

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
LAKE CHARLES, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 2025

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
LAKE CHARLES, LOUISIANA

**BOARD OF COMMISSIONERS**

June 30, 2025

Nora Popillion	President
Tuwanna Guillory-August	Vice President
Charles K. Dalglish	Secretary/Treasurer
Bill Hankins	Commissioner
Lee W. Boyer	Commissioner
Denise Rau	Commissioner
Kenneth B. Martin	Commissioner

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
LAKE CHARLES, LOUISIANA

ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2025

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Title Page	
Board of Commissioners	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-7
Statement of Net Position and Governmental Funds Balance Sheet	8-9
Reconciliation of Governmental Fund Balance to Net Position	10
Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances	11-12
Reconciliation of Change in Governmental Fund Balance to the Statement of Activities	13
Notes to Financial Statements	14-25
SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule-Required Supplementary Information	26-27
Note to Required Supplementary Information	28
Schedule of Expenditures of Federal Awards	29
Notes to Schedule of Expenditures of Federal Awards	30
Schedule of Compensation, Benefits, and other Payments to Agency Head or Chief Executive Officer	31
Schedule of Per Diem Paid Commissioners	32
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	33-34
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	35-37
Schedule of Findings and Questioned Costs	38-39

## Independent Auditors' Report

Board of Commissioners  
Chennault International Airport Authority  
Lake Charles, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chennault International Airport Authority as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Chennault International Airport Authority as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Chennault International Airport Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chennault International Airport Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chennault International Airport Authority's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's

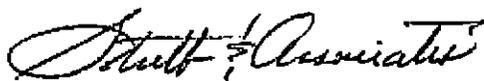
responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chennault International Airport Authority's basic financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer, the schedule of per diem paid commissioners, and the schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, the schedule of per diem paid commissioners, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Lake Charles, Louisiana  
December 15, 2025

## **Management's Discussion and Analysis**

The management of the Chennault International Airport Authority offers readers of the Chennault International Airport's financial statements this narrative overview and analysis of the financial activities for the Authority for the fiscal year ended June 30, 2025, with selected comparative information for the years ending June 30, 2024 and 2023. The information presented here should be read in conjunction with the financial statements, footnotes, and supplementary information in this report.

### **Governmental Funds**

Chennault International Airport Authority uses two funds: the Special Revenue Fund and the Capital Projects Fund. Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects. Capital Projects Funds are used to account for financial resources to be used for the acquisition, renovation, or construction of major capital facilities.

### **Financial Highlights**

- The Authority entered into a grant agreement with Federal Aviation Administration (FAA) in the amount of \$694,509 and with the Louisiana Department of Transportation and Development (DOTD) in the amount of \$70,000 with the funds from the grants to be used to Install Taxiway Lighting Golf. For the fiscal year ended June 30, 2025 the Authority reported grant revenue of \$694,509 from FAA and \$70,000 from DOTD.
- The Authority entered into a grant agreement with Federal Aviation Administration (FAA) in the amount of \$1,292,089 and with the Louisiana Department of Transportation and Development (DOTD) in the amount of \$115,000 with the funds from the grants to Rehabilitate Taxiway A North . For the fiscal year ended June 30, 2025 the Authority reported grant revenue of \$1,292,089 from FAA and \$115,000 from DOTD.
- The Authority entered into a grant agreement with Economic Development Administration (EDA) in the amount of \$2,500,000 and with Facility Planning and Control (FP&C) in the amount of \$1,000,000 and Chennault International Airport Authority matching \$2,269,889. Funds from the grant are to be used for CWF Fire Suppression System Expansion-FWPH#3. For the fiscal year ended June 30, 2025 the Authority reported grant revenue of \$1,199,139 from EDA and \$434,507 from FP&C.

### **Financial Analysis**

The assets of the Chennault International Airport Authority exceeded its liabilities at the close of the fiscal year ended June 30, 2025 by \$187,319,056. Table 1 on page 6 compares the calculation of net assets for the last three years. Net assets increased by \$1,375,793 during the fiscal year ended June 30, 2025. This increase is due mostly to replacement of hurricane damaged buildings and other capital asset additions.

### **Long-Term Debt**

The Authority owes a total of \$2,230,000 plus accrued interest on the \$6,725,000 that was borrowed under a contract entered into on March 1, 2018 for the issuance of Excess Revenue Certificates of Indebtedness (Mallard Cove Municipal Golf Course Project). The Authority entered

into a Cooperative Endeavor Agreement with the City of Lake Charles for Mallard Cove and as of June 30, 2025, the Authority owes a total of \$1,490,000 to the City of Lake Charles. The total accrued interest on all debt as of June 30, 2025 is \$21,993.

### **Budgetary Highlights**

The Authority recorded property tax collections of \$16,664,204 from the 5.38 mill tax levied in 2025. On March 24, 2012 an election was held and the proposition passed authorizing the Authority to renew the levy and collect a 5.45 mill property tax for a period of ten years beginning in 2016 and ending in 2025. The property tax levy approved for the year ending December 31, 2025 is 5.380 mills.

On December 10, 2022, an early election was held and the proposition was passed authorizing the Authority to renew the levy and collect a 5.45 mill property tax for a period of ten years beginning in 2026 and ending in 2035.

Rent income collected amounted to \$2,685,887, which is \$470,711 more than was budgeted for the year ending June 30, 2025.

