

**FALSE RIVER AIR PARK COMMISSION  
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**A Joint Venture of the  
Police Jury of the Parish of Pointe Coupee  
and  
City of New Roads, Louisiana**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-21-06

**FALSE RIVER AIR PARK COMMISSION  
8662 AIRPORT SPUR  
NEW ROADS, LA 70760  
(225) 638-3192**

**GOVERNING BOARD**

| <b><u>Commissioner</u></b>        | <b><u>Appointed By</u></b>       | <b><u>Term Expires</u></b> |
|-----------------------------------|----------------------------------|----------------------------|
| <b>Charlie Bonnette, Chairman</b> | <b>Pointe Coupee Police Jury</b> | <b>August 31, 2010</b>     |
| <b>Wade O'Neal, Secr./Trea</b>    | <b>Pointe Coupee Police Jury</b> | <b>August 31, 2011</b>     |
| <b>James E. Saison, Jr.</b>       | <b>Pointe Coupee Police Jury</b> | <b>August 31, 2006</b>     |
| <b>Louis A. Hebert</b>            | <b>City of New Roads</b>         | <b>August 31, 2007</b>     |
| <b>John L. Ewing</b>              | <b>City of New Roads</b>         | <b>August 31, 2008</b>     |
| <b>Geraldine Battley</b>          | <b>City of New Roads</b>         | <b>August 31, 2009</b>     |

**MANAGER**

**Yvonne Chenevert**

**MEETING DATE**

**First Thursday of Every Month  
at Airport Terminal**

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*George F. Delaune*

CERTIFIED PUBLIC ACCOUNTANT  
(A Professional Corporation)

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OFFICERS ASSOCIATION

## INDEPENDENT AUDITOR'S REPORT

Mr. Charlie Bonnette, Chairman  
and Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

I have audited the accompanying financial statements of the business-type activities of the FALSE RIVER AIR PARK COMMISSION, NEW ROADS, LOUISIANA, a joint-venture of the Pointe Coupee Parish Police Jury and City of New Roads, Louisiana, as of and for the year ended December 31, 2005, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the False River Air Park Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the False River Air Park Commission, as of December 31, 2005, and the respective changes in financial position and cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated May 31, 2006, on my consideration of the False River Air Park Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

*George F. Delaune, CPA*

May 31, 2006

## *Management's Discussion and Analysis*

This section of False River Air Park Commission's annual financial report presents our discussion and analysis of the False River Air Park Commission's financial performance for the year ended December 31, 2005. Please read the information presented here in conjunction with the Commission's financial statements and footnotes that follow this report.

### **FINANCIAL HIGHLIGHTS**

- The Commission's net assets (excess of assets over liabilities) decreased by \$62,754 or 2.09 percent over the prior year.
- During the year, expenses increased \$29,860 or 9.02 percent, while revenues increased by \$18,238 or 30.23 percent compared to the prior year.

Explanations of these changes follow in the financial analysis section.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The Commission's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements present readers a broad overview of the Commission's financial operations for the year in a manner similar to a private sector business. For the Commission, only one category is presented:

- Business-type activities include the airport system that is financed by fees charged to customers.

The Statement of Net Assets presents information on assets and liabilities and the difference between the Commission's assets and liabilities (net assets) using accounting methods similar to those used by private sector companies. This is considered one way to measure the Commission's financial health.

The Statement of Activities shows the change in the Commission's net assets during the year. All of the current year's revenues and expenses are accounted for in this report, regardless of when cash is received or paid. Therefore, some revenues and expenses reported in this statement will result in cash flows in future fiscal years. For example, some revenue related to capital grants will be collected in the next year and some expenditures related to operations and capital grants will be paid in the next year.

**Fund Financial Statements.** The fund financial statements provide more detailed information about the Commission's operations. A fund is a self-balancing group of accounts used to maintain control over resources intended to be used for specific purposes. The Commission uses only proprietary funds.

**Proprietary funds –** The Commission maintains an enterprise fund to account for the same types of functions as presented in business-type activities in the government-wide statements (airport services).

