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**AVOYELLES PARISH  
AIRPORT AUTHORITY**

Marksville, Louisiana

Financial Report

Year Ended December 31, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 7-28-99

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined balance sheet - all governmental fund types and account group	3
Combined statement of revenues, expenditures, and changes in fund balance - all governmental fund types	4
Notes to financial statements	5-8
SUPPLEMENTARY INFORMATION	
INTERNAL CONTROL AND COMPLIANCE REPORTS	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	11-12
Report on Compliance with Requirements Applicable to the Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	13-14
Schedule of federal awards	15
Notes to schedule of federal awards	16
Schedule of findings and questioned costs	17-18
Corrective action plan	19
Schedule of prior year findings	20

# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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## INDEPENDENT AUDITORS' REPORT

The Board of Commissioners  
Avoyelles Parish Airport Authority  
Marksville, Louisiana

We have audited the accompanying general purpose financial statements of the Avoyelles Parish Airport Authority, a component unit of Avoyelles Parish Police Jury, as of and for the year ended December 31, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's appointed officials. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Avoyelles Parish Airport Authority, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated May 17, 1999 on our consideration of the Avoyelles Parish Airport Authority's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Avoyelles Parish Airport Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Marksville, Louisiana  
May 17, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**

AVOUELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Combined Balance Sheet - All Governmental Fund Types and Account Group  
December 31, 1998

	Governmental Fund Types		Account Group	
	General Fund	Special Revenue Fund	General Fixed Assets	Totals (Memorandum only)
<b>ASSETS</b>				
Cash	\$35,810	\$ -	\$ -	\$ 35,810
Receivables:				
Grants	-	384,413	-	384,413
Other	450	-	-	450
Buildings	-	-	26,000	26,000
Equipment	-	-	4,975	4,975
Total assets	\$36,260	\$384,413	\$30,975	\$451,648
 <b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 533	\$ 3,000	\$ -	\$ 3,533
Contracts payable	-	381,413	-	381,413
Total liabilities	533	384,413	-	384,946
 <b>Fund Equity:</b>				
Investment in general fixed assets	-	-	30,975	30,975
Fund balance -				
Unreserved, undesignated	35,727	-	-	35,727
Total fund equity	35,727	-	30,975	66,702
Total liabilities and fund equity	\$36,260	\$384,413	\$30,975	\$451,648

The accompanying notes are an integral part of this statement.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance -  
All Governmental Fund Types  
Year Ended December 31, 1998

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Totals (Memorandum Only)</u>
Revenues:			
Intergovernmental -			
Federal grant	\$ -	\$370,272	\$ 370,272
State grant	-	41,141	41,141
City of Marksville	5,000	-	5,000
Avoyelles Parish Sheriff	7,500	-	7,500
Avoyelles Parish Police Jury	18,108	-	18,108
Donations - Grand Casino Avoyelles	16,200	-	16,200
Rent Income	4,170	-	4,170
Total revenues	<u>50,978</u>	<u>411,413</u>	<u>462,391</u>
Expenditures:			
Current -			
General Government -			
Contract labor	9,450	-	9,450
Dues & subscriptions	73	-	73
Miscellaneous	142	-	142
Repairs and maintenance	2,008	-	2,008
Supplies	1,685	-	1,685
Telephone	517	-	517
Utilities	2,341	-	2,341
Airport improvements	-	411,413	411,413
Capital outlay	675	-	675
Total expenditures	<u>16,891</u>	<u>411,413</u>	<u>428,304</u>
Excess of revenues over expenditures	34,087	-	34,087
Fund balance, beginning	<u>1,640</u>	<u>-</u>	<u>1,640</u>
Fund balance, ending	<u>\$ 35,727</u>	<u>\$ -</u>	<u>\$ 35,727</u>

The accompanying notes are an integral part of this statement.

