Liabilities	7,942	86,041
<b>Net Position</b>		
Net investment in capital assets	9,263,117	8,576,605
Restricted	0	65,348
Unrestricted	5,105	(84,976)
Net Position	\$9,268,222	\$8,556,977

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	2019	2018
<b>Revenues</b>		
Operating:		
Charges for services	\$ 107,150	\$ 141,877
Non-operating:		
Transfers-local governments	90,198	91,375
Total Revenues	197,348	233,252
<b>Expenses</b>		
Operating	558,420	625,741
Non-operating	195	50,081
Total Expenses	558,615	675,822

FALSE RIVER AIR PARK COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

Income/(loss) before contributions	(361,267)	(442,570)
Contributions – capital grants	<u>1,072,512</u>	<u>1,193,625</u>
Change in net position	711,245	751,055
Net position, beginning	<u>8,556,977</u>	<u>7,805,922</u>
Net position, ending	<u><u>9,268,222</u></u>	<u><u>\$8,556,977</u></u>

Net position is comprised of assets restricted according to the purposes they can be used for, or can be invested in capital assets (buildings, equipment, lighting, fencing, navigational aids, runways, taxiways, etc.). Unrestricted net position are those assets that do not have any limitations for which these amounts may be used. At December 31, 2019, the Commission had an unrestricted net position of \$5,105.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets: The Commission's investment in capital assets at December 31, 2019 was \$9,263,117, including property, buildings, runways, taxiways, lighting, navigational aids, fencing, and equipment. There were additions to capital assets of \$686,512 (net of depreciation expense) during 2019. The Commission had no outstanding debt at December 31, 2019, other than payables to be paid during the next operating cycle.

Capital assets at year-end are summarized as follows:

CAPITAL ASSETS

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Non-depreciable Assets</b>				
Construction in Progress	\$1,046,630	\$1,067,652		\$2,114,282
Land	2,001,056			2,001,056
Total non-depreciable assets	<u>3,047,686</u>	<u>1,067,652</u>		<u>4,115,338</u>
<b>Depreciable Assets</b>				
Buildings	2,743,196			2,743,196
Equipment	298,274			298,274
Runways, Apron and Roads	5,845,182			5,845,182
Furniture and Fixtures	5,911			5,911
Land Improvements	1,278,455			1,278,455
Radios and Antennas	484,843			484,843
Total Capital Assets, being depreciated	<u>10,655,861</u>			<u>10,655,861</u>
Capital Assets, total	<u><u>\$13,703,547</u></u>	<u><u>\$1,067,659</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$14,771,206</u></u>

Accumulated depreciation totaled \$5,508,089 for all funds for a net capital assets balance of \$9,263,117 for the year ended December 31, 2019.

FALSE RIVER AIR PARK COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2019

**ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET**

The budget for 2020 again anticipates grant funding for improving the Commission's facilities. The Airport Layout Master Plan Update Project will continue, but no other changes in operations are expected.

**ADDITIONAL INFORMATION**

This financial report is designed to provide a general overview of the Commission's finances, comply with finance-related laws and regulations and demonstrate the Commission's commitment to public accountability. Any questions or requests for additional information can be obtained by contacting the False River Air Park Commission's office at the False River Regional Airport in New Roads, Louisiana, (225) 638-3192.

## **FINANCIAL STATEMENTS**

FALSE RIVER AIR PARK COMMISSION  
(A component unit of the Pointe Coupee Parish Police Jury)  
STATEMENT OF NET POSITION  
DECEMBER 31, 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 13,047
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Total Current Assets	<u>13,047</u>
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Capital Assets

Nondepreciable	4,115,339
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Depreciable (net of accumulated depreciation)	<u>5,147,778</u>
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Total Capital Assets	<u>9,263,117</u>
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Total Assets	<u><u>9,276,164</u></u>
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LIABILITIES AND NET POSITION

