

**AVOUELLES PARISH AIRPORT AUTHORITY**

Marksville, Louisiana

Financial Report

Year Ended December 31, 2016

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Avoyelles Parish Airport Authority ("the Airport Authority"), a component unit of the Avoyelles Parish Police Jury, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Avoyelles Parish Airport Authority, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 - 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

The Airport Authority has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority's internal control over financial reporting and compliance.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Marksville, Louisiana  
June 21, 2017

## **BASIC FINANCIAL STATEMENTS**

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

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Statement of Net Position  
December 31, 2016

|                                    | <u>Governmental<br/>Activities</u> |
|------------------------------------|------------------------------------|
| ASSETS                             |                                    |
| Cash and interest-bearing deposits | \$ 80,365                          |
| Receivables, net                   | 34,298                             |
| Inventory                          | 4,151                              |
| Capital assets, net                | <u>3,996,729</u>                   |
| Total assets                       | <u>4,115,543</u>                   |
| LIABILITIES                        |                                    |
| Accounts payable                   | <u>32,468</u>                      |
| NET POSITION                       |                                    |
| Net investment in capital assets   | 3,996,729                          |
| Unrestricted                       | <u>86,346</u>                      |
| Total net position                 | <u>\$4,083,075</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, 2016

| Activities                       | Expenses          | Program Revenues                            |  | Net (Expense) Revenues and<br>Changes in Net Position<br>Governmental<br>Activities |
|----------------------------------|-------------------|---|--|---|
|                                  |                   | Fees, Fines,<br>and Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions  |
| Governmental activities:         |                   |   |  |   |
| General government               | <u>\$ 200,327</u> | <u>\$ 42,798</u>                            | <u>\$ 6,872</u>                          | <u>\$ 225,967</u>   |
|                                  |                   |   |  | 14,560  |
| General revenues:                |                   |   |  | 4,000   |
| State revenue sharing            |                   |   |  | 235   |
| Intergovernmental revenues       |                   |   |  | 2,526   |
| Interest earnings                |                   |   |  | <u>21,321</u>   |
| Other                            |                   |   |  | 96,631  |
| Total general revenues           |                   |   |  | <u>3,986,444</u>  |
| Change in net position           |                   |   |  | <u>\$4,083,075</u>  |
| Net position - January 1, 2016   |                   |   |  |   |
| Net position - December 31, 2016 |                   |   |  |   |

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



**FUND FINANCIAL STATEMENTS (FFS)**

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Balance Sheet  
Governmental Fund - General Fund  
December 31, 2016

ASSETS

|                                    |                   |
|------------------------------------|-------------------|
| Cash and interest-bearing deposits | \$ 80,365         |
| Receivables, net                   | 34,298            |
| Inventory                          | <u>4,151</u>      |
| Total assets                       | <u>\$ 118,814</u> |

LIABILITIES AND FUND BALANCES

|                                     |                   |
|-------------------------------------|-------------------|
| Accounts payable                    | <u>\$ 32,468</u>  |
| Nonspendable                        | 4,151             |
| Unassigned                          | <u>82,195</u>     |
| Total fund balances                 | <u>86,346</u>     |
| Total liabilities and fund balances | <u>\$ 118,814</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, 2016

|  |                  |                     |
|--|------------------|---------------------|
| Total fund balances for the governmental fund at December 31, 2016   |                  | \$ 86,346           |
| Total net position reported for governmental activities in the statement of net position is difference because:                                    |                  |                     |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: |                  |                     |
| Land and construction in progress  | \$ 263,012       |                     |
| Buildings and improvements, net of \$193,280 accumulated depreciation  | 104,653          |                     |
| Equipment, furniture and fixtures, net of \$66,398 accumulated depreciation  | 45,606           |                     |
| Infrastructure, net of \$660,189 accumulated depreciation  | <u>3,583,458</u> | <u>3,996,729</u>    |
| Net position of governmental activities at December 31, 2016   |                  | <u>\$ 4,083,075</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, 2016

|                                      |                  |
|--------------------------------------|------------------|
| Revenues:                            |                  |
| Intergovernmental                    | \$ 249,434       |
| Charges for services                 | 42,798           |
| Miscellaneous                        | <u>4,726</u>     |
| Total revenues                       | <u>296,958</u>   |
| Expenditures:                        |                  |
| General government                   | 65,575           |
| Capital outlay                       | <u>227,737</u>   |
| Total expenditures                   | <u>293,312</u>   |
| Excess of revenues over expenditures | 3,646            |
| Fund balance, beginning              | <u>82,700</u>    |
| Fund balance, ending                 | <u>\$ 86,346</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, 2016

