

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

**Annual Financial Report
June 30, 2021 and 2020**

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INDEPENDENT AUDITORS' REPORT

West Calcasieu Airport Managing Board
Sulphur, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of West Calcasieu Airport Managing Board, component unit of Calcasieu Parish Police Jury, the West Calcasieu Port and the Industrial Development Board of the City of Sulphur, Inc., as of June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on my audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Calcasieu Airport Managing Board as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows thereof for the years 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 management's discussion and analysis on pages 3 through 6, and the information on page 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 my inquiries, the basic financial statements, and other knowledge we obtained during my audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2021 on my consideration of West Calcasieu Airport Managing Board, Louisiana's internal control over financial reporting and my 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 my 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 West Calcasieu Airport Managing Board internal control over financial reporting and compliance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of West Calcasieu Airport Managing Board. The Schedule of Compensation, Benefits and Other Payments is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits and Other Payments is the responsibility of management and is derived from the underlying accounting and other records to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 30, 2021

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

The Management’s Discussion and Analysis of the West Calcasieu Airport Managing Board (the Airport) financial performance presents a narrative overview and analysis of the Board’s financial activities for the year ended June 30, 2021. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the financial statements.

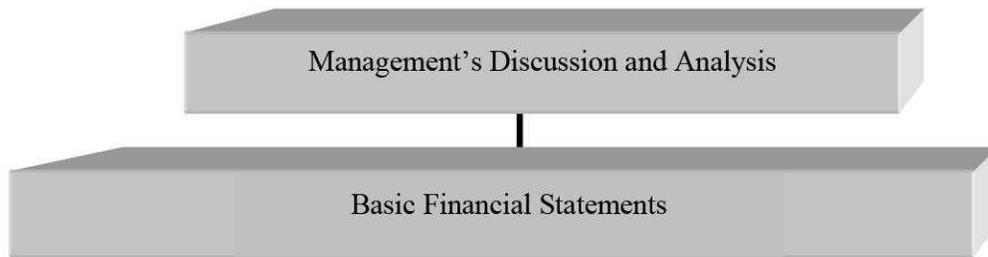
FINANCIAL HIGHLIGHTS

The Board’s assets exceeded its liabilities at the close of 2021 by \$9,974,185 which represents an 31.9% increase from last fiscal year. Of this amount, \$6,005,888 (unrestricted net assets) may be used to meet the Board’s ongoing obligations to its users.

The Board’s operating revenue decreased \$355,779 (or 70.8%) and the net results from operations decreased by \$626,799.

OVERVIEW OF THE FINANCIAL STATEMENTS

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



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

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

Basic Financial Statements

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

The Statement of Fund Net Position (pages 7 - 8) presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. The Board's assets plus deferred outflows of resources minus their liabilities and deferred inflows of resources equals the net position. The net position of the Airport may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position (page 9) presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Cash Flow Statements (pages 10 - 11) presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|----------------------------|--------------------|--------------------|--------------------|
| Current other assets | \$6,520,883 | \$3,295,428 | \$2,685,982 |
| Capital assets | 3,968,297 | 4,661,773 | 4,517,208 |
| Total Assets | <u>10,489,180</u> | <u>7,957,201</u> | <u>7,203,190</u> |
| Other liabilities | 514,995 | 394,035 | 221,400 |
| Long-term debt outstanding | - | - | - |
| Total Liabilities | <u>514,995</u> | <u>394,035</u> | <u>221,400</u> |
| Net position: | | | |
| Capital Net of Debt | 3,968,297 | 4,661,773 | 4,517,208 |
| Restricted | - | - | - |
| Unrestricted | 6,005,888 | 2,901,393 | 2,464,581 |
| Total Net Position | <u>\$9,974,185</u> | <u>\$7,563,166</u> | <u>\$6,981,789</u> |

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

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

Net position of the Airport increased by \$2,411,019, or 31.9%, from June 30, 2020 to June 30, 2021.

