

**LIVINGSTON PARISH AIRPORT DISTRICT
LIVINGSTON, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended December 31, 2019



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

A Professional Accounting Corporation

Livingston Parish Airport District
Livingston, Louisiana
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As of and for the Year Ended December 31, 2019

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and the general fund of Livingston Parish Airport District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the general fund of Livingston Parish Airport District, a component unit of the Livingston Parish Council, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter Paragraph(s)

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis information and Budgetary Comparison Schedule 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 September 9, 2020, on our consideration of the Livingston Parish Airport 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 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 Livingston Parish Airport 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 Livingston Parish Airport District's internal control over financial reporting and compliance.

Respectfully submitted,

Sincerely,

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Albany, Louisiana
September 9, 2020

Basic Financial Statements

Government – Wide Financial Statements

**Livingston Parish Airport District
Livingston, Louisiana**

Statement A

**Statement of Net Position
December 31, 2019**

	<u>Governmental Activities</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 56,036
Grants Receivable	213,537
Total Current Assets	<u>269,573</u>
Capital Assets	
Land	3,125,000
Construction in Progress	592,330
Total Capital Assets	<u>3,717,330</u>
Total Assets	<u>3,986,903</u>
Liabilities	
Current Liabilities:	
Construction Payable	216,888
Total Current Liabilities	<u>216,888</u>
Total Liabilities	<u>216,888</u>
Net Position	
Net Investment in Capital Assets	3,500,442
Unrestricted	269,573
Total Net Position	<u>\$ 3,770,015</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, 2019**

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	General Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General Government	\$ 10,839	\$ -	\$ 35,000	\$ 280,322	\$ 304,483
Total Governmental Activities	\$ 10,839	\$ -	\$ 35,000	\$ 280,322	304,483
Change in Net Position					304,483
Net Position - Beginning of the Year					30,625
Prior Period Adjustments (Note 10)					3,434,907
Net Position - Beginning of the Year (Restated)					3,465,532
Net Position - End of the Year					\$ 3,770,015

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 Fund – Balance Sheet
December 31, 2019**

	<u>General Fund</u>
Assets	
Cash and Cash Equivalents	\$ 56,036
Grants Receivable	<u>213,537</u>
Total Assets	<u><u>\$ 269,573</u></u>
Liabilities and Fund Balance	
Liabilities:	
Construction Payable	\$ <u>216,888</u>
Total Liabilities	<u>216,888</u>
Deferred Inflow of Resources	
Unavailable Grant Revenue	<u>213,537</u>
Total Deferred Inflow of Resources	<u>213,537</u>
Fund Balance:	
Unassigned	<u>(160,852)</u>
Total Fund Balance	<u>(160,852)</u>
Total Liabilities/Deferred Inflows and Fund Balance	<u><u>\$ 269,573</u></u>

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

**Livingston Parish Airport District
Livingston, Louisiana**

Statement D

**Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended December 31, 2019**

Total Fund Balance, Governmental Funds (Statement C)	\$	(160,852)
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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		3,125,000
Construction in Progress		592,330

Deferred inflow of resources - unavailable grant revenue is not reported on government-wide financial statements.		213,537
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Net Position of Governmental Activities (Statement A)	\$	<u><u>3,770,015</u></u>
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The accompanying notes are an integral part of these financial statements.

**Livingston Parish Airport District
Livingston, Louisiana**

Statement E

**Statement of Governmental Fund Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2019**

	<u>General Fund</u>
Revenues	
State Grants	\$ 348,496
Donations from Livingston Parish Council	35,000
Total Revenues	<u>383,496</u>
 Expenditures	
General and Administrative	
Advertising	439
Dues and Subscriptions	75
Insurance	3,970
Office Expense	100
Legal and Professional	3,600
Travel	2,655
Capital Outlay	
Construction in Progress	306,234
Total Expenditures	<u>317,073</u>
Net Change in Fund Balance	<u>66,423</u>
Fund Balance - Beginning of the Year	<u>22,490</u>
Prior Period Adjustments (Note 10)	<u>(249,765)</u>
Fund Balance - Beginning of the Year (Restated)	<u>(227,275)</u>
Fund Balance - End of the Year	<u><u>\$ (160,852)</u></u>

