# COFFEY COUNTY
# AIRPORT AUTHORITY

Burlington, Kansas

Independent Auditor's Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2023

**COFFEY COUNTY AIRPORT AUTHORITY**
Burlington, Kansas

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**JARRED, GILMORE & PHILLIPS, PA**
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Coffey County Airport Authority
Burlington, Kansas

***Adverse and Unmodified Opinions***
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Coffey County Airport Authority, as of and for the year ended December 31, 2023 and the related notes to the financial statement.

*Adverse Opinion on U.S. Generally Accepted Accounting Principles*
In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Coffey County Airport Authority as of December 31, 2023, or changes in financial position and cash flows thereof for the year then ended.

*Unmodified Opinion on Regulatory Basis of Accounting*
In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Coffey County Airport Authority as of December 31, 2023, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Basis for Adverse and Unmodified Opinions***
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

*Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles*
As discussed in Note 1 of the financial statement, the financial statement is prepared by the Coffey County Airport Authority on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Responsibilities of Management for the Financial Statement***
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 Airport Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The individual fund schedule of regulatory basis receipts and expenditures-actual and budget (Schedule 1 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement, however is required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to

the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Coffey County Airport Authority as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated April 15, 2023, which contained an unmodified opinion on the basic financial statement. The 2022 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services. The 2022 actual column (2022 comparative information) presented in the individual fund schedule of regulatory basis receipts and expenditures—actual and budget for the year ended December 31, 2023 (Schedule 1 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2022 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statement. The 2022 comparative information was subjected to the auditing procedures applied in the audit of the 2022 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 basic financial statement or to the 2022 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2022 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2022, on the basis of accounting described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 2024, on our consideration of the Coffey County Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coffey County Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coffey County Airport Authority's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
April 16, 2024

# COFFEY COUNTY AIRPORT AUTHORITY

Burlington, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2023

| Funds | Beginning Unencumbered Cash Balance | Receipts | Expenditures | Ending Unencumbered Cash Balance | Add Encumbrances and Accounts Payable | Cash Balances December 31, 2023 |
|---|---|---|---|---|---|---|
| General | $ 462,762.41 | $ 2,330,820.96 | $ 2,476,759.41 | $ 316,823.96 | $ 63,426.70 | $ 380,250.66 |
| Total Reporting Entity | $ 462,762.41 | $ 2,330,820.96 | $ 2,476,759.41 | $ 316,823.96 | $ 63,426.70 | $ 380,250.66 |

| Composition of Cash | |
|---|---|
| Cash on Hand | $ 493.87 |
| Operating Account | 1,329.31 |
| Money Market | 377,014.06 |
| Petty Cash | 1,413.42 |
| Total Cash | $ 380,250.66 |

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

**COFFEY COUNTY AIRPORT AUTHORITY**
Burlington, Kansas

Notes to Financial Statement
For the Year Ended December 31, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the Coffey County Airport Authority, Burlington, Kansas, have been prepared in order to show compliance with the cash basis laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Airport Authority's accounting policies follow. Note 1 describes how the Airport Authority's accounting policies differ from generally accepted accounting policies.

Financial Reporting Entity
The Coffey County Airport Authority (Airport Authority) is a municipality of the State of Kansas organized under K.S.A. 12-1219, with an elected five-member Board of Commissioners. The Airport Authority is a related municipal entity of Coffey County, Kansas.

*Related Municipal Entities:* A related municipal entity is determined by the following criteria. Whether the Airport Authority exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the Airport Authority. Related municipal entities are not required to be included in the Airport Authority's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, there were not such related municipal entities.

Regulatory Basis Fund Types
A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the Coffey County Airport Authority, for the year of 2023:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Basis of Presentation – Regulatory Basis of Accounting
*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than regulatory receipts. In the financial statement and budget schedule comparisons presented in this report, reimbursements and refunds are recorded as regulatory receipts. The reimbursements are recorded as receipts when received by the Airport Authority treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Budgetary Information

The Airport Authority is not subject to the Kansas budget laws as they are not the primary taxing authority for the Airport Authority. Coffey County, Kansas holds the taxing authority for the Airport Authority. The Airport Authority adopts an annual budget for the General Fund for managerial purposes. The budget comparison on Schedule 1 reflects this internal managerial budget.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 has been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Statement 1, the Airport Authority was in compliance with the cash basis laws of Kansas.