**Table 1**  
**Chennault International Airport Authority**  
**Net Position**

	June 30, 2025	June 30, 2024	June 30, 2023
Assets other than property, plant and equipment:			
Cash and certificates of deposit	\$ 18,609,506	\$ 23,406,917	\$ 20,794,436
Receivables	1,978,294	553,189	2,159,213
Lease Receivables	12,264,030	13,955,798	15,214,982
Deposits	-	-	503,520
Prepaid Insurance	1,428,281	1,782,033	1,868,483
Total	<u>34,280,111</u>	<u>39,697,937</u>	<u>40,540,634</u>
Property, plant and equipment:			
Hangars	97,144,451	97,144,451	78,337,292
Offices, warehouses and shops	50,439,116	50,313,682	49,023,890
Airport operations buildings	4,669,203	4,122,222	4,122,222
Airfield pavement improvements	37,013,696	35,549,838	33,916,363
Roads and parking lots	7,747,661	7,566,922	7,566,922
Utility and Fire Protection Systems	16,587,463	10,177,814	9,827,463
Waste treatment plant	1,880,786	1,880,786	1,880,786
Fences and gates	4,612,435	4,579,863	3,788,838
Other improvements	10,592,790	10,592,790	10,592,790
Equipment	21,763,322	21,251,081	18,217,416
Subtotal	<u>252,450,923</u>	<u>243,179,449</u>	<u>217,273,982</u>
Less accumulated depreciation	<u>(105,415,676)</u>	<u>(98,460,813)</u>	<u>(92,252,748)</u>
Capital Assets, net of depreciation	147,035,247	144,718,636	125,021,234
Land	13,670,078	13,670,078	13,670,078
Construction in progress	8,684,220	7,971,336	18,843,075
Total property, plant and equipment	<u>169,389,545</u>	<u>166,360,050</u>	<u>157,534,387</u>
Total Assets	<u>203,669,656</u>	<u>206,057,987</u>	<u>198,075,021</u>
Liabilities:			
Other liabilities	2,936,209	4,092,685	5,395,780
Bonds payable	2,230,000	2,930,000	3,610,000
Total liabilities	<u>5,166,209</u>	<u>7,022,685</u>	<u>9,005,780</u>
Deferred Inflows	<u>11,184,391</u>	<u>13,092,038</u>	<u>14,598,029</u>
Net Position:			
Invested in capital assets	168,298,462	164,541,188	155,742,799
Restricted for capital projects	2,800,142	3,732,222	7,346,211
Unrestricted	16,220,452	17,669,853	11,382,202
Total Net Position	<u>\$ 187,319,056</u>	<u>\$ 185,943,263</u>	<u>\$ 174,471,212</u>

Note - The net position listed above does not include either the value of the 1,200 acres of land leased to the Authority for ninety-nine years by the four entities that created Chennault in June 1986 or the value of the approximately 14 million square feet of pavement that remains of the runway, taxiway, and aircraft parking aprons of the former Chennault Air Force Base.

**Table 2**  
**Chennault International Airport Authority**  
**Changes in Net Position**

	June 30, 2025	June 30, 2024	June 30, 2023
Revenues:			
Property tax	\$ 16,664,204	\$ 15,983,997	\$ 14,554,973
Rent income	2,503,595	2,411,893	2,032,376
Miscellaneous income	173,247	200,273	177,810
Interest income	979,650	1,248,565	940,233
Grants	3,825,238	2,721,507	2,132,439
Subtotal	<u>24,145,934</u>	<u>22,566,235</u>	<u>19,837,831</u>
Other Financing Sources:			
Gain on Hurricane Insurance Claim	-	7,900,000	10,996,496
FEMA proceeds	-	-	2,055,577
Total revenues and other financing sources	<u>24,145,934</u>	<u>30,466,235</u>	<u>32,889,904</u>
Expenses:			
Operate, maintain and repair airport and facilities	14,227,852	11,216,898	14,046,456
Intergovernmental	1,380,884	1,222,096	1,165,871
Interest and fiscal charges paid on debt	81,764	102,192	122,024
Depreciation	7,079,641	6,452,998	6,179,571
Total	<u>22,770,141</u>	<u>18,994,184</u>	<u>21,513,922</u>
Increase in Net Position	1,375,793	11,472,051	11,375,982
Beginning Net Position	<u>185,943,263</u>	<u>174,471,212</u>	<u>163,095,230</u>
Ending Net Position	<u>\$ 187,319,056</u>	<u>\$ 185,943,263</u>	<u>\$ 174,471,212</u>

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
June 30, 2025

	Governmental Fund Types	
	Special Revenue	Capital Projects
<b>ASSETS</b>		
Cash	\$ 18,442,795	\$ 166,711
Receivables:		
Taxes	26,810	-
Federal Aviation Administration	-	338,365
DOTD Grant	-	32,080
Louisiana FP&C Grant	-	1,050,933
Louisiana EDA Grant	-	398,002
Other	132,104	-
Lease Receivable	-	-
Land	-	-
Construction in Progress	-	-
Other Capital Assets, net of accumulated depreciation	-	-
Prepaid insurance	1,428,281	-
Due from other funds	-	827,010
	<u>\$ 20,029,990</u>	<u>\$ 2,813,101</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 317,131	\$ 12,959
Intergovernmental		
Due within one year	-	-
Due after one year	-	-
Accrued expenses	46	-
Contracts payable	234,731	856,352
Deferred revenues	2,997	-
Due to other funds	827,010	-
Certificates of Indebtedness		
Due within one year	-	-
Due after one year	-	-
	<u>1,381,915</u>	<u>869,311</u>
<b>DEFERRED INFLOWS</b>		
Deferred inflows of resources related to lease receivables	-	-
<b>FUND BALANCES/ NET POSITION</b>		
<b>Fund Balances</b>		
Nonspendable: prepaid insurance	1,428,281	-
Committed for construction and repairs	234,731	1,943,790
Assigned to:		
Airport facility	16,985,063	-
	<u>18,648,075</u>	<u>1,943,790</u>
Total liabilities and fund balance	<u>\$ 20,029,990</u>	<u>\$ 2,813,101</u>
<b>Net Position</b>		
Net investment in capital assets		
Restricted for construction and repairs		
Unrestricted		
Total net position		