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|-----------------------------------|---------------------|-------------------|-------------------|
| Operating revenues Gross Profit | \$ 146,385 | \$ 502,164 | \$ 699,704 |
| Operating expenses | <u>(1,025,767)</u> | <u>(754,747)</u> | <u>(734,052)</u> |
| Operating income (loss) | (879,382) | (252,583) | (34,348) |
| Non-operating revenues | 3,096,370 | 386,576 | 351,321 |
| Non-operating expenses | - | - | - |
| Net Non-Operating Income/(Loss) | <u>3,096,370</u> | <u>386,576</u> | <u>351,321</u> |
| | | | |
| Income(Loss) Before Contributions | 2,216,988 | 133,993 | 316,973 |
| Capital Contributions | <u>194,031</u> | <u>447,384</u> | <u>502,779</u> |
| Change in Net Position | <u>\$ 2,411,019</u> | <u>\$ 581,377</u> | <u>\$ 819,752</u> |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the Board had \$3,968,297, net of accumulated depreciation, invested in a broad range of capital assets, including land, right of ways, plant and distribution system, and furniture, fixtures, and equipment. (see table below). This amount represents a net decrease (including additions and deductions) of \$693,476, or 14.9%, from last year.

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|------------------------------------|---------------------|--------------------|---------------------|
| Land and Right of Ways | \$ 745,469 | 745,469 | \$ 745,469 |
| Building and Terminal Improvements | 8,130,264 | 10,004,807 | 10,052,484 |
| Furniture, Fixtures, and Equipment | 239,419 | 279,680 | 236,312 |
| Construction in progress | 122,901 | 501,750 | 35,974 |
| Less Accumulated Depreciation | <u>(5,269,756)</u> | <u>(6,869,933)</u> | <u>(6,553,031)</u> |
| Totals | <u>\$ 3,968,297</u> | <u>4,661,773</u> | <u>\$ 4,517,208</u> |

**WEST CALCASIEU AIRPORT MANAGING BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2021**

ECONOMIC FACTORS AND FUTURE OUTLOOK

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

CONTACTING THE DISTRICT'S MANAGEMENT

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

West Calcasieu Airport Managing Board
Statements of Net Position
As of June 30, 2021

| ASSETS | 2021 | 2020 |
|---|----------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 464,052 | \$ 482,072 |
| Investments | 5,643,069 | 2,337,521 |
| Accounts receivable | 17,191 | 87,328 |
| Grants receivable | - | - |
| Inventory | 43,151 | 35,087 |
| Total Current Assets | 6,167,463 | 2,942,008 |
| PROPERTY, PLANT, AND EQUIPMENT | | |
| Furniture, fixtures, and equipment | 239,419 | 279,680 |
| Buildings and improvements | 8,130,264 | 10,004,807 |
| | 8,369,683 | 10,284,487 |
| Less: accumulated depreciation and amortization | (5,269,756) | (6,869,933) |
| | 3,099,927 | 3,414,554 |
| Construction in progress | 122,901 | 501,750 |
| Land | 745,469 | 745,469 |
| Net Property, Plant, and Equipment | 3,968,297 | 4,661,773 |
| Other Assets | | |
| Deferred asset - infrastructure | 353,120 | 353,120 |
| Deposits | 300 | 300 |
| | 353,420 | 353,420 |
| TOTAL ASSETS | \$ 10,489,180 | \$ 7,957,201 |

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

West Calcasieu Airport Managing Board
Statements of Net Position (Continued)
As of June 30, 2021

| | 2021 | 2020 |
|---|---------------------|---------------------|
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 248,780 | \$ 42,701 |
| Accrued liabilities | 820 | 1,334 |
| Prepaid revenue | 187,500 | 150,000 |
| Escrow liability | 77,895 | 200,000 |
| Total Current Liabilities | 514,995 | 394,035 |
| LONG-TERM LIABILITIES | | |
| Total Long-Term Liabilities | - | - |
| TOTAL LIABILITIES | 514,995 | 394,035 |
| NET POSITION | | |
| Net investment in capital assets, net of related debt | 3,968,297 | 4,661,773 |
| Unrestricted amounts | 6,005,888 | 2,901,393 |
| TOTAL NET POSITION | \$ 9,974,185 | \$ 7,563,166 |

