

**West Calcasieu Airport Managing Board
Sulphur, Louisiana**

**Annual Financial Report
June 30, 2022 and 2021**

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INDEPENDENT AUDITORS' REPORT

West Calcasieu Airport Managing Board
Sulphur, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the West Calcasieu Airport Managing Board, component unit of Calcasieu Parish Police Jury, the West Calcasieu Port and Industrial Development Board of the City of Sulphur, as of and for the years ended June 30, 2022 and June 30, 2021, and the related notes to the financial statements, which collectively comprise the West Calcasieu Airport Managing Board'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 West Calcasieu Airport Managing Board as of June 30, 2022 and June 30, 2021, and the respective changes in financial position and cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the West Calcasieu Airport Managing Board 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 opinion.

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted with GAAS 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, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 accounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the West Calcasieu Airport Managing Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West Calcasieu Airport Managing Board'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 on pages 4 through 7, 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 my 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 the West Calcasieu Airport Managing Board's basic financial statements. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements. 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 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December xx, 2022 on our consideration of the West Calcasieu Airport Managing Board'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 West Calcasieu Airport Managing Board'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 West Calcasieu Airport Managing Board's internal control over financial reporting and compliance.

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana
December 23, 2022

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2022**

The Management’s Discussion and Analysis of the West Calcasieu Airport Managing Board (the Airport) financial performance presents a narrative overview and analysis of the Board’s financial activities for the year ended June 30, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

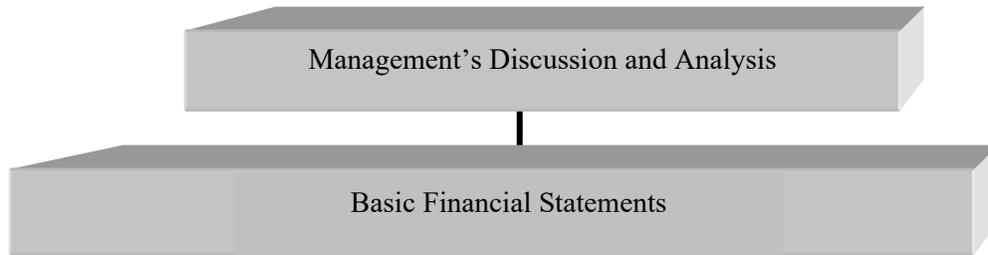
FINANCIAL HIGHLIGHTS

The Board’s assets exceeded its liabilities at the close of 2022 by \$10,723,890 which represents an 7.5% increase from last fiscal year. Of this amount, \$6,048,178 (unrestricted net assets) may be used to meet the Board’s ongoing obligations to its users.

The Board’s operating revenue increased \$93,269 (or 63.7%) and the net results from operations increased by \$225,757.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections - Management’s Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2022**

Basic Financial Statements

The basic financial statements present information for the Airport as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Fund Net Position (pages 8 - 9) presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Board's assets plus deferred outflows of resources minus their liabilities and deferred inflows of resources equals the net position. The net position of the Airport may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position (page 10) presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements (pages 11 - 12) presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current other assets	\$6,472,962	\$6,520,883	\$3,295,428
Capital assets	4,675,712	3,968,297	4,661,773
Total Assets	<u>11,148,674</u>	<u>10,489,180</u>	<u>7,957,201</u>
Other liabilities	424,784	514,995	394,035
Long-term debt outstanding	-	-	-
Total Liabilities	<u>424,784</u>	<u>514,995</u>	<u>394,035</u>
Net position:			
Capital Net of Debt	4,675,712	3,968,297	4,661,773
Restricted	-	-	-
Unrestricted	<u>6,048,178</u>	<u>6,005,888</u>	<u>2,901,393</u>
Total Net Position	<u>\$10,723,890</u>	<u>\$9,974,185</u>	<u>\$7,563,166</u>

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2022**

Restricted net position amounts represent those assets that are not available for spending as a result of bond agreements. Conversely, unrestricted net position amounts are those that do not have any limitations for which they may be used.