LIABILITIES

Payable from Current Assets

Accounts payable	7,942
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Due to other government agencies	<u>-</u>
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Total Payable from Current Assets	<u>7,942</u>
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Total Liabilities	<u>7,942</u>
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NET POSITION

Net investment in capital assets	9,263,117
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Restricted	-
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Unrestricted (Deficit)	<u>5,105</u>
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Total Net Position	<u><u>\$ 9,268,222</u></u>
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The accompanying notes are an integral part of this statement

FALSE RIVER AIR PARK COMMISSION  
(A component unit of the Pointe Coupee Parish Police Jury)  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2019

**OPERATING REVENUES**

Charges for Services	
Hangar and Land Rents	\$61,931
Fuel Sales	33,966
Miscellaneous Revenue	1,179
Reimbursements from LA DOTD	10,074
<b>Total Operating Revenues</b>	<u>\$107,150</u>

**Operating Expenses**

Salaries and Benefits	5,357
Professional and Contract Services	36,554
Insurance	14,880
Utilities	10,150
Fuel Purchases	33,364
Repairs and Supplies	41,413
Travel & Training Expenses	3,559
Telephone	8,371
Dues and Subscriptions	732
Office Expenses	3,178
Other Expenses	19,722
Depreciation	381,140
<b>Total Operating Expenses</b>	<u>558,420</u>

Income/(Loss) From Operations (451,270)

**Non-Operating Revenues/(Expenses)**

Interest Paid	0
Sales Tax Paid	(195)
Transfers - Local Government	90,198
<b>Total Non-Operating Revenues/(Expenses)</b>	<u>90,003</u>

Income/(Loss) Before Contributions (361,267)

**Grants Received**

Grants from LA DOTD for Capital Acquisitions	201,690
Grants from US FAA for Capital Improvements	870,822
<b>Total Capital Contributions</b>	<u>1,072,512</u>

<b>Change in Net Position</b>	711,245
<b>Net Position, at beginning of year</b>	<u>8,556,977</u>
<b>Net Position, at end of year</b>	<u><u>\$ 9,268,222</u></u>

The accompanying notes are an integral part of this statement

FALSE RIVER AIR PARK COMMISSION  
(A component unit of the Pointe Coupee Parish Police Jury)  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers/grantors	\$ 97,075
Cash paid to suppliers for goods/services	(203,393)
Cash paid to employees for services	(41,911)
Net Cash Provided (used) by Operating Activities	<u>(148,229)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from local governments	<u>90,198</u>
Net cash provided (used) by Non-capital financing activities	<u>90,198</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,067,652)
Proceeds from grants	<u>1,072,317</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>4,665</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided (used) by Investing Activities	<u>-</u>
Net Increase (decrease) in Cash and Cash Equivalents	(53,366)
Cash and Cash Equivalents, beginning of year	<u>66,413</u>
Cash and Cash Equivalents, end of year	<u>\$ 13,047</u>

The accompanying notes are an integral part of this statement

FALSE RIVER AIR PARK COMMISSION  
(A component unit of the Pointe Coupee Parish Police Jury)  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2019

RECONCILIATION OF OPERATING LOSS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Operating loss (\$451,270)

Adjustments to Reconcile Operating Loss to Net  
Cash Provided by Operating Activities:

Depreciation	381,140
(Increase) decrease in assets:	
Accounts & other receivables	-
Prepaid expenses	-
Increase (decrease) in liabilities:	
Accounts & other payables	(78,099)

Net Cash Used by Operating Activities (148,229)

Cash Presentation on Statement of Net Assets:

Current Assets: Cash and cash equivalents	13,047
Restricted Assets: Cash and cash equivalents	<u>-</u>

Cash and Cash Equivalents, end of year \$ 13,047

The accompanying notes are an integral part of this statement

**NOTES TO FINANCIAL STATEMENTS**

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

INTRODUCTION

The False River Air Park Commission (hereafter referred to as the "Commission") is a joint venture created by a resolution of the Pointe Coupee Parish Police Jury (the "Parish") and the City of New Roads (the "City") in May, 1974. The Commission operates under a commission form of government and provides an airport authority under the provision of Louisiana Revised Statutes (LRS) 2.131. et seq. Said Commission operates under the Powers as outlined under LRS 2:135.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

The accounting and reporting practice of the Commission conforms to generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing accounting principles for state and local governments through its pronouncements (Standards and Interpretations).

