

**AIRPORT DISTRICT NO. 1
OF JEFFERSON DAVIS PARISH**

Jennings, Louisiana

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

AIRPORT DISTRICT NO. 1 OF JEFFERSON DAVIS PARISH
Jennings, Louisiana

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October 30, 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Airport District No. 1 of Jefferson Davis Parish
Jennings, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, component unit of the Jefferson Davis Police Jury, as of and for the year ended April 30, 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.

Auditor'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 **Government Auditing Standards**, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport District No. 1 of Jefferson Davis Parish as of April 30, 2019, and the respective changes in financial position, and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management has omitted the management's discussion and analysis and budgetary comparison 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 basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport District No. 1 of Jefferson Davis Parish's basic financial statements. The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of American. In our opinion, the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2019, on our consideration of the Airport District No. 1 of Jefferson Davis Parish'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 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 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 Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting and compliance.

Broadhurst, Hamilton & Company

BROADHURST, HAMILTON & COMPANY

Certified Public Accountants

Crowley, Louisiana

BASIC FINANCIAL STATEMENTS
PROPRIETARY FUND - ENTERPRISE FUND

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF NET POSITION
AS OF APRIL 30, 2019

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 302,270
Investments	115,208
Accounts receivable, net of allowance for doubtful accounts	41,688
Due from governments	69,521
Prepaid insurance	<u>14,446</u>

Total Current Assets \$ 543,133

Non-Current Assets:

Utility deposits	\$ 1,173
Capital assets - net of accumulated depreciation	<u>9,028,098</u>

Total Non-Current Assets \$ 9,029,271

TOTAL ASSETS \$ 9,572,404

LIABILITIES:

Current Liabilities:

Accounts payable	\$ 12,470
Prepaid revenue	19,570
Tenant deposits	<u>3,000</u>

TOTAL LIABILITIES \$ 35,040

NET POSITION:

Net Investment in capital assets	\$ 9,028,098
Unrestricted	<u>509,266</u>

TOTAL NET POSITION \$ 9,537,364

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED APRIL 30, 2019

OPERATING REVENUES:

Property rental	\$ 521,977
Property rental (In-kind)	11,280
Gallonage rental	16,361
Grant income - operating expenses	8,067
Miscellaneous revenue	-
	-
Total Operating Revenues	<u>\$ 557,685</u>

OPERATING EXPENSES:

Advertising, Dues & Subscriptions:	
Dues & subscriptions	\$ 2,645
Advertising & printing	1,115
Utilities and Telephone:	
Utilities	18,162
Telephone	10,393
Cable/satellite	6,777
Materials, Supplies and Repairs:	
Repairs - airport	34,760
Repairs - equipment	5,757
Supplies	384
Other Operating Expenses:	
Airport contract management (includes in-kind of \$11,280)	113,280
Professional fees	30,300
Insurance	32,539
Miscellaneous	332
Depreciation expense	342,578
	342,578
Total Operating Expenses	<u>\$ 599,022</u>

OPERATING INCOME/(LOSS) \$ (41,337)

NON-OPERATING REVENUES/(EXPENSES):

Interest income	\$ 2,807
Gain/(loss) on asset disposal	-
	-
Total Non-Operating Revenues/(Expenses)	<u>\$ 2,807</u>

NET INCOME/(LOSS) BEFORE CONTRIBUTIONS \$ (38,530)

CAPITAL CONTRIBUTIONS 497,758

NET CHANGE IN NET POSITION \$ 459,228

NET POSITION - BEGINNING OF YEAR 9,078,136

NET POSITION - END OF YEAR \$ 9,537,364

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 549,123
Payments to suppliers of goods and services	<u>(516,740)</u>
Net Cash Flows Provided by Operating Activities	\$ <u>32,383</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

None	\$ <u>-</u>
Net Cash Flows Provided by Noncapital Financing Activities	\$ <u>-</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	\$ (1,422,752)
Proceeds from the sale of capital assets	-
Contributed capital received – capital grants	<u>428,238</u>
Net Cash Flows Used by Capital and Related Financing Activities	\$ <u>(994,514)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	\$ (2,807)
Interest on investments	2,807
Proceeds from redemption of investments	<u>214,453</u>
Net Cash Flows Used by Investing Activities	\$ <u>214,453</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ (747,678)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,049,948</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 302,270</u></u>