# AVOYELLES PARISH AIRPORT AUTHORITY

## Notes to Financial Statements

### (1) Summary of Significant Accounting Policies

The Avoyelles Parish Airport Authority (The Authority) was incorporated under the provisions Louisiana Revised Statutes 2:601-2:612, "Airport Authorities Law". The Authority is comprised of 5 commissioners appointed by the Avoyelles Parish Police Jury. The five commissioners hold terms as follows: One for five (5) years, one for four (4) years, one for three (3) years, one for two (2) years, and one for one year.

The Authority complies with Generally Accepted Accounting Principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Such accounting and reporting procedures also conform to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### A) Financial Reporting Entity

These general purpose financial statements only include funds, account groups, activities, et cetera, that are controlled by the Authority. Based upon the criteria established by the Government Accounting Standards Board (GASB) Statement No. 14 it was determined that the Avoyelles Parish Airport Authority is a component unit of the Avoyelles Parish Police Jury. Although the Police Jury does not provide financing, it does exercise some control over operations by virtue of the fact that it appoints the commissioners of the Authority.

#### B) Fund Accounting

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds and account group presented in the general purpose financial statements are described as follows:

Governmental Funds -

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources.

# AVOUELLES PARISH AIRPORT AUTHORITY

## Notes to Financial Statements (Continued)

### Special Revenue Fund

The Special Revenue Fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

### Account Group-

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purpose. It is concerned only with the measurement of financial position, not with the measurement of results of operations.

### C) Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Federal and state grants are recorded as when the reimbursable expenditures have been incurred. Other major revenues that are considered susceptible to accrual include intergovernmental revenues, donations and rental income.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

### D) Budgets and Budgetary Accounting

The Authority did not adopt a budget as required by the Local Government Budget Act, LSA R.S. 39:1301-39:1316 for the General Fund. A program specific budget was adopted for the Special Revenue Fund, Airport improvement program. Because this budget was adopted in accordance with federal grant requirements, it covers a period including both 1998 and 1999. As a result the statement of revenues, expenditures, and changes in fund balance - budget (GAAP) basis and actual - governmental fund types, is not presented for the general or special revenue fund.

### E) Fixed Assets

Fixed assets used in governmental fund types operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Authority has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.



AVOYELLES PARISH AIRPORT AUTHORITY

Notes to Financial Statements (Continued)

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

F) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Authority as an extension of formal budgetary integration in the funds.

(2) Cash

Under state law, the 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 Authority may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1998, the Authority has cash (book balances) totaling \$ 35,810.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The 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, 1998 totaled \$ 35,813. These deposits were fully secured by federal deposit insurance.

(3) Changes in General Fixed Assets

Changes in general fixed assets are as follows:

	<u>Balance</u> <u>1/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/98</u>
Building	\$ 26,000	\$ -	\$ -	\$ 26,000
Equipment	<u>4,300</u>	<u>675</u>	<u>-</u>	<u>4,975</u>
Total	<u>\$ 30,300</u>	<u>\$ 675</u>	<u>\$ -</u>	<u>\$ 30,975</u>

AVOYELLES PARISH AIRPORT AUTHORITY

Notes to Financial Statements (Continued)

(4) Compensation of Authority Officials

Noncommissioned members of the Board as of December 31, 1998 are as follows:

Bill Belt - Chairman

Chip Johnson

Dr. Richard Michel

A. J. Roy III

Board members serve with no compensation.

(5) Pending Litigation

There are no lawsuits presently pending against the Avoyelles Parish Airport Authority involving possible monetary liability.

(6) Year 2000 Issue (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Authority's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The Authority has very minimal use of computer and electronic equipment. Based upon this management feels the effect of the Year 2000 issue on operations will not be material.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Authority is or will be Year 2000 compliant, and that the Authority's remediation efforts will be successful in whole or in part, or that the parties with whom the Authority transacts business will be Year 2000 compliant.