**Financial Reporting Entity**

For reporting purposes, the Commission is considered a component unit of the Pointe Coupee Parish Police Jury. The financial reporting entity consists of (a) the primary government (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes: (1) appointing a voting majority of an organization's governing body, and the ability of the Police Jury to impose its will on that organization, and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens of the Police Jury; (2) organizations for which the Police Jury does not appoint a voting majority but are financially dependant on the Police Jury; and (3) organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature or significance of the relationship.

**Basic Financial Statements – Fund Financial Statements**

The financial transactions of the Commission are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed primarily through user charges.

**Proprietary Funds:** The focus of a proprietary fund is the determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The Commission reports a single proprietary fund.

**Enterprise Funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

pledge of the net revenues. The Commission rents or leases hangar space and land for storage of privately owned aircraft.

### **Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The accrual basis of accounting is utilized by proprietary fund types. The fund financial statements are reported using the economic resources measurement focus in accordance with the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

### **Budgets**

The Commission uses the following budget practices:

- Budgets are prepared for the Enterprise Fund on the GAAP basis and appropriations (unexpended budget balances) lapse at year end.
- Budgetary control is exercised at the line item level.
- During the year, monthly budgetary comparison statements are used as a management tool to control operations. When necessary, the Commission adopts budget amendments which are included in minutes published in the official journal.

### **Financial Statement Amounts**

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and money market savings. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Receivables: Receivables consist of all revenue earned at year end that has not yet been received. The Commission uses the direct charge-off method because it does not cause a material departure from GAAP and it approximates the valuation. Management bases its uncollectible amounts in part on historical information. Revenues become susceptible to accrual when they become both measurable and available.

Restricted Assets: Grants are received from federal and state agencies for funding of various capital projects. These funds are restricted for use for this purpose and cannot be used for operations. Restricted assets may consist of cash and/or grant funds receivable related to these projects.

Inventory and prepaid expenses: Inventory of the Commission includes fuel, the amount of which is considered immaterial. Therefore, the acquisition of such items is expensed when purchased, and the inventory on hand at year-end is not reported in the accompanying financial statement. Certain payments to vendors represent benefits to be realized in future periods and, if material, are reported as prepaid expenses.

Capital Assets: Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as runways, aprons and other assets that are immovable and of value only to the Commission are defined as assets with an initial cost of more than \$1,000 and are capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net assets. Depreciation of

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net assets. Donated or contributed assets are recorded at their estimated fair market value at the date of donation. Major outlays for capital improvements are capitalized as the projects are completed. Any interest incurred during the construction phase of the projects is reflected in the capitalized value of the asset constructed for proprietary funds. As of December 31, 2019, no interest has been capitalized on projects.

The cost of maintenance and repairs that do not add to the value or extend the useful life of the asset are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the related capital asset.

Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

▪ Buildings	20-40 years
▪ Equipment	10 years
▪ Furniture & fixtures	5-10 years
▪ Land Improvements, including runways, aprons and roads	20 years

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Operating/Non-Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Commission's operation of providing fuel, hangar space and other services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, and grants are reported as non-operating revenues.

### Fund Equity

In the statement of net position of proprietary funds, the three components of net position are as follows:

- 1) Net Investment in Capital Assets: This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.
- 2) Restricted Net Position: Net position that is reserved by external sources such as banks or by law are reported separately as restricted net position. When assets are required to be retained in perpetuity, the resulting non-expendable net position are recorded separately from expendable net position. These are components of restricted net position.
- 3) Unrestricted Net Position: This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**Use of Restricted Resources**

When an expense that can be paid using either restricted or unrestricted resources (net position), the Commission's policy is to first apply the expense toward restricted resources then toward unrestricted resources. Restricted amounts would be reduced first when expenditures are incurred for purposes for which restriction was applicable.