Net position of the Airport increased by \$749,705, or 7.5%, from June 30, 2021 to June 30, 2022.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenues Gross Profit	\$ 239,654	\$ 146,385	\$ 502,164
Operating expenses	<u>(893,279)</u>	<u>(1,025,767)</u>	<u>(754,747)</u>
Operating income (loss)	(653,625)	(879,382)	(252,583)
Non-operating revenues	563,905	3,096,370	386,576
Non-operating expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net Non-Operating Income/(Loss)	<u>563,905</u>	<u>3,096,370</u>	<u>386,576</u>
Income(Loss) Before Contributions	(89,720)	2,216,988	133,993
Capital Contributions	<u>839,425</u>	<u>194,031</u>	<u>447,384</u>
Change in Net Position	<u>\$ 749,705</u>	<u>\$ 2,411,019</u>	<u>\$ 581,377</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the Board had \$4,675,712, net of accumulated depreciation, invested in a broad range of capital assets, including land, right of ways, plant and distribution system, and furniture, fixtures, and equipment. (see table below). This amount represents a net increase (including additions and deductions) of \$707,415, or 17.8%, from last year.

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land and Right of Ways	\$ 745,469	745,469	\$ 745,469
Building and Terminal Improvements	8,130,264	8,130,264	10,004,807
Furniture, Fixtures, and Equipment	239,419	239,419	279,680
Construction in progress	1,167,124	122,901	501,750
Less Accumulated Depreciation	<u>(5,606,564)</u>	<u>(5,269,756)</u>	<u>(6,869,933)</u>
Totals	<u>\$ 4,675,712</u>	<u>3,968,297</u>	<u>\$ 4,661,773</u>

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2022**

ECONOMIC FACTORS AND FUTURE OUTLOOK

The following factors were considered in preparing the Airport's budget for the coming fiscal year: Projected sales and rentals were budgeted at a slight increase over current period excluding additional bonus rentals. Expenses were budgeted at approximately the same as current period. The change in net position should remain positive.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Darla Perry, CPA, West Calcasieu Airport Managing Board.

West Calcasieu Airport Managing Board
Statements of Net Position
As of June 30, 2022

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 385,300	\$ 464,052
Investments	5,555,526	5,643,069
Accounts receivable	23,620	17,191
Grants receivable	93,696	-
Inventory	61,400	43,151
Total Current Assets	6,119,542	6,167,463
PROPERTY, PLANT, AND EQUIPMENT		
Furniture, fixtures, and equipment	239,419	239,419
Buildings and improvements	8,130,264	8,130,264
	8,369,683	8,369,683
Less: accumulated depreciation and amortization	(5,606,564)	(5,269,756)
	2,763,119	3,099,927
Construction in progress	1,167,124	122,901
Land	745,469	745,469
Net Property, Plant, and Equipment	4,675,712	3,968,297
Other Assets		
Deferred asset - infrastructure	353,120	353,120
Deposits	300	300
	353,420	353,420
TOTAL ASSETS	\$ 11,148,674	\$ 10,489,180

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

**West Calcasieu Airport Managing Board
Statements of Net Position (Continued)
As of June 30, 2022**

	2022	2021
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 162,793	\$ 248,780
Accrued liabilities	1,096	820
Prepaid revenue	187,500	187,500
Escrow liability	73,395	77,895
Total Current Liabilities	424,784	514,995
LONG-TERM LIABILITIES		
Total Long-Term Liabilities	-	-
TOTAL LIABILITIES	424,784	514,995
NET POSITION		
Net investment in capital assets, net of related debt	4,675,712	3,968,297
Unrestricted amounts	6,048,178	6,005,888
TOTAL NET POSITION	\$ 10,723,890	\$ 9,974,185

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

West Calcasieu Airport Managing Board
Statements of Revenues, Expenses, and Changes in Net Position
For The Years Ended June 30, 2022