**SUPPLEMENTARY INFORMATION**

**INTERNAL CONTROL AND COMPLIANCE REPORTS**

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners  
Avoyelles Parish Airport Authority  
Marksville, Louisiana

We have audited the general purpose financial statements of the Avoyelles Parish Airport Authority, a component unit of Avoyelles Parish Police Jury, as of and for the year ended December 31, 1998, and have issued our report thereon dated May 17, 1999, which was unqualified. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Avoyelles Parish Airport Authority's general purpose financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs in Part II, Section A, 98-1.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Avoyelles Parish Airport Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Avoyelles Parish Airport Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is described in the accompanying schedule of findings and questioned costs in Part II, Section B, 98-2.

A material weaknesses 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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition referred to in the schedule of findings and questioned costs, Item 98-2, to be a material weakness.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

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

Marksville, Louisiana  
May 17, 1999

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Commissioners  
Avoyelles Parish Airport Authority  
Marksville, Louisiana

### Compliance

We have audited the compliance of the Avoyelles Parish Airport Authority, a component unit of Avoyelles Parish Police Jury, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 1998. The Avoyelles Parish Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Avoyelles Parish Airport Authority's elected officials. Our responsibility is to express an opinion on the Avoyelles Parish Airport Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Avoyelles Parish Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Avoyelles Parish Airport Authority's compliance with those requirements.

In our opinion, the Avoyelles Parish Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 1998.

### Internal Control Over Compliance

The management of the Avoyelles Parish Airport Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Avoyelles

Parish Airport Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the general purpose financial statements of the Avoyelles Parish Airport Authority as of and for the year ended December 31, 1998, and have issued our report thereon dated May 17, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statement taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the Avoyelles Parish Airport Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as whole.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

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

Marksville, Louisiana  
May 17, 1999



AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Schedule of Federal Awards  
Year Ended December 31, 1998

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Revenues Recognized</u>	<u>Expenditures</u>
United States Department of Transportation:			
Airport Improvement Program *	20.106	<u>\$ 370,272</u>	<u>\$ 370,272</u>

\*Indicates major federal financial assistance program.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Notes to Schedule of Federal Awards  
Year Ended December 31, 1998

(1) General

The accompanying Schedule of Federal Awards presents the activity of all federal financial assistance programs of the Avoyelles Parish Airport Authority (the Authority). The Authority's reporting entity is defined in Note 1 to the general-purpose financial statements for the year ended December 31, 1998. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through the other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the Authority's general purpose financial statements for the year ended December 31, 1998.

(3) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal Awards agree with the amounts reported in the related federal financial reports.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Schedule of Findings and Questioned Costs  
Year Ended December 31, 1998

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements.
3. An instance of noncompliance was disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over the major program was disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:  
United States Department Transportation: Airport Improvement Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings Which are Required to be Reported in Accordance With Generally Accepted Governmental Auditing Standards:

A. Compliance Finding -

98-1 Noncompliance with Budget Laws

Condition: The Authority did not adopt a budget as required by LSA-R.S. 39:1301 – 39:1316 Local Governmental Budget Act.

Criteria: Governmental units are required to adopt a budget in accordance with LSA-R.S. 39:1301-39:1316.

Effect: The Authority was in violation of the Local Governmental Budget Act.

Recommendation: We recommend that a budget is adopted annually in accordance with LSA-R.S. 39:1301- 39:1316 the Local Governmental Budget Act.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Year Ended December 31, 1998

B. Internal Control Finding -

98-2 Inadequate Segregation of Duties

Condition: Due to the small number of employees, the Authority did not have adequate segregation of functions within the accounting system.

Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: No response is considered necessary.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings to report under this section.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Corrective Action Plan  
Year Ended December 31, 1998

<u>Reference Number</u>	<u>Recommendation</u>	<u>Actions Taken</u>
	<u>Noncompliance with Budget Laws</u>	
98-1	The Authority should adopt a budget in accordance with LSA-R.S. 39:1301-1316, the Local Government Budget Act.	The Authority will adopt budgets as required by the Local Government Budget Act in the future.
	<u>Inadequate Segregation of Duties</u>	
98-2	Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	No action required.

AVOYELLES PARISH AIRPORT AUTHORITY  
Marksville, Louisiana

Schedule of Prior Year Findings  
December 31, 1998

Because this was a first year audit, there were no prior year findings.