

**LIVINGSTON PARISH AIRPORT DISTRICT  
LIVINGSTON, LOUISIANA**

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**ANNUAL FINANCIAL STATEMENTS**

As of and for the Year Ended December 31, 2021



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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**Livingston Parish Airport District**  
**Livingston, Louisiana**  
Table of Contents  
As of and for the Year Ended December 31, 2021

**Table of Contents**

|   | Statement | Schedule | Page |
|---|-----------|----------|------|
| Independent Auditor's Report  | -         | -        | 1    |
| Basic Financial Statements:   |           |          |      |
| Government-Wide Financial Statements:   |           |          |      |
| Statement of Net Position   | A         | -        | 5    |
| Statement of Activities   | B         | -        | 6    |
| Fund Financial Statements:  |           |          |      |
| Governmental Fund Balance Sheet   | C         | -        | 8    |
| Reconciliation of the Governmental Fund Balance Sheet to the<br>Government-Wide Statement of Net Position   | D         | -        | 9    |
| Statement of Governmental Fund Revenues, Expenditures, and<br>Changes in Fund Balance   | E         | -        | 10   |
| Reconciliation of the Governmental Fund Statement of Revenues,<br>Expenditures, and Change in Fund Balances to the<br>Government-Wide Statement of Activities   | F         | -        | 11   |
| Notes to the Financial Statements   | -         | -        | 12   |
| Required Supplementary Information:   |           |          |      |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual - General Fund   | -         | 1        | 22   |
| Schedule of Revenues, Expenditures, and Changes in<br>Fund Balance - Budget and Actual - Special Revenue Fund   |           |          | 23   |
| Other Independent Auditor's Report  |           |          |      |
| Independent Auditor's Report on Internal Control over Financial<br>Reporting and on Compliance and Other Matters Based on an<br>Audit of Financial Statements Performed in Accordance with<br>Government Auditing Standards | -         | -        | 24   |
| Schedule of Current Year Audit Findings, Recommendations<br>and Responses   | -         | -        | 26   |

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A PROFESSIONAL ACCOUNTING CORPORATION

## Independent Auditor's Report

To the Members of the Board of Commissioners  
Livingston Parish Airport District  
Livingston, Louisiana

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Livingston Parish Airport District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Livingston Parish Airport District as of December 31, 2021, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Livingston Parish Airport District 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 audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Parish Airport District'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 Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 generally accepted auditing standards and *Government Auditing Standards* 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 statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Livingston Parish Airport District'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 statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Parish Airport District'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.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 22 and 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 our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Management has omitted the Management's Discussion and Analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the financial statements is not affected by this missing information.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 6, 2022, on our consideration of the District'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 on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control over financial reporting and compliance.

Respectfully Submitted,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Albany, Louisiana  
June 6, 2022

# Basic Financial Statements

## Government – Wide Financial Statements

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement A**

**Statement of Net Position  
December 31, 2021**

|                                  | <u>Governmental<br/>Activities</u> |
|----------------------------------|------------------------------------|
| <b>Assets</b>                    |                                    |
| Current Assets:                  |                                    |
| Cash and Cash Equivalents        | \$ 62,475                          |
| Grants Receivable                | 61,089                             |
| Total Current Assets             | <u>123,564</u>                     |
| Capital Assets                   |                                    |
| Land                             | 3,149,607                          |
| Construction in Progress         | 2,292,891                          |
| Total Capital Assets             | <u>5,442,498</u>                   |
| <b>Total Assets</b>              | <u>5,566,062</u>                   |
| <b>Liabilities</b>               |                                    |
| Current Liabilities:             |                                    |
| Accounts Payable                 | 1,811                              |
| Construction Payable             | 61,089                             |
| Total Current Liabilities        | <u>62,900</u>                      |
| <b>Total Liabilities</b>         | <u>62,900</u>                      |
| <b>Net Position</b>              |                                    |
| Net Investment in Capital Assets | 5,381,409                          |
| Unrestricted                     | 121,753                            |
| Total Net Position               | <u>\$ 5,503,162</u>                |