## 3. DEPOSITS AND INVESTMENTS

K.S.A 9-1401 establishes the depositories which may be used by the Airport Authority. The statute requires banks eligible to hold the Airport Authority's funds have a main branch or branch bank in the county in which the Airport Authority is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Airport Authority has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the Airport Authority's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Airport Authority has no investment policy that would further limit its investment choices.

*Concentration of credit risk:* State statutes place no limit on the amount the Airport Authority may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

**3. DEPOSITS AND INVESTMENTS** (Continued)

*Custodial credit risk – deposits*: Custodial credit risk is the risk that in the event of a bank failure, the Airport Authority's deposits may not be returned to it. State statutes require the Airport Authority's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas Authority, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2023.

At year-end, the Airport Authority's carrying amount of deposits was $379,756.79 and the bank balance was $390,932.98. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000.00 was covered by FDIC insurance and the remaining $140,932.98 was covered with securities pledged.

**4. RISK MANAGEMENT**

The Airport Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Airport Authority manages these risks of loss through the purchase of various insurance policies.

**5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Health Insurance:*
As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the Airport Authority is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the consolidated Omnibus Budget Reconciliation Act (COBRA), the Airport Authority makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The Premium is paid in full by the insured. There is no cost to the Airport Authority under this program.

*Compensated Absences:*
Regular full time nonexempt and exempt employees earn and accumulate vacation leave as follows:

| Years of Employment | Days Awarded Per Year |
|---|---|
| 0 to 3 | 5 |
| 3 to 5 | 10 |
| 5 to 10 | 12 |
| 10 to 15 | 15 |
| 15 or more | 20 |

The Airport Authority's policy regarding accumulated vacation time disallows any accumulation beyond the next service anniversary date.

The Airport Authority's policy regarding sick leave allows for eligible employees to accumulate forty hours sick leave per year with no accumulation limit. Employees who discontinue employment with a two week notice will be compensated in full for any unused sick time up to six hundred hours.

**5. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (Continued)

The Airport Authority's policy regarding personal leave allows for eligible employees to accumulate forty hours personal leave per year with no accumulation limit. Employees who discontinue employment with a two week notice will be compensated in full for any unused personal time up to six hundred hours.

The Airport Authority accrues a liability for compensated absences which meet the following criteria:

1. The Airport Authority's obligation relating to employees rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the Airport Authority has estimated a liability for vacation and sick pay, which has been earned, but not taken by Airport Authority employees of $0.00 for vacation, $20,625.81 for personal, and $31,359.21 for sick pay.

**6. SUBSEQUENT EVENTS**

The Airport Authority evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

# SUPPLEMENTARY INFORMATION

**Schedule 1**

**COFFEY COUNTY AIRPORT AUTHORITY**
Burlington, Kansas
**GENERAL FUND**
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2023
(With Comparative Actual Amounts for the Year Ended December 31, 2022)

| | | Current Year | | |
|---|---|---|---|---|
| | Prior Year Actual | Actual | Budget | Variance - Over (Under) |
| Receipts | | | | |
| Taxes and Shared Receipts | | | | |
| Coffey County Appropriation | $ 575,000.00 | $ 583,376.00 | $ 583,376.00 | $ - |
| Intergovernmental | | | | |
| Federal Grants - FAA | 111,528.00 | 1,294,854.99 | - | 1,294,854.99 |
| Use of Money and Property | | | | |
| Operating Receipts | 471,453.87 | 372,789.78 | 511,000.00 | (138,210.22) |
| Rental Income | 48,362.50 | 48,195.00 | - | 48,195.00 |
| Interest Income | 7,625.79 | 15,470.19 | - | 15,470.19 |
| Other Receipts | | | | |
| Reimbursed Expense | 865.52 | 16,135.00 | 270,000.00 | (253,865.00) |
| Total Receipts | 1,214,835.68 | 2,330,820.96 | $ 1,364,376.00 | $ 966,444.96 |
| Expenditures | | | | |
| Culture and Recreation | | | | |
| Personal Services | 267,969.70 | 314,959.96 | $ 270,000.00 | $ 44,959.96 |
| Contractual Services | 150,620.76 | 151,800.07 | 196,000.00 | (44,199.93) |
| Commodities | 333,870.99 | 355,034.96 | 355,000.00 | 34.96 |
| Capital Outlay | 114,154.36 | 1,654,964.42 | 543,376.00 | 1,111,588.42 |
| Total Expenditures | 866,615.81 | 2,476,759.41 | $ 1,364,376.00 | $ 1,112,383.41 |
| Receipts Over(Under) Expenditures | 348,219.87 | (145,938.45) | | |
| Unencumbered Cash, Beginning | 114,542.54 | 462,762.41 | | |
| Unencumbered Cash, Ending | $ 462,762.41 | $ 316,823.96 | | |

