

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

Jennings, Louisiana

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED APRIL 30, 2020

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

TABLE OF CONTENTS

<u>TITLE</u>	<u>STATEMENT OR SCHEDULE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT		1 - 2
<u>BASIC FINANCIAL STATEMENTS</u>		
<u>PROPRIETARY FUND - ENTERPRISE FUND</u>		
Statement of Net Position	A	4
Statement of Revenues, Expenses, and Changes in Net Position	B	5
Statement of Cash Flows	C	6
Notes to the Financial Statements		7 - 16
OTHER SUPPLEMENTAL INFORMATION		17
Schedule of Compensation, Benefits and Other Payments to Agency Head	1	18
INTERNAL CONTROL AND COMPLIANCE		19
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		20 - 21
Schedule of Findings and Responses	2	22
Schedule of Prior Year Findings and Questioned Costs	3	23

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CERTIFIED PUBLIC ACCOUNTANTS

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March 1, 2021

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, 2020, 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, 2020, 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, 2020, 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, 2020

ASSETS:

Current Assets:

Cash and cash equivalents	\$ 602,073
Investments	115,814
Accounts receivable, net of allowance for doubtful accounts	69,505
Due from governments	-
Prepaid insurance	<u>19,983</u>
Total Current Assets	<u>\$ 807,375</u>

Non-Current Assets:

Utility deposits	\$ 1,173
Capital assets - net of accumulated depreciation	<u>9,140,992</u>
Total Non-Current Assets	<u>\$ 9,142,165</u>

TOTAL ASSETS

\$ 9,949,540

LIABILITIES:

Current Liabilities:

Accounts payable	\$ 24,080
Prepaid revenue	15,760
Tenant deposits	<u>3,000</u>

TOTAL LIABILITIES

\$ 42,840

NET POSITION:

Net Investment in capital assets	\$ 9,140,992
Unrestricted	<u>765,708</u>

TOTAL NET POSITION

\$ 9,906,700

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, 2020

OPERATING REVENUES:

Property rental	\$ 568,537
Property rental (In-kind)	11,280
Gallonage rental	15,557
Grant income - operating expenses	8,067
Miscellaneous revenue	34
	34
Total Operating Revenues	<u>\$ 603,475</u>

OPERATING EXPENSES:

Advertising, Dues & Subscriptions:	
Dues & subscriptions	\$ 1,343
Advertising & printing	212
Utilities and Telephone:	
Utilities	18,206
Telephone	12,921
Cable/satellite	6,292
Materials, Supplies and Repairs:	
Repairs - airport	66,976
Repairs - equipment	5,427
Supplies	1,309
Other Operating Expenses:	
Airport contract management (includes in-kind of \$11,280)	113,280
Professional fees	31,750
Insurance	43,682
Miscellaneous	1,417
Depreciation expense	342,821
	342,821
Total Operating Expenses	<u>\$ 645,636</u>

OPERATING INCOME/(LOSS) \$ (42,161)

NON-OPERATING REVENUES/(EXPENSES):

Interest income	\$ 606
Gain/(loss) on asset disposal	-
	-
Total Non-Operating Revenues/(Expenses)	<u>\$ 606</u>

NET INCOME/(LOSS) BEFORE CONTRIBUTIONS \$ (41,555)

CAPITAL CONTRIBUTIONS 410,891

NET CHANGE IN NET POSITION \$ 369,336

NET POSITION - BEGINNING OF YEAR 9,537,364

NET POSITION - END OF YEAR \$ 9,906,700

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers and users	\$ 641,368
Payments to suppliers of goods and services	<u>(296,741)</u>

Net Cash Flows Provided by Operating Activities **\$ 344,627**

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

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

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Acquisition and construction of capital assets	\$ (455,715)
Proceeds from the sale of capital assets	-
Contributed capital received – capital grants	<u>410,891</u>

Net Cash Flows Used by Capital and Related Financing Activities **\$ (44,824)**

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	\$ (606)
Interest on investments	606
Proceeds from redemption of investments	<u>-</u>

Net Cash Flows Used by Investing Activities **\$ -**

NET INCREASE IN CASH AND CASH EQUIVALENTS **\$ 299,803**

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR **302,270**

CASH AND CASH EQUIVALENTS, END OF YEAR **\$ 602,073**

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

Operating income/(loss)	\$ (42,160)
Adjustments to reconcile income/(loss) from operations to net cash provided by operating activities:	
Depreciation expense	342,821
(Increase)/Decrease in accounts receivable	(27,817)
(Increase)/Decrease in grants receivable	(69,521)
(Increase)/Decrease in prepaid insurance	(5,537)
Increase/(Decrease) in prepaid revenue	(3,810)
Increase/(Decrease) in accounts payable	11,610
Increase/(Decrease) in tenant deposits	<u>-</u>

Net Cash Flows Provided by Operating Activities **\$ 205,586**

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

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

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 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.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

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 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, 2020.