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

West Calcasieu Airport Managing Board
Statements of Revenues, Expenses, and Changes in Net Position
For The Years Ended June 30, 2021

| | 2021 | 2020 |
|---|--------------|--------------|
| OPERATING REVENUES | | |
| Sales, rental, and service income | \$ 229,239 | \$ 724,249 |
| Less: Cost of Goods Sold | 82,854 | 222,085 |
| Gross Profit | 146,385 | 502,164 |
| Total Operating Revenues | 146,385 | 502,164 |
| OPERATING EXPENSES | | |
| Advertising and promotional | 5,942 | 1,098 |
| Dues and Subscriptions | 921 | 1,946 |
| Salaries | 127,169 | 138,640 |
| Payroll tax and employee benefits | 12,721 | 13,107 |
| Supplies | 3,667 | 6,973 |
| Depreciation expense | 280,360 | 322,214 |
| Amortization expense | 44,121 | 44,121 |
| Fuel | 959 | 1,156 |
| Insurance | 63,651 | 57,384 |
| Accounting and legal expenses | 39,545 | 38,701 |
| Grants management | 95,095 | - |
| Office expenses | 5,242 | 10,608 |
| Repairs and maintenance | 312,685 | 71,826 |
| Telephone | 8,627 | 9,166 |
| Utilities | 20,010 | 26,941 |
| Uniforms | 2,872 | 8,466 |
| Contract labor | 2,180 | 2,400 |
| Total Operating Expenses | 1,025,767 | 754,747 |
| INCOME (LOSS) FROM OPERATIONS | (879,382) | (252,583) |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Interest income | 2,932 | 32,877 |
| Intergovernmental revenue | 345,361 | 352,174 |
| Insurance reimbursement hurricane | 3,367,911 | - |
| Impairment loss hurricane | (618,378) | - |
| Miscellaneous | (1,456) | 1,525 |
| Total Non-Operating Revenues | 3,096,370 | 386,576 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS | 2,216,988 | 133,993 |
| Capital Contributions | 194,031 | 447,384 |
| CHANGE IN NET POSITION | 2,411,019 | 581,377 |
| NET POSITION - BEGINNING OF YEAR | 7,563,166 | 6,981,789 |
| NET POSITION - END OF YEAR | \$ 9,974,185 | \$ 7,563,166 |

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

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

| | 2021 | 2020 |
|---|-------------|-------------|
| Cash Flows From Operating Activities: | | |
| Receipts from customers and others | \$ 336,876 | \$ 767,395 |
| Payments to suppliers and other operating expenses | (568,340) | (498,931) |
| Payments to employees and benefits | (140,404) | (151,670) |
| Net Cash Provided (Used) by Operating Activities | (371,868) | 116,794 |
| Cash Flows From Non-Capital Financing Activities: | | |
| Receipts under intergovernmental agreement | 345,361 | 448,913 |
| Other | 1,244 | (232) |
| Net Cash Provided (Used) by Non-Capital Financing Activities | 346,605 | 448,681 |
| Cash Flows From Investing Activities: | | |
| Interest income | 2,932 | 32,877 |
| Cash received (paid) for Investments in LAMP | (3,305,548) | (382,830) |
| Net Cash Provided (Used) by Investing Activities | (3,302,616) | (349,953) |
| Cash Flows From Capital and Related Financing Activities: | | |
| Capital expenditures for plant, property and equipment | (252,083) | (509,145) |
| Escrow deposit | - | 200,000 |
| Insurance reimbursement hurricane 5643069-2332 | 3,367,911 | |
| | 194,031 | 447,384 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 3,309,859 | 138,239 |
| Net Increase (Decrease) in Cash | (18,020) | 353,761 |
| Cash and Cash Equivalents - Beginning of Year | 482,072 | 128,311 |
| Cash and Cash Equivalents - End of Year | \$ 464,052 | \$ 482,072 |