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

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement B**

**Statement of Activities  
For the Year Ended December 31, 2021**

|   |                     |                         |  |  | Net (Expense)<br>Revenue and<br>Change in<br>Net Position |
|---|---------------------|-------------------------|--|--|---|
|   |                     |                         | Program<br>Revenues                      |  |   |
|   | General<br>Expenses | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                |
| <b>Governmental Activities</b>              |                     |                         |  |  |   |
| General Government                          | \$ 17,112           | \$ -                    | \$ 35,000                                | \$ 616,901                             | \$ 634,789  |
| Total Governmental Activities               | <u>\$ 17,112</u>    | <u>\$ -</u>             | <u>\$ 35,000</u>                         | <u>\$ 616,901</u>                      | <u>634,789</u>  |
| <br>  |                     |                         |  |  |   |
| <b>Change in Net Position</b>               |                     |                         |  |  | 634,789   |
| <br>  |                     |                         |  |  |   |
| <b>Net Position - Beginning of the Year</b> |                     |                         |  |  | 4,868,373   |
| <b>Net Position - End of the Year</b>       |                     |                         |  |  | <u>\$ 5,503,162</u>                                       |

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

# Basic Financial Statements

## Fund Financial Statements

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement C**

**Governmental Funds – Balance Sheet  
December 31, 2021**

|   | General Fund     | Special Revenue<br>Fund | Total<br>Governmental<br>Funds |
|---|------------------|-------------------------|--------------------------------|
| <b>Assets</b>   |                  |                         |                                |
| Cash and Cash Equivalents                                   | \$ 62,375        | \$ 100                  | \$ 62,475                      |
| Due from General Fund                                       | 100              | -                       | 100                            |
| Grants Receivable   | -                | 61,089                  | 61,089                         |
| Total Assets  | \$ 62,475        | \$ 61,189               | \$ 123,664                     |
| <b>Liabilities, Deferred Inflows, and Fund Balance</b>      |                  |                         |                                |
| Liabilities:  |                  |                         |                                |
| Accounts Payable  | \$ 1,811         | \$ -                    | \$ 1,811                       |
| Due to General Fund   | -                | 100                     | 100                            |
| Construction Payable  | -                | 61,089                  | 61,089                         |
| Total Liabilities   | 1,811            | 61,189                  | 63,000                         |
| <b>Deferred Inflows of Resources</b>                        |                  |                         |                                |
| Unavailable Grant Revenue                                   | -                | 54,418                  | 54,418                         |
| Total Deferred Inflow of Resources                          | -                | 54,418                  | 54,418                         |
| <b>Fund Balances:</b>                                       |                  |                         |                                |
| Unassigned  | 60,664           | (54,418)                | 6,246                          |
| Total Fund Balances   | 60,664           | (54,418)                | 6,246                          |
| <b>Total Liabilities/Deferred Inflows and Fund Balance:</b> | <b>\$ 62,475</b> | <b>\$ 61,189</b>        | <b>\$ 123,664</b>              |

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

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement D**

**Reconciliation of the Governmental Funds Balance Sheet to the  
Government-Wide Statement of Net Position  
For the Year Ended December 31, 2021**

|   |    |       |
|---|----|-------|
| <b>Total Fund Balance, Governmental Funds (Statement C)</b> | \$ | 6,246 |
|---|----|-------|

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. These assets consist of:

|                          |  |           |
|--------------------------|--|-----------|
| Land                     |  | 3,149,607 |
| Construction in Progress |  | 2,292,891 |

|   |  |        |
|---|--|--------|
| Deferred inflow of resources - unavailable grant revenue is not reported on government - wide financial statements. |  | 54,418 |
|---|--|--------|

|  |    |                         |
|--|----|-------------------------|
| <b>Net Position of Governmental Activities (Statement A)</b> | \$ | <u><u>5,503,162</u></u> |
|--|----|-------------------------|

