

**AVOUELLES PARISH
AIRPORT AUTHORITY**

Marksville, Louisiana

Financial Report

Year Ended December 31, 2023

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
FUND FINANCIAL STATEMENTS (FFS)	
Balance sheet - governmental fund	9
Reconciliation of the governmental fund balance sheet to the statement of net position	10
Statement of revenues, expenditures, and changes in fund balance - governmental fund	11
Reconciliation of the statement of revenues, expenditures, and changes in fund balance of governmental fund to the statement of activities	12
Notes to basic financial statements	13-21
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedule:	
General Fund	23
Notes to required supplementary information	24
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
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 <i>Government Auditing Standards</i>	26-27
Schedule of current and prior year audit findings and management's corrective action plan	28-32

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and the major fund for the Avoyelles Parish Airport Authority (the Airport Authority), component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Airport Authority as of December 31, 2023, and the respective changes in the financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair

presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

The Airport Authority has omitted 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. Our opinion on the basic statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 23-24 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the Airport Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
June 28, 2024

BASIC FINANCIAL STATEMENTS

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

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Statement of Net Position
December 31, 2023

	Governmental Activities
ASSETS	
Cash and interest-bearing deposits	\$ 129,898
Receivables	93
Inventory	3,367
Prepaid insurance	3,819
Capital assets:	
Non-depreciable	136,745
Depreciable, net	<u>5,240,141</u>
Total assets	<u>\$ 5,514,063</u>
LIABILITIES	
Current liabilities:	
Accounts payable	<u>\$ 8,800</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenue	<u>12,975</u>
NET POSITION	
Net investment in capital assets	5,376,886
Unrestricted	<u>115,402</u>
Total net position	<u>\$ 5,492,288</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, 2023

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>\$ 465,889</u>	<u>\$ 102,624</u>	<u>\$ -</u>	<u>\$ (161,758)</u>
General revenues:				
State revenue sharing				14,221
Interest earnings				774
Other				<u>2,546</u>
Total general revenues				<u>17,541</u>
Change in net position				(144,217)
Net position - beginning				<u>5,636,505</u>
Net position - ending				<u>\$ 5,492,288</u>

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

FUND FINANCIAL STATEMENTS (FFS)

Balance Sheet
Governmental Fund - General Fund
December 31, 2023

ASSETS

Cash and interest-bearing deposits	\$ 129,898
Receivables	93
Inventory	<u>3,367</u>
Total assets	<u>\$ 133,358</u>

DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCE

Accounts payable	<u>\$ 8,800</u>
Deferred inflows of resources:	
Unearned revenue	<u>12,975</u>
Fund balances:	
Nonspendable- inventory	3,367
Unassigned	<u>108,216</u>
Total fund balances	<u>111,583</u>
Total deferred inflows of resources and fund balance	<u>\$ 133,358</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, 2023

Total fund balance for the governmental fund	\$ 111,583
Capital assets, net	5,376,886
Prepaid insurance	<u>3,819</u>
Net position of governmental activities	<u>\$ 5,492,288</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, 2023

Revenues:	
Intergovernmental	\$ 215,728
Charges for services	102,624
Interest income	774
Other	<u>2,546</u>
Total revenues	<u>321,672</u>
Expenditures:	
General government	219,066
Capital outlay	<u>118,926</u>
Total expenditures	<u>337,992</u>
Deficiency of revenues over expenditures	(16,320)
Fund balance, beginning	<u>127,903</u>
Fund balance, ending	<u>\$ 111,583</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, 2023

Total net change in fund balance per the statement of revenue, expenditures, and changes in fund balance	\$ (16,320)
Prepaid insurance	716
Capital assets:	
Capital outlay	\$ 118,926
Depreciation expense	<u>(247,539)</u> <u>(128,613)</u>
 Total change in net position per the statement of activities	 <u>\$ (144,217)</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 the 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

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

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.

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.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

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 and amounts due from other governments. No allowance for doubtful accounts is recorded at year end as management has determined all receivable balances are collectible.

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, 2023, 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 acquisition cost or estimated cost if acquisition cost is not available. Donated assets are recorded as capital assets at their estimated acquisition cost 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 acquisition 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. 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.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

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.
- 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

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

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.

