

**False River Air Park Commission  
New Roads, Louisiana  
(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Annual Financial Report**

**As of and for the year ended  
December 31, 2014**

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

**False River Air Park Commission  
New Roads, Louisiana**

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

Members of the Board of Directors  
False River Air Park Commission  
New Roads, Louisiana

**Report on Financial Statements**

I have audited the accompanying financial statements of the business-type activities of False River Air Park Commission (A Component Unit of the Pointe Coupee Parish Police Jury) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair 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**

My responsibility is to express opinions on these financial statements based on my audit. 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. Those standards 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

**Opinions**

In my opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of False River Air Park Commission as of December 31, 2014, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3-4 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions that collectively comprise the Commission's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, I have also issued a report dated June 29, 2015, on my consideration of the Commission'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 the internal control over financial reporting or on compliance. 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.

*W. Kathleen Beard*

Certified Public Accountant  
Bueche, Louisiana  
June 29, 2015

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**

**FALSE RIVER AIR PARK COMMISSION  
NEW ROADS, LA.  
Management's Discussion and Analysis**

Our discussion and analysis of False River Air Park Commission, New Roads, Louisiana's financial performance provides an overview of False River Air Park Commission's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the Commission's basic financial statements.

Financial Highlights

The assets of the Commission exceeded its liabilities at December 31, 2014 by \$7,073,547 (Net Position). Of this amount \$110,620 was unrestricted and may be used to meet the Commission's ongoing obligations. Net position increased by \$473,582 in fiscal year 2014.

**Overview of the Financial Statements**

The annual report consists of three parts: Management discussion and analysis, basic financial statements, and supplementary information. The basic financial statements present information for the Commission and is designed to make the statements easier to understand. The basic financial statements consist of the fund financial statements and notes to the financial statements.

**STATEMENT OF NET POSITION - TABLE I**

	2013	2014
Current and other assets	\$ 389,433	\$ 153,742
Capital assets	6,610,195	7,108,345
TOTAL ASSETS	6,999,628	7,262,088
Current Liabilities	399,663	188,540
TOTAL LIABILITIES	399,663	188,540
Net Position:		
Invested in capital assets, net of related debt	6,311,482	6,962,927
Unrestricted	288,483	110,620
TOTAL NET POSITION	\$ 6,599,965	\$ 7,073,547

Net position is comprised of assets restricted as to the purposes they can be used for, or, are invested in capital assets (buildings, equipment, lighting, property, fencing, navigational aids, runways and taxiways, etc.). Unrestricted net position is those assets that do not have any limitations for which these amounts may be used.

**FALSE RIVER AIR PARK COMMISSION  
NEW ROADS, LA.  
Management's Discussion and Analysis (Continued)**

**CHANGES IN NET POSITION - TABLE II**

Revenue:	2013	2014
Operating:		
Charges for services	\$ 151,886	\$ 180,989
Non-operating:		
Operating grants	345,675	91,460
Interest revenue	1	0
TOTAL REVENUE	507,562	272,449
 Expenses:		
Operating	507,555	558,658
Non-operating:		
Capital asset maintenance projects	232,639	18,780
Loss on disposal of assets	-	-
TOTAL EXPENSES	740,194	577,439
Excess (deficiency) before contributions	(232,632)	(304,990)
 Contributions - capital grants	665,778	778,572
Change in Net Position	433,147	473,582
 Beginning Net Position	6,166,818	6,599,965
Ending Net Position	\$ 6,599,965	\$ 7,073,547

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets - At December 31, 2014 the Commission had \$6,962,927 invested in capital assets, including property, buildings, runways, taxiways, lighting, navigational aids, fencing, and equipment. There were additions to capital assets of \$790,844 during 2014. The Commission had no outstanding debt at December 31, 2014.

**ECONOMIC FACTORS AFFECTING NEXT YEAR'S BUDGET**

The Commission expects capital projects to continue through the next year involving addition of an apron surrounding the new terminal building, north apron overlay project and fuel rehabilitation and mitigation project. No change in operations is expected.

**Contacting the Commission's Management**

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional information, contact the False River Air Park Commission's office at the False River Regional Airport in New Roads, Louisiana.