**Notes to the Financial Statements.** The notes provide additional information that is essential in order for the reader to obtain a full understanding of the information presented in the basic financial statements.

## FINANCIAL ANALYSIS

The comparison of net assets from year to year serves to measure a government's financial position. As of December 31, 2005, assets exceeded liabilities by \$2,938,610 (net assets).

|                                         | 2005         | 2004         |
|-----------------------------------------|--------------|--------------|
| Current and other assets                | \$ 26,968    | \$ 74,628    |
| Capital assets                          | 2,939,807    | 3,014,867    |
| Total assets                            | 2,968,780    | 3,091,499    |
| Other liabilities                       | 28,165       | 88,131       |
| Total liabilities                       | 28,165       | 88,131       |
| Net assets                              |              |              |
| Invested in capital assets, net of debt | 2,929,420    | 2,950,733    |
| Unrestricted                            | 9,190        | 50,631       |
| Total net assets                        | \$ 2,938,610 | \$ 3,001,364 |

Investment in capital assets (e.g., land, buildings, equipment, runways, etc.) less outstanding related debt used in acquiring these assets, represented 99.69 percent of the Commission's total net assets. Capital assets reported net of debt are used to provide airport services and therefore are not available for future spending. Resources necessary to cover asset debt is provided from capital grants.

The following schedule compares the Commission's revenues and expenses for the current and previous year. Total revenues for the Commission decreased by \$399,588 or 56.77 percent over last year as a result of changes in capital grant project funding. Approximately 45.37 percent of the Commission's operating revenues comes from charges and 54.63 percent from subsidies from the Parish Police Jury and the City of New Roads. Total expenses increased by \$35,860 or 10.83 percent over the prior year.

|                                   | 2005         | 2004         |
|-----------------------------------|--------------|--------------|
| Revenues                          |              |              |
| Program revenues:                 |              |              |
| Charges for services              | \$ 78,560    | \$ 60,322    |
| Grants - operating                | 94,500       | 86,471       |
| Grants - capital                  | 131,136      | 557,056      |
| Unrestricted interest             | 92           | 27           |
| Total revenues                    | 304,288      | 703,876      |
| Expenses                          |              |              |
| Economic development              | 367,042      | 331,182      |
| Total expenses                    | 367,042      | 331,182      |
| Increase (decrease) in net assets | (62,754)     | 372,694      |
| Net assets beginning              | 3,001,364    | 2,628,670    |
| Net assets ending                 | \$ 2,938,610 | \$ 3,001,364 |

## CAPITAL ASSET

At the end of December 31, 2005, the Commission had \$2,929,420 invested in capital assets including land, buildings, runways and approaches, and equipment. (See table below.) This represents a net decrease of \$21,313, or 0.72%, over last year.

|                            | 2005                | 2004                |
|----------------------------|---------------------|---------------------|
| Land                       | \$ 465,231          | \$ 465,231          |
| Land improvements          | 553,981             | 589,050             |
| Water well                 | 574                 | 830                 |
| Buildings                  | 26,644              | 29,665              |
| Runways, aprons, and roads | 1,871,036           | 1,903,202           |
| Equipment                  | 20,581              | 24,583              |
| Radios and antennas        | 0                   | 0                   |
| Furniture and fixtures     | 1,761               | 2,326               |
| Totals                     | <u>\$ 2,939,808</u> | <u>\$ 3,014,887</u> |

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The business-type activities has shown a significant increase in usage at the airport as evident by the number of gallons pumped. The Commission will attempt to maintain this activity and at the same time make improvements to facility through grants from federal and state agencies. Year 2006 funding is expected to be \$895,800. Since 1998, the Commission has received \$1,357,088 from the LDOTD Division of Aviation, \$3,450,031 from the Federal Aviation Administration, and \$250,000 in State Capital Outlay Priority I funds.

## CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Yvonne Chenevert, Air Port Manager at 8662 Airport Spur, New Roads, LA (225) 638-3192, fax (225) 638-3189.