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

**Waterworks District No. 9 of Ward 4 of Calcasieu Parish, Louisiana
Sulphur, Louisiana
Statements of Cash Flows (Continued)
For The Years Ended December 31,**

| | 2021 | 2020 |
|--|------------------|----------------|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating income (loss) | \$ (879,382) | \$ (252,583) |
| Adjustments to reconcile net operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 324,481 | 366,335 |
| (Increase) decrease in accounts receivables | 70,137 | 59,358 |
| (Increase) decrease in inventory | (8,064) | 13,987 |
| Increase (decrease) in accounts payable | 206,079 | 23,677 |
| Increase (decrease) in accrued liabilities | (122,619) | (205) |
| Increase (decrease) in deferred revenue | 37,500 | (3,500) |
| Total Adjustments | 507,514 | 459,652 |
| Net Cash Provided (Used) by Operating Activities | \$ (371,868) | \$ 207,069 |

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies

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

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

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

Financial Reporting Entity

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

Fund Accounting

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

Basis of Accounting

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

Accounts Receivable

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

Estimates

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

Budgets and Budgetary Accounting

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements (Continued)
June 30, 2021 and 2020

Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant, and Equipment

All fixed assets of the proprietary fund are recorded at historical costs, or, if contributed property, at their estimated fair value at time of contribution. Donated fixed assets include land valued at \$649,700. Improvements include \$220,607 for airport layout plan. The costs for plan are amortized over a five-year period. Amortization expense for the year ended June 30, 2021 was \$44,121, and 2020 was \$44,121.

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

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

Depreciation amounted to \$280,360 for the year ended June 30, 2021 and \$322,214 for the year ended June 30, 2020.

Cash and Cash Equivalents

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

Inventory

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

Restricted Net Position

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

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

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Risk Management

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

Environmental Matters

The Board is subject to laws and regulations relating to the protection of the environment. The Board's policy is to accrue environmental and clean up related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty the potential financial impact of the Board's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Board. At June 30, 2020, management is not aware of any liability resulting from environmental matters.

Note 2 -Deposits and Investments

At June 30, 2021, the board has deposits with financial institutions (book balances) as follows:

| | | |
|--------------------|---------------------------------|-------------|
| Cash | | |
| | Demand Deposits | \$463,952 |
| | Petty cash | 100 |
| Investments | | |
| | Louisiana Asset Management Pool | \$5,643,069 |
| | | |
| | Total Cash and Investments | \$6,107,121 |

These deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging agent banks in holding or custodial banks that are mutually acceptable to both parties. At June 30, 2021, the Board had \$484,177 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial banks in the name of the fiscal agent banks (GASB category 3).

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 2 -Deposits and Investments (continued)

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

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

Investments held at June 30, 2021 consist of \$5,643,069 in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126 the investment in LAMP at June 30, 2021 is not categorized in the three risk categories provided by GASB Codification Section 150.126 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

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

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

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

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

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

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 2 - Deposits and Investments (continued)

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

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

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

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

Note 3 - Plant, Property and Equipment

Additions and deletions to property, plant, and equipment for the year ended June 30, 2021 were as follows:

| | July 1, 2020 | Additions | Deletions | June 30, 2021 |
|---|-------------------------|-------------------|---------------------|--------------------------|
| Building and Terminal Improvements | \$ 10,004,807 | \$ 537,981 | \$ 2,492,049 | \$ 8,050,739 |
| Furniture, Fixtures, and Equipment | 279,680 | 10,725 | 50,986 | 239,419 |
| Accumulated Depreciation and Amortization | (6,869,933) | (324,481) | 1,924,658 | (5,269,756) |
| Land | 745,469 | - | - | 745,469 |
| Construction in Progress | 501,750 | 238,657 | 617,506 | 122,901 |
| Total | \$ 4,661,773 | \$ 462,882 | \$ 5,085,199 | \$ 3,888,772 |

Note 4 - Intergovernmental Revenue

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 4 - Intergovernmental Revenue (continued)

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

A Memorandum of Understanding was authorized and approved on February 24, 2017 to correct and clarify the language in the Joint Services Agreement entered into October 2012. Beginning in assessment year 2015, Chenault Industrial Airpark Authority will pay the Board two hundred thousand dollars (\$200,000) in January 2017 and one hundred thousand dollars (\$100,000) in July 2017. In assessment years 2017 through 2020 , the payments will be three hundred thousand dollars (\$300,000). In assessment years 2021 through 2023, the payments will increase to three hundred seventy-five thousand dollars (\$ 375,000) payable each year. In assessment years 2024 and 2025, the final year in the agreement, the payments increase to four hundred twenty-five thousand dollars (\$425,000) payable each year.