	2022	2021
OPERATING REVENUES		
Sales, rental, and service income	\$ 391,104	\$ 229,239
Less: Cost of Goods Sold	151,450	82,854
Gross Profit	239,654	146,385
 Total Operating Revenues	 239,654	 146,385
OPERATING EXPENSES		
Advertising and promotional	429	5,942
Dues and Subscriptions	797	921
Salaries	141,967	127,169
Payroll tax and employee benefits	13,496	12,721
Supplies	4,412	3,667
Depreciation expense	292,687	280,360
Amortization expense	44,121	44,121
Fuel	1,382	959
Insurance	84,212	63,651
Accounting and legal expenses	38,090	39,545
Grants management	140,747	95,095
Office expenses	8,159	5,242
Rent	14,877	-
Repairs and maintenance	71,187	312,685
Telephone	9,059	8,627
Utilities	18,640	20,010
Uniforms	6,517	2,872
Contract labor	2,500	2,180
Total Operating Expenses	893,279	1,025,767
INCOME (LOSS) FROM OPERATIONS	(653,625)	(879,382)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	12,513	2,932
Intergovernmental revenue	375,000	345,361
Grant revenue	45,000	-
Insurance reimbursement hurricane	122,954	3,367,911
Impairment loss hurricane	-	(618,378)
Miscellaneous	8,438	(1,456)
Total Non-Operating Revenues	563,905	3,096,370
INCOME (LOSS) BEFORE CONTRIBUTIONS	(89,720)	2,216,988
Capital Contributions	839,425	194,031
CHANGE IN NET POSITION	749,705	2,411,019
NET POSITION - BEGINNING OF YEAR	9,974,185	7,563,166
NET POSITION - END OF YEAR	\$ 10,723,890	\$ 9,974,185

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

**West Calcasieu Airport Managing Board
Statements of Cash Flows
For The Years Ended June 30, 2022**

	2022	2021
Cash Flows From Operating Activities:		
Receipts from customers and others	\$ 389,175	\$ 336,876
Payments to suppliers and other operating expenses	(665,694)	(568,340)
Payments to employees and benefits	(155,187)	(140,404)
Net Cash Provided (Used) by Operating Activities	(431,706)	(371,868)
Cash Flows From Non-Capital Financing Activities:		
Receipts under intergovernmental agreement	375,000	345,361
Grant revenues	45,000	-
Other	1,244	1,244
Net Cash Provided (Used) by Non-Capital Financing Activities	421,244	346,605
Cash Flows From Investing Activities:		
Interest income	12,513	2,932
Miscellaneous income	8,438	-
Cash received (paid) for Investments in LAMP	-	(3,305,548)
Net Cash Provided (Used) by Investing Activities	20,951	(3,302,616)
Cash Flows From Capital and Related Financing Activities:		
Capital expenditures for plant, property and equipment	(1,051,620)	(252,083)
Insurance reimbursement hurricane	122,954	3,367,911
Capital contributions	839,425	194,031
Net Cash Provided (Used) by Capital and Related Financing Activities	(89,241)	3,309,859
Net Increase (Decrease) in Cash	(78,752)	(18,020)
Cash and Cash Equivalents - Beginning of Year	464,052	482,072
Cash and Cash Equivalents - End of Year	\$ 385,300	\$ 464,052

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

**West Calcasieu Airport Managing Board
Statements of Cash Flows
For The Years Ended June 30, 2022**

	2022	2021
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (653,625)	\$ (879,382)
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation and amortization	336,808	324,481
(Increase) decrease in accounts receivables	(6,429)	70,137
(Increase) decrease in inventory	(18,249)	(8,064)
Increase (decrease) in accounts payable	(85,987)	206,079
Increase (decrease) in accrued liabilities	276	(122,619)
Increase (decrease) in deferred revenue	(4,500)	37,500
 Total Adjustments	 221,919	 507,514
 Net Cash Provided (Used) by Operating Activities	 \$ (431,706)	 \$ (371,868)

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies

On February 1, 2000, the Calcasieu Parish Police Jury, the West Calcasieu Port, and the Industrial Development Board of the City of Sulphur, Inc. entered into an amended joint service agreement with the West Calcasieu Airport Managing Board as to the development and operations of the West Calcasieu Airport.