K. Compensated Absences

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

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTE 2: CASH AND CASH EQUIVALENTS

As of April 30, 2020, the District had cash and cash equivalents totaling \$602,073 as follows:

Demand deposits	\$ 602,073
Interest bearing demand deposits	<u> -</u>
Total Book Balances	<u><u>\$ 602,073</u></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 time equal the amount of deposit with the fiscal agent.

Bank Balance as shown by Bank	<u><u>\$ 608,489</u></u>
Insured (FDIC)	\$ -
Uninsured, Uncollateralized:	
Pledged securities held by pledging Bank's agent in Bank's name	<u>1,400,000</u>
Total Bank Balances Secured	<u><u>\$ 1,400,000</u></u>

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, 2020, 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.

NOTES TO THE FINANCIAL STATEMENTS

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, 2020, all the District's investments are categorized as **Category 1** Investments and mature as follows:

Time Certificates of Deposit

Maturity Date

0 - 90 days	\$	-
91 - 180 days		-
181 - 365 days		115,814
366 - 730 days		-
		-
Total Time Certificates of Deposit	\$	115,814

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)	\$	69,505
Less: Allowance for doubtful accounts		-
		-
Net Accounts Receivable	\$	69,505

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, 2020. The amount due is from the following governmental entities:

United States of America/Federal Aviation Administration	\$	-
State of Louisiana/Dept of Transportation and Development		-
		-
Total Due from other Government Entities	\$	-

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6: CAPITAL CONTRIBUTIONS FROM GOVERNMENT ENTITIES

During the year ended April 30, 2020, the District received capital contributions from the following governmental entities:

United States of America/Federal Aviation Administration	\$	-
State of Louisiana/Dept of Transportation and Development		<u>410,891</u>
Total Capital Contributions from Government Entities	\$	<u><u>410,891</u></u>

NOTE 7: CAPITAL ASSETS

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

	<u>Balance</u> <u>04/30/2019</u>	<u>Adjustments/</u> <u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>04/30/2020</u>
Runway and Improvements	\$ 8,943,152	\$ -	\$ -	\$ 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>13,245</u>	<u>-</u>	<u>591,535</u>
Total Depreciable Assets	<u>\$ 13,670,742</u>	<u>\$ 13,245</u>	<u>\$ -</u>	\$ 13,683,987
Less Accumulated Depreciation				<u>(6,484,290)</u>
Net Depreciable Assets				\$ 7,199,697
Construction in Progress	\$ 466,936	\$ 442,470	\$ -	909,406
Land	<u>1,031,889</u>	<u>-</u>	<u>-</u>	<u>1,031,889</u>
Net Property Plant & Equipment				<u><u>\$ 9,140,992</u></u>

NOTE 8: COMMITMENTS

As of April 30, 2020, the District had eight construction contract projects in progress totaling \$909,406.

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, 2020, 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 noncancelable 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, 2020, future minimum rentals of non-cancelable operating leases of such property in aggregate are as follows:

<u>Fiscal Year</u>	
2021	\$ 375,918
2022	197,601
2023	139,961
2024	51,188
2025 and thereafter	<u>11,520</u>
Total	<u>\$ 776,188</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

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, 2020.

Three members of the Board of Commissioners lease airplane hangers from the District at fair market value. These leases provided \$5,760 in revenues to the District during the fiscal year ending April 30, 2020. 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	\$ 8,093,532
Additions:		
Federal Aviation Administration	-	-
Dept of Transportation and Development	-	-
	-	-
Balance, End of Year	\$ 751,325	\$ 8,093,532

NOTE 17: SUBSEQUENT EVENTS

As of April 30, 2020, the District had eight construction projects in progress.

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency and on March 22, 2020, Louisiana Governor John Bel Edwards issued a stay-at-home order limiting person-to-person contact and closing many non-essential businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and its impact on the District. Therefore, the extent to which COVID-19 may impact the District's financial condition or results of operations cannot be reasonably estimated at this time.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18: NEW ACCOUNTING PRONOUNCEMENTS

The District did not implement any new accounting pronouncements during the year ending April 30, 2020.

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

Management has evaluated subsequent events for possible recognition or disclosure in the financial statements through March 1, 2021, 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, 2020**

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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March 1, 2021

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, 2020, 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 March 1, 2021.

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, 2020

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, 2020.

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, 2020.

**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, 2020.

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
AS OF AND FOR THE YEAR ENDED APRIL 30, 2020

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.