Total Government Funds	Adjustments	Statement of Net Position
\$ 18,609,506	\$ -	\$ 18,609,506
26,810	-	26,810
338,365	-	338,365
32,080	-	32,080
1,050,933	-	1,050,933
398,002	-	398,002
132,104	-	132,104
-	12,264,030	12,264,030
-	13,670,078	13,670,078
-	8,684,220	8,684,220
-	147,035,247	147,035,247
1,428,281	-	1,428,281
<u>827,010</u>	<u>(827,010)</u>	<u>-</u>
<u>\$ 22,843,091</u>	<u>\$ 180,826,565</u>	<u>\$ 203,669,656</u>
\$ 330,090	\$ -	\$ 330,090
-	360,000	360,000
-	1,130,000	1,130,000
46	21,993	22,039
1,091,083	-	1,091,083
2,997	-	2,997
827,010	(827,010)	-
-	720,000	720,000
<u>-</u>	<u>1,510,000</u>	<u>1,510,000</u>
2,251,226	2,914,983	5,166,209
<u>-</u>	<u>11,184,391</u>	<u>11,184,391</u>
1,428,281	(1,428,281)	
2,178,521	(2,178,521)	
<u>16,985,063</u>	<u>(16,985,063)</u>	
<u>20,591,865</u>	<u>(20,591,865)</u>	
<u>\$ 22,843,091</u>	<u>(6,492,491)</u>	
	168,298,462	168,298,462
	2,800,142	2,800,142
	<u>16,220,452</u>	<u>16,220,452</u>
	<u>\$ 187,319,056</u>	<u>\$ 187,319,056</u>

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION  
June 30, 2025

Total Governmental Fund Balances		\$ 20,591,865
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:</p>		
Land	13,670,078	
Construction in progress	8,684,220	
Buildings	152,252,770	
Airfield Pavement Improvement	37,013,696	
Roads and Parking	7,747,661	
Utility and Fire Protection Systems	16,587,463	
Waste Treatment Plant	1,880,786	
Fences and Gates	4,612,435	
Other Improvements	10,592,790	
Equipment	21,763,322	
Accumulated depreciation	<u>(105,415,676)</u>	
Other capital assets, net of accumulated depreciation	147,035,247	
Lease receivables are not available resources and, therefore, are not reported in the governmental funds	12,264,030	
Interfund receivables are eliminated in reporting total assets	<u>(827,010)</u>	
Total asset adjustments		180,826,565
<p>Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:</p>		
Intergovernmental - due to the City of Lake Charles	1,490,000	
Certificates of indebtedness	2,230,000	
Accrued interest	21,993	
Interfund payables are eliminated in reporting total assets	<u>(827,010)</u>	
Total liability adjustments		(2,914,983)
The deferred inflow of resources related to lease receivables is not an available resource, and therefore, is not reported in the governmental funds		<u>(11,184,391)</u>
Net position of governmental activities		<u>\$ 187,319,056</u>

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Fiscal Year Ended June 30, 2025

	Governmental Funds	
	Special Revenue	Capital Projects
Revenues:		
Taxes	\$ 16,664,204	\$ -
Rents	2,685,887	-
Interest	504,502	76,977
Fuel flowage	133,483	-
Miscellaneous	39,764	-
Grants and contracts	-	3,825,238
Total revenues	20,027,840	3,902,215
Expenditures:		
Current operating:		
Personal services	2,957,175	-
Travel	43,919	-
Contractual services	10,086,263	-
Intergovernmental	1,740,884	-
Supplies and materials	319,987	-
Repairs and maintenance	2,404,920	-
Depreciation	-	-
Capital outlays	105,263	8,419,461
Debt service:		
Principal retirement	700,000	-
Interest and fiscal charges	88,668	-
Total expenditures	18,447,079	8,419,461
Excess (deficiency) of revenues over expenditures	1,580,761	(4,517,246)
Other financing sources (uses):		
Operating transfers in	-	4,000,000
Operating transfers (out)	(4,000,000)	-
Total other financing sources (uses)	(4,000,000)	4,000,000
Net change in fund balance/ net position	(2,419,239)	(517,246)
Fund balance/ net position Beginning of year	21,067,314	2,461,036
End of year	18,648,075	\$ 1,943,790

See Accompanying Notes to Financial Statements

Total Government Funds	Adjustments	Statement of Activities
\$ 16,664,204	\$ -	\$ 16,664,204
2,685,887	(182,292)	2,503,595
581,479	398,171	979,650
133,483	-	133,483
39,764	-	39,764
<u>3,825,238</u>	<u>-</u>	<u>3,825,238</u>
<u>23,930,055</u>	<u>215,879</u>	<u>24,145,934</u>
2,957,175	-	2,957,175
43,919	-	43,919
10,086,263	-	10,086,263
1,740,884	(360,000)	1,380,884
319,987	(74,877)	245,110
2,404,920	(1,509,535)	895,385
-	7,079,641	7,079,641
8,524,724	(8,524,724)	-
700,000	(700,000)	-
88,668	(6,904)	81,764
<u>26,866,540</u>	<u>(4,096,399)</u>	<u>22,770,141</u>
<u>(2,936,485)</u>	<u>4,312,278</u>	<u>1,375,793</u>
4,000,000	-	4,000,000
<u>(4,000,000)</u>	<u>-</u>	<u>(4,000,000)</u>
<u>-</u>	<u>-</u>	<u>-</u>
(2,936,485)	4,312,278	1,375,793
<u>23,528,350</u>	<u>162,414,913</u>	<u>185,943,263</u>
<u>\$ 20,591,865</u>	<u>\$ 166,727,191</u>	<u>\$ 187,319,056</u>

See Accompanying Notes to Financial Statements

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
RECONCILIATION OF CHANGE IN GOVERNMENTAL FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
June 30, 2025

Net change in fund balances - total governmental funds \$ (2,936,485)  
Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report lease revenues as the payments are earned. However, in the statement of activities, lease revenues are based on the principle that leases are financing the right to use the underlying asset. A lessor is required to recognize the revenue over the term of the lease based on principal and interest payments earned.