The managing authority of the West Calcasieu Airport shall be vested in a managing board appointed by the above owners. Members would be appointed to the Board on a staggered basis, with each sponsor appointing two members to the Board. Members serve a three-year term and can be reappointed with no limit.

The accompanying financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units. The following is a summary of the more significant policies:

Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Commissioners. Control by or dependence on the Board was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility. The West Calcasieu Airport Managing Board is component unit of the West Calcasieu Port, the Industrial Development Board of the City of Sulphur, and the Calcasieu Parish Police Jury.

Fund Accounting

The accounts of the district are organized on the basis of a proprietary fund, which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

Basis of accounting refers to when revenues or expense are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on statements of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The board distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the entity's principal ongoing operations. The principal operating revenues of the Board's enterprise fund are charges for the sale of fuel and supplies and leases of hangars and offices. Operating expenses include the cost of salaries, depreciation, insurance and utilities expense. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Accounts Receivable

Receivables include amounts due from tenants for the use of airport facilities under rental agreements as well as from the sales of fuel and oil. All receivables are current and therefore due within one year. The Board does not record an allowance for uncollectible amounts due for receivables, as it uses the direct write-off method for any debts that are not collected.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Board adopts a budget annually for operating expenses. The budget is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, revenues, non-operating income and certain non-operating expense items are not considered. The budget for the District is not presented in these statements.

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements (Continued)
June 30, 2022 and 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant, and Equipment

All fixed assets of the proprietary fund are recorded at historical costs, or, if contributed property, at their estimated fair value at time of contribution. Donated fixed assets include land valued at \$649,700. Improvements include \$220,607 for airport layout plan. The costs for plan are amortized over a five-year period. Amortization expense for the year ended June 30, 2022 was \$44,121, and 2021 was \$44,121.

Depreciation of all exhaustible fixed assets is charged as an expense against the operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The Board has a capitalization policy of \$1,000. The estimated useful lives are as follows:

Furniture, fixtures, and equipment	4 - 10 years
Buildings and improvements	10 - 40 years

Depreciation amounted to \$292,687 for the year ended June 30, 2022 and \$280,360 for the year ended June 30, 2021.

Cash and Cash Equivalents

The Board considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market, and consists of fuel, oil, and supplies.

Restricted Net Position

In the statement of net position, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt -consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
2. Restricted net position -net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

The Board typically uses restricted funds first, followed by any unassigned funds when expenditure is incurred for purposes for which amounts in either of these classifications could be used.

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Risk Management

The Board is exposed to various risks of loss from torts, theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters. The Board has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three years.

Environmental Matters

The Board is subject to laws and regulations relating to the protection of the environment. The Board's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Board's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Board. At June 30, 2021, management is not aware of any liability resulting from environmental matters.

Note 2 -Deposits and Investments

At June 30, 2022, the board has deposits with financial institutions (book balances) as follows:

Cash		
	Demand Deposits	\$385,200
	Petty cash	100
Investments		
	Louisiana Asset Management Pool	\$5,555,526
<hr/>		
Total Cash and Investments		\$5,940,826

These deposits are stated at cost, which approximates fair value. Under state law, these 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 fair value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging agent banks in holding or custodial banks that are mutually acceptable to both parties. At June 30, 2022, the Board had \$404,254 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB category 3).

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 2 -Deposits and Investments (continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39: 1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent bank has failed to pay deposited funds upon demand.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer. The financial statements of the Louisiana Asset Management Pool, Inc. (LAMP) can be obtained by accessing their website.

Investments held at June 30, 2022 consist of \$5,555,526 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at June 30, 2022 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA -R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

GASB Statement No.40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest, and foreign currency risk for all public held entity investments.