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.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

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 in the fund holding the interest-bearing asset.

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 others. 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.

(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

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) of \$129,898 were fully insured and not exposed to custodial credit risk at December 31, 2023.

(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	-	99,700	-	99,700
Total capital assets not being depreciated	<u>37,045</u>	<u>99,700</u>	<u>-</u>	<u>136,745</u>
Capital assets being depreciated				
Buildings and improvements	969,158	-	-	969,158
Equipment, furniture, and fixtures	151,991	8,523	-	160,514
Infrastructure	6,425,565	10,703	-	6,436,268
Total capital assets being depreciated	<u>7,546,714</u>	<u>19,226</u>	<u>-</u>	<u>7,565,940</u>
Less accumulated depreciation:				
Buildings and improvements	328,829	34,124	-	362,953
Equipment, furniture, and fixtures	122,452	12,437	-	134,889
Infrastructure	1,626,979	200,978	-	1,827,957
Total accumulated depreciation	<u>2,078,260</u>	<u>247,539</u>	<u>-</u>	<u>2,325,799</u>
Total capital assets, being depreciated, net	<u>5,468,454</u>	<u>(228,313)</u>	<u>-</u>	<u>5,240,141</u>
Capital assets, net	<u>\$ 5,505,499</u>	<u>\$ (128,613)</u>	<u>\$ -</u>	<u>\$ 5,376,886</u>

The depreciation expense of \$247,539 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, 2023.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Notes to Basic Financial Statements

(5) Board of Commissioners

Members of the Avoyelles Parish Airport Authority Board of Commissioners were Rene Borrel, Chairman, A.J. Roy Vice Chairman, Howard Desselle, Thomas Garrot, Jr., and John Lemoine. All 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.

(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, liability for findings and questioned costs is not established until final disposition of such matters by the funding agency.

(8) Litigation

There was no pending litigation against the Avoyelles Parish Airport Authority at December 31, 2023.

**REQUIRED
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH AIRPORT AUTHORITY
 Marksville, Louisiana
 General Fund

Budgetary Comparison Schedule
 Year Ended December 31, 2023

	Budget		Actual	Variance -
	Original	Final		Favorable (Unfavorable)
Revenues:				
Intergovernmental -				
Federal grants	\$ 327,600	\$ 81,765	\$ 84,284	\$ 2,519
State grants	286,400	4,081	117,223	113,142
State revenue sharing	14,000	15,207	14,221	(986)
Charges for services:				
Fuel sales	45,000	50,018	65,876	15,858
Rental income	35,000	34,985	36,748	1,763
Interest income	60	54	774	720
Other	5,800	6,431	2,546	(3,885)
Total revenues	<u>713,860</u>	<u>192,541</u>	<u>321,672</u>	<u>129,131</u>
Expenditures:				
Current -				
General government:				
Contract labor	18,000	18,000	16,800	1,200
Dues & subscriptions	400	422	436	(14)
Insurance	8,000	7,586	9,079	(1,493)
Professional fees	5,000	14,000	101,974	(87,974)
Repairs & maintenance	7,000	7,000	9,234	(2,234)
Fuel	36,000	36,121	65,534	(29,413)
Supplies	600	98	1,838	(1,740)
Utilities	11,000	10,733	12,564	(1,831)
Miscellaneous	1,450	2,140	1,607	533
Capital outlay	<u>614,500</u>	<u>49,778</u>	<u>118,926</u>	<u>(69,148)</u>
Total expenditures	<u>701,950</u>	<u>145,878</u>	<u>337,992</u>	<u>(192,114)</u>
Excess (deficiency) of revenue over expenditures	11,910	46,663	(16,320)	(62,983)
Fund balance, beginning	<u>127,903</u>	<u>127,903</u>	<u>127,903</u>	<u>-</u>
Fund balance, ending	<u>\$ 139,813</u>	<u>\$ 174,566</u>	<u>\$ 111,583</u>	<u>\$ (62,983)</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.

(2) Excess of Expenditures Over Appropriations

The Airport Authority incurred expenditures in excess of appropriations in the General Fund.