For the current period, the adjustments to recognize long-term leases are:

Rent revenue	(182,292)	
Interest revenue	398,171	
Net adjustments	<u>215,879</u>	215,879

Governmental funds report capital outlays and repairs as expenditures. However, in the statement of activities, assets with an individual cost of more than \$10,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. For the current period, these amounts are:

Capital outlay	8,524,724	
Repairs	1,509,535	
Reclassification from capital outlay to supplies and materials	74,877	
Depreciation expense	(7,079,641)	
Excess of capital outlay over depreciation expense	<u>3,029,495</u>	3,029,495

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consisted of:

Intergovernmental - due to the City of Lake Charles	360,000	
Principal payment	700,000	
Net decrease in accrued interest payable	6,904	
Net increase	<u>1,066,904</u>	1,066,904

Change in net position of governmental funds \$ 1,375,793

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025

1. **Summary of Significant Accounting Policies**

The Chennault International Airport Authority (the Authority) is a political subdivision of the State of Louisiana and was created by an Act of the Louisiana Legislature. By virtue of the act and the joint initiative of Calcasieu Parish, City of Lake Charles, Calcasieu Parish School Board and the State Board of Elementary Education, a special district was created through an intergovernmental contract and local services agreement. The Authority is governed by a board of seven commissioners appointed as follows: two members appointed by Calcasieu Parish, two members appointed by the City of Lake Charles, two members appointed by the Calcasieu Parish School Board. The six members so appointed shall appoint by majority vote a seventh member.

The name of the Authority was changed by Act 458 of the Louisiana Legislature, 1997 Regular Session, from the Chennault Industrial Airpark Authority to the Chennault International Airport Authority.

The Authority's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. In June 1999, the Governmental Accounting Standards Board unanimously approved Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The Authority implemented the new reporting model standards in fiscal year ended June 30, 2004.

**Reporting Entity**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic, but not the only, criteria for including a potential component unit within the reporting entity are the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criteria used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority is able to exercise oversight responsibilities. Based upon the application of these criteria, it was determined that no other agency should be included in this reporting entity.

**Basic Financial Statements – Fund Financial Statements**

The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

1. **Summary of Significant Accounting Policies (continued)**

The various funds are grouped, in the financial statements in this report, into two broad funds categories as follows:

**GOVERNMENTAL FUNDS**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the authority.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition, renovation, or construction of major capital facilities.

**Fund Balances – Governmental Funds**

Beginning with fiscal year ended June 30, 2012, the Authority implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be used only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (i.e., Board of Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest level action to remove or change the constraint.

*Assigned* – amounts the Authority intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an individual or body to which the Board delegates the authority.

*Unassigned* – amounts that are available for any purpose.

The Authority establishes (and modifies or rescinds) fund balance commitments by passage of board resolution or formal approval. Assigned fund balance is established by the Authority through the adoption or amendment of the budget as intended for specific purposes.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

1. **Summary of Significant Accounting Policies (continued)**

**Basic Financial Statements – Government-Wide Statements**

The Authority's basic financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting the Authority's funds). In the government-wide Statement of Net Position, governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities. The Authority's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government- wide Statement of Activities reports revenues and expenses on a full accrual, economic resource basis. The Statement of Activities recognizes depreciation expense.

This government-wide focus is more on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from current year's activities.

**Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Authority's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Authority's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Accrual**

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**Modified Accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when available and measurable. "Available" means collectible within the current period or within 60 days after year end. Revenues that are accrued include rent, property taxes, and interest. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures, other than interest on long-term debt, are recognized when the related liability is incurred.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

1. **Summary of Significant Accounting Policies (continued)**

**Cash and Certificates of Deposit**

Cash and certificates of deposit are stated at cost which approximates market. Interest is accrued as earned in the period it becomes measurable and available. Certificates of deposit matured during the year. Cash bears an adjustable interest rate which was 2.12% as of June 30, 2025.

**Accounts Receivable**

Accounts receivable represent amounts due from various federal, state, and local agencies and customers and are deemed to be fully collectible by management.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Additions, improvement and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for costs for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15 - 40 years
Machinery and equipment	10 - 30 years
Improvements	10 - 50 years
Other infrastructure	10 - 50 years

GASB 34 requires the Authority to report and depreciate new infrastructure assets effective beginning the year of implementation (June 30, 2004). The Authority voluntarily elected to retroactively report infrastructure assets and depreciation. Infrastructure assets include drainage, roads, runways, lighting, utilities, etc.

**Vacation and Sick Leave**

Permanent employees earn two to six weeks of vacation and 96 hours sick leave each year depending on the length of service with the Authority. In the event of separation of employment, the employee will be paid for any unused vacation time accrued. Employees are able to accrue unused sick leave without limitation. However, there will be no payment of unused sick leave upon separation of employment. Benefits considered more likely than not to be used or settled at termination are recognized in the financial statements.

**Use of Estimates**

The financial statements are prepared in conformity with generally accepted accounting principles and, accordingly, include amounts that are based on management's best estimates and judgments. Actual results could differ from these estimates.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

2. **Cash**

Under Louisiana Revised Statutes 39:2955, the Authority may deposit funds in demand deposit accounts, interest bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks, organized under Louisiana Law and National Banks having a principal office in Louisiana. Additionally, Louisiana statutes allow the Authority to invest in United States Treasury obligations, obligations issued or guaranteed by the United States government or federal agencies, and mutual or trust funds register with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to the United States government or its agencies.

At June 30, 2025, the Authority had \$18,700,269 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$18,807,564 of pledged securities held in a custodial bank in the Authority's name.

Custodial Credit Risk is the risk that in the event of bank failure, the Authority's deposits may not be returned. The Authority deposits its cash with high quality financial institutions, and management believes the Authority is not exposed to significant credit risk.