## **BASIC FINANCIAL STATEMENTS**

**The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:**

- **Government-wide financial statements**
- **Fund financial statements**
  - **Proprietary (enterprise) fund**

**In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.**

**FALSE RIVER AIR PARK COMMISSION  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2005**

|                                             | <u>Business-type<br/>Activities</u> |
|---------------------------------------------|-------------------------------------|
| <b>ASSETS</b>                               |                                     |
| <b>Current Assets:</b>                      |                                     |
| Cash                                        | \$ 7,233                            |
| Receivable from other governments - federal | 11,701                              |
| Receivable from other governments - state   | 616                                 |
| Inventory - fuel                            | 7,418                               |
| Total current assets                        | <u>26,968</u>                       |
| <b>Noncurrent Assets:</b>                   |                                     |
| Capital assets (net)                        | 2,939,807                           |
| Total noncurrent assets                     | <u>2,939,807</u>                    |
| <b>Total Assets</b>                         | <u>2,966,775</u>                    |
| <b>LIABILITIES</b>                          |                                     |
| <b>Current Liabilities:</b>                 |                                     |
| Accounts payable                            | 17,778                              |
| Construction costs payable                  | 10,387                              |
| Total current liabilities                   | <u>28,165</u>                       |
| <b>Total Liabilities</b>                    | <u>28,165</u>                       |
| <b>NET ASSETS</b>                           |                                     |
| Invested in capital assets                  | 2,929,420                           |
| Unrestricted - undesignated                 | 9,190                               |
| <b>Total Net Assets</b>                     | <u>\$ 2,938,610</u>                 |

See accompanying notes to the basic financial statements.

**FALSE RIVER AIR PARK COMMISSION  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2005**

| Functions/Programs               | Expenses       | Program Revenues        |                                        |                                      | Net<br>(Expense)/<br>Revenue |
|----------------------------------|----------------|-------------------------|----------------------------------------|--------------------------------------|------------------------------|
|                                  |                | Charges for<br>Services | Operating<br>Grants &<br>Contributions | Capital<br>Grants &<br>Contributions |                              |
| <b>Business-type activities:</b> |                |                         |                                        |                                      |                              |
| Economic development             | 367,042        | 78,560                  | 94,500                                 | 131,136                              | (62,846)                     |
| Total business-type activities   | <u>367,042</u> | <u>78,560</u>           | <u>94,500</u>                          | <u>131,136</u>                       | <u>(62,846)</u>              |
| <b>General revenues:</b>         |                |                         |                                        |                                      |                              |
| Interest earned                  |                |                         |                                        |                                      | 92                           |
| Total general revenues           |                |                         |                                        |                                      | <u>92</u>                    |
| Change in net assets             |                |                         |                                        |                                      | (62,754)                     |
| Net assets – beginning, restated |                |                         |                                        |                                      | <u>3,001,364</u>             |
| Net Assets - Ending              |                |                         |                                        |                                      | <u>\$ 2,938,610</u>          |

See accompanying notes to the basic financial statements.

**FALSE RIVER AIR PARK COMMISSION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND - ENTERPRISE FUND  
DECEMBER 31, 2005  
(with comparative totals for 2004)**

|                                                 | 2005                | 2004                |
|-------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                   |                     |                     |
| <b>Current Assets:</b>                          |                     |                     |
| Cash                                            | \$ 7,233            | \$ 3,705            |
| Receivable from other governments - federal     | 11,701              | 51,641              |
| Receivable from other governments - state       | 616                 | 5,738               |
| Inventory - fuel                                | 7,418               | 13,544              |
| <b>Total Current Assets</b>                     | <b>26,968</b>       | <b>74,628</b>       |
| <b>Noncurrent Assets:</b>                       |                     |                     |
| Capital assets (net)                            | 2,939,807           | 3,014,867           |
| <b>Total Noncurrent Assets</b>                  | <b>2,939,807</b>    | <b>3,014,867</b>    |
| <b>Total Assets</b>                             | <b>2,966,775</b>    | <b>3,089,495</b>    |
| <b>LIABILITIES</b>                              |                     |                     |
| <b>Current Liabilities:</b>                     |                     |                     |
| Accounts payable                                | 17,778              | 23,997              |
| Construction costs payable                      | 10,387              | 64,134              |
| <b>Total Current Liabilities</b>                | <b>28,165</b>       | <b>88,131</b>       |
| <b>Total Liabilities</b>                        | <b>28,165</b>       | <b>88,131</b>       |
| <b>NET ASSETS</b>                               |                     |                     |
| Invested in capital assets, net of related debt | 2,929,420           | 2,950,733           |
| Unrestricted                                    | 9,190               | 50,631              |
| <b>Total Net Assets</b>                         | <b>\$ 2,938,610</b> | <b>\$ 3,001,364</b> |