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

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement E**

**Statement of Governmental Funds Revenues, Expenditures, and  
Changes in Fund Balances  
For the Year Ended December 31, 2021**

|  | <u>General<br/>Fund</u> | <u>Special Revenue<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|---------------------------------|---|
| <b>Revenues</b>                                  |                         |                                 |   |
| State Grants                                     | \$ -                    | \$ 990,232                      | \$ 990,232                              |
| Livingston Parish Council                        | 35,000                  | -                               | 35,000                                  |
| <b>Total Revenues</b>                            | <u>35,000</u>           | <u>990,232</u>                  | <u>1,025,232</u>                        |
| <br><b>Expenditures</b>                          |                         |                                 |   |
| Advertising & Promotion                          | 72                      | -                               | 72                                      |
| Dues & Subscriptions                             | 75                      | -                               | 75                                      |
| Insurance  | 4,450                   | -                               | 4,450                                   |
| Office Expenses                                  | 109                     | -                               | 109                                     |
| Professional Fees                                | 11,732                  | -                               | 11,732                                  |
| Training & Conferences                           | 674                     | -                               | 674                                     |
| Capital Outlay                                   | 14,196                  | 616,901                         | 631,097                                 |
| <b>Total Expenditures</b>                        | <u>31,308</u>           | <u>616,901</u>                  | <u>648,209</u>                          |
| <br><b>Net Change in Fund Balances</b>           | <u>3,692</u>            | <u>373,331</u>                  | <u>377,023</u>                          |
| <br><b>Fund Balances - Beginning of the Year</b> | <u>56,972</u>           | <u>(427,749)</u>                | <u>(370,777)</u>                        |
| <b>Fund Balances - End of the Year</b>           | <u>\$ 60,664</u>        | <u>\$ (54,418)</u>              | <u>\$ 6,246</u>                         |

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

**Livingston Parish Airport District  
Livingston, Louisiana**

**Statement F**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the  
Government-Wide Statement of Activities  
For the Year Ended December 31, 2021**

|  |    |         |
|--|----|---------|
| <b>Net Change in Fund Balances, Governmental Funds (Statement E)</b> | \$ | 377,023 |
|--|----|---------|

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets:

|                |  |         |
|----------------|--|---------|
| Capital Outlay |  | 631,097 |
|----------------|--|---------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

|                                     |  |           |
|-------------------------------------|--|-----------|
| Change in Unavailable Grant Revenue |  | (373,331) |
|-------------------------------------|--|-----------|

|  |    |                |
|--|----|----------------|
| <b>Change in Net Position of Governmental Activities (Statement B)</b> | \$ | <u>634,789</u> |
|--|----|----------------|

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

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2021**

**Introduction**

Livingston Parish Airport District, (“the District”), was created by resolution of the Livingston Parish Government under the authority of Louisiana Revised Statutes (LRS) 2:311 through 2:330 for the purpose of acquiring the necessary land and rights of way for the construction of airports and for the construction of roads, drains, or other facilities necessary or incidental to the construction and operation of airports in Livingston Parish. A board of commissioners consisting of nine members governs the District. Six members will be appointed by the Livingston Parish Council, one member appointed from the Louisiana State Senate, one member appointed from the Louisiana State House of Representatives, and one member appointed from the Livingston Parish President. Members serve staggered five-year terms and receive no compensation for their services.

The accounting and reporting policies of the District conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of LRS 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying basic financial statements of the Livingston Parish Airport District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management’s Discussion and Analysis, for State and Local Governments*, as amended. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net position (or balance sheet), and a statement of activities. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. Management has elected to omit management’s discussion and analysis.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The District does not have any business-type activities and reports only governmental activities. The District has no component units.

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grant contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, Elements of Financial Statements, introduced and defined Deferred Outflows of Resources as a consumption of net assets by the government that is applicable to a future reporting period, and Deferred Inflows of Resources as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. The definition and reporting of net position is further described in Footnote I — Net Position and Fund Balance. The District recorded deferred inflows of resources in its special revenue fund of \$54,418 at December 31, 2021.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. The Special Revenue Fund is expenditure driven and is funded by state grants to be expended for the construction of the Livingston Parish Airport.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

government considers revenues to be available if they are collected within 60 days at the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

**D. Budgets and Budgetary Accounting**

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-15. The budget is adopted on the accrual basis of accounting consistent with generally accepted accounting principles (GAAP). The major requirements of the Local Government Budget Act are summarized as follows:

1. The District adopts a budget each year for the general fund and each special revenue fund.
2. The District's Chairperson prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$500,000 or more, a notice of public hearing on the proposed budget must be published in the official journal.
3. All action necessary to adopt and implement the budget must be completed prior to the beginning of the fiscal year. The budget was adopted on December 14, 2020.
4. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on November 17, 2021.
5. Formal budgetary integration is not employed; however, periodic budget comparisons are made as a part of interim reporting.