Interest Rate Risk is the risk that changes in the interest rate will adversely affect the fair value of the investment. At June 30, 2025 the Authority did not have investments in any debt instruments.

**Interfund Activity**

Transfers are used to move special revenue funds to the capital projects fund. The transfers are to cover budgeted capital outlay expenditures not reimbursed by grants. The total transfer for the year ended June 30, 2025 was \$4,000,000.

3. **Joint Services Agreement**

The Chennault International Airport Authority entered into Joint Services Agreements on April 4, 1995, with the West-Calcasieu Airport Managing Board and the DeQuincy Airport Authority. The purpose of the agreements is to cooperate on the construction, acquisition, and improvement of public aviation projects or improvements. The joint use of funds is intended to carry out the public purpose of encouraging and stimulating economic development throughout Calcasieu Parish.

In October 2012, the parties entered into new Joint Service Agreements effective for years 2016 through 2026. The new agreements call for annual transfers as follows:

	Tax Collection Period		
	<u>2017-2019</u>	<u>2020-2023</u>	<u>2024-2026</u>
West Calcasieu Airport Authority	\$300,000	\$375,000	\$425,000
DeQuincy Airport Authority	\$200,000	\$250,000	\$300,000

In addition to the above transfers, the Authority agrees to review its tax revenue in 2017, 2021, and 2025 to compare the previous year's property tax collection. If the receipts for those years increase by 3% or more, the Authority will increase its transfer by 3% for a period not to exceed three years.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

3. **Joint Services Agreement (continued)**

The total amount paid to the West Calcasieu Airport Authority for the year ending June 30, 2025 was \$425,000. The total amount paid to the DeQuincy Airport Authority for the year ending June 30, 2025 was \$300,000.

It is understood and agreed that should untoward events, i.e., natural disaster, tenant loss, etc., resulting directly or indirectly, more than 10% decrease in annual gross revenue to the Authority, or such other unexpected development resulting in said decrease in revenue, or overall tax revenues decrease to \$7 million or below per year, this agreement may be modified accordingly, upon formal action by the Board Authority.

4. **Lease Receivable**

The Authority implemented GASB Statement No. 87 for the year ended June 30, 2022. Under this statement, a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. The lease receivable is measured at the present value of lease payments expected to be received during the lease term discounted using interest rate of 2.975%.

Leases receivables, lease revenue and lease interest revenue related to long term leases as of and for the year ended are as follows:

<u>Property/Term</u>	<u>Lease Date</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Interest</u>
Landlocked				
5 year with 3 5 year options	8/19/2017	\$7,886,373	\$587,813	\$241,818
Northrop Grumman				
5 year	1/1/2021	137,405	255,616	8,438
Louisiana Millwork				
5 year	1/1/2021	149,861	282,637	9,203
Million Air – Building				
15 year	1/1/2021	1,859,244	164,725	57,261
Million Air – Hangar				
5 year	1/1/2021	4,988	56,311	1,102
Citadel				
10 year	1/1/2019	1,519,769	423,383	51,785
Citadel Warehouse				
3 year 2 1 year options	5/27/2024	231,218	54,777	7,527
EP Breaux Utility				
29 months	6/1/2023	4,895	56,745	1,081
AAHLB, LLC				
40 year	4/15/2024	461,640	11,238	13,600
Diamond D				
19 months	6/1/2023	-	139,820	1,235
Jefferson Davis Electric				
18 months	7/1/2024	8,637	17,020	530
Total		<u>\$12,264,030</u>	<u>\$2,050,086</u>	<u>\$393,580</u>

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

4. **Lease Receivable (continued)**

Future payments due to the Authority under non-cancelable agreements are as follows.

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$1,383,684	\$343,787
2027	1,131,737	308,363
2028	1,189,567	273,915
2029	1,009,874	239,171
2030	755,289	214,361
Thereafter	<u>6,793,879</u>	<u>1,065,324</u>
Total	<u>\$12,264,030</u>	<u>\$2,444,921</u>

5. **Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The Authority has only one type of revenue that qualifies for reporting in this category. Accordingly the Authority has reported deferred inflows from leases in the amount of \$11,184,391 as of June 30, 2025.

6. **Property Taxes**

On January 15, 2005, an election was held and the proposition passed authorizing the Authority to renew the levy and collect a 5.45 mill property tax for a period of ten years beginning with the year 2006. On December 10, 2022, an early election was held and the proposition was passed authorizing the Authority to renew the levy and collect a 5.45 mill property tax for a period of ten years beginning in 2026 and ending in 2035. For the year ended June 30, 2025, the Authority levied taxes of 5.38 mills on property with assessed valuation totaling \$3,352,504,065. The taxes were dedicated to maintaining, operating, relocating, constructing, or improving Airpark facilities of the Authority. Total taxes levied were \$18,036,472.

Property tax millage rates are normally adopted in May for the calendar year in which taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by February 28th are subject to property lien.

7. **Excess Revenue Certificates of Indebtedness**

On March 1, 2018 the Louisiana State Bond Commission granted approval to the Authority for the issuance, sale and delivery of Excess Revenue Certificates of Indebtedness (Mallard Cove Municipal Golf Course Project), Series 2018. On March 1, 2018, an issue in the original principal amount of \$6,725,000 was sold to Iberia bank. The funds, less costs of issuance of \$125,000, were transferred to paying agent/registrar Whitney Bank to pay for the construction and equipping of a new municipal golf course for the City of Lake Charles, Louisiana.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

7. **Excess Revenue Certificates of Indebtedness (continued)**

The certificates of indebtedness, dated March 1, 2018, provide that the Authority shall repay the paying agent semi-annual interest payments at a rate of 2.975% and annual principal payments with the final payment due and paid March 1, 2028.

The Certificates will be secured by and payable solely from the irrevocable pledge and dedication of the excess of annual revenues of Chennault, in the fiscal year ending June 30, 2018 and subsequent years, above statutory, necessary and usual charges as well as those funds and monies budgeted, allocated, available, dedicated, set aside or otherwise to be utilized to fund or make debt service payments on the outstanding Certificates. There are various limitations and restrictions contained in the debt agreement. The Authority is in compliance with all significant limitations and restrictions.