See accompanying notes to the basic financial statements.

**FALSE RIVER AIR PARK COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**YEAR ENDED DECEMBER 31, 2005**  
(with comparative totals for 2004)

|                                         | 2005         | 2004         |
|-----------------------------------------|--------------|--------------|
| <b>Operating Revenues</b>               |              |              |
| Charges for services -                  |              |              |
| Hangers                                 | \$ 9,496     | \$ 9,185     |
| Ag-sites                                | 3,615        | 3,615        |
| Property                                | 3,553        | 3,536        |
| Fuel sales                              | 61,896       | 43,986       |
| Total changes for services              | 78,560       | 60,322       |
| Total Operating Revenues                | 78,560       | 60,322       |
| <b>Operating Expenses</b>               |              |              |
| Salaries and benefits                   | 37,096       | 31,168       |
| Professional services                   | 1,200        | 1,200        |
| Contract labor                          | 17,756       | 12,189       |
| Insurance                               | 7,851        | 9,393        |
| Utilities                               | 10,306       | 9,021        |
| Fuel purchases                          | 43,861       | 34,212       |
| Repairs and supplies                    | 34,259       | 35,263       |
| Telephone and internet service          | 4,688        | 4,300        |
| All other expenses                      | 4,029        | 7,174        |
| Depreciation                            | 206,196      | 187,264      |
| Total Operating Expenses                | 367,042      | 331,182      |
| <b>Net Operating Loss</b>               | (288,482)    | (270,860)    |
| <b>Nonoperating Revenue</b>             |              |              |
| Interest earned                         | 92           | 27           |
| Capital grants - federal                | 124,579      | 501,351      |
| Capital grants - state                  | 6,557        | 55,705       |
| Operating grants - state                |              | 11,971       |
| Operating grants - police jury          | 47,500       | 37,500       |
| Operating grants - city                 | 47,000       | 37,000       |
| Total Nonoperating Revenue              | 225,728      | 643,554      |
| <b>Net Income (Loss)</b>                | (62,754)     | 372,694      |
| <b>Net Assets - Beginning, restated</b> | 3,001,364    | 2,628,670    |
| <b>Net Assets - Ending</b>              | \$ 2,938,610 | \$ 3,001,364 |

See accompanying notes to the basic financial statements.

**FALSE RIVER AIR PARK COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - ENTERPRISE FUND**  
**YEAR ENDED DECEMBER 31, 2005**  
**(with comparative totals for 2004)**

