

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED
DECEMBER 31, 2020

FALSE RIVER AIR PARK COMMISSION
ANNUAL FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2020
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MC DUFFIE K. HERROD, LTD.

(A Professional Accounting Corporation)

McDUFFIE K. HERROD
CERTIFIED PUBLIC ACCOUNTANT

Member:

American Institute of CPAs
Society of Louisiana CPAs

POST OFFICE BOX 8436
12410 WOODVILLE ST.
CLINTON, LA 70722
Telephone (225) 683-3888
Facsimile (225) 683-6733
Email mkherrod@bellsouth.net

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, 2020, 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, 2020, 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.

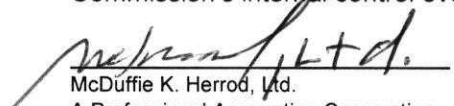
Other Supplementary Information

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 supplementary information is 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 September 21, 2021, 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
September 21, 2021

FALSE RIVER AIR PARK COMMISSION

NEW ROADS, LOUISIANA

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

FALSE RIVER AIR PARK COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

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 \$10,662,365, with \$10,449,332 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 \$1,392,644 during the year, 2020.

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, 2020

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

	2020	2019
Assets		
Current and Restricted Assets	\$ 213,033	\$ 13,047
Capital assets, net	10,449,332	9,263,117
Total Assets	10,662,365	9,276,164
Liabilities		
Current liabilities	1,499	7,942
Long-term liabilities	0	0
Total Liabilities	1,499	7,942
Net Position		
Net investment in capital assets	10,449,332	9,263,117
Restricted	0	0
Unrestricted	211,534	5,105
Net Position	\$ 10,660,866	\$9,268,222

A summary of changes in net position is as follows:

SUMMARY OF CHANGES IN NET POSITION

	2020	2019
Revenues		
Operating:		
Charges for services	\$ 132,251	\$ 107,150
Non-operating:		
Legal Settlement	196,000	
Transfers-local governments	76,375	90,198
Total Revenues	404,626	197,348
Expenses		
Operating	872,460	558,420
Non-operating	12,200	195
Total Expenses	884,660	558,615

FALSE RIVER AIR PARK COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Income/(loss) before contributions	(480,034)	(361,267)
Contributions – capital grants	<u>1,872,678</u>	<u>1,072,512</u>
Change in net position	1,392,644	711,245
Net position, beginning	<u>9,268,222</u>	<u>8,556,977</u>
Net position, ending	<u><u>10,660,866</u></u>	<u><u>9,268,222</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, 2020, the Commission had an unrestricted net position of \$211,534.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The Commission's investment in capital assets at December 31, 2020 was \$10,449,332, including property, buildings, runways, taxiways, lighting, navigational aids, fencing, and equipment. There were additions to capital assets of \$1,186,215 (net of depreciation expense) during 2020. The Commission had no outstanding debt at December 31, 2020, 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
Non-depreciable Assets				
Construction in Progress	\$2,114,282	\$292,291	(2,114,279)	\$ 292,294
Land	2,001,056	248,965		2,250,021
Total non-depreciable assets	<u>4,115,338</u>	<u>541,256</u>	<u>(2,114,279)</u>	<u>2,542,315</u>
Depreciable Assets				
Buildings	2,743,196	17,214		2,760,410
Equipment	298,274	15,529		313,803
Runways, Apron and Roads	5,845,182	3,041,796		8,886,978
Furniture and Fixtures	5,911			5,911
Land Improvements	1,278,455	202,573		1,481,028
Radios and Antennas	484,843			484,843
Total Capital Assets, being depreciated	<u>10,655,861</u>	<u>3,277,112</u>		<u>13,932,973</u>
Capital Assets, total	<u><u>\$14,771,199</u></u>	<u><u>\$3,818,368</u></u>	<u><u>\$(2,114,279)</u></u>	<u><u>\$16,475,288</u></u>

Accumulated depreciation totaled \$6,025,959 for all funds for a net capital assets balance of \$10,449,332 for the year ended December 31, 2020.

FALSE RIVER AIR PARK COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ECONOMIC ENVIRONMENT AND NEXT YEAR'S BUDGET

The budget for 2021 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.