The annual requirements to amortize the indebtedness outstanding as of June 30, 2025 is as follows.

<u>Year Ending June 30</u>	<u>Interest</u>	<u>Principal</u>
2026	44,922	720,000
2027	22,758	745,000
2028	-	765,000
	<u>\$67,680</u>	<u>\$2,230,000</u>

8. **Mallard Cove Property**

As additional consideration for the City's (a) reimbursement of \$1,600,000 to MC Golf for the extension of a walkway and public utilities; (b) transfer of 40 acres to Arrozal; and (c) the transfer of Mallard Cove, including all improvements, to the Authority, the Authority shall pay unto the city the sum of \$15,000 per month for a twenty year term beginning upon the transfer of Mallard Cove by the City to the Authority (\$3,600,000). On September 15, 2021, the golf course was complete and the land was transferred per the Cooperative Endeavor Agreement. On December 31, 2022 the agreement was revised to change the payment amount whereby monthly installments, bearing no interest, will be \$30,000, a lump sum of \$1,000,000 was paid on August 1, 2023 and the final monthly installment to be paid September 1, 2029.

The annual payment requirements as of June 30, 2025 is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>
2026	360,000
2027	360,000
2028	360,000
2029 and thereafter	410,000
	<u>\$1,490,000</u>

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

9. **Changes in Long-Term Debt**

Long-term debt is liquidated by the Special Revenue Fund. The following is a summary of changes in long-term debt of the Authority for the year ended June 30, 2025:

<u>Debtor</u>	<u>Balance July 1, 2024</u>	<u>Borrowings</u>	<u>Payments</u>	<u>Balance June 30, 2025</u>
Intergovernmental –				
City of Lake Charles	\$1,850,000	\$ -	\$ 360,000	\$1,490,000
Certificates of				
Indebtedness	<u>2,930,000</u>	<u>-</u>	<u>700,000</u>	<u>2,230,000</u>
Total	<u>\$4,780,000</u>	<u>\$ -</u>	<u>\$1,060,000</u>	<u>\$3,720,000</u>

10. **Capital Assets Activity**

Capital assets consist of the following:

	<u>June 30, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2025</u>
Non-depreciable:				
Construction in Progress	\$ 7,971,336	\$10,043,878	(\$9,330,994)	\$8,684,220
Land	13,670,078	-	-	13,670,078
Depreciable:				
Buildings	151,580,355	672,415	-	152,252,770
Improvements other than buildings	70,348,013	8,086,818	-	78,434,831
Equipment	<u>21,251,081</u>	<u>637,019</u>	<u>(124,778)</u>	<u>21,763,322</u>
Total	264,820,863	19,440,130	(9,455,772)	274,805,221
Accumulated Depreciation	<u>(98,460,813)</u>	<u>(7,079,641)</u>	<u>124,778</u>	<u>(105,415,676)</u>
Net Capital Assets	<u>\$166,360,050</u>	<u>\$12,360,489</u>	<u>(\$9,330,994)</u>	<u>\$169,389,545</u>

During the fiscal year ended June 30, 2025, the Authority completed construction on several capital projects. Listed below is a summary of the completed projects.

	<u>Prior Period Expenditures</u>	<u>Year Ended June 30, 2025</u>	<u>Total Project Expenditures</u>
Taxiway Golf Lighting	\$ 84,240	\$756,074	\$ 840,314
Taxiway Alpha North Rehabilitate	-	1,463,858	1,463,858
Air Traffic Control Tower Rainscreen	538,181	8,800	546,981
Site Utility Project	3,899,665	1,460,439	5,360,104
Furnish and Install Generators	302,806	13,767	316,573
Mallard Cove Cart Barn	7,988	117,446	125,434
Airfield Lighting	-	197,256	197,256
Other Projects	<u>55,227</u>	<u>415,628</u>	<u>470,855</u>
	\$4,888,107	\$4,433,268	\$9,321,375

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

10. **Capital Assets Activity (continued)**

Construction in progress as of June 30, 2025, is composed of the following:

	<u>Budget</u>	<u>Expended to date</u>	<u>Committed</u>
Paint Hangar	\$ 925,000	\$ 336,427	\$ 588,573
Building 3005	4,500,000	3,736,905	763,095
FWPH #3	4,779,000	3,299,442	1,479,558
Hangar A Annex A/C	296,000	319,012	-
Hangar D Equipment	299,900	242,489	53,511
Building 3007	247,959	152,719	95,240
Industrial Row Guard House	690,000	251,003	438,997
Airfield painting	300,527	298,720	1,807
Other projects	-	<u>47,503</u>	258,704
		<u>\$ 8,684,220</u>	

11. **Leased Property**

The Authority leases its property to various commercial and governmental operations. A significant portion of these leases are non-cancelable leases. The cost of leased building property and improvements is \$126,747,099 and the amount of accumulated depreciation as of June 30, 2025 was \$53,984,980.

Fuel flowage income associated with the Authority's non-cancelable leases was \$133,482 for the year ended June 30, 2025. The Authority's fuel flowage fee is eight cents per gallon.

12. **Deferred Compensation Plan**

The Authority set up a deferred compensation plan effective July 1, 2005 that would be administered through the State of Louisiana Deferred Compensation Plan. Employees who are not contributing to the Louisiana State Employees' Retirement System plan are eligible to participate in the Authority's deferred compensation plan.

Contributions are based on an employee's wages and taxable benefits. The contribution rate was set at seven percent. The contribution rate for employees hired after July 1, 1994 was modified from seven percent to eight and one half percent.

The contribution rate was increased on July 1, 2011 to include an additional amount with an employee contribution. The Authority matches up to two percent with employees contributing four percent.