|                                                                                                  | 2005         | 2004         |
|--------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Cash Flows from Operating Activities</b>                                                      |              |              |
| Receipts from customers                                                                          | \$ 77,238    | \$ 60,322    |
| Payments to suppliers                                                                            | (121,248)    | (109,664)    |
| Payments to employees and benefits                                                               | (38,369)     | (31,166)     |
| Net Cash (Used) in Operating Activities                                                          | (82,379)     | (80,508)     |
| <b>Cash Flows from Non-Operating Activities</b>                                                  |              |              |
| Operating grants                                                                                 | 94,500       | 86,471       |
| Net Cash Provided by Non-Operating Activities                                                    | 94,500       | 86,471       |
| <b>Cash Flows from Capital and Related Financing Activities</b>                                  |              |              |
| Proceeds from grants                                                                             | 176,198      | 503,747      |
| Acquisition of capital assets                                                                    | (184,883)    | (515,580)    |
| Net Cash (Used) in Capital and Related Financing Activities                                      | (8,685)      | (11,833)     |
| <b>Cash Flows from Investing Activities</b>                                                      |              |              |
| Interest earned                                                                                  | 92           | 27           |
| Net Cash Provided by Investing Activities                                                        | 92           | 27           |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                                      | 3,528        | (5,843)      |
| <b>Balances - Beginning of Year</b>                                                              | 3,705        | 9,548        |
| <b>Balances - End of Year</b>                                                                    | \$ 7,233     | \$ 3,705     |
| <br><b>Reconciliation of Net Operating Loss to Net Cash</b>                                      |              |              |
| <b>(Used) in Operating Activities</b>                                                            |              |              |
| Net operating loss                                                                               | \$ (288,482) | \$ (270,860) |
| Adjustments to reconcile net operating loss to net cash provided (used) by operating activities: |              |              |
| Cash flows reported in other categories:                                                         |              |              |
| Depreciation expense                                                                             | 206,196      | 187,264      |
| Change in assets and liabilities:                                                                |              |              |
| Inventory - fuel                                                                                 | 6,126        | (12,152)     |
| Payables                                                                                         | (6,219)      | 15,240       |
| <b>Net Cash (Used) by Operating Activities</b>                                                   | \$ (82,379)  | \$ (80,508)  |

See accompanying notes to the basic financial statements.

## **FALSE RIVER AIR PARK COMMISSION NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 1. - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Financial Reporting Entity**

The False River Air Park Commission, New Roads, Louisiana (the "Commission") is a joint venture created by a resolution of the Pointe Coupee Parish Police Jury (the "Parish") and the City of New Roads (the "City") in May 1974. The Commission operates under a commission form of government and provides an airport authority under the provisions of Louisiana Revised Statutes (LRS) 2:131, et seq. Said Commission operates under the powers as outlined under LRS 2:135.

The Commission is composed of six (6) members. Three (3) are appointed by the Parish and three (3) are appointed by the City.

For reporting purposes, the Commission is considered a component unit of the Pointe Coupee Parish Police Jury. The financial reporting entity consists of [a] the primary government, [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Pointe Coupee Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria include:

- Appointing a voting majority of an organization's governing body, and
  - The ability of the primary government to impose its will on that organization and/or
  - The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
- Organizations for which the reporting entity financial statements should be misleading if data of the organization is not included because of the nature or significance of the relationship.

#### **Basis of Presentation**

The accompanying financial statements of the Commission have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### **Measurement Focus and Basis of Accounting**

##### **Fund Accounting**

The Commission uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

## FALSE RIVER AIR PARK COMMISSION NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Funds of the Commission are classified into only a single category - proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

### Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Fund -- account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expense incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

### Encumbrances

The Commission does not follow the encumbrance method of accounting.

### Budgets

The Commission uses the following budget practices:

- Budgets are prepared for the Enterprise Fund on the GAAP basis and appropriations (unexpended budget balances) lapse at year end.
- Budgetary control is exercised at the line item level.
- During the year, monthly budgetary comparison statements are used as a management tool to control operations. When necessary, the Board adopts budget amendments which are included in minutes published in the official journal.

### Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

State statutes authorize the Commission to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

## FALSE RIVER AIR PARK COMMISSION NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at market value.

### Accounts Receivable and Bad Debts

The Commission uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

### Inventories

Inventory of fuel is recorded using the FIFO method. Inventories for supplies are immaterial and are recorded as expenditures when purchased.

### Capital Assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, including public domain infrastructure (e.g., runways, aprons, and other assets that are immovable and of value only to the Commission) are defined as assets with an initial, individual cost of more than \$500 and an estimated useful life greater than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Major outlays for capital assets and improvements are capitalized as the projects are completed. Interest incurred during the construction phase of projects is reflected in the capitalized value of the asset constructed for proprietary funds. As of December 31, 2005, no interest has been capitalized on projects.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                            |               |
|----------------------------|---------------|
| Buildings and improvements | 20 - 40 Years |
| Land improvements          | 20 Years      |
| Runways, aprons, and roads | 20 Years      |
| Water well                 | 20 Years      |
| Radios and antennas        | 10 Years      |
| Furniture and fixtures     | 5 - 10 Years  |
| Equipment                  | 10 Years      |

### Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when incurred in proprietary funds.