Lamp is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

Credit risk: LAMP is rated AAA by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 2 - Deposits and Investments (continued)

- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA -R.S. 33:2955 (A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1 + commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Note 3 - Plant, Property and Equipment

Additions and deletions to property, plant, and equipment for the year ended June 30, 2022 were as follows:

	July 1,			June 30,
	2021	Additions	Deletions	2022
Building and Terminal Improvements	\$ 8,130,264	\$ -	\$ -	\$ 8,130,264
Furniture, Fixtures, and Equipment	239,419	-	-	239,419
Accumulated Depreciation and Amortization	(5,269,756)	(336,808)	-	(5,606,564)
Land	745,469	-	-	745,469
Construction in Progress	122,901	1,044,223	-	1,167,124
Total	\$ 3,968,297	\$ 707,415	\$ -	\$ 4,675,712

Note 4 - Intergovernmental Revenue

In February of 2006, the West Calcasieu Airport Managing Board entered into an amendment of the Joint Services Agreement with the Board of Commissioners of the Chenault Industrial Airpark Authority, whereby the Chenault Industrial Airpark Authority agreed to transfer annually, for the tax collection period 2006 through 2017, the amount of two hundred thousand dollars (\$200,000) to the West Calcasieu

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 4 - Intergovernmental Revenue (continued)

Airport Managing Board. The joint services agreement also increased the payments beginning with tax year 2005, the last year of the original agreement from one hundred twenty thousand dollars (\$ 120,000) to two hundred thousand dollars (\$ 200,000). The funds will be used for the purpose and undertaking of the construction, acquisition, and improvement of public aviation projects or improvements to promote parish wide economic development.

A Memorandum of Understanding was authorized and approved on February 24, 2017 to correct and clarify the language in the Joint Services Agreement entered into October 2012. Beginning in assessment year 2015, Chenault Industrial Airpark Authority will pay the Board two hundred thousand dollars (\$200,000) in January 2017 and one hundred thousand dollars (\$100,000) in July 2017. In assessment years 2017 through 2021 , the payments will be three hundred thousand dollars (\$300,000). In assessment years 2022 through 2023, the payments will increase to three hundred seventy-five thousand dollars (\$ 375,000) payable each year. In assessment years 2024 and 2025, the final year in the agreement, the payments increase to four hundred twenty-five thousand dollars (\$425,000) payable each year.

Note 5 - Board of Commissioners' Per Diem

The members of the governing board received no per diem for the periods ended June 30, 2022 and 2021.

Note 6 - Escrow Liability

A former lessee deposited \$200,000 during fiscal year June 2021, into the lessor's bank account. The \$200,000 will be held by the lessor and can be used to pay for any clean-up expenses when the lessee terminates the lease or any lease payments owed to the lessor. As of June 2022, \$73,395 remains in escrow.

Note 7 - Retirement Benefit

The Board does not provide retirement benefits. Employees participate in the Social Security system. The Board is not responsible for any post-employment benefits. The Board has only the usual obligation to make current matching payments to the Social Security system for active employees.

Note 8- Post - Employment Benefits

As a component unit of the Calcasieu Parish Police Jury, the Board was required to implement GASB Statement No. 75 -Financial Reporting for Postemployment Benefit Plans Other Than Pensions. The Board does not offer any of these types of benefits to employees and therefore has no liability in relation to the implementation of the statement.

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2022 and 2021

Note 9- Compensated Absences

Full time employees who complete six (6) months of service will start to accrue vacation time, at the rate of (1/2) one half day per month, to be taken during the second six (6) month period of service. Consequently, vacation days may be accrued at the rate of six (6) days per year. Employees with more than 25 hours per week average will qualify for 50% of the above vacation days.

Employees may earn sick leave at a rate of .0462 hours per pay period, not to exceed one hundred sixty (160) hours. Sick leave days cannot be used in conjunction with annual leave, and in no instance shall an employee be paid for any accumulated sick leave left to an employee's credit at the time of termination from service.

Note 10 - Construction and Other Significant Commitments

At June 30, 2022, the Board had several uncompleted construction contracts for airport improvements. The remaining commitment on these construction contracts was approximately \$10,475,331.