The amounts contributed to the deferred compensation plan by the Authority are included both in the amount of wages reported for the employee and in the amount of deferred compensation contributed by the employee. Funds contributed by the Authority to the plan are held in separate accounts set up for the individual employees within the State of Louisiana Deferred Compensation Plan. Contributions to the Plan and any earnings they generate are 100% vested to the employee. The Authority contributed \$187,035 for employees covered by the deferred compensation plan for the year ended June 30, 2025. The total amount owed to the plan as of June 30, 2025 was \$0.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2025  
 (continued)

13. **Contingencies and Commitments**

The Authority participates in a number of federal financial assistance programs. Although the grant programs have been audited, these programs are still subject to financial and compliance audits by governmental agencies.

Commitments under maintenance and service contracts provide for minimum annual payments as follows:

	<u>Unarmed Security</u>	<u>Runway Equipment</u>	<u>Fire Protection</u>
June 30, 2026	\$166,580	\$5,250	\$1,691,504

Cooperative Endeavor Agreement

The Authority entered into a Cooperative Endeavor Agreement on February 13, 2025 in which the City of Lake Charles (City) will transfer full title to 55.68 acres of City property in exchange for 55.68 acres of Authority property for the relocation and reconstruction of the Public Works Facility. The exchange is anticipated to take place by April 1, 2027.

Hurricane Laura - FEMA

During the year ended June 30, 2023, the Authority recorded revenues from FEMA in the amount of \$1,988,845 to cover uninsured cost as a result of Hurricane Laura. There is the possibility that additional cost of repairs and code upgrades will qualify for partial reimbursement from FEMA.

On December 15, 2022 the Authority entered into a professional services agreement with Rostan Solutions, LLC that includes a fee structure, with the fee being due upon Federal Emergency Management Agency (FEMA) funds being obligated to the Authority. On November 27, 2024, FEMA obligated funds in the amount of \$20,894,692, of which 10% will be funded by the Authority during construction. On December 26, 2024, in accordance with the agreement, the Authority paid Rostan 20% of the obligated funds, or \$4,178,938.

On August 19, 2025 FEMA obligated \$10,883,681, of which 10% will be funded by the Authority during construction. In accordance with the contract, Rostan is due 20% of the obligated funds, or \$2,176,736.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. During the year ended June 30, 2025, the Authority did not reduce insurance coverages from coverage levels in place as of June 30, 2024. Property and equipment coverage limits are approximately \$102 million. However, in the event of a named storm the coverage is limited to \$75 million.

The Authority is subject to pending claims and litigation which arise primarily in the ordinary course of business. The Authority does not anticipate any losses with respect to such pending claims and litigation as of June 30, 2025.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025  
(continued)

14. **Subsequent Events**

Subsequent events were evaluated through December 15, 2025, the date of which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 17,264,833	17,264,833	\$ 16,664,204	\$ (600,629)
Rents	2,215,176	2,215,176	2,685,887	470,711
Interest	127,000	127,000	504,502	377,502
Miscellaneous	142,000	142,000	173,247	31,247
Grant proceeds	-	-	-	-
<b>Total revenues</b>	<u>19,749,009</u>	<u>19,749,009</u>	<u>20,027,840</u>	<u>278,831</u>
<b>Expenditures:</b>				
Salaries	2,408,269	2,408,269	2,368,451	39,818
Employee benefits and taxes	688,379	688,379	588,724	99,655
<b>Personal Services</b>	3,096,648	3,096,648	2,957,175	139,473
<b>Travel</b>	69,000	69,000	43,919	25,081
Advertising	134,000	134,000	101,192	32,808
Architectural and engineering	350,000	350,000	82,739	267,261
Control tower	76,000	76,000	18,088	57,912
Fire protection	1,691,504	1,691,504	1,691,504	-
Insurance	3,132,500	3,132,500	2,688,035	444,465
Maintenance	90,460	90,460	83,110	7,350
Rentals	52,700	52,700	6,891	45,809
Telephone and utilities	316,500	316,500	282,164	34,336
Miscellaneous Contractual	1,942,410	6,121,348	5,132,540	988,808
<b>Contractual services</b>	7,786,074	11,965,012	10,086,263	1,878,749
<b>Intergovernmental</b>	1,604,325	1,604,325	1,740,884	(136,559)
Business development	40,000	40,000	17,185	22,815
Office Expense	40,000	40,000	28,492	11,508
Maintenance supplies	377,000	377,000	116,571	260,429
Vehicles-fuel and repairs	245,500	245,500	157,739	87,761
<b>Supplies &amp; Materials</b>	702,500	702,500	319,987	382,513
<b>Repairs and Maintenance</b>	5,878,000	6,578,000	2,404,920	4,173,080
<b>Capital outlays</b>	10,412,721	10,412,721	105,263	10,307,458
<b>Debt service</b>	790,168	790,168	788,668	1,500
<b>Total expenditures</b>	<u>30,339,436</u>	<u>35,218,374</u>	<u>18,447,079</u>	<u>16,771,295</u>
Excess of revenues over expenditures	(10,590,427)	(15,469,365)	1,580,761	17,050,126

(continued on next page)

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2025  
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues over expenditures	(10,590,427)	(15,469,365)	1,580,761	17,050,126
Other financing sources (uses):				
Operating transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Total Other Sources (Uses)	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (14,590,427)</u>	<u>\$ (19,469,365)</u>	(2,419,239)	<u>\$ 17,050,126</u>
Fund balance at beginning of year			<u>21,067,314</u>	
Fund balance at end of year			<u>\$ 18,648,075</u>	

Chennault International Airport Authority  
Note to Required Supplementary Information-Budgetary Reporting  
For the year ended June 30, 2025

The Budgetary Comparison Schedule-Budget to Actual presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis.

