

**AVOYELLES PARISH
AIRPORT AUTHORITY**
Marksville, Louisiana

Financial Report

Year Ended December 31, 2019

TABLE OF CONTENTS

	Page
Independent Accountant's Review Report	1-2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	5
Statement of activities	6
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	8
Reconciliation of the governmental fund balance sheet to the statement of net position	9
Statement of revenues, expenditures, and changes in fund balance - governmental fund	10
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	11
Notes to basic financial statements	12-21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	23
Notes to required supplementary information	24
INTERNAL CONTROL AND COMPLIANCE	
Schedule of current and prior year audit findings and management's corrective action plan	26-29
ATTESTATION REPORT AND QUESTIONNAIRE	
Independent Accountant's Report on Applying Agreed-Upon Procedures	31-34
Louisiana Attestation Questionnaire	35-37

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Commissioners
Avoyelles Parish Airport Authority
Marksville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and the major fund of the Avoyelles Parish Airport Authority ("the Airport Authority"), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in Government Auditing Standards, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United State of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 23 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The required supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the required supplementary information. We have not audited the required supplementary information and we do not express an opinion on such information.

The Airport Authority has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 23, 2020

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
 ASSETS	
Cash and interest-bearing deposits	\$ 70,466
Receivables	3,455
Inventory	8,285
Prepaid insurance	2,409
Capital assets:	
Non-depreciable	166,487
Depreciable, net	<u>5,277,069</u>
Total assets	<u>\$ 5,528,171</u>
 LIABILITIES	
Unearned revenue	<u>\$ 11,356</u>
 NET POSITION	
Net investment in capital assets	5,443,556
Unrestricted	<u>73,259</u>
Total net position	<u>\$ 5,516,815</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Statement of Activities
For the Year Ended December 31, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position Governmental Activities
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	<u>\$ 292,855</u>	<u>\$ 75,509</u>	<u>\$ 4,800</u>	<u>\$ 107,514</u>	<u>\$ (105,032)</u>
General revenues:					
State revenue sharing					11,099
Other					<u>1,938</u>
Total general revenues					<u>13,037</u>
Change in net position					(91,995)
Net position - beginning					<u>5,608,810</u>
Net position - ending					<u>\$ 5,516,815</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Balance Sheet
Governmental Fund - General Fund
December 31, 2019

ASSETS

Cash and interest-bearing deposits	\$ 70,466
Receivables	3,455
Inventory	<u>8,285</u>
Total assets	<u>\$ 82,206</u>

LIABILITIES AND FUND BALANCES

Unearned revenue	<u>\$ 11,356</u>
 Nonspendable- inventory	 8,285
Unassigned	<u>62,565</u>
Total fund balances	<u>70,850</u>
 Total liabilities and fund balances	 <u>\$ 82,206</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2019

Total fund balance for the governmental fund	\$ 70,850
Capital assets, net	5,443,556
Prepaid insurance	<u>2,409</u>
Net position of governmental activities	<u>\$ 5,516,815</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund - General Fund
Year Ended December 31, 2019

Revenues:	
Intergovernmental	\$ 123,413
Charges for services	75,509
Other	<u>1,938</u>
Total revenues	<u>200,860</u>
Expenditures:	
General government	90,488
Capital outlay	<u>118,156</u>
Total expenditures	<u>208,644</u>
Net change in fund balance	(7,784)
Fund balance, beginning	<u>78,634</u>
Fund balance, ending	<u>\$ 70,850</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2019

Total net change in fund balance per the statement of revenue, expenditures, and changes in fund balance			\$ (7,784)
Capital assets:			
Capital outlay	\$ 118,156		
Depreciation expense	<u>(202,367)</u>	<u>(84,211)</u>	
Total change in net position per the statement of activities			<u>\$ (91,995)</u>

The accompanying notes are an integral part of the basic financial statements.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Avoyelles Parish Airport Authority (Airport Authority) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsections of this note.