## **BASIC FINANCIAL STATEMENTS**

**False River Air Park Commission  
New Roads, Louisiana  
(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Net Position  
December 31, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	6,955
Intergovernmental receivables		-
Other receivables		1,000
Prepaid insurance		4,364
Total Current Assets		12,318

**NONCURRENT ASSETS**

Restricted Assets -		
Cash and cash equivalents		13,321
Intergovernmental receivables		128,103
Total Restricted Assets		141,424
Capital Assets -		
Nondepreciable		2,114,289
Depreciable (net of accumulated depreciation)		4,994,056
Total Capital Assets		7,108,345
Total Noncurrent Assets		7,249,769
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>7,262,088</b>

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Payable from Current Assets:		
Accounts payable	\$	26,266
Accrued salaries payable		17,727
Retirement payable		3,902
Total Payable from Current Assets		47,896

Payable from Restricted Assets:		
Accounts payable		76,321
Construction contracts payable		64,324
Retainage payable		-
Total Payable from Restricted Assets		140,645
Total Liabilities		188,540

Net investment in capital assets		6,962,927
Unrestricted		110,620
		7,073,547

**TOTAL NET POSITION**

**\$ 7,073,547**

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

**False River Air Park Commission**  
**New Roads, Louisiana**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Revenues, Expenses and Changes in Net Position**  
**For the year ended December 31, 2014**

**OPERATING REVENUES**

Charges for services	
Hangar and land rents	\$ 66,981
Fuel sales	104,034
Miscellaneous revenue	639
Local reimbursements - City of New Roads	5,159
Reimbursements from LA DOTD	4,176
Total operating revenues	<u>180,989</u>

**OPERATING EXPENSES**

Salaries and benefits	48,978
Professional services	6,500
Contract labor	31,713
Insurance	16,727
Utilities	13,208
Fuel purchases	92,342
Repairs and supplies	37,843
Telephone and internet service	6,036
All other expenses	12,619
Depreciation	292,692
Total Operating Expenses	<u>558,658</u>

**INCOME/(LOSS) FROM OPERATIONS** (377,669)

**NON-OPERATING REVENUES (EXPENSES)**

Interest revenue	-
Operating grants - Pointe Coupee Parish Police Jury	37,500
Operating grants - City of New Roads	35,000
Operating grants - Federal for maintenance projects	15,882
Operating grants - LA DOTD for maintenance projects	3,079
Capital asset maintenance and obstruction removal projects expenses	(18,780)
Total Non-operating Revenues (Expenses)	<u>72,680</u>

Income (Loss) before contributions (304,990)

**CAPITAL CONTRIBUTIONS**

Grants from LA DOTD for capital acquisitions	778,572
Grants from US FAA for capital acquisitions	-
	<u>778,572</u>

**CHANGE IN NET POSITION** 473,582

**NET POSITION AT BEGINNING OF YEAR** 6,599,965

**NET POSITION AT END OF YEAR** \$ 7,073,547

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

**False River Air Park Commission  
New Roads, Louisiana  
(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Statement of Cash Flows  
For the year ended December 31, 2014**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers and users	\$	180,989
Cash payments to suppliers for goods and services		(205,412)
Cash payments to employees for services		(43,328)
Net Cash Provided by (Used for) Operating Activities		(67,751)

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating grants from local governments		72,500
Federal and State grants for capital asset maintenance projects		82,314
Capital asset maintenance and obstruction removal projects		(90,704)
Net Cash (Used for) Noncapital Financing Activities		64,110

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets		(948,911)
Proceeds from grants		949,181
Net Cash (Used for) Capital and Related Financing Activities		270

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Investments		-
Net Cash Provided by (Used for) Investing Activities		-

**INCREASE (DECREASE) IN CASH**

(3,371)

Cash and Cash Equivalents, Beginning of Year (Unrestricted)

23,647

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 20,276

Unrestricted Cash and Cash Equivalents

\$ 6,955

Restricted Cash and Cash Equivalents

13,321

\$ 20,276

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Income/(loss) from operations	\$	(377,669)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation		292,692
Net Change in Assets and Liabilities -		
(Increase) Decrease in prepaid expense		(1,643)
Increase (Decrease) in accounts payable		13,219
Increase (Decrease) in accrued salaries payable		4,920
Increase (Decrease) in retirement contributions payable		730
Total Adjustments		309,918
Net cash provided by (used for) operating activities	\$	(67,751)

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

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

**Introduction**

The False River Air Park Commission (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 and airport authority under the provisions of Louisiana Revised Statutes (LRS) 2:131, et seq. Said Commission operates under the powers as outlined under LSR 2:135.