**E. Cash, Cash Equivalents, and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under State law, the District may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

offices in Louisiana. In addition, the District may invest in United States bonds, treasury notes, or certificates.

In accordance with state law, the District limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market.

**F. Inventory**

Inventories for supplies are immaterial and are recorded as expenditures when purchased. The District did not have inventory at year end December 31, 2021.

**G. Capital Assets**

Capital assets, which include property, furniture and fixtures, equipment, and vehicles, are reported as expenditures of the governmental funds and as assets in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. As of December 31, 2021, the District did not have a formal capitalization policy establishing a capitalization/expense threshold.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

| <u>Description</u>         | <u>Estimated Lives</u> |
|----------------------------|------------------------|
| Buildings and Improvements | 20 - 40 Years          |
| Equipment                  | 5 Years                |
| Infrastructure             | 20 Years               |

**H. Compensated Absences**

As of December 31, 2021, the District has no plan or provision for accumulated leave, pension plan, or other post-employment benefits.

**I. Net Position and Fund Balance**

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required classification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** – The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisitions, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** – The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** – The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for the specific purposes determined by a formal vote of the Board, which is the highest level of decision making authority for the District.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

- **Unassigned.** – These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

**J. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**K. Estimates**

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

**L. Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balance and the government-wide statement of activities presented in Statement F of the basic financial statements.

**2. Cash and Cash Equivalents**

At December 31, 2021, the District has deposits (book balances) as follows:

|                 |                  |
|-----------------|------------------|
| Demand Deposits | \$ 62,475        |
| Total           | \$ <u>62,475</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Total deposits are insured by FDIC Insurance. The District does not have a policy for custodial credit risk.

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

**3. Receivables**

Accounts receivable consist of amounts due from grants for which eligibility requirements imposed by the provider have been met. Management did not record an allowance for doubtful accounts because the receivables were collectible.

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In the fund financial statements, material receivables include revenue accruals such as intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Grants receivable at December 31, 2021 consist of the following:

|  | <b>General<br/>Fund</b> | <b>Total</b>     |
|--|-------------------------|------------------|
| LA Department of Transportation<br>& Development | \$ 6,671                | \$ 6,671         |
| State of Louisiana - Capital Outlay              | 54,418                  | 54,418           |
| <b>Total Grants Receivable</b>                   | <b>\$ 61,089</b>        | <b>\$ 61,089</b> |

**4. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2021 for governmental activities are as follows:

|  | <b>Balance<br/>12/31/20</b> | <b>Increases</b>  | <b>Decreases</b> | <b>Balance<br/>12/31/21</b> |
|--|-----------------------------|-------------------|------------------|-----------------------------|
| <b>Governmental Activities Capital Assets:</b>               |                             |                   |                  |                             |
| Capital Assets Not Depreciated:                              |                             |                   |                  |                             |
| Land   | \$ 3,135,411                | \$ 14,196         | \$ -             | \$ 3,149,607                |
| Construction in Progress                                     | 1,675,990                   | 616,901           | -                | 2,292,891                   |
| Total Capital Assets Not Being Depreciated:                  | 4,811,401                   | 631,097           | -                | 5,442,498                   |
| <b>Total Governmental Activities Capital<br/>Assets, Net</b> | <b>\$ 4,811,401</b>         | <b>\$ 631,097</b> | <b>\$ -</b>      | <b>\$ 5,442,498</b>         |

In 2017, the District was donated 242.498 acres of land. If the District fails to comply with any of the covenants then the donor may exercise its rights to revoke the donation by written notice to the District. The covenants are as follows:

- 1) Donee fails to secure airport NPIAS Status or fails to secure the first Construction Grant funding for the commencement of construction of the Airport's primary runway, taxiway, or apron from the applicable federal and state agencies before January 1, 2025.