A. Financial Reporting Entity

The Avoyelles Parish Airport Authority is a component unit of the Avoyelles Parish Police Jury and was established under the provisions of Louisiana Revised Statutes 2:601-2:612 on October 9, 1979. The Airport Authority is governed by a Board of Commissioners made up of five (5) members who each serve terms of four (4) years. Although the Police Jury does not provide financing, it does exercise some control over operations by virtue of the fact that it appoints the Board of Commissioners. The Airport Authority has no employees. The purpose of the Airport Authority is to maintain and operate the Airport located near Marksville, Louisiana.

This report includes all funds, which are controlled by or dependent on the Airport Authority executive and legislative branches (Board of Commissioners). Control by or dependence on the Airport Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of the governing body, and other general oversight responsibilities.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Airport Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

Fund Financial Statements (FFS)

The accounts of the Airport Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provision. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Airport Authority is classified as a governmental fund. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Airport Authority is described below:

Governmental Fund -

Governmental funds are those through which most governmental functions are financed. The acquisition use and balances of the Airport Authority's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

The General Fund is the general operating fund of the Airport Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Airport Authority's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Airport Authority's general revenues.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Airport Authority.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities consist of hanger rentals.

Inventory

Inventories are valued at cost using the first-in/first-out method. Inventory of the General Fund is comprised of aviation fuel and is accounted for as an asset when purchased and recorded as an expenditure when consumed.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items in the government-wide statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental activities' columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Airport Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

The range of estimated useful lives by type of asset is as follows.

Building and improvements	20-40 years
Equipment, furnitures, and fixtures	5 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Unearned Revenue

Unearned revenues arise when resources are received by the Airport Authority before it has a legal claim to them, as when rental payments are received in advance. In subsequent periods, when the Airport Authority has legal claim to the resources, the liability of unearned revenue is removed from the balance sheet and the revenue is recognized.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use by external groups, such as grantors, creditors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation. It is the Airport Authority's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Airport Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Non-spendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The Airport Authority’s non-spendable fund balance includes inventory.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors, donors, creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- c. Committed includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal legislative action of the Board of Commissioners and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by passage of an ordinance by the Board of Commissioners.
- d. Assigned includes fund balance amounts that are constrained by the Airport Authority’s intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Airport Authority’s Secretary-Treasurer with the approval of a resolution by the Board of Commissioners.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Airport Authority’s policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Airport Authority uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

E. Revenues, Expenditures, and Expenses

Revenues

The Airport Authority considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Airport Authority generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Airport Authority's major revenue sources that meet this availability criterion are intergovernmental revenues and charges for services.

There are two classifications of programmatic revenues for the Airport Authority, program specific grant and contributions revenue and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. The primary sources of charges for services are fuel sales and rental income. In the government-wide statement of activities, state revenue sharing funds are reported as general revenues because the Airport Authority has discretion in the application of these funds to various programs/functions administered by the Airport Authority. Interest income is recorded as earned.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character.

F. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among other. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

(2) Cash and Interest-Bearing Deposits

Under state law, the Airport Authority may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Airport Authority may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Airport Authority's deposits may not be recovered, or the Airport Authority will not be able to recover the collateral securities that are in the possession of an outside party. The Airport Authority does not have a policy for custodial risk; however, under state law, deposits (or the resulting bank balances) 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2019 totaling \$73,366 were fully insured and not exposed to custodial credit risk.

(3) Capital assets

Capital asset activity was as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Capital assets not being depreciated:				
Land	\$ 37,045	\$ -	\$ -	\$ 37,045
Construction in progress	26,752	102,690	-	129,442
Total capital assets, not being depreciated	<u>63,797</u>	<u>102,690</u>	<u>-</u>	<u>166,487</u>
Capital assets being depreciated:				
Buildings and improvements	951,698	-	-	951,698
Equipment, furniture, and fixtures	112,004	15,466	-	127,470
Infrastructure	5,604,917	-	-	5,604,917
Total capital assets, being depreciated	<u>6,668,619</u>	<u>15,466</u>	<u>-</u>	<u>6,684,085</u>

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

	Balance Beginning	Additions	Deletions	Balance Ending
Less accumulated depreciation:				
Buildings and improvements	\$ 203,682	\$ 30,632	-	\$ 234,314
Equipment, furniture, and fixtures	82,112	5,647	-	87,759
Infrastructure	918,855	166,088	-	1,084,943
Total accumulated depreciation	1,204,649	202,367	-	1,407,016
Total capital assets, being depreciated, net	5,463,970	(186,901)	-	5,277,069
Capital assets, net	\$ 5,527,767	\$ (84,211)	\$ -	\$ 5,443,556

Depreciation expense of \$202,367 was charged to the general government function.