BASIC FINANCIAL STATEMENTS

FALSE RIVER AIR PARK COMMISSION
(A component unit of the Pointe Coupee Parish Police Jury)
STATEMENT OF NET POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 213,033
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Total Current Assets	<u>213,033</u>
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Capital Assets

Nondepreciable	2,542,312
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Depreciable (net of accumulated depreciation)	<u>7,907,020</u>
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Total Capital Assets	<u>10,449,332</u>
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Total Assets	<u><u>10,662,365</u></u>
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LIABILITIES AND NET POSITION

LIABILITIES

Payable from Current Assets

Accounts payable	<u>1,499</u>
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Total Payable from Current Assets	<u>1,499</u>
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Total Liabilities	<u>1,499</u>
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NET POSITION

Net investment in capital assets	10,449,332
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Restricted	-
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Unrestricted (Deficit)	<u>211,534</u>
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Total Net Position	<u><u>\$ 10,660,866</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, 2020

OPERATING REVENUES

Charges for Services	
Hangar and Land Rents	\$41,669
Fuel Sales	81,002
Miscellaneous Revenue	1,719
Reimbursements from LA DOTD	7,861
Total Operating Revenues	<u>\$132,251</u>

Operating Expenses

Salaries and Benefits	110,896
Professional and Contract Services	84,901
Insurance	16,081
Utilities	11,615
Fuel Purchases	57,289
Repairs and Supplies	58,666
Travel & Training Expenses	1,457
Telephone	8,144
Dues and Subscriptions	1,949
Office Expenses	2,182
Other Expenses	1,410
Depreciation	517,870
Total Operating Expenses	<u>872,460</u>

Income/(Loss) From Operations	<u>(740,209)</u>
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Non-Operating Revenues/(Expenses)

Grant expenditures	(12,200)
Legal Settlement for Breach of Contract	196,000
Transfers - Local Government	76,375
Total Non-Operating Revenues/(Expenses)	<u>260,175</u>

Income/(Loss) Before Contributions	<u>(480,034)</u>
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Grants & Capital Contributions Received

Grants from LA DOTD for Capital Asset Acquisitions	1,613,225
Grants from Cares Act	29,893
Donations	229,560
Total Grants & Capital Contributions	<u>1,872,678</u>

Change in Net Position	1,392,644
Net Position, at beginning of year	<u>9,268,222</u>
Net Position, at end of year	<u>\$ 10,660,866</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers/grantors	\$ 124,389
Cash paid to suppliers for goods/services	(207,853)
Cash paid to employees for services	<u>(145,318)</u>
Net Cash Provided (used) by Operating Activities	<u>(228,782)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from local governments	<u>81,375</u>
Net cash provided (used) by Non-capital financing activities	<u>81,375</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,704,085)
Proceeds from grants	<u>2,051,478</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>347,393</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net Cash Provided (used) by Investing Activities	<u>-</u>
Net Increase (decrease) in Cash and Cash Equivalents	199,986
Cash and Cash Equivalents, beginning of year	<u>13,047</u>
Cash and Cash Equivalents, end of year	<u>\$ 213,033</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, 2020

RECONCILIATION OF OPERATING LOSS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Operating Loss	(\$740,209)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	517,870
(Increase) decrease in assets:	
Accounts & other receivables	-
Prepaid expenses	-
Increase (decrease) in liabilities:	
Accounts & other payables	(6,443)
Net Cash Used by Operating Activities	<u>(228,782)</u>
Cash Presentation on Statement of Net Assets:	
Current Assets: Cash and cash equivalents	213,033
Restricted Assets: Cash and cash equivalents	<u>-</u>
Cash and Cash Equivalents, end of year	<u>\$ 213,033</u>

The accompanying notes are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

FALSE RIVER AIR PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020

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, 2020

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, 2020, 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 appropriate for expenditures or legally segregated for a specific future use.

FALSE RIVER AIR PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020.

A summary of cash and cash equivalents (book balances) at December 31, 2020, is as follows:

Account	<u>Amount</u>
Demand deposits	\$ 213,033
Temporarily restricted	<u>0</u>
Total	<u><u>\$ 213,033</u></u>

NOTE 3 – RECEIVABLES AND INTERGOVERNMENTAL RECEIVABLES

The False River Air Park Commission had no receivables to report at December 31, 2020.