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

The National Plan of Integrated Airport Systems (NPIAS) identifies those existing and proposed airports that are recognized as being included in the national airport system and are immediately eligible for federal funding under the Airport Improvement Program.

Donee shall file a notice of satisfaction with the Livingston Parish Clerk of Court upon securing NPIAS Status or a Construction Grant for funding the commencement of construction of the Airport's primary runway, taxiway, or apron, including evidence thereof;

- 2) Donee fails to secure initial funding by grant or otherwise to begin construction of the Airport Project from the applicable federal or state agencies on or before December 31, 2027;
- 3) Pursuant to CFR Section 200.434 and FAA Order 5100:38 D Change 1: Subsection 4-10 through 4-15 and the requirements thereof, the subject property shall revert back to Donor, including revocation of the Donation, at Donor's sole option and upon an affirmative declaration of same by Donor recorded in the conveyance records of the Clerk and Recorder for Livingston Parish, Louisiana, if and when the subject property ceases to be used an/or operated (including the planning thereof) as a general aviation airport;
- 4) Donee shall make good faith effort to include in its airport name "Executive", unless unreasonably burdensome or prohibited by law.
- 5) Donee fails to comply with Section or Paragraph 1 (a),(b) (c) or (d) of the original act of donation. Paragraph 1 (c) has been changed to read as follows:  
No part of the Tract/servitudes will be leased, sold or otherwise conveyed by Donee to any non-governmental entity or individual which does not benefit the interest of The Livingston Parish Airport District.
- 6) FAA and Louisiana State Aviation declare property shall cease to be used or identified as an airport facility, the Donee shall make a good faith effort to declare the property as non-public to reverse and transfer any or all tracts to Donor, at Donor's option, unless prohibited by law

#### **5. Construction and Other Significant Commitments**

In 2020, the District began the design and development process for the Livingston Executive Airport for 1.615 million. Funding for the project is through the state Capital Outlay funding. This project is still ongoing.

#### **6. Risk Management**

The District is exposed to risks of loss in the area of general liability and property hazards. These risks are handled by purchasing commercial insurance coverage.

**Livingston Parish Airport District**  
**Livingston, Louisiana**  
**Notes to Financial Statements**  
**As of and for the Year Ended December 31, 2021**

**7. Compensation Paid to Board Members**

Members of the Livingston Parish Airport District Board of Commissioners were as follows:

|                             | <u>Salary</u> | <u>Travel, Training<br/>and Conferences</u> | <u>Total</u>  |
|-----------------------------|---------------|---|---------------|
| Delia Taylor, Chairwoman    | \$ -          | \$ 393                                      | \$ 393        |
| Dana Rushing, Vice-Chairman | -             | 281   | 281           |
| Jerri Bankston, Treasurer   | -             | -   | -             |
| Denver Cassels              | -             | -   | -             |
| Mike Erwin                  | -             | -   | -             |
| Barry Wall                  | -             | -   | -             |
| James Wascom                | -             | -   | -             |
| Rusty Howard                | -             | -   | -             |
| Jerry Lobell                | -             | -   | -             |
|                             | <u>\$ -</u>   | <u>\$ 674</u>                               | <u>\$ 674</u> |

\* None of the above individuals are designated as the agency head. The Board of Commissioners serve with no compensation. All reimbursed travel is approved by the Board of Commissioners.

**8. Litigation**

There was no litigation pending against the Livingston Parish Airport District at December 31, 2021.

**9. Deficit Fund Balance**

The District has a deficit in the fund balance for the Special Revenue Fund of \$(54,418). This is due to \$54,418 out of the \$61,089 of grant receivables not being collected within 60 days of fiscal year end.

**10. Subsequent Events**

Subsequent events have been evaluated by management through June 6, 2022, the date financial statements were available for issuance. No events require disclosure in the financial statements for the year ending December 31, 2021.