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

**Livingston Parish Airport District
Livingston, Louisiana**

Statement F

**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance to the
Government-Wide Statement of Activities
For the Year Ended December 31, 2019**

Net Change in Fund Balance, Governmental Fund (Statement E)	\$ 66,423
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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 - Construction in Progress	306,234
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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	(68,174)
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Change in Net Position of Governmental Activities (Statement B)	\$ <u>304,483</u>
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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, 2019

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, 2019

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) grants 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 of 213,574 at December 31, 2019.

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 General Fund is the District's primary operating fund and is considered the only major fund. It is used to account for all financial resources except those required to be accounted for in another fund. At December 31, 2019, it is the only fund of the District.

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 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.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

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

In 2019, the District did not adopt a budget in accordance with the Louisiana Local Government Budget Act.

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 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, 2019.

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, 2019, 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.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

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, 2019, 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 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.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

- **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.
- **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.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

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, 2019, the District has deposits (book balances) as follows:

Demand Deposits	\$	56,036
Total	\$	<u>56,036</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.

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, 2019 consist of the following:

	<u>General Fund</u>	<u>Total</u>
LA Department of Transportation & Development	\$ 213,537	\$ 213,537
Grants Receivable	<u>\$ 213,537</u>	<u>\$ 213,537</u>

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

4. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for governmental activities are as follows:

Governmental Activities Capital Assets:	Balance			Balance
	12/31/18	Increases	Decreases	12/31/19
Capital Assets Not Depreciated:				
Land	\$ 3,125,000	\$ -	\$ -	\$ 3,125,000
Construction in Progress	286,096	306,234	-	592,330
Total Capital Assets Not Being Depreciated:	<u>3,411,096</u>	<u>306,234</u>	<u>-</u>	<u>3,717,330</u>
Total Governmental Activities Capital Assets, Net	\$ <u>3,411,096</u>	\$ <u>306,234</u>	\$ <u>-</u>	\$ <u>3,717,330</u>

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 full funding for the construction of the Airport Project from the applicable federal and state agencies within five years from the effective date of the donation.
- 2) Donee fails to commence construction of the public airport within ten years from the effective date of this donation.
- 3) Donee fails to complete construction of the airport within twelve years.
- 4) Donee fails to complete construction of access roads on the Servitude Parcel per the final layout identified on the map within eight years for the effective date of this donation.
- 5) Donee shall make good faith effort to include in its airport name "Executive", unless unreasonably burdensome or prohibited by law.

5. Construction and Other Significant Commitments

The District's construction in progress includes planning and engineering fees. In 2019, the District completed approximately \$390,000 of its Environmental Assessment. The District is currently under contract for the Master Plan Update and Preliminary Runway Development for approximately \$552,000. All payments will be reimbursed by the Louisiana Department of Transportation and Development.

In 2020, the District began another project for \$1.615 million to initiate the design and development process for the Livingston Executive Airport. Funding for the project will be through state Capital Outlay funding.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

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.

7. Compensation Paid to Board Members

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

	Salary	Reimbursed Travel	Total
Delia Taylor, Chairwoman	\$ -	\$ 1,208	\$ 1,208
Dana Rushing, Vice-Chairman	-	1,444	1,444
Jerri Bankston, Treasurer	-	-	-
Denver Cassels	-	-	-
Mike Erwin	-	-	-
Barry Wall	-	-	-
James Wascom	-	-	-
Rusty Howard	-	-	-
Jerry Lobell	-	-	-
	<u>\$ -</u>	<u>\$ 2,652</u>	<u>\$ 2,652</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, 2019.