**Deferred Outflows or Resources and Deferred Inflows of Resources and Net Position**

GASB statement number 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period or periods and will not be recognized as an outflow of resources until then. The Commission had no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period or periods and will not be recognized as an inflow of resources until that time. The Commission had no items that qualify for reporting in this category.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal 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 mutually acceptable to both parties.

Even though pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, La. Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

With the adoption of GASB Statement No. 40, only deposits that are considered exposed to custodial credit risk are required to be disclosed. The Commission has no deposits (bank balances) that are considered uninsured and uncollateralized at December 31, 2019.

A summary of cash and cash equivalents (book balances) at December 31, 2019, is as follows:

Account	<u>Amount</u>
Demand deposits	\$ 13,047
Temporarily restricted	<u>0</u>
Total	<u><u>\$13,047</u></u>

NOTE 3 – RECEIVABLES AND INTERGOVERNMENTAL RECEIVABLES

The False River Air Park Commission had no receivables to report at December 31, 2019.

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 4 -CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Non-depreciable Assets</b>				
Land	\$2,001,056	\$	\$	\$2,001,056
Construction in progress	1,046,630	1,067,652	0	2,114,282
Total Non-depreciable Assets	3,047,686	1,067,652	0	4,115,338
<b>Depreciable Assets</b>				
Buildings	2,743,196			2,743,196
Equipment	298,274			298,274
Radios and Antennas	484,843			484,843
Furniture and Fixtures	5,911			5,911
Runways, apron and roads	5,845,182			5,845,182
Land Improvements	1,278,455			1,278,455
Total Capital Assets, being depreciated	10,655,861		0	10,655,861
Capital Assets, total	13,703,547	1,067,659	0	14,771,206
<b>Accumulated depreciation</b>				
Buildings	382,303	73,431		455,734
Equipment	98,816	17,261		116,077
Radios & Antennas	161,220	42,714		203,934
Furniture and Fixtures	5,911			5,911
Runways, apron & roads	3,719,270	184,767		3,904,037
Land Improvements	759,429	62,967		822,396
Total Accumulated Depreciation	5,126,949	381,141		5,508,089
Capital Assets - Net	\$8,576,598	\$ 686,518	0	\$9,263,117

Depreciation expense in the amount of \$381,141 is reported as an operating expense in the Statement of Revenues, Expenses and Changes in Fund Net Position.

NOTE 5 -ACCOUNTS AND OTHER PAYABLES

The following is a summary of current payables at December 31, 2019:

Accounts payable – vendors for operations	\$ 7,942
Accounts payable – for capital improvements	<u>\$ 0</u>
Total	<u>\$ 7,942</u>

NOTE 6 - LONG-TERM OBLIGATIONS

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

There were no long-term obligations at December 31, 2019.

NOTE 7 -RESTRICTED NET POSITION

The following is a summary of restricted net position at December 31, 2019:

There were no restrictions of net position as of December 31, 2019.

NOTE 8 - LEASES

No leases existed at December 31, 2019.

NOTE 9 -RETIREMENT SYSTEM

All employees of False River Air Park Commission are members of the Parochial Employee's Retirement System of Louisiana ("System"), reported through the Pointe Coupee Parish Police Jury. All salaries and benefits are paid and reported by the Police Jury who is subsequently reimbursed by the Commission. The Commission's contributions to the System under for the years ended December 31, 2019, 2018, and 2017 were \$5,357, \$5,652, and \$2,449, respectively.

The System issues an annual publically available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the

Parochial Employee's Retirement System, P.O. Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

NOTE 10- OTHER POST-EMPLOYMENT BENEFITS

The Commission does not provide any post-employment benefits to its employees.