**Required Supplementary Information**  
**Budgetary Comparison Schedule**

**Livingston Parish Airport District  
Livingston, Louisiana**

**Schedule 1**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – General Fund  
For the Year Ended December 31, 2021**

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts<br/>GAAP Basis</u> | <u>Var.<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|-------------------------|--|---|
| <b>Revenues</b>                             |                            |                         |  |   |
| Livingston Parish Council                   | \$ 35,000                  | \$ 35,000               | \$ 35,000                                | \$ -  |
| Total Revenues                              | <u>35,000</u>              | <u>35,000</u>           | <u>35,000</u>                            | <u>-</u>                                    |
| <b>Expenditures</b>                         |                            |                         |  |   |
| General Government                          |                            |                         |  |   |
| Advertising & Promotion                     | -                          | -                       | 72                                       | (72)  |
| Dues & Subscriptions                        | 75                         | 75                      | 75                                       | -   |
| Insurance                                   | 5,500                      | 5,000                   | 4,450                                    | 550   |
| Office Expenses                             | 100                        | 96                      | 109                                      | (13)  |
| Professional Fees                           | 29,325                     | 23,372                  | 11,732                                   | 11,640                                      |
| Training & Conferences                      | -                          | 1,317                   | 674                                      | 643   |
| Capital Outlay - Land                       | -                          | -                       | 14,196                                   | (14,196)                                    |
|   | <u>35,000</u>              | <u>29,860</u>           | <u>31,308</u>                            | <u>(1,448)</u>                              |
| <b>Excess of Revenues over Expenditures</b> | -                          | 5,140                   | 3,692                                    | 1,448                                       |
| <b>Fund Balance - Beginning of the Year</b> | 56,972                     | 56,972                  | 56,972                                   | -   |
| <b>Fund Balance - End of the Year</b>       | <u>\$ 56,972</u>           | <u>\$ 62,112</u>        | <u>\$ 60,664</u>                         | <u>\$ 1,448</u>                             |

See independent auditor's report.

**Livingston Parish Airport District  
Livingston, Louisiana**

**Schedule 2**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual – Special Revenue Fund  
For the Year Ended December 31, 2021**

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>Amounts<br/>GAAP Basis</u> | <u>Var.<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|-------------------------|--|---|
| <b>Revenues</b>                             |                            |                         |  |   |
| State Grants                                | \$ 860,639                 | \$ 1,037,981            | \$ 990,232                               | \$ (47,749)                                 |
| Total Revenues                              | <u>860,639</u>             | <u>1,037,981</u>        | <u>990,232</u>                           | <u>(47,749)</u>                             |
| <b>Expenditures</b>                         |                            |                         |  |   |
| Capital Outlay                              | 860,639                    | 610,232                 | 616,901                                  | (6,669)                                     |
| Total Expenditures                          | <u>860,639</u>             | <u>610,232</u>          | <u>616,901</u>                           | <u>(6,669)</u>                              |
| <b>Excess of Revenues over Expenditures</b> | -                          | 427,749                 | 373,331                                  | (54,418)                                    |
| <b>Fund Balance - Beginning of the Year</b> | <u>-</u>                   | <u>(427,749)</u>        | <u>(427,749)</u>                         | <u>-</u>                                    |
| <b>Fund Balance - End of the Year</b>       | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>      | <u><u>\$ (54,418)</u></u>                | <u><u>\$ (54,418)</u></u>                   |

See independent auditor's report.

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**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***

To the Board of Commissioners  
Livingston Parish Airport District  
Livingston, Louisiana

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 statements of the governmental activities and each major fund of the Livingston Parish Airport District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Livingston Parish Airport District's basic financial statements, and have issued our report thereon dated June 6, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Livingston Parish Airport District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Parish Airport District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Airport District'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 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 or significant deficiencies may exist that were not identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Livingston Parish Airport District's financial statements are 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 statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2021-01.

### **Livingston Parish Airport District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Livingston Parish Airport District's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses. Livingston Parish Airport District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 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.

Sincerely,

*Chris Johnson*

Hebert Johnson & Associates, Inc.  
A Professional Accounting Corporation  
Albany, Louisiana  
June 6, 2022

**Livingston Parish Airport District  
Livingston, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended December 31, 2021**

We have audited the basic financial statements of the Livingston Parish Airport District as of and for the year ended December 31, 2021, and have issued our report thereon dated June 6, 2022. 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. Our audit of the financial statements as of December 31, 2021 resulted in an unmodified opinion.