|  |                                |
|--|--------------------------------|
| Total net change in fund balance for the year ended December 31, 2016 per the statement of revenue, expenditures, and changes in fund balance  | \$ 3,646                       |
| The change in net position reported for governmental activities in the statement of activities is different because:   |                                |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. |                                |
| Capital outlay which is considered expenditures on the statement of revenues, expenditures and changes in fund balance   | 227,737                        |
| Depreciation expense for the year ended December 31, 2016  | <u>(134,752)</u> <u>92,985</u> |
| Total change in net position at December 31, 2016 per the statement of activities statement of activities  | <u>\$ 96,631</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 adopting, taxing authority, authority to issue debt, election or appointment of the governing body, and other general oversight responsibilities.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

Fund Financial Statements (FFS)

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

The fund of the Airport Authority is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, 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, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Airport Authority is described below:

Governmental Fund -

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

General Fund

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

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

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

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

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.

**Use of Restricted Resources**

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



AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Airport Authority. 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 of America. The Airport Authority may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

Receivables

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

Inventory

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

Capital Assets

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

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

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

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

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. There were no deferred inflows of resources at December 31, 2016.

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 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. Nonspendable 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 nonspendable fund balance includes inventory.

AVOYELLES PARISH AIRPORT AUTHORITY  
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Notes to Basic Financial Statements

- 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.

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

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

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 other. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(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. At December 31, 2016, the Airport Authority had cash and interest-bearing deposits (book balances) totaling \$80,365, as follows:

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 27,801        |
| Interest-bearing deposits | <u>52,564</u>    |
| Total                     | <u>\$ 80,365</u> |

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. Under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2016 totaled \$80,998

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

and were fully insured and not exposed to custodial credit risk. The Airport Authority does not have a policy for custodial credit risk.

(3) Receivables

Receivables at December 31, 2016 of \$34,298 consisted of the following:

|                            |                 |
|----------------------------|-----------------|
| Accounts                   | \$ 237          |
| Interest                   | 93              |
| Intergovernmental - grants | <u>33,968</u>   |
|                            | <u>\$34,298</u> |

(4) Capital assets

Capital asset activity for the year ended December 31, 2016 was as follows:

|                                       | Balance<br>1/1/2016 | Additions        | Deletions   | Balance<br>12/31/2016 |
|---------------------------------------|---------------------|------------------|-------------|-----------------------|
| Capital assets not being depreciated: |                     |                  |             |                       |
| Land                                  | \$ 37,045           | \$ -             | \$ -        | \$ 37,045             |
| Construction in progress              | -                   | 225,967          | -           | 225,967               |
| Other capital assets:                 |                     |                  |             |                       |
| Buildings and improvements            | 297,263             | 670              | -           | 297,933               |
| Equipment, furniture, and fixtures    | 110,904             | 1,100            | -           | 112,004               |
| Infrastructure                        | <u>4,243,647</u>    | <u>-</u>         | <u>-</u>    | <u>4,243,647</u>      |
| Total                                 | <u>4,688,859</u>    | <u>227,737</u>   | <u>-</u>    | <u>4,916,596</u>      |
| Less accumulated depreciation:        |                     |                  |             |                       |
| Buildings and improvements            | 178,790             | 14,490           | -           | 193,280               |
| Equipment, furniture, and fixtures    | 57,254              | 9,144            | -           | 66,398                |
| Infrastructure                        | <u>549,071</u>      | <u>111,118</u>   | <u>-</u>    | <u>660,189</u>        |
| Total                                 | <u>785,115</u>      | <u>134,752</u>   | <u>-</u>    | <u>919,867</u>        |
| Capital assets, net                   | <u>\$3,903,744</u>  | <u>\$ 92,985</u> | <u>\$ -</u> | <u>\$3,996,729</u>    |

Depreciation expense of \$134,752 was charged to the general government function.

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

The Airport Authority's Chairman, Rene Borrel, was not compensated during the year ended December 31, 2016.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Basic Financial Statements

(6) Board of Commissioners

Members of the Avoyelles Parish Airport Authority Board of Commissioners at December 31, 2016 were as follows:

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

Board members serve with no compensation.

(7) 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.