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Operating income/(loss)	\$ (41,337)
Adjustments to reconcile income/(loss) from operations to net cash provided by operating activities:	
Depreciation expense	342,578
(Increase)/Decrease in accounts receivable	(12,136)
(Increase)/Decrease in prepaid insurance	(3,152)
Increase/(Decrease) in prepaid revenue	3,576
Increase/(Decrease) in accounts payable	(260,146)
Increase/(Decrease) in tenant deposits	<u>3,000</u>
Net Cash Flows Provided by Operating Activities	\$ <u><u>32,383</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Airport District No. 1 of Jefferson Davis Parish have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies for the Airport District No. 1 of Jefferson Davis Parish are described below.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity:

The Airport District No. 1 of Jefferson Davis Parish (District) was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 2.311) through the passage of Parish Ordinance 483 on March 7, 1963. The District has the power and authority, within its boundaries, to acquire, construct, maintain, and operate airports and airport facilities, including both movable and immovable property. The District is a subdivision of the State of Louisiana and may issue bonds and levy taxes in accordance with Article 6, Section 30. The District may also by resolution or ordinance, establish, maintain, and collect proper and reasonable rates, charges, rents, or other fees for the use of the facilities of the airport.

Under the provision of Parish Ordinance 635, dated May 10, 1978, the District shall be governed and controlled by a board of commissioners composed of five members. Pursuant to Ordinance 635 these commissioners are appointed by the Jefferson Davis Police Jury for terms of two years from the date they assume their duties and shall serve without compensation.

In conformance with GASB Codification Section 2100, the District is a component unit of the Jefferson Davis Parish Police Jury, the governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general governmental services provided by that government unit, and other governmental units that comprise the governmental reporting entity.

The GASB has set forth criteria to be considered in determining financial accountability. They include the following:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization and/or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

B. Basis of Presentation:

The District uses a proprietary fund (Enterprise Fund) to report on its financial position and results of operations. The Enterprise Fund accounts for the activities relative to operations of the Airport District No. 1 of Jefferson Davis Parish, including, but not limited to recording and collecting operating income and grants, and incurring and paying operating expenses. The fund is operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

basis be financed primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Activities accounted for in the Proprietary Fund follow all applicable GASB pronouncements. For the year ended April 30, 2014, the District implemented GASB Statement 63 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The effect of the implementation was to replace the term of net assets with net position.

The District's net position are reported in three parts:

- a. *Net investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets;
- b. *Restricted net position* – consists of net position with constraints placed on the use either by:
 - (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
 - (2) law through constitutional provisions or enabling legislation; and
- c. *Unrestricted net position* – all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Restricted or unrestricted amounts are considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted net position is available. Restricted amounts would be reduced first, followed by unrestricted amounts, when expenditures are incurred for purposes for which amounts in unrestricted net position could be used.

C. Budgetary Practices

The District is not required and did not adopt a budget for the period covered by the accompanying financial statements.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

E. Prepaid Expense

Certain payments to vendors reflect the costs applicable to future accounting periods that are recorded as prepaid items.

F. Capital Assets

All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Capital assets used in the proprietary fund operations are included on the statement of net assets net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund operations is charged as an expense against operations. Depreciation has been calculated on each class of depreciable property using the straight-line method over the estimated useful lives of the assets as follows:

Runways and Improvements	10 - 50 years
Buildings and Hangers	10 - 40 years
Improvements other than Buildings and Hangers	10 - 20 years
Furniture and Equipment	5 - 10 years

G. Fund Equity

Contributed Capital: Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

H. Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

I. Estimates

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

J. Capitalization of Interest

FAS-34, Capitalization of Interest Costs, requires that interest expenditures incurred during construction of assets be capitalized. FAS-62, Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants, concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the tax related tax-exempt borrowing. Net interest cost capitalized totaled \$-0- during the fiscal year ending April 30, 2019.

K. Compensated Absences

The District has no employees and therefore has no compensated absences.