A proposed budget is prepared and submitted to the Board of Commissioners prior to the beginning of each year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers all Authority activities of the Special Revenue Fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Board of Commissioners. Formal budgetary integration is employed as a management control device during the year for the Special Revenue Funds.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year ended June 30, 2025

Federal Grantor/Pass-through <u>Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant/Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Commerce Economic Development Administration Economic Adjustment Assistance	11.307*	ED24AUS0G0028	\$1,199,139
U. S. Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106	3-22-0086-034-2024	1,292,089
Airport Improvement Program	20.106	3-22-0086-035-2024	694,509
Total U.S. Department of Transportation			<u>1,986,598</u>
Total expenditures of federal awards			<u>\$3,185,737</u>

\*Major Program

See accompanying notes to schedule of expenditures of federal awards

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Chennault International Airport Authority (the Authority) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

CHENNAULT INTERNATIONAL AIRPORT AUTHORITY

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

Year ended June 30, 2025

**AGENCY HEAD NAME: EXECUTIVE DIRECTOR  
W. Kevin Melton**

**PURPOSE**

Salary	\$178,417
Benefits	
Insurance	14,400
Retirement	22,562
Uniforms	735
Car Allowance	12,000
Travel	<u>11,773</u>
<b>TOTAL</b>	<b><u>\$239,887</u></b>

**CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
BOARD OF COMMISSIONERS  
July 1, 2024 – June 30, 2025**

Nora Popillion	President
Tuwanna Guillory-August	Vice President
Charles K. Dalgleish	Secretary/Treasurer
Bill Hankins	Commissioner
Denise Rau	Commissioner
Kenneth B. Martin	Commissioner
Lee W. Boyer	Commissioner

**CHENNAULT INTERNATIONAL AIRPORT AUTHORITY  
SCHEDULE OF PER DIEM PAID COMMISSIONERS**

The schedule of per diem paid to Commissioners was prepared in compliance with house Concurrent Resolutions No. 54 of the 1979 Session of the Louisiana Legislature.

As provided by Louisiana Revised Statute 33:4710.6, member of the Commission serve without compensation.

COMMISSIONER	MEETINGS ATTENDED	COMPENSATION
Nora Popillion	10	-0-
Tuwanna Guillory-August	9	-0-
Charles K. Dalgleish	12	-0-
Bill Hankins	12	-0-
Denise Rau	9	-0-
Kenneth B. Martin	11	-0-
Lee W. Boyer	10	-0-

INDEPENDENT AUDITORS' 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*

Board of Commissioners  
Chennault International Airport Authority  
Lake Charles, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Chennault International Airport Authority as of and for the year then ended June 30, 2025, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon, dated December 15, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chennault International Airport Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chennault International Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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.

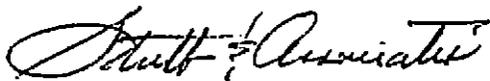
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chennault International Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Stulb & Associates".

Lake Charles, Louisiana  
December 15, 2025

# Stulb & Associates, APAC

Certified Public Accountants

---

James F. Stulb, C.P.A.  
Kristine S. Carter, C.P.A.  
Joshua P. Richard, C.P.A.

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

Board of Commissioners  
Chennault International Airport Authority  
Lake Charles, Louisiana

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Chennault International Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Chennault International Airport Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Chennault International Airport Authority 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 June 30, 2025.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chennault International Airport Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Chennault International Airport Authority's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Chennault International Airport Authority's federal programs.

Member AICPA • Member LCPA  
[www.stulbandassociates.com](http://www.stulbandassociates.com)

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

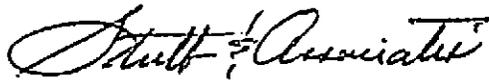
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Stulb & Associates".

Lake Charles, Louisiana  
December 15, 2025

Chennault International Airport Authority  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Section I – Summary of Auditors’ Results  
 June 30, 2025

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_ Yes      \_\_X\_ No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_ Yes      \_\_X\_ None Reported
- Noncompliance material to financial statements noted? \_\_\_ Yes      \_\_X\_ No

Federal Awards

Internal control over major programs:

- Material weakness identified? \_\_\_ Yes      \_\_X\_ No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_ Yes      \_\_X\_ None reported

Type of auditors’ report issued on compliance for the major federal award programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance \_\_\_ Yes      \_\_X\_ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>NAME OF FEDERAL PROGRAM</u>
11.307	US Department of Commerce – Economic Adjustment Assistance

The threshold for distinguishing Types A and B programs was \$750,000.

Auditee qualified as low-risk auditee? \_\_X\_ Yes      \_\_\_ No

Chennault International Airport Authority  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Section II – Financial Statement Findings

**Current Audit**

There were no findings.

**Prior Audit**

There were no findings or questioned costs.

Section III – Federal Awards Findings and Questioned Costs

The results of our tests disclosed no instances of non-compliance with the requirements applicable to each major federal program that are required to be reported in accordance with the Uniform Guidance.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Chennault International Airport Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024 through June 30, 2025. The Chennault International Airport Authority is responsible for those C/C areas identified in the SAUPs.

Chennault International Airport Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024 through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***1) Written Policies and Procedures***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***2) Board or Finance Committee***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***3) Bank Reconciliations***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***4) Collections (excluding electronic funds transfers)***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

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

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***6) Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

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

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***8) Contracts***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***9) Payroll and Personnel***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***10) Ethics***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***11) Debt Service***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***12) Fraud Notice***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***13) Information Technology Disaster Recovery/Business Continuity***

---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

***14) Prevention of Sexual Harassment***

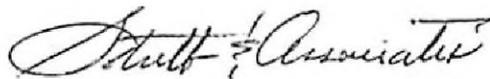
---

There were no exceptions identified in this category for the year ending June 30, 2024 (Year 1), therefore this category is excluded from retesting for the year ending June 30, 2025 (Year 2).

We were engaged by the Chennault International Airport Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Chennault International Airport Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended 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.

A handwritten signature in cursive script that reads "Stull & Associates".

Lake Charles, Louisiana  
October 30, 2025