Note 5 - Board of Commissioners' Per Diem

The members of the governing board received no per diem for the periods ended June 30, 2021 and 2020.

Note 6 - Escrow Liability

A former lessee deposited \$200,000 during fiscal year June 2020, into the lessor's bank account. The \$200,000 will be held by the lessor and can be used to pay for any clean-up expenses when the lessee terminates the lease or any lease payments owed to the lessor. As of June 2021, \$77,895 remains in escrow.

Note 7 - Retirement Benefit

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

Note 8- Post - Employment Benefits

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

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Notes to Financial Statements
June 30, 2021 and 2020

Note 9- Compensated Absences

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

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

Note 10 - Construction and Other Significant Commitments

At June 30, 2021, the Board had two uncompleted construction contracts for rehab of the taxiway and apron expansion. The remaining commitment on these construction contracts was approximately \$272,000.

Note 11 – Asset Impairment

In August 2020, Hurricane Laura inflicted extensive damage to the Airport's facilities. These financial statements include impairment losses resulting from the damages totaling \$618,378, net of accumulated depreciation. The impairment loss only considers the complete loss of various fixed assets and was calculated and valued based on the historical depreciated cost of the destroyed component items. The restorative efforts of the remaining damages to the fixed assets are considered repairs and expensed as incurred. Restorative expenditures included in repairs total \$270,389 for the year ended June 30, 2021.

Restorative efforts to the Airport's facilities are ongoing as of June 30, 2021. The estimated cost to completely restore the facilities could range from \$6,000,000 to \$7,000,000. The cost estimate is subject to change and dependent upon external factors.

The Airport has filed insurance claims and has approved insurance reimbursements of \$3,367,91 as of June 30, 2021. The Airport has undertaken efforts to obtain additional insurance reimbursements from the damages the facilities, but the final settlement has not yet been determined. The Airport also expects to recover a portion of the restorative costs from FEMA

Note 12 - Subsequent Events

Subsequent events were evaluated through December 30, 2021, which is the date the financial statements were available to be issued.

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Member Louisiana Society of
Certified Public Accountants

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

Board of Commissioners
West Calcasieu Airport Managing Board
Sulphur, Louisiana

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of West Calcasieu Airport Managing Board as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise West Calcasieu Airport Managing Board Louisiana's basic financial statements, and have issued my report thereon dated December 30, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Commissioners
West Calcasieu Airport Managing Board

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu Airport Managing Board Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Steven M. DeRouen & Associates

Lake Charles, Louisiana
December 30, 2021

West Calcasieu Airport Managing Board
Sulphur, Louisiana
Schedule of Findings and Responses
June 30, 2021

A. Summary of Independent Auditor's Results:

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

B. GAGAS Findings:

None.

C. Prior Year Findings:

None.

West Calcasieu Airport Managing Board
Sulphur, Louisiana

**Schedule of Compensation, Benefits and Other
Payments to Executive Director
Year Ended June 30, 2021**

Agency Head: Timothy J. Lafleur, Executive Director

| Purpose | Amount |
|--|---------------|
| Salary | \$61,887 |
| Benefits-insurance | 0.00 |
| Benefits-retirement | 0.00 |
| Benefits-Other | 0.00 |
| Car allowance | 0.00 |
| Vehicle provided by government | 0.00 |
| Per diem | 0.00 |
| Reimbursements | 2,146 |
| Travel | 0.00 |
| Registration fees | 0.00 |
| Conference travel | 0.00 |
| Continuing professional education fees | 0.00 |
| Housing | 0.00 |
| Unvouchered expenses | 0.00 |
| Special meals | 0.00 |

Note: This schedule is included as supplementary information.