L. Deferred Outflows of Resources and Deferred Inflows of Resources:

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: CASH AND CASH EQUIVALENTS

As of April 30, 2019, the District had cash and cash equivalents totaling \$302,270 as follows:

Demand deposits	\$ 302,270
Interest bearing demand deposits	-
Total Book Balances	\$ 302,270

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 time equal the amount of deposit with the fiscal agent.

Bank Balance as shown by Bank	\$ 394,435
Insured (FDIC)	\$ -
Uninsured, Uncollateralized:	
Pledged securities held by pledging Bank's agent in Bank's name	1,400,000
Total Bank Balances Secured	\$ 1,400,000

Even though this amount is considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3: INVESTMENTS

The District invests only in time certificates of deposit. The time certificates of deposit mature at least 90 days after April 30, 2019, therefore they are not classified as cash and cash equivalents and are classified as Investments.

Investments are categorized into the following three categories of credit risk in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed by the District.

Category 1 - Includes investments that are insured or registered, or securities held by the government or its agent in the District's name.

Category 2 - Includes investments that are uninsured and unregistered, with securities held by the counter party's department or agent in the District's name.

Category 3 - Includes investments that are uninsured and unregistered, with securities held by the counter party or by its trust department or agent but not in the District's name.

As of April 30, 2019, all the District's investments are categorized as **Category 1** Investments and mature as follows:

NOTES TO THE FINANCIAL STATEMENTS

Time Certificates of Deposit

Maturity Date

0 - 90 days	\$	-
91 - 180 days		-
181 - 365 days		-
366 - 730 days		<u>115,208</u>
 Total Time Certificates of Deposit	 \$	 <u>115,208</u>

Under state law, these time 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 time equal the amount of the time deposits with the fiscal agent. The Time Certificates of Deposit are fully secured by FDIC Insurance or Pledged Securities held by the respective Banks' as required by state law.

NOTE 4: ACCOUNTS RECEIVABLE

The following is a summary of receivables at year end:

Gross Receivables (customer property rentals)	\$	41,688
Less: Allowance for doubtful accounts		<u>-</u>
 Net Accounts Receivable	 \$	 <u>41,688</u>

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on an assessment of the current status of individual accounts. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

NOTE 5: DUE FROM GOVERNMENTAL ENTITIES

There were no amounts due from other governments as of April 30, 2019. The amount due is from the following governmental entities:

United States of America/Federal Aviation Administration	\$	68,396
State of Louisiana/Dept of Transportation and Development		<u>1,125</u>
 Total Due from other Government Entities	 \$	 <u>69,521</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: CAPITAL CONTRIBUTIONS FROM GOVERNMENT ENTITIES

During the year ended April 30, 2019, the District received capital contributions from the following governmental entities:

United States of America/Federal Aviation Administration	\$	70,352
State of Louisiana/Dept of Transportation and Development		<u>427,406</u>
Total Capital Contributions from Government Entities	\$	<u><u>497,758</u></u>

NOTE 7: CAPITAL ASSETS

A summary of proprietary property, plant and equipment is as follows:

	<u>Balance</u> <u>05/01/2017</u>	<u>Adjustments/</u> <u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>04/30/2019</u>
Runway and Improvements	\$ 6,792,752	\$ 2,150,400	\$ -	\$ 8,943,152
Buildings and Hangers	3,869,425	-	-	3,869,425
Other Improvements	279,875	-	-	279,875
Furniture & Equipment	<u>578,290</u>	<u>-</u>	<u>-</u>	<u>578,290</u>
Total Depreciable Assets	<u>\$ 11,520,342</u>	<u>\$ 2,150,400</u>	<u>\$ -</u>	\$ 13,670,742
Less Accumulated Depreciation				<u>(6,141,469)</u>
Net Depreciable Assets				\$ 7,529,273
Construction in Progress	\$ 1,194,584	\$ 1,422,752	\$ 2,150,400	466,936
Land	<u>1,031,889</u>	<u>-</u>	<u>-</u>	<u>1,031,889</u>
Net Property Plant & Equipment				<u><u>\$ 9,028,098</u></u>

NOTE 8: COMMITMENTS

As of April 30, 2019, the District had five construction contract projects in progress totaling \$466,936.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. As of April 30, 2019, the District carries commercial insurance for general and aviation liability. During any construction phase, contractor nonperformance and liability risk is protected by requiring each contractor to post a performance bond and a certificate of liability insurance coverage for approved contracts. Previously settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: LITIGATIONS AND CLAIMS

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Airport Commission is not presently involved in any litigation as defendant.