### NOTE 3 - CASH and CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at December 31, 2005:

|                         |    |              |
|-------------------------|----|--------------|
| Demand deposit accounts | \$ | 3,561        |
| LAMP                    |    | 3,673        |
| Total                   | \$ | <u>7,234</u> |

# FALSE RIVER AIR PARK COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These deposits are stated at cost, which approximates market. Under state statutes, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At December 31, 2005, cash in demand deposit accounts are fully insured by FDIC.

Cash at December 31, 2005 also consists of \$3,673 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP at December 31, 2005 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

### NOTE 4 - CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2005:

|                                                    | 1-1-2005     | Increases   | Decreases | 12-31-2005   |
|----------------------------------------------------|--------------|-------------|-----------|--------------|
| <b>Non-depreciable assets:</b>                     |              |             |           |              |
| Land                                               | \$ 465,231   |             |           | \$ 465,231   |
| <b>Depreciable assets:</b>                         |              |             |           |              |
| Land improvements                                  | 701,369      |             |           | 701,369      |
| Water well                                         | 5,134        |             |           | 5,134        |
| Buildings                                          | 96,520       |             |           | 96,520       |
| Runways, aprons, and roads                         | 3,283,790    | \$ 131,136  |           | 3,394,926    |
| Equipment                                          | 58,375       |             |           | 58,375       |
| Radios and antennas                                | 14,197       |             |           | 14,197       |
| Furniture and fixtures                             | 11,103       |             |           | 11,103       |
| Total other capital assets at historical cost      | 4,150,488    | 131,136     | 0         | 4,281,624    |
| <b>Less: Accumulated depreciation for -</b>        |              |             |           |              |
| Land improvements                                  | 112,319      | 35,069      |           | 147,388      |
| Water well                                         | 4,304        | 256         |           | 4,560        |
| Buildings                                          | 66,856       | 3,020       |           | 69,876       |
| Runways, aprons, and roads                         | 1,360,589    | 163,301     |           | 1,523,890    |
| Equipment                                          | 33,810       | 3,984       |           | 37,794       |
| Radios and antennas                                | 14,197       |             |           | 14,197       |
| Furniture and fixtures                             | 8,777        | 565         |           | 9,342        |
| Total accumulated depreciation                     | 1,600,852    | 206,195     | 0         | 1,807,047    |
| Total business-type activities capital assets, net | \$ 3,014,867 | \$ (75,059) | \$ 0      | \$ 2,939,808 |

Since its inception in 1974, equipment and improvements have been contributed by the Office of Aviation, originally under the Louisiana Department of Public Works and presently under the Louisiana Department of Transportation and Development and jointly by the Parish and City. Because of the inability to obtain reliable cost data necessary for accurate accountability, these assets are not included in capital assets. Consequently, capital assets as presented above represent only those assets and improvements disbursed by the Commission for the years after December 31, 1985.

### NOTE 5 - OPERATING GRANTS

Annual appropriations are made by the Parish and City to defer the operating costs of the False River Air Park. These appropriations are budgeted by the governmental entities and are susceptible to change depending upon economic conditions and the financial burden of their respective operations.

### NOTE 6 - CAPITAL GRANTS

#### Rehabilitation of Airfield Pavement

In April 2005, the Parish of Pointe Coupee and the City of New Roads executed an agreement with the U.S. Department of Transportation, Federal Aviation Administration (FAA) in the amount of \$126,216, for the rehabilitation of airfield pavement (FAA AIP No. 3-22-0074-011-2005). Prior to this agreement, the Louisiana Department of Transportation

## FALSE RIVER AIR PARK COMMISSION NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

and Development (DOTD), agreed to support this project for the 5% matching funds of \$6,643; thus making a planned construction of \$132,859. The construction was accepted on June 20, 2005 and closed on on March 9, 2006.