NOTE 11 -RELATED PARTY TRANSACTIONS

There were no related party transactions that require disclosure.

NOTE 12 - LITIGATION

There is no current pending or threatened litigation.

FALSE RIVER AIR PARK COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

NOTE 13 -SUBSEQUENT EVENTS

Management evaluated subsequent events that would materially impact the accompanying financial statements through July 24, 2020, the date on which the financial statements were available to be issued and have one event to report: On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19) and the risk to the international community as the virus spreads globally beyond its point of origin. On March 7, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The Governor of the State of Louisiana declared a statewide emergency on March 11, 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Commission's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Commission is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the year 2020. No adjustments have been made to these financial statements as a result of this uncertainty.

**SUPPLEMENTAL INFORMATION**

FALSE RIVER AIR PARK COMMISSION  
(A component unit of the Pointe Coupee Parish Police Jury)  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD  
YEAR ENDED DECEMBER 31, 2019

Chief Executive Officer: Kirk White, President	
Salary	\$ -
Benefits	-
Reimbursements for travel and other expenses	-
	<u>\$ -</u>

The accompanying notes are an integral part of this statement

**MC DUFFIE K. HERROD, LTD.**  
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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***

To the Board of Directors  
False River Air Park Commission  
New Roads, 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 business-type activities of the False River Air Park Commission (a component unit of Pointe Coupee Parish, Louisiana) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated July 24, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered False River Air Park Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of False River Air Park Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and responses that we consider to be significant deficiencies listed as item 2019-001.

## Compliance and Other Matters

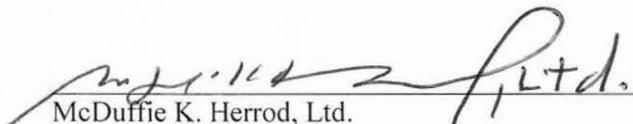
As part of obtaining reasonable assurance about whether False River Air Park Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

## False River Air Park Commission's Response to Findings

False River Air Park Commission's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. False River Air Park Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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 False River Air Park Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. This report is intended solely for the information and use of management, the board of directors, others within the Commission and federal awarding agencies, 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 report is distributed by the Legislative Auditor as a public document.



McDuffie K. Herrod, Ltd.  
A Professional Accounting Corporation

Clinton, Louisiana  
July 24, 2020

# MC DUFFIE K. HERROD, LTD.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
False River Air Park Commission  
New Roads, Louisiana

### Report on Compliance for Each Major Federal Program

We have audited False River Air Park Commission's (a component unit of Pointe Coupee Parish) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of False River Air Park Commission's major federal programs for the year ended December 31, 2019. The False River Air Park Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the False River Air Park Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance.) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about False River Air Park Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of False River Air Park Commission's compliance.

### Opinion on Each Major Federal Program

In our opinion, the False River Air Park Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with *The Uniform Guidance*.

### Report on Internal Control Over Compliance

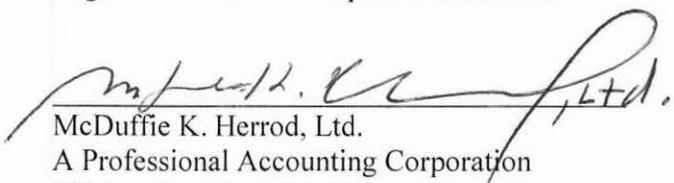
The management of False River Air Park Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered False River Air Park Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *The Uniform Guidance*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of False River Air Park Commission's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

This report is intended solely for the information and use of management, the board of directors, others within the organization, and federal awarding agencies, 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 report is distributed by the Legislative Auditor as a public document.