NOTE 11: CONTINGENCIES

Grant Disallowances. The District participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, management feels such amounts, if any, to be immaterial to the financial statements.

NOTE 12: NON-CANCELABLE OPERATING LEASES

The District leases various parcels of land and/or buildings located at the airport to various aviation, industrial, and business concerns. These are noncancellable leases with obligated terms ranging from one to ten years or other maximums established by Louisiana Revised Statutes. Most leases contain escalation clauses.

As of April 30, 2019, future minimum rentals of non-cancelable operating leases of such property in aggregate are as follows:

<u>Fiscal Year</u>	
2020	\$ 386,434
2021	375,918
2022	197,601
2023	139,961
2024	51,188
2025 and thereafter	<u>11,520</u>
Total	<u>\$ 1,162,622</u>

NOTE 13: ECONOMIC DEPENDENCE

The District has one commercial customer that accounted for more than 10% individually of total operating revenues.

NOTE 14: RELATED PARTY TRANSACTIONS

The District's airport is managed by a commercial agricultural aviation service company, Riceland Aviation, Inc., under a five year contract which began on February 1, 2005 and was renewed for another five years until January 31, 2015. A new 5 year contract was signed on August 18, 2015. Under the contract, Riceland is paid \$8,500 per month (\$102,000 annually) and allowed to occupy certain hangars, offices, and other physical structures for the operation of an aerial seed planting, crop dusting, fertilizer business, and retail sale of aviation fuel in return for providing airport management services for the District. The in-kind rental value of the occupied facilities, estimated to be \$11,280, has

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

been recorded in the accompanying financial statements as operating revenue and as an expense for the year ending April 30, 2019.

Three members of the Board of Commissioners lease airplane hangers from the District at fair market value. These three leases provided \$3,960 in revenues to the District during the fiscal year ending April 30, 2019. All Commissioners pay their leases in advance on a yearly basis. In addition, all of the Commissioners currently leasing airplane hangers had active hanger leases years before they became members of the Board of Commissioners.

NOTE 15: LEASES AND COMMITMENTS

On February 1, 2005, the District entered into a lease operating agreement with Riceland Aviation, Inc. The term of the lease was for five years expiring on January 31, 2010. The contract was renewed for another five years until January 31, 2015. On August 18, 2015, a new 5 year contract was signed. Under this contract, Riceland is paid \$8,500 per month (\$102,000 annually) and allowed to occupy certain facilities and use certain equipment and retail sale of aviation fuel in return for providing maintenance and operation of Jennings Airport. Riceland further agreed to pay the District \$.05 per gallon of aviation fuel sold by Riceland on airport property.

NOTE 16: CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	Donated Assets	Capital Grants
Balance, Beginning of Year	\$ 751,325	\$ 7,595,774
Additions:		
Federal Aviation Administration	-	70,352
Dept of Transportation and Development	-	427,406
Balance, End of Year	\$ 751,325	\$ 8,093,532

NOTE 17: SUBSEQUENT EVENTS

As of April 30, 2019, the District had five construction projects in progress.

NOTE 18: NEW ACCOUNTING PRONOUNCEMENTS

The District did not implement any new accounting pronouncements during the year ending April 30, 2019.

NOTE 19: DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2019, the date which the financial statements were available to be issued.

OTHER SUPPLEMENTAL INFORMATION

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED APRIL 30, 2019**

Agency Head Name – Doug Hollier, Chairman

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits - insurance	-
Benefits - retirement	-
Deferred compensation	-
Benefits - HSA Contribution	-
Car allowance	-
Vehicle provide by government	-
Cell phone	-
Dues Vehicle rental	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other	-
Total	<u>\$ -</u>

**INTERNAL CONTROL
AND
COMPLIANCE**

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October 30, 2019

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
Airport District No. 1 of Jefferson Davis Parish
Jennings, 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 of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, a component unit of the Jefferson Davis Police Jury, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Airport District No. 1 of Jefferson Davis Parish's basic financial statements, and have issued our report thereon dated October 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Airport District No. 1 of Jefferson Davis Parish'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport District No. 1 of Jefferson Davis Parish's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport District No. 1 of Jefferson Davis Parish'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Airport District No. 1 of Jefferson Davis Parish'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of 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 report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company

BROADHURST, HAMILTON & COMPANY
Certified Public Accountants

SCHEDULE OF FINDINGS AND RESPONSES
AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

SECTION 1 — SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Auditor's Report

An unqualified opinion has been issued on the Airport District No.1 of Jefferson Davis Parish as of and for the year ended April 30, 2019.