The following is a summary of completed costs as of December 31, 2005:

|         |                   |
|---------|-------------------|
| Federal | \$ 124,579        |
| State   | 6,557             |
|         | <u>\$ 131,136</u> |

### NOTE 7 - PENSION PLAN AND RETIREMENT COMMITMENTS

#### Parochial Employees' Retirement System of Louisiana -

The Commission's only employee is under the umbrella of the Pointe Coupee Parish Police Jury and is a member of the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The Commission's employee is a member of Plan A.

**Plan Description:** All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

**Funding Policy:** Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Commission is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Commission contributions to the System under Plan A for the years ending December 31, 2005, 2004, and 2003, were \$3,684, \$2,838, and \$1,909, respectively, equal to the required contributions for each year.

### NOTE 8 - CONTINGENT LIABILITIES

There is no pending litigation against the Commission.

### NOTE 9 - ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**FALSE RIVER AIR PARK COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**NOTE 10 - RISK MANAGEMENT**

The Commission is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission attempts to minimize risk from significant losses through the purchase of commercial insurance.

**NOTE 11 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the mayor and board members is as follows:

|                      |    |          |
|----------------------|----|----------|
| Charlie Bonnette     | \$ | 0        |
| Wade O'Neal          |    | 0        |
| James E. Saizon, Jr. |    | 0        |
| Geraldine Battley    |    | 0        |
| John L. Ewing        |    | 0        |
| Louis A. Hebert      |    | 0        |
|                      |    | <hr/>    |
|                      | \$ | <u>0</u> |

## **OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS**

**Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

A report on compliance with laws and regulations and on internal controls over financial reporting as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

*George F. Delaune*

CERTIFIED PUBLIC ACCOUNTANT  
(A Professional Corporation)

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OFFICERS ASSOCIATION

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

Mr. Charlie Bonnette, Chairman  
and Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

I have audited the financial statements of the business-type activities of the FALSE RIVER AIR PARK COMMISSION, NEW ROADS, LOUISIANA, as of and for the year ended December 31, 2005, which collectively comprise the Commission's basic financial statements and have issued my report thereon dated May 31, 2006. I conducted my 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, and the *Louisiana Governmental Audit Guide*.

*Compliance*

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.

*Internal Control Over Financial Reporting*

In planning and performing my audit, I considered the Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information of management, the Board of Commissioners, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*George F. Delaune, CPA*

May 31, 2006

**FALSE RIVER AIR PARK COMMISSION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2005**

| Federal Grantor<br>Pass-Through Grantor/<br>Program Name | CFDA<br>Number | Agency or<br>Pass-through<br>Number | Federal<br>Disbursements/<br>Expenditures |
|----------------------------------------------------------|----------------|-------------------------------------|-------------------------------------------|
| U.S. Department of Transportation                        |                |                                     |                                           |
| Federal Aviation Administration                          |                |                                     |                                           |
| Airport Improvement Program                              |                |                                     |                                           |
| Rehabilitate Runway 18/36 and Taxiways                   | 20.106         | N/A                                 | \$ 124,579                                |
| Total                                                    |                |                                     | <u>\$ 124,579</u>                         |

**FALSE RIVER AIR PARK COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Section A - Summary of Auditor's Reports**

- The auditor's report expresses an unqualified opinion on the financial statements of the False River Air Park Commission.
- No reportable conditions were disclosed during the audit of the financial statements.
- No instances of noncompliance were disclosed during the audit of the financial statements.
- No reportable conditions relating to the audit of the federal award program is reported in the audit report.
- The False River Air Park Commission was determined to be a low-risk auditee.

**Section B - Findings – Financial Statements Audit**

NONE

**Section C. Findings and Questioned Costs – Federal Award Program**

NONE

**FALSE RIVER AIR PARK COMMISSION  
RESOLUTION OF PRIOR YEAR OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**2004-1            Delay in Issuing Audit**

**Condition and Criteria:**

Under the terms of the audit engagement contract, the Commission is required to have its audit completed by June 30, 2005.

**Resolution of Finding:**

Corrective action was taken and the audit for the year 2005 was completed prior to June 30, 2006.