**1. Summary of Significant Accounting Policies**

Reporting Entity

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 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 includes: (1) appointing a voting majority of an organization's governing body, and the ability of the police jury 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 police jury; (2) organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury; and (3) organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Basis of Presentation

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretations).

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Commission are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenue and expense. The operations are financed and operated in a manner similar to a private business enterprise - 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.

Proprietary Funds -

The focus of proprietary fund is determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The False River Air Port Commission reports a single proprietary fund.

Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. False River Air Park Commission rents/leases hangar space and land for storage of privately owned aircraft.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 Commission adopts budget amendments which are included in minutes published in the official journal.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

Financial Statement Amounts –

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, cash on hand, cash in banks (demand deposits, interest-bearing demand deposits and money market accounts) and highly liquid investments, having a maturity of three months or less when purchased are considered to be cash equivalents.

Receivables and Bad Debts - Receivables consist of all revenues earned at year end and not yet received. The Commission uses the direct charge-off method because it does not cause a material departure from GAAP and it approximates the valuation.

Restricted Assets – Grants are received from federal and state agencies for funding of various capital projects. These funds are restricted for use for this purpose and cannot be used for operations. Restricted assets may consist of cash and/or grant funds receivable related to these projects.

Inventories and prepaid expenses - Inventories for supplies, including fuel are immaterial and are recorded as expenses when purchased. Certain payments to vendors represent payments for future periods and are therefore reported as prepaid expense.

Capital Assets - 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 cost of more than \$1,000 and an estimated useful life of 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. Major outlays for capital assets and improvements are capitalized as the projects are completed. Interest incurred during the construction phase of the projects is reflected in the capitalized value of the asset constructed for proprietary funds. As of December 31, 2014, no interest has been capitalized on projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital asset.

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

<u>Description</u>	<u>Estimated Lives</u>
Building and improvements	20-40 Years
Land improvements, runways, aprons and roads	20 Years
Furniture and fixtures	5-10 Years
Equipment	10 Years

Estimates

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

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

#### Defining Operating Revenues and Expenses

The Commission distinguishes between operating and non-operating revenues and expenses - operating revenues and expenses of the Commission consist of charges for services (including rental fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as non-operating.

Fund Equity - Proprietary fund net position is divided into three components:

- Net Investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets..
- Restricted net position - consist of net assets that are restricted by the Commission's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position are reported in this category.

#### Use of Restricted Resources

When an expense that can be paid using either restricted or unrestricted resources (net position), the Commission's policy is to first apply the expense toward restricted resources then toward unrestricted resources. Restricted amounts would be reduced first, when expenditures are incurred for purposes for which restriction was instated.

#### Deferred Outflows of Resources and Deferred Inflows of Resources and Net Position

In December 2010, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Commission has no items that qualify for reporting in this category.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

**2. Deposits and Investments**

Cash and cash equivalents include bank accounts and short-term investments. See Note 1. for additional cash disclosure note information.

Cash and Cash Equivalents Summary	<u>Carrying Value</u>
Demand deposits	\$ <u>20,276</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are either: (a) uninsured and uncollateralized, or (b) uninsured and collateralized with securities held by the pledging financial institution its trust department/agent, but not in the name of the Commission. The Commission's deposit policy and state law requires that deposits be fully secured by federal deposit insurance or the pledge of securities owned by the bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. At year-end, the carrying amount of the Commission's deposits was \$20,276 and the bank balance was \$21,721. All of the bank balance was covered by federal depository insurance.