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

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control  
Material Weakness, No                      Significant Deficiencies, No

Compliance  
Compliance Material to Financial Statements, Yes

b. Federal Awards

Not Applicable

Was a management letter issued? No

**Section II – Financial Statement Findings**

**Compliance**

**2021-01            Ethics and Sexual Harassment Training**

**Criteria:**

LRS 42:1170 requires public servants to receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of his public employment or term of office.

LRS 42:343 requires public servants to receive a minimum of one hour of education and training preventing sexual harassment during each full calendar year of the public servant's term of office.

**Livingston Parish Airport District  
Livingston, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses  
For the Year Ended December 31, 2021**

**Condition:**

The District did not have documentation of the required ethics and sexual harassment training for four out of the five board members tested for the year ending December 31, 2021.

**Cause:**

Some board members did not complete the required ethics and sexual harassment training.

**Effect:**

Noncompliance with the revised statutes listed in the criteria.

**Recommendation:**

The District should ensure all board members complete the required training during each year. The District should set a completion deadline for all board members to complete the required training.

**Management Response:**

The District is currently in the process of developing a written policies and procedures manual that will address completing the ethics and sexual harassment training on an annual basis.

Board Vice-Chairman, Dana Rushing is the responsible party (225) 686-3027.

**Livingston Parish Airport District  
Livingston, Louisiana**

**Schedule of Prior Year Audit Findings  
For the Year Ended December 31, 2021**

**2020-01      Violation of Louisiana Local Government Budget Act**

**Condition:**

The District's actual budgeted expenditures exceeded total budgeted expenditures by a variance greater than five percent in the District's special revenue fund. The District's 2020 budget was also not adopted before the fiscal year began.

**Recommendation:**

We recommend the monitoring of the expenditures more closely and make appropriate amendments to be in compliance with the Louisiana Local Government Budget Act.

**Resolved:**

Fully

This schedule was prepared by management.

**LIVINGSTON PARISH AIRPORT DISTRICT  
LIVINGSTON, LOUISIANA**

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**STATEWIDE AGREED-UPON PROCEDURES REPORT**

Fiscal Period January 1, 2021 through December 31, 2021



**Hebert Johnson  
& Associates, Inc.**  
Certified Public Accountants

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*A Professional Accounting Corporation*

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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commission of  
the Livingston Parish Airport District  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. The Livingston Parish Airport District's management is responsible for those C/C areas identified in the SAUPs.

The Livingston Parish Airport District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

**Exception:**

At this time, the District does not have any written polices and procedures.

**Management's Response:**

The District is currently in the process of developing written policies and procedures.

**Board or Finance Committee**

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**Exceptions:**

The District met at least every other month in 2021. The District does not have a set frequency of meeting at this time.

**Management's Response:**

The District is currently in the process of developing written policies and procedures that will address a meeting time. The District plans to meet on a quarterly basis at a minimum. If additional board action is needed, the District will meet more frequently.

**Bank Reconciliations**

---

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were found as a result of these procedures.*

**Collections (excluding electronic funds transfers)**

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were found as a result of these procedures.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions were found as a result of these procedures.*

#### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

*These procedures are not applicable to the Organization.*

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is

complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were found as a result of these procedures.*

### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were found as a result of these procedures.*

### ***Payroll and Personnel***

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*These procedures are not applicable to the Organization.*

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

**Exceptions:**

Out of the five officials selected, one board member completed the required training.

**Management's Response:**

The District is currently in the process of developing a written policies and procedures manual that will address completing the ethics training on an annual basis.

***Debt Service***

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*These procedures are not applicable to the Organization.*

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were found as a result of these procedures.*

***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
  - a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedures and discussed the results with management.*

### ***Sexual Harassment***

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- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- 28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

### **Exceptions:**

Out of the five officials selected, one board member completed the required training.

**Management's Response:**

The District is currently in the process of developing a written policies and procedures manual that will address completing the sexual harassment training on an annual basis.

The District will create the required report per R.S.42:344 before the February 1 deadline.

We were engaged by the Livingston Parish Airport District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Livingston Parish Airport District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Chris Johnson*

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A Professional Accounting Corporation  
Albany, Louisiana  
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