Livingston Parish Airport District
Livingston, Louisiana
Notes to Financial Statements
As of and for the Year Ended December 31, 2019

9. Prior Period Adjustment

The following prior period adjustments were made:

<u>Governemental Activities</u>	
Beginning Net Position, Before Prior Period Adjustment	\$ 30,625
To record prior period grants receivable	309,907
To record prior period land donation	3,125,000
To record prior period construction in progress	277,962
To record prior period construction payable	<u>(277,962)</u>
Restated Benginning Net Position, After Prior Period Adjustment	<u>\$ 3,465,532</u>
<u>General Fund</u>	
Beginning Fund Balance, Before Prior Period Adjustment	\$ 22,490
To record prior period grants receivable	309,907
To record prior period deferred inflow of resources	(281,710)
To record prior period construction payable	<u>(277,962)</u>
Restated Benginning Fund Balance, After Prior Period Adjustment	<u>\$ (227,275)</u>

10. Deficit Fund Balance

The District has a deficit in the fund balance for the General Fund of \$(160,852). This is due to Grant Revenues not being collected within 60 days of fiscal year end. Grants Receivable of \$213,537 are recorded as a Deferred Inflow of Resources instead of a revenue in the Fund Financial Statements.

11. Subsequent Events

Subsequent events have been evaluated by management through September 9, 2020, the date financial statements were available for issuance. No events require disclosure in the financial statements for the year ending December 31, 2019.

CHARLES P. HEBERT, CPA

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A PROFESSIONAL ACCOUNTING CORPORATION

**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 the general fund of the Livingston Parish Airport District, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2019, 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 September 9, 2020.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in

the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2019-01 that we consider to be a material weakness.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2019-02.

Livingston Parish Airport District's Response to Findings

Livingston Parish Airport District's response to the findings identified in our audit is described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses. Livingston Parish Airport District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
September 9, 2020

**Livingston Parish Airport District
Livingston, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2019**

We have audited the basic financial statements of the Livingston Parish Airport District as of and for the year ended December 31, 2019, and have issued our report thereon dated September 9, 2020. 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, 2019 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, Yes 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

Internal Control

2019-01 Segregation of Duties

Condition:

Due to the small number of individuals involved in the daily operations of the financial process there is not sufficient segregation of duties.

**Livingston Parish Airport District
Livingston, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2019**

Criteria:

Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations and maintaining custody of related assets.

Cause:

The District's staff is not sufficient size to allow for proper and appropriate segregation of duties.

Effect:

Failure to maintain an adequate segregation of duties, particularly in the Finance Department, creates an environment in which errors or other irregularities could occur and not be detected in a timely manner by individuals performing their assigned functions.

Recommendation:

We recommend the District's Board to perform the following:

- Review of the District's quarterly financial statements.
- The District's Board should review the monthly bank statements and related bank reconciliations (including all cancelled checks) and require that the person document their review and approval of the items clearing the bank statement by initialing and dating the face of the bank statement.
- Check signers initial the invoices paid as part of its review and approval process.

Management's Response:

The District will continue to review financial statements on a quarterly basis. Check signers will continue to initial invoices as part of their review. Board Vice-Chairman, Dana Rushing is the responsible party (225) 686-2266.

Compliance

2019-02 Violation of Louisiana Local Government Budget Act

Condition:

The District did not adopt a budget for its General Fund for December 31, 2019.

**Livingston Parish Airport District
Livingston, Louisiana**

**Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended December 31, 2019**

Criteria:

R.S. 39:1306 states: “The proposed budget for political subdivisions with a governing authority including municipalities, parishes, school boards, and special districts shall be completed and submitted to the governing authority of that political subdivision and made available for public inspection as provided for in R.S. 39:1308 no later than fifteen days prior to the beginning of each fiscal.

Cause:

This was an oversight by management.

Effect:

The District is in violation of the Louisiana Local Government Budget Act.

Recommendation:

We recommend the District start the budget process in November of each year to ensure the budget is ready to be adopted before the start of the new fiscal year. We also recommend the District to review the Best Practices in budgeting listed on the Louisiana Legislative Auditor’s website.

Management Response:

Management will start the budget process no later than November of each fiscal year to ensure the budget is ready to be adopted before the start of the new fiscal year. The board will also work with their CPA to assist in the budgeting process. Board Vice-Chairman, Dana Rushing is the responsible party (225) 686-2266.