Investments - State law allows the District to invest in any direct obligation of the United States Treasury; other debt issued or guaranteed by the full faith and credit of the United States; certificates of deposit of any bank in Louisiana, mutual funds which are registered with the Securities and Exchange Commission and invest in securities of the U. S. government or its agencies; guaranteed investment contracts issued by banks or insurance companies or investment grade commercial paper of domestic U. S. corporations. At December 31, 2014 the Commission had no investments.

Restricted Cash – Of the \$20,276 cash held by the Commission at December 31, 2014, \$13,321 was restricted by the grantor for the purpose paying costs of the Terminal Building capital outlay project.

**3. Receivables and Intergovernmental Receivables**

Amounts due to False River Air Park Commission at December 31, 2014 consisted of the following:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Intergovernmental -			
Louisiana Department of Transportation -			
General Aviation Airport Maintenance Program	\$ -	\$ -	\$ -
Capital asset construction projects	128,233	-	128,233
Federal Aviation Administration -			
Capital asset maintenance projects	-	-	-
Total governmental	128,233	-	128,233
Other -			
Miscellaneous receivable	-	1,000	1,000
Net receivables	\$ 128,233	\$ 1,000	\$ 129,233

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

**4. Capital Assets -**

The following is a summary of the capital asset activity for the year ended December 31, 2014:

	December 31, 2013	Additions	Deletions	December 31, 2014
<b>Non-depreciable Assets -</b>				
Land	\$ 2,001,056	\$ -	\$ -	\$ 2,001,056
Construction in progress	1,134,853	790,844	(1,812,464)	113,233
Total non-depreciable assets	3,135,910	790,844	(1,812,464)	2,114,289
<b>Depreciable Assets -</b>				
Land improvements	1,008,678	-	-	1,008,678
Buildings	1,290,594	1,515,293	-	2,805,887
Runways, apron & roads	4,382,898	256,546	-	4,639,444
Equipment	102,517	40,625	-	143,142
Radios & antennas	214,957	-	-	214,957
Furniture & fixtures	8,833	-	-	8,833
Total Depreciable	7,008,478	1,812,464	-	8,820,942
Total Capital Assets	10,144,388	2,603,308	(1,812,464)	10,935,231
<b>Accumulated Depreciation -</b>				
Land improvements	483,430	49,885	-	533,315
Buildings	197,610	43,641	-	241,252
Runways, apron & roads	2,712,918	173,159	-	2,886,077
Equipment	78,315	5,589	-	83,904
Radios & antennas	54,348	20,076	-	74,425
Furniture & fixtures	7,571	342	-	7,913
Total Accum Depr	3,534,193	292,692	-	3,826,886
<b>Capital Assets - Net</b>	<u>\$ 6,610,195</u>			<u>\$ 7,108,345</u>

Depreciation expense in the amount of \$292,692 is reported as an operating expense in the Statement of Revenues Expenses and Changes in Fund Net Position.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

**5. Retirement System**

*Plan Description* – Substantially all employees of the Commission are members of the Parochial Employee's 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, which separate assets and benefit provisions. All employees of the Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire --

1. at or after age 60 with at least 10 years of creditable service,
2. at or after age 55 with at least 25 years of creditable service, or
3. at any age with at least 30 years of creditable service

Members are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan only service earned before January 1, 1980, plus 3% of final-average salary for each year of service credited after the revision date. 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 above 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, P. O. 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 current rate is 15.75/16% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members of False River Air Park Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The False River Air Park Commission's contributions to the System under Plan for the years ended December 31, 2014, 2013 and 2012 was \$6,694 \$4,852, and \$5,965 respectively.

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 2014**

**6. Commitments and Contingencies**

Grants – The Commission receives Federal and State grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the False River Air Park Commission that the Commission's compliance with the terms of grants will result in negligible, if any, disallowed costs.

Risk Management – The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, employee health and life; and natural disasters. The Commission has purchased various insurance policies to cover such risks. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded insurance coverage in any of the past three years.

Litigation and Claims – There is no litigation pending against False River Air Park Commission. There were no claims or litigation costs incurred for the year ended December 31, 2014.

**7. Subsequent Events**

Management has performed an evaluation of False River Air Park Commission's activities through June 29, 2015 and has concluded that there are no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued on June 29, 2015.