2. Internal Control Deficiencies – Financial Reporting

No control deficiencies were noted during the audit of the financial statements.

3. Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements of the Airport District No. 1 of Jefferson Davis Parish, which would be required to be reported in accordance with **Government Auditing Standards**, were disclosed during the audit.

B. Federal Awards

This section is not applicable for the year ended April 30, 2019.

SECTION II – FINANCIAL STATEMENT FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH GOVERNMENTAL STANDARDS

No findings material to the basic financial statements of the Airport District No. 1 of Jefferson Davis Parish were noted during the audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

This section is not applicable for the year ended April 30, 2019.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2019

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

This section is not applicable.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

This section is not applicable.

SECTION III – MANAGEMENT LETTER

This section is not applicable.

AIRPORT DISTRICT NO. 1 OF JEFFERSON DAVIS PARISH

Jennings, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

FOR THE YEAR ENDING APRIL 30, 2019

ROBERT C. BROADHURST, CPA (1989)
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October 30, 2019

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Airport District No. 1 of Jefferson Davis Parish
Jennings, LA

We have performed the procedures enumerated below, which were agreed to by the management of the Airport District No. 1 of Jefferson Davis Parish and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Airport District's compliance with certain laws, regulations and best practices during the year ending April 30, 2019.

Management of the Airport District No. 1, a component unit of the Jefferson Davis Police Jury, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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 that 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 – The District is not required and did not adopt a budget for the period covered by the accompanying financial statements. –

No findings.

- 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. –

No Findings.

- c) **Disbursements**, including processing, reviewing, and approving. –

No Findings.

- 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. –

No Findings.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked. –

Not Applicable, the Airport District does not have any employees.

- 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. –

No Findings.

- 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. –

Not Applicable, the Airport District does not have any credit cards.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers. –

No Findings.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. –

No Findings.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements. –

Not Applicable.

Board (or Finance Committee, if applicable)

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. -

The Board of Commissioner's met every month with a quorum. – No Findings.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit 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.* -

The Airport District is not required to prepare a budget, but the minutes did reflect that the Board of Commissioners reviewed financial statements each month prepared by a CPA firm. – No Findings.

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund. –

The prior year audit report was obtained and we observed that the Airport District had a positive unrestricted fund balance. – No Findings

Bank Reconciliations

3. Obtain a listing of client 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 selected each 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, electronically logged);

The Airport District has only one bank account. We obtained copies of all bank statements with a representation that the listing was complete. Selected one month and inspected the bank statement and reconciliation for evidence that it was prepared within two months of the related statement closing date and had been reviewed and initialed by a member of the Board of Commissioners. – No Findings.

- 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

The bank reconciliation showed evidence that it had been reviewed and initialed by a member of the Board of Commissioners. – No Findings.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The bank reconciliation did not reflect any reconciling items that were outstanding for more than twelve months from the statement closing date. – No Findings.

Collections

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).

Obtained the listing of cash collection locations and management's representation that listing is complete. All collections are made by contracted CPA firm. – No Findings.

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 that are responsible for cash collections do not share cash drawers/registers.

The Airport District does not have any employees. All collections are made by contracted CPA firm. – No Findings.

- 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.

The contracted CPA segregates, to the extent possible, the cash collection responsibilities from receiving, depositing and posting and has a formal process for reconciling cash collections to the general ledger by revenue source. – No Findings.

- 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.

The contracted CPA segregates, to the extent possible, the cash collection responsibilities from receiving, depositing and posting and has a formal process for reconciling cash collections to the general ledger by revenue source. – No Findings.

- 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 verifies the reconciliation.