**COFFEY COUNTY AIRPORT AUTHORITY**

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

| Federal Grantor/ Pass Through Grantor/ Program Title | Pass-Through Entity Identifying Number | Federal CFDA Number | Provided to Sub Recipients | Receipts | Disbursements/ Expenditures |
|---|---|---|---|---|---|
| **U.S. DEPARTMENT OF TRANSPORTATION** | | | | | |
| Direct Grant | | | | | |
| Airport Improvement Program - Concrete Project | N/A | 20.106 | $ - | $ 22,000.00 | $ - |
| Airport Improvement Program - Modernization | N/A | 20.106 | - | 1,070,939.00 | 1,070,939.00 |
| | | Total 20.106 | - | 1,092,939.00 | 1,070,939.00 |
| Total U.S. Department of Transportation | | | - | 1,092,939.00 | 1,070,939.00 |
| TOTAL FEDERAL AWARDS | | | $ - | $ 1,092,939.00 | $ 1,070,939.00 |

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

Coffey County Airport Authority did not elect to use the 10% de minimis cost rate.

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

Board of Commissioners
Coffey County Airport Authority
Burlington, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Coffey County Airport Authority, as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the Coffey County Airport Authority's basic financial statement, and have issued our report thereon dated April 16, 2024.

**Report on Internal Control over Financial Reporting**
In planning and performing our audit of the financial statement, we considered the Coffey County Airport Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Coffey County Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coffey County Airport Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Airport Authority's financial statement 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether the Coffey County Airport Authority's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority'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 Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
April 16, 2024

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Coffey County Airport Authority
Burlington, Kansas

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Coffey County Airport Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Coffey County Airport Authority's major federal programs for the year ended December 31, 2023. The Coffey County Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Coffey County Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Coffey County Airport Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Coffey County Airport Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Coffey County Airport Authority's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Coffey County Airport Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Coffey County Airport Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Coffey County Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Coffey County Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Coffey County Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material

weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
April 16, 2024

**COFFEY COUNTY AIRPORT AUTHORITY**

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

## I. SUMMARY OF AUDITOR'S RESULTS

**Financial Statement:**

The auditor's report expresses an adverse opinion on the basic financial statement of the Coffey County Airport Authority on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting**:

| | | | |
|---|---|---|---|
| Material weakness(es) identified? | ____ Yes | X | No |
| Significant deficiencies identified? | ____ Yes | X | None Reported |
| Noncompliance or other matters required to be reported under *Government Auditing Standards* | ____ Yes | X | No |

**Federal Awards:**

| | | | |
|---|---|---|---|
| Internal control over major programs: | | | |
| Material weakness(es) identified? | ____ Yes | X | No |
| Significant deficiencies identified? | ____ Yes | X | None Reported |

The auditor's report on compliance for the major federal award programs for the Coffey County Airport Authority expresses an unmodified opinion.

| | | | |
|---|---|---|---|
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | ____ Yes | X | No |

Identification of major programs:

**U.S. DEPARTMENT OF TRANSPORTATION**
Airport Improvement Program — CFDA No. 20.106

The threshold for distinguishing Types A and B programs was $750,000.00.

| | | | |
|---|---|---|---|
| Auditee qualified as a low risk auditee? | ____ Yes | X | No |

## II. FINANCIAL STATEMENT FINDINGS

None

## III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**COFFEY COUNTY AIRPORT AUTHORITY**

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

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NONE