**INTERNAL CONTROL,
COMPLIANCE, AND OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA
Deidre L. Stock, CPA

Of Counsel
C. Burton Kolder, CPA*

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA - retired 2022
Gerald A. Thibodeaux, Jr., CPA* - retired 2024

* A Professional Accounting Corporation

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 11929 Bricksome Ave.
Ville Platte, LA 70586 Baton Rouge, LA 70816
Phone (337) 363-2792 Phone (225) 293-8300

WWW.KCSRCPAS.COM

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities 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, 2023, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements and have issued our report thereon dated June 28, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Airport Authority'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 and therefore, material weaknesses or significant deficiencies may

exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify items 2023-001 and 2023-002 described in the accompany schedule of current and prior year audit findings and managements corrective action plan that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters, that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of current and prior year audit findings and managements corrective action plan as items 2023-003 and 2023-004.

Avoyelles Parish Airport Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Avoyelles Parish Airport Authority's response to the findings identified in our audit and described in the accompanying schedule of current and prior year findings and managements corrective action plan. The Airport Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Kolder, Slaven & Company, LLC

Certified Public Accountants

Alexandria, Louisiana
June 28, 2024

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2023

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

A. Internal Control Over Financial Reporting

2023-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2015

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Authority's internal control over financial reporting includes policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

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: We evaluated the cost vs. benefit of establishing enhanced controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receives annual training related to their job duties and we carefully review the financial statements, related notes, and all proposed adjustments. All questions are adequately addressed by our auditors, which allows us to appropriately supervise these functions. We feel that we have taken appropriate steps to reduce the financial statement risk caused by this finding.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2023

2023-002 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, 2023

B. Compliance

2023-003 Budget Variance Noncompliance

Fiscal year finding initially occurred: 2022.

CONDITION: Actual expenditures exceeded budgeted expenditures by more than 5% in the General Fund.

CRITERIA: Louisiana State Statute RS 39:1311 *Budgetary Authority and Control*, provides for budget amendments when:

“Total expenditures and other sources plus projected revenues and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by 5% or more.

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to monitor expenditures in the General Fund.

EFFECT: Management may fail to prevent and/or detect compliance violations as a result of actual expenditures failing to meet budgeted revenues in the General Fund.

RECOMMENDATION: Management should periodically compare actual expenditures to budgeted expenditures in the General Fund to identify the need for budget amendments in a timelier manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management has agreed to adhere to the provisions of LSA-RS: 39:1911 et seq by monitoring financial statements closely and amending the budget in the event that actual plus projected expenditures exceed budgeted expenditures by 5% or more.

2023-004 Budget Public Hearing Noncompliance

Fiscal year finding initially occurred: 2023.

CONDITION: A public hearing was not held when proposed budgeted expenditures were greater than \$500,000 in the General Fund.

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2023

CRITERIA: Louisiana State Statute RS 39:1307 *Public Participation*

“Political subdivisions with total proposed expenditures of five hundred thousand dollars or more from the general fund and any special revenue funds in a fiscal year or other similar budgetary period shall afford the public an opportunity to participate in the budgetary process to adoption of the budget.” “(C) No proposed budget shall be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal.”

CAUSE: The cause of the condition is the result of a failure to publish a notice stating that the proposed budget is available for public inspection and that a public hearing on the budget shall be held.

EFFECT: Management may fail to allow public participation before adopting or finalizing a proposed budget greater than \$500,000.

RECOMMENDATION: Management should analyze LLA recommendations for the *Local Government Budget Act* before adopting and/or finalizing budgets.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management has agreed to adhere to the provisions of LSA-RS: 39:1307 et seq by holding a public hearing when the budget is greater than five hundred thousand dollars.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2022-001 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).

AVOYELLES PARISH AIRPORT AUTHORITY
Marksville, Louisiana

Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan
Year-Ended December 31, 2023

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 2022-001.

2022-002 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 2022-002.

B. Compliance

2022-003 Budget Variance

Fiscal year finding initially occurred: 2021

CONDITION: Actual expenditure of the Airport Authority exceeded budgeted expenditures by more than 5%.

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

CURRENT STATUS: Unresolved. See 2022-003