(8) Commitments and Contingencies

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

(9) Litigation

There was no litigation pending against the Avoyelles Parish Airport Authority at December 31, 2016.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

AVOYELLES PARISH AIRPORT AUTHORITY  
 Marksville, Louisiana  
 General Fund

Budgetary Comparison Schedule  
 Year Ended December 31, 2016

|  | Budget            |                  | Actual           | Variance -<br>Favorable<br>(Unfavorable) |
|--|-------------------|------------------|------------------|--|
|  | Original          | Final            |                  |  |
| <b>Revenues:</b>                                     |                   |                  |                  |  |
| Intergovernmental -                                  |                   |                  |                  |  |
| Federal grants                                       | \$ 117,000        | \$ 17,946        | \$ 31,979        | \$ 14,033                                |
| State grants   | 860,871           | 210,303          | 198,895          | (11,408)                                 |
| Local contribution - City of Marksville              | 4,000             | 4,000            | 4,000            | -  |
| State revenue sharing                                | 15,000            | 14,560           | 14,560           | -  |
| Charges for services -                               |                   |                  |                  |  |
| Fuel sales   | 28,000            | 29,592           | 30,442           | 850                                      |
| Rental income  | 20,000            | 13,597           | 12,356           | (1,241)                                  |
| Miscellaneous -                                      |                   |                  |                  |  |
| Donations - Paragon Casino Resort                    | 1,800             | 1,815            | 1,965            | 150                                      |
| Interest income                                      | -                 | -                | 235              | 235                                      |
| Other  | 500               | 1,066            | 2,526            | 1,460                                    |
| Total revenues                                       | <u>1,047,171</u>  | <u>292,879</u>   | <u>296,958</u>   | <u>4,079</u>                             |
| <b>Expenditures:</b>                                 |                   |                  |                  |  |
| Current -  |                   |                  |                  |  |
| General government:                                  |                   |                  |                  |  |
| Contract labor                                       | 15,209            | 17,039           | 15,209           | 1,830                                    |
| Dues & Subscriptions                                 | 100               | 232              | 232              | -  |
| Insurance  | 3,600             | 3,512            | 3,512            | -  |
| Repairs & maintenance                                | 5,000             | 6,568            | 6,003            | 565                                      |
| Fuel   | 20,000            | 25,469           | 22,327           | 3,142                                    |
| Utilities  | 8,200             | 9,429            | 8,764            | 665                                      |
| Miscellaneous  | 6,723             | 10,366           | 9,528            | 838                                      |
| Capital outlay                                       | <u>100,000</u>    | <u>225,967</u>   | <u>227,737</u>   | <u>(1,770)</u>                           |
| Total expenditures                                   | <u>158,832</u>    | <u>298,582</u>   | <u>293,312</u>   | <u>5,270</u>                             |
| Excess (deficiency) of<br>revenues over expenditures | 888,339           | (5,703)          | 3,646            | 9,349                                    |
| Fund balance, beginning                              | <u>82,700</u>     | <u>82,700</u>    | <u>82,700</u>    | <u>-</u>                                 |
| Fund balance, ending                                 | <u>\$ 971,039</u> | <u>\$ 76,997</u> | <u>\$ 86,346</u> | <u>\$ 9,349</u>                          |



AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

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

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

# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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*

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, 2016, 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 21, 2017.

### 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) to determine the 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 Avoyelles 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. We did identify certain deficiencies in internal control, described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 2016-001 and 2016-002 to be significant deficiencies.

## **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 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 is required to be reported under *Government Auditing Standards*.

## **Avoyelles Parish Airport Authority's Response to Findings**

Avoyelles Parish Airport Authority's response to the findings identified in our audit is described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan. The Airport Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is 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, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Marksville, Louisiana  
June 21, 2017

AVOYELLES PARISH AIRPORT AUTHORITY

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2016

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

A. Internal Control Over Financial Reporting

2016-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2015

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

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

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

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

EFFECT: Financial statements and related supporting transactions may reflect a material 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: Mr. Rene Borrel, Chairman, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Airport Authority to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

AVOYELLES PARISH AIRPORT AUTHORITY

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2016 (Continued)

2016-002 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.”

Additionally, Statements on Standards for Attestation Engagements (SSAE) AT§501.07 states:

“An entity’s internal control over financial reporting includes those policies and procedures that pertain to an entity’s ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both.”

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

AVOYELLES PARISH AIRPORT AUTHORITY

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2016 (Continued)

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 agree 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.

B. Compliance

There are no compliance findings

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2015-001 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2016-001.

2015-002 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 2016-002.

AVOYELLES PARISH AIRPORT AUTHORITY

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2016 (Continued)

B. Compliance

2015-003 Failure to advertise budget prior to adoption

CONDITION: The Avoyelles Airport Authority did not comply with the provisions of LSA-RS 39:107 by not advertising its proposed budget with planned expenditures in excess of five hundred thousand dollars prior to adoption.

RECOMMENDATION: The Airport Authority should adhere to the provisions of LSA-RS 39:1307 by advertising for public participation any proposed budget with planned expenditures exceeding five hundred thousand dollars.

CURRENT STATUS: Resolved.