Note 11 – Asset Impairment

In August 2021, Hurricane Laura inflicted extensive damage to the Airport's facilities. These financial statements include impairment losses resulting from the damages totaling \$618,378, net of accumulated depreciation. The impairment loss only considers the complete loss of various fixed assets and was calculated and valued based on the historical depreciated cost of the destroyed component items. The restorative efforts of the remaining damages to the fixed assets are considered repairs and expensed as incurred.

Restorative efforts to the Airport's facilities are ongoing as of June 30,2022. The estimated cost to completely restore the facilities could range from \$6,000,000 to \$7,000,000. The cost estimate is subject to change and dependent upon external factors.

The Airport has filed insurance claims and has approved insurance reimbursements of \$3,490,865 as of June 30, 2022. The Airport has undertaken efforts to obtain additional insurance reimbursements from the damages the facilities, but the final settlement has not yet been determined. The Airport also expects to recover a portion of the restorative costs from FEMA

Note 12 - Subsequent Events

Subsequent events were evaluated through December 23, 2022, which is the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
West Calcasieu Airport Managing Board
Sulphur, Louisiana

We have audited 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, the financial statements of West Calcasieu Airport Managing Board as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise West Calcasieu Airport Managing Board Louisiana's basic financial statements, and have issued my report thereon dated December 23, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Calcasieu Airport Managing Board internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Airport Managing Board's internal control. Accordingly, We do not express an opinion on the effectiveness of West Calcasieu Airport Managing Board 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 may exist that have not been identified.

Board of Commissioners
West Calcasieu Airport Managing Board

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu Airport Managing Board Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 my 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.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 23, 2022

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Schedule of Findings and Responses
June 30, 2022

A. Summary of Independent Auditor's Results:

1. Unmodified opinion on financial statements.
2. No material weaknesses or significant deficiencies in internal control noted.
3. No instances of non-compliance noted.

B. GAGAS Findings:

None.

C. Prior Year Findings:

None.

West Calcasieu Airport Managing Board
Sulphur, Louisiana

**Schedule of Compensation, Benefits and Other
Payments to Executive Director
Year Ended June 30, 2022**

Agency Head: Timothy J. Lafleur, Executive Director

Purpose	Amount
Salary	\$67,946
Benefits-insurance	0.00
Benefits-retirement	0.00
Benefits-Other	0.00
Car allowance	0.00
Vehicle provided by government	0.00
Per diem	0.00
Reimbursements	1,666
Travel	0.00
Registration fees	0.00
Conference travel	0.00
Continuing professional education fees	0.00
Housing	0.00
Unvouchered expenses	0.00
Special meals	0.00

Note: This schedule is included as supplementary information.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of West Calcasieu Airport Managing Board 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, 2021 through June 30, 2022. West Calcasieu Airport Managing Board's management is responsible for those C/C areas identified in the SAUPs.

West Calcasieu Airport Managing Board 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, 2021 through June 30, 2022. 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:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

We performed the Information Technology Disaster Recovery/Business Continuity procedure 1k and discussed the results with management.

Exception (1l): The Sexual Harassment policy does not include (2) annual employee training requirements.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions were found as a result of these procedures.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions were found as a result of these procedures.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of these procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were found as a result of these procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions were found as a result of these procedures.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were found as a result of these procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of these procedures.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in

management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions were found as a result of these procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of these procedures.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

These procedures are not applicable to the entity. The entity did not have any debt outstanding during fiscal year ended June 2022.

Fraud Notice

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

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

No exceptions were found as a result of these procedures.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the Information Technology Disaster Recovery/Business Continuity procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;

- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exception (26): No sexual harassment training noted for the selected employees tested.

Exception (27): The entity does not have posted the entity's sexual harassment policy and complaint procedure on premises.

Management's Responses

11 – The entity will update their sexual harassment policy to include the (2) annual employee training requirements.

26 – The entity will implement and require sexual harassment training for employees.

27 – The entity will post its sexual harassment policy and complaint procedure on its premises.

We were engaged by West Calcasieu Airport Managing Board 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 West Calcasieu Airport Managing Board 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.

Steven M. DeRouen & Associates, LLC

Lake Charles, Louisiana
December 23, 2022