**8. Compensation Paid to Board Members**

The Board of Commissioners serves without pay.

**OTHER SUPPLEMENTARY INFORMATION**  
**Schedule of Compensation, Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**

**False River Air Park Commission**  
**New Roads, Louisiana**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**

**Schedule of Compensation, Benefits and Other**  
**Payments to Agency Head or Chief Executive Officer**  
**For the year ended December 31, 2014**

Chief Executive Officer: Kirk White, President

Purpose:	Amount
Salary	\$0
Benefits - insurance	0
Benefits - retirement	0
Benefits - other	0
Social security and medicare employer contributions	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Conference travel	0
Continuing professional education fees	0
Special meals	0
Housing	0
Unvouchered expenses	0
	<u>0</u>
	<u>\$0</u>

**REPORTS REQUIRED BY GOVERNMENT STANDARDS**

**W. Kathleen Beard, CPA, LLC**  
**10191 Bueche Rd.**  
**Bueche, LA 70729**

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

Members of the Board of Commissioners  
False River Air Park Commission  
New Roads, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of False River Air Park Commission (the "Commission"), a component unit of the Pointe Coupee Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued my report thereon dated June 29, 2015.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, 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.

My consideration of internal control over financial reporting 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that I consider to be significant deficiencies listed as items 2014-1.

### ***Compliance and Other Matters***

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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **False River Airport Commission's Response to Findings**

False River Airport Commission's response to the finding identified in my audit is described in the accompanying schedule of findings and responses. False River Airport Commission's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

### **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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***W. Kathleen Beard***

Certified Public Accountant  
Bueche, Louisiana  
June 29, 2015

**False River Air Park Commission**  
**(A Component Unit of the Pointe Coupee Parish Police Jury)**  
**New Roads, Louisiana**

**Current Year Findings and Responses**  
**For the Years Ended December 31, 2014**

**Section I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of auditor’s report issued: Unmodified

***Report on Internal Control and Compliance Material to the Financial Statements***

Material Weaknesses  Yes  No      Significant deficiencies  Yes  No

Noncompliance Material to the Financial Statements  Yes  No

***Federal Awards***

N/A Federal awards below \$500,000 threshold required by OMB Circular A-133

***Management Letter***

No management letter was issued.

**SECTION II – FINANCIAL STATEMENT FINDINGS**

Finding 2014-1

Condition: As is common in small organizations, the Air Park Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such, management has chosen to engage the auditor to propose certain year-end adjusting entries and the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. This is a repeat finding.

Statement on Auditing Standards (SAS) No. 115 requires that I report the above condition as a deficiency in internal control. SAS No. 115 does not provide for exceptions to reporting deficiencies that are resolved with non-audit services performed by the auditor or deficiencies for which the costs make it impractical to correct.

Recommendation: As discussed above, whether it is cost effective or not to correct a deficiency in internal control, is not a determining factor in applying SAS No. 115 reporting requirements. The Air Park Commission has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the office to outsource this task to its independent auditors, and carefully review all proposed adjustments, the draft financial statements and notes prior to approving them and accepting responsibility for its contents and presentation.

Management’s Response: Management has agreed with the auditor’s finding and recommendation.

**False River Air Park Commission  
(A Component Unit of the Pointe Coupee Parish Police Jury)  
New Roads, Louisiana**

**Prior Year Findings and Responses  
For the Year Ended December 31, 2014**

Condition: As is common in small organizations, the Air Park Commission does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in preparing its financial statements, including related notes. As such, management has chosen to engage the auditor to propose certain year-end adjusting entries and the annual financial statements. This condition is intentional by management based upon the financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles have not been established.

Resolution: The Commission continues to engage the auditor to prepare its' financial statements due to cost effectiveness.

Condition: There is a lack of segregation of duties within the Air Park office. An important element in designing an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions: (1) authorization of a transaction, (2) recording of the transaction, or (3) custody of assets involved in the transaction. The finding results from the small number of Air Park Commission personnel (one) involved in the financial reporting process, which restricts meaningful segregation of duties.

Resolution: The President of the Board of Commissioners has played a larger role in financial matters including invoice approval prior to payment, check signing and review and approval of reconciliations.