FALSE RIVER AIR PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 -CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable Assets				
Land	\$2,001,056	\$ 248,965	\$	\$2,250,021
Construction in progress	2,114,282	292,291	(2,114,279)	292,294
Total Non-depreciable Assets	4,115,338	541,256	(2,114,279)	2,542,315
Depreciable Assets				
Buildings	2,743,196	17,214		2,760,410
Equipment	298,274	15,529		313,803
Radios and Antennas	484,843			484,843
Furniture and Fixtures	5,911			5,911
Runways, apron and roads	5,845,182	3,041,796		8,886,978
Land Improvements	1,278,455	202,573		1,481,028
Total Capital Assets, being depreciated	10,655,861	3,277,112	0	13,932,973
Capital Assets, total	14,771,199	3,818,368	(2,114,279)	16,475,288
Accumulated depreciation				
Buildings	455,733	73,862		529,595
Equipment	116,076	17,150		133,226
Radios & Antennas	203,933	42,715		246,648
Furniture and Fixtures	5,911			5,911
Runways, apron & roads	3,904,037	311,047		4,215,084
Land Improvements	822,396	73,096		895,492
Total Accumulated Depreciation	5,508,086	517,870		6,025,956
Capital Assets - Net	\$9,263,113	\$3,300,498	(\$2,114,279)	\$10,449,332

Depreciation expense in the amount of \$517,870 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, 2020:

Accounts payable – vendors for operations	\$ 1,499
Accounts payable – for capital improvements	\$ 0
Total	<u>\$ 1,499</u>

FALSE RIVER AIR PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 - LONG-TERM OBLIGATIONS

There were no long-term obligations at December 31, 2020.

NOTE 7 - RESTRICTED NET POSITION

The following is a summary of restricted net position at December 31, 2020:

There were no restrictions of net position as of December 31, 2020.

NOTE 8 - LEASES

No leases existed at December 31, 2020.

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, 2020, 2019, and 2018 were \$5,921, \$5,357, and \$5,652, 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, 2020

NOTE 13 -SUBSEQUENT EVENTS

Management evaluated subsequent events that would materially impact the accompanying financial statements through September 21, 2021, the date on which the financial statements were available to be issued and have one event to report: In March, 2020, the World Health Organization made the assessment that the outbreak of a novel Coronavirus (Covid-19) be characterized as a pandemic. This pandemic has affected the Commission's operations for the current fiscal year to a degree. The COVID-19 outbreak in the United States and Louisiana has caused business disruption through mandated and voluntary closings of businesses. While the disruptions have been temporary, there is considerable uncertainty about the duration of any potential future closings and whether those closings will precipitate a wider economic recession. As a result, the related financial impact on the Commission and the duration cannot be estimated at this time; therefore, no related provisions have been made in the financial statements.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS, ETC.
PAID TO AGENCY HEAD**

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, 2020

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.
(A Professional Accounting Corporation)

McDUFFIE K. HERROD
CERTIFIED PUBLIC ACCOUNTANT

Member:
American Institute of CPAs
Society of Louisiana CPAs

POST OFFICE BOX 8436
12410 WOODVILLE ST.
CLINTON, LA 70722

Telephone (225) 683-3888
Facsimile (225) 683-6733

**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, 2020, 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 September 21, 2021.

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 2020-001.

Compliance and Other Matters

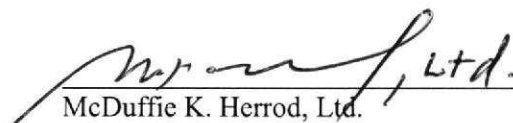
As part of obtaining reasonable assurance about whether False River Air Park Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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
September 21, 2021

**FALSE RIVER AIR PARK COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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.

FINDINGS-FINANCIAL STATEMENTS AUDIT

Current Period Findings:

Finding number 2020-001 – 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.

FALSE RIVER AIR PARK COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED DECEMBER 31, 2020

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 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 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.

**FALSE RIVER AIR PARK COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED DECEMBER 31, 2020**

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, 2020 AND 2019**

COMMUNICATIONS

Results of audit findings were discussed with Yvonne Chenevert, Airport Manager, on September 21, 2021.