(4) Compensation, Benefits and Other Payments to Agency Head

The Airport Authority's Chairman, Rene Borrel, was not compensated during the year ended December 31, 2019.

(5) Board of Commissioners

Members of the Avoyelles Parish Airport Authority Board of Commissioners were as follows:

Rene Borrel, Chairman	Charles Jones
A.J. Roy, III, Vice-Chairman	John Lemoine
Thomas Garrot, Jr.	

Board members serve with no compensation.

(6) Risk Management

The Airport Authority is exposed to risks of loss in the area of general liability and property hazards. These risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

(7) Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Airport Authority expects such amounts, if any, to be immaterial. Also, a liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(8) Litigation

There was no litigation pending against the Avoyelles Parish Airport Authority at December 31, 2019.

**REQUIRED
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana
General Fund

Budgetary Comparison Schedule
Year Ended December 31, 2019

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental -				
Federal grants	\$ -	\$ 27,000	\$ -	\$ (27,000)
State grants	100,000	138,544	107,514	(31,030)
Local contribution	5,800	5,800	4,800	(1,000)
State revenue sharing	15,000	14,100	11,099	(3,001)
Charges for services:				
Fuel sales	23,000	37,860	37,353	(507)
Rental income	30,000	46,942	38,156	(8,786)
Interest income	260	460	-	(460)
Other	4,475	21,437	1,938	(19,499)
Total revenues	<u>178,535</u>	<u>292,143</u>	<u>200,860</u>	<u>(91,283)</u>
Expenditures:				
Current -				
General government:				
Contract labor	16,000	14,444	14,444	-
Dues & subscriptions	300	1,711	1,711	-
Insurance	6,600	6,615	6,615	-
Professional fees	34,350	23,495	15,485	8,010
Repairs & maintenance	6,000	3,697	4,632	(935)
Fuel	21,700	22,273	33,177	(10,904)
Supplies	800	595	971	(376)
Utilities	10,200	12,513	11,687	826
Miscellaneous	2,100	1,810	1,766	44
Capital outlay	<u>75,700</u>	<u>140,619</u>	<u>118,156</u>	<u>22,463</u>
Total expenditures	<u>173,750</u>	<u>227,772</u>	<u>208,644</u>	<u>19,128</u>
Excess (deficiency) of revenues over expenditures	4,785	64,371	(7,784)	(72,155)
Fund balance, beginning	<u>78,634</u>	<u>78,634</u>	<u>78,634</u>	<u>-</u>
Fund balance, ending	<u>\$ 83,419</u>	<u>\$ 143,005</u>	<u>\$ 70,850</u>	<u>\$ (72,155)</u>

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

The Airport Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Airport Authority's Secretary-Treasurer prepares a proposed budget and presents it to the Board of Commissioners prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Board of Commissioners, the Board publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Board on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Board of Commissioners.
5. No later than the last regular meeting of the fiscal year, the Board of Commissioners adopts the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

INTERNAL CONROL AND COMPLIANCE

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2019

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2015

CONDITION: The Avoyelles Airport Authority does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

CRITERIA: AU-C §265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Airport Authority to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2019

2019-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Avoyelles Airport Authority did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that the Airport Authority does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Airport Authority agrees that a complete segregation of accounting functions would strengthen controls, but with limited current financial resources, we are not able to hire additional personnel at this time.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2019

B. Compliance

2019-003 Budget Variance

Fiscal year finding initially occurred: 2019

CONDITION: Actual revenue of the Airport Authority failed to meet the budgeted revenue by more than 5%.

CRITERIA: LSA-RS 39:1311, *Budgetary authority and control*:

“Total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.”