The contracted CPA segregates, to the extent possible, the cash collection responsibilities from receiving, depositing and posting and has a formal process for reconciling cash collections to the general ledger by revenue source. – No Findings.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The Airport District does not have any employees. All collections are made by contracted CPA firm. The contracted CPA firm has professional liability insurance. – No Findings.

- 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.

No Findings.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No Findings.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No Findings.

- d) Observe that 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).

No Findings.

- e) Trace the actual deposit per the bank statement to the general ledger.

No Findings.

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

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).

Obtained the District's general ledger and reviewed it for entity disbursements. Management represented that disbursements are made by the contracted CPA from his business office location. - No Findings.

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.

All purchase requests must be made through the Commission Chairman and receive his approval before the purchase is made. The Chairman requires approval by the full board for purchases that he is not familiar with. All purchase requests that are approved are provided to the contracted CPA firm for ordering and payment. - No Findings.

- b) At least two employees are involved in processing and approving payments to vendors.

All payments are prepared by the contracted CPA firm. No payment are prepared without prior approval by the Chairman or the full Board of Directors. All checks are signed by a member of the board of commissioners and all checks are approved monthly by the entire board at their monthly board meeting. - No Findings.

- 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.

All of these functions are handled by contracted CPA firm. - No Findings.

- 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.

All of these functions are handled by contracted CPA firm. - No Findings.

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 that the disbursement matched the related original invoice/billing statement.

Obtained a copy of the Airport District's Detail General Ledger and the representation from management that the General Ledger contained the complete population of disbursements. Examined supporting documentation for each of the five disbursements selected. Observed that the disbursements matched the related original invoice/billing. - No Findings.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

All of these functions are handled by contracted CPA firm. - No Findings.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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.

Not Applicable – The District does not use any of the above cards.

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 that 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) was reviewed and approved, in writing, 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.]

Not Applicable – The District does not use any of the above cards.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Not Applicable – The District does not use any of the above cards.

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 that 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).

Not Applicable – The District does not use any of the above cards.

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, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

The District does allow travel and related expense reimbursements for members of the commission. The District's written policy states that all travel and expense reimbursements will follow the general state travel policy. Reviewed the disbursements recorded for the fiscal year and verified with management that there were no travel or related expense reimbursements during the fiscal year under review. – No Findings.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

The District does allow travel and related expense reimbursements for members of the commission. Reviewed the disbursements recorded for the fiscal year and verified with management that there were no travel or related expense reimbursements during the fiscal year under review. – No Findings.

- c) Observe that 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).

The District does allow travel and related expense reimbursements for members of the commission. Reviewed the disbursements recorded for the fiscal year and verified with management that there were no travel or related expense reimbursements during the fiscal year under review. – No Findings.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The District does allow travel and related expense reimbursements for members of the commission and requires review and approval by a non-participating board member. Reviewed the disbursements recorded for the fiscal year and verified with management that there were no travel or related expense reimbursements during the fiscal year under review. – No Findings.

Contracts

- 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 that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Obtained listing of all contracts in effect and management's representation that the listing was complete. Selected and observed if the contracts were bid in accordance with the Louisiana Public Bid Law, if required by law. - No Findings

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

All selected contracts were approved by the full commission. - No Findings

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

None of the contracts were amended. - No findings

- 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Obtained the supporting invoices for the selected contracts and agreed the payments made to the terms and conditions of the contracts. - No Findings

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

There were No Findings of noncompliance.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Not Applicable. The Airport District does not have any employees and the commissioners' serve without compensation.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Not Applicable with regard to employees. The Airport District does not have any employees. The Airport District provided documentation that all of the commissioners and the contracted CPA completed one hour of ethics training during the fiscal period. - No Findings

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Not Applicable with regard to employees. The Airport District does not have any employees. The Airport District provided documentation that all of the commissioners and the contracted CPA verified that they had read and signed the Airport District's ethics policy during the fiscal period. - No Findings

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Not Applicable – The Airport District does not have any outstanding debt.

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.

Not Applicable – The Airport District does not have any outstanding debt.

Other

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.

Management asserted that the Airport District did not have any misappropriations of public funds or assets during the current fiscal period. - No Findings

24. Observe that 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.

The Airport District does not have a website, but the required notices are properly posted at its premises.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Airport District No. 1 of Jefferson Davis Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broadhurst, Hamilton & Company

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Certified Public Accountants