McDuffie K. Herrod, Ltd.  
A Professional Accounting Corporation  
Clinton, Louisiana  
July 24, 2020

**FALSE RIVER AIR PARK COMMISSION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U. S. Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106	\$ 870,822

State of Louisiana Grants

<u>Grantor/Pass-through Grantor Program Title</u>	<u>Current Year Expenditures</u>
Louisiana Department of Transportation & Development Aviation Needs and Project Priority Program	\$ 201,690
 	<hr/>
Total	<u><u>\$ 1,072,512</u></u>

See Accompanying Notes and Auditor's Report

**FALSE RIVER AIR PARK COMMISSION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1 – BASIS OF PRESENTATION: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of FALSE RIVER AIR PARK COMMISSION and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2 – INDIRECT COST RATE

The Organization has not elected to use the 10 percent de minimus interest cost rate as allowed under Uniform Guidance.

**FALSE RIVER AIR PARK COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of False River Air Park Commission
2. No material weaknesses were identified during the audits of the financial statements.
3. No instances of noncompliance material to the financial statements of False River Air Park Commission were disclosed during the audits.
4. No material weaknesses were identified during the audits of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for False River Air Park Commission expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this Schedule.
7. The program tested as a major program included: U. S. Department of Transportation, Federal Aviation Administration – Airport Improvements Program (20.106).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. False River Air Park Commission did not qualify as a low-risk auditee.

**FINDINGS-FINANCIAL STATEMENTS AUDIT**

**Current Period Findings:**

Finding number 2019-001 – Inadequate Controls Over Financial Statement Preparation

**Condition:**

The Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing financial statements, including related notes.

**Criteria:**

Statement on Auditing Standards (SAS) No. 115 requires that the auditor report the above condition as a deficiency in internal control. SAS No. 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Cause:

The commission's funding is not sufficient to employ a qualified accountant on staff to prepare the financial statements in accordance with GAAP.

Effect:

The Commission is to prepare the financial statements in accordance with generally accepted accounting principles but is unable to do so without qualified staff.

Recommendation:

The Commission should again consider outsourcing this function to a qualified accounting firm, on an as-needed basis.

Management's response:

Management agrees with the recommendation and will continue to search for a qualified accounting firm to provide assistance. The Commission will carefully review the draft of the financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Current Status: Unresolved

**Prior Period Findings:**

Finding number 2018-001 – Inadequate Controls Over Financial Statement Preparation

Condition:

The Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing financial statements, including related notes.

Criteria:

Statement on Auditing Standards (SAS) No. 115 requires that the auditor report the above condition as a deficiency in internal control. SAS No. 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Cause:

The commission's funding is not sufficient to employ a qualified accountant on staff to prepare the financial statements in accordance with GAAP.

Effect:

The Commission is to prepare the financial statements in accordance with generally accepted accounting principles but is unable to do so without qualified staff.

Recommendation:

The Commission should consider outsourcing this function to a qualified accounting firm, on an as-needed basis.

**FALSE RIVER AIR PARK COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Management's response:

Management agrees with the recommendation and will continue to search for a qualified accounting firm to provide assistance. The Commission will carefully review the draft of the financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Current Status: Unresolved.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

Current Period Findings:

None.

Prior Period Findings:

None.

**FINDINGS – INTERNAL CONTROL OVER FINANCIAL REPORTING**

Current Period Findings:

None.

Prior Period Findings:

None.

**MANAGEMENT LETTER**

A management letter was not issued.

**FALSE RIVER AIR PARK COMMISSION  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

**COMMUNICATIONS**

Results of audit findings were discussed with Yvonne Chenevert, Airport Manager, on July 24, 2020.

## **AGREED-UPON PROCEDURES**

# MC DUFFIE K. HERROD, LTD.

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by False River Air Park Commission (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures – Year 3 (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
*No prior year exceptions noted.*
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.  
*No prior year exceptions noted.*
  - c) ***Disbursements***, including processing, reviewing, and approving

*No prior year exceptions noted.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*No prior year exceptions noted.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*No prior year exceptions noted.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

*No prior year exceptions noted.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*No prior year exceptions noted.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

*No prior year exceptions noted.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*No prior year exceptions noted.*

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*No prior year exceptions noted.*