CAUSE: The condition is the result of anticipating more grant revenues than received.

EFFECT: The Airport Authority may not prevent and/or detect compliance violations due to revenue shortfalls, and/or errors, or irregularities in a timely basis.

RECOMMENDATION: Management should periodically compare actual activity to budgeted amounts and propose budgetary amendments, as necessary, to ensure compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Airport Authority will periodically compare actual activity to budgeted amounts and adopt budgetary amendments, as necessary.

2019-004 Bid Law Noncompliance

CONDITION: The Airport Authority purchased aviation fuel for \$30,714 without advertising and accepting bids as required under LA-RS 38:2212.1.

CRITERIA: LA-R.S. 38:2212.1 Advertisement and letting to lowest responsible bidder; materials and supplies requires that all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2019

CAUSE: The condition is a result of failure to monitor compliance with LA-R.S. 38:2212.1.

EFFECT: The Airport Authority failed to comply with LA-R.S. 38:2212.1

RECOMMENDATION: Management should comply with the requirements of LA-R.S. 38:2212.1 by implementing controls in place to monitor those purchases that require compliance with the statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management will monitor the Airport Authority's purchases more effectively to make sure the Authority complies with all bid law compliance requirements.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Avoyelles Airport Authority does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2019-001.

2018-002 Inadequate Segregation of Functions

CONDITION: The Avoyelles Airport Authority did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2019-002.

**ATTESTATION REPORT AND
QUESTIONNAIRE**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Avoyelles Parish Airport Authority
Marksville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Avoyelles Parish Airport Authority (the Airport Authority), and the Louisiana Legislative Auditor, who are both considered the specified parties, on the Airport Authority's compliance with certain laws and regulations contained in the accompanying *Louisiana Attestation Questionnaire* during the fiscal year ended December 31, 2019, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Airport Authority's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:211-2296 (the public bid law, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

Purchases of aviation fuel totaling \$30,714 were made during the year without advertising and letting to the lowest bidder as required by R.S. 38:211-2296. There were no public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by RS 42:1101-1124 (the ethics law).

Management provided us with the requested information

3. Obtain from management a list of all employees paid during the fiscal year.

The Airport Authority does not maintain employees.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

The Airport Authority does not maintain employees.

5. Obtain a list of all disbursements made during the year, and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

No vendors appear on the lists provided by management in procedure 2.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

No exceptions noted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5 % or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues failed to meet budgeted revenues by more than 5% and actual expenditures did not exceed budgeted expenditures by 5% or more.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

No exceptions noted.

- (b) Report whether the six disbursements were coded to the correct fund and general ledger account.

No exceptions noted.

- (c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

No exceptions noted.

Meetings

10. Obtain information from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law); and report whether there are any exceptions.

The Airport Authority is required to post a notice of each meeting and the accompanying agenda at the meeting place or at the body's official office. The Airport Authority's meetings take place in the Avoyelles Parish Courthouse in the Police Jury offices. The Airport Authority management has asserted that meeting notices and agendas are properly posted in a public area of the Avoyelles Parish Courthouse at least twenty-four hours prior to the meeting.

Debt

11. Obtain bank deposits for the fiscal year, and scan deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

No exceptions noted.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advance, or gifts.

The Airport Authority does not maintain employees.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

No exceptions noted.

14. Inquire of management and report whether the agency entered into any contract that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Airport Authority complied with R.S. 24:513 (the audit law) throughout the fiscal year.

Prior Comments and Recommendations

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

See the schedule of prior and current year findings and management's corrective action plan for any comments or unresolved matters.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Airport Authority's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Authority's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Compliance Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 23, 2020

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

June 19, 2020 (Date Transmitted)

Kolder, Slaven & Company, LLC (CPA Firm Name)
1428 Metro Drive (CPA Firm Address)
Alexandria, LA 71301 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☒ No ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.
Yes [X] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [X] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [X] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [X] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [X] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [X] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [X] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [X] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [X] No []

The previous responses have been made to the best of our belief and knowledge.

Laura D. Despard

Secretary 6-19-20 Date

Treasurer Date



President 6-19-20 Date