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*The entity's policy and procedure was reviewed with no exceptions noted.*

### ***Board or Finance Committee***

---

2. Obtain and review and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No prior year exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*No prior year exceptions noted.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Not applicable.*

### ***Bank Reconciliations (excluding EFTs)***

---

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*No prior year exceptions noted.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*No prior year exceptions noted.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No prior year exceptions noted.*

### ***Collections***

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*We obtained a list of locations with managements representation that the list is complete.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that: *(see responses after item (d, below)*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*Items a) – d):*

*We obtained a list of all cash collection locations which included one location; the location is the airport office/pilot's lounge and includes only sales of soft drinks, snacks, and water. Fuel sales are paid by debit or credit cards by way of "pay at the pump" and the funds go directly into the Entity's bank account. Hangar and/or lot rent payments are usually mailed-in and the airport manager collects the payments and makes the deposits.*

*Therefore, the airport manager who collects the payments is responsible for depositing the cash in the bank, recording related transactions or reconciling the related bank account but with verification by the board chairman. There is only one cash box and no cash register or drawer. The Entity did not have written policies and procedures to address this function; inquiries were made of the employee and board chairman. Supporting documentation was obtained and reviewed with no exceptions noted.*

*Management's response: the board will continue to explore modifying these procedures to enhance internal control.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*We concluded that the person responsible for collecting cash at the Entity is not bonded.*

*Management's response: since only small amounts of cash are handled for soft drinks, etc., a bond is not warranted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*The receipts are not pre-numbered.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*The receipts tested agreed with the deposit slips; no exceptions were noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*Selected deposit slip totals tied to the bank statements.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*The bank is not more than 10 miles from the office, but selected deposits were made within a week of collection.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*Deposit slip totals were traced the general ledger as being properly posted.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*No prior year exceptions noted.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No prior year exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No prior year exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*No prior year exceptions noted.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No prior year exceptions noted.*

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.])

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

*Of the disbursements selected, all matched the general ledger and original invoices.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*The invoices sampled included the board chairman's approval initials, with two exceptions for payments of immaterial amounts.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*No prior year exceptions noted.*

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

*No prior year exceptions noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No prior year exceptions noted.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No prior year exceptions noted.*

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*No prior year exceptions noted.*

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*No prior year exceptions noted.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*No prior year exceptions noted.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No prior year exceptions noted.*

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*No prior year exceptions noted.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*No prior year exceptions noted.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*No prior year exceptions noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No prior year exceptions noted.*

### ***Payroll and Personnel***

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*No prior year exceptions noted.*

- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*No prior year exceptions noted.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*No prior year exceptions noted.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No prior year exceptions noted.*

- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

*No employees were terminated during the period.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No prior year exceptions noted.*

### **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics compliance documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We reviewed documentation from management and determined that the airport manager and board members had completed the required ethics training.*

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*We did not observe where signature verification was done for the board members, but management contends that each board member (who are appointed by the city or parish) has signature verification on file with the city or parish. The airport manager did have signature verification for her ethics training, on site.*

*Management's response: the board feels that the governments maintaining the ethics training records is sufficient evidence and verification of each person receiving the training – in addition, electronic copies of the certificates are kept, on site.*

### **Debt Service**

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*No prior year exceptions noted.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including emergency funds, short-lived asset funds, or other funds required by the debt covenant).

*No prior year exceptions noted.*

**Other**

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

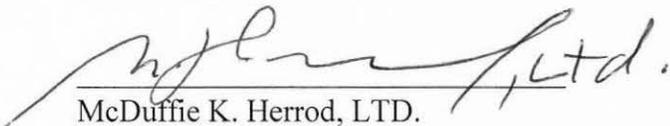
*We inquired of management if there were any misappropriations of funds. Management stated that they were not aware of any misappropriations of funds and none were reported.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No prior year exceptions noted.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

  
McDuffie K. Herrod, LTD.

Clinton, Louisiana

July 24, 2020