

AIRPORT DISTRICT NO. 1  
OF THE PARISH OF BEAUREGARD  
BEAUREGARD PARISH POLICE JURY  
STATE OF LOUISIANA

ANNUAL FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2013

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# John A. Windham, CPA

*A Professional Corporation*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

John A. Windham, CPA  
Charles, M. Reed, Jr., CPA

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Commissioners  
Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

### Report on the Financial Statements

I have audited the accompanying financial statements of the business-type activities and the major fund of Airport District No. 1 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, as of and for the year ended December 31, 2013, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of Airport District No. 1 of the Parish of Beauregard, State of Louisiana as of December 31, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### Required Supplementary Information

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 23, 2014, on my consideration of Airport District No. 1 of the Parish of Beauregard, State of Louisiana's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Airport District No. 1 of the Parish of Beauregard, State of Louisiana's internal control over financial reporting and compliance.



DeRidder, Louisiana  
June 23, 2014

## BASIC FINANCIAL STATEMENTS

Statement of Net Position  
December 31, 2013

	Business-Type Activities - Enterprise Fund
Assets	
Cash	\$ 118,296
Receivables:	
Grants	411,991
Inventory	30,088
Capital assets not being depreciated	989,730
Capital assets being depreciated - net	<u>5,038,604</u>
 Total assets	 <u>\$ 6,588,709</u>
Liabilities	
Accounts payable	\$ 4,778
Contracts payable	405,873
Security deposit	28,080
Total liabilities	<u>\$ 438,731</u>
Net Position	
Net investment in capital assets	\$ 6,028,334
Unrestricted	121,644
Total net position	<u>\$ 6,149,978</u>
 Total liabilities and net position	 <u>\$ 6,588,709</u>

The accompanying notes are an integral part of this statement.

Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Statement B

Statement of Activities  
For the Year Ended December 31, 2013

	Expenses	Charges for Services	Program Revenues	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position Business-Type Activities
Program Activities	Operating Grants and Contributions	Operating Grants and Contributions	Operating Grants and Contributions	Capital Grants and Contributions	Business-Type Activities
Business-type activities:					
Airport	\$ 695,478	\$ 411,144	\$ 9,284	\$ 675,308	\$ 400,258
General revenues:					
Investment earnings				107	107
Gain on sale of assets				1,633	1,633
Total general revenues				1,740	1,740
Change in net position				401,998	401,998
Net position at beginning of year				5,747,980	5,747,980
Net position at end of year				6,149,978	6,149,978

The accompanying notes are an integral part of the statement.

Statement of Net Position  
Proprietary Fund  
December 31, 2013

	<u>Business-Type Activities - Enterprise Fund</u>
Assets	
Current Assets	
Cash	\$ 118,296
Receivables:	
Grants	411,991
Inventory	30,088
Total current assets	<u>\$ 560,375</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 989,730
Capital assets being depreciated - net	5,038,604
Total noncurrent assets	<u>\$ 6,028,334</u>
Total assets	<u><u>\$ 6,588,709</u></u>
Liabilities	
Current Liabilities	
Accounts payable	\$ 4,778
Contracts payable	405,873
Security deposit	28,080
Total current liabilities	<u>\$ 438,731</u>
Net Position	
Net investment in capital assets	\$ 6,028,334
Unrestricted	121,644
Total net position	<u>\$ 6,149,978</u>
Total liabilities and net position	<u><u>\$ 6,588,709</u></u>

The accompanying notes are an integral part of this statement.



Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2013

	<u>Business-Type Activities - Enterprise Fund</u>
Operating revenues:	
Charges for services	
Fuel sales	\$ 168,630
Water sales	3,818
Timber sales	97,688
Rentals and leases	139,670
Miscellaneous	1,338
Total operating revenues	<u>\$ 411,144</u>
Operating expenses:	
Personal services	\$ 180,961
Supplies and materials	19,760
Fuel	131,671
Contractual services	93,863
Utilities	26,384
Travel	4,204
Depreciation	238,635
Total operating expenses	<u>\$ 695,478</u>
Income (loss) from operations	<u>\$ (284,334)</u>
Nonoperating revenues (expenses)	
Investment income	\$ 107
Gain on asset disposal	1,633
Total nonoperating revenues (expenses)	<u>\$ 1,740</u>
Loss before capital contributions	\$ (282,594)
Capital contributions	<u>684,592</u>
Change in net position	\$ 401,998
Net position at beginning of year	<u>5,747,980</u>
Net position at end of year	<u><u>\$ 6,149,978</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2013

	Business-Type Activities - Enterprise Fund
Cash flows from operating activities:	
Cash received from customers	\$ 411,144
Cash payments to suppliers for goods and services	(278,399)
Cash payments to employees for services	(185,672)
Net cash used by operating activities	\$ (52,927)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	\$ (299,382)
Contributed capital received	303,927
Proceeds from asset disposal	1,633
Net cash used for capital and related financing activities	\$ 6,178
Cash flow from investing activities:	
Interest on cash and investments	\$ 107
Net cash used by investing activities	\$ 107
Net increase (decrease) in cash and cash investments	\$ (46,642)
Cash and cash investments, beginning	164,938
Cash and cash investments, ending	\$ 118,296

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2013

	<u>Business-Type Activities - Enterprise Funds</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:	
Income (loss) from operations	<u>\$ (284,334)</u>
Adjustments to reconcile income (loss) from operations to net cash used by operating activities:	
Depreciation	\$ 238,635
Change in assets and liabilities:	
Increase in inventory	(656)
Decrease in accounts payable	(1,861)
Decrease in salaries payable	<u>(4,711)</u>
Net cash used by operating activities	<u>\$ (52,927)</u>
	(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2013

## INTRODUCTION

Airport District No. 1 of the Parish of Beauregard was created by the Beauregard Parish Police Jury through the adoption of Resolution 58-88 dated December 13, 1988, by virtue of the authority conferred by Sub-Part A, Part IV, Chapter 2, Title 2 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. The Airport District provides for the general maintenance, upkeep, and construction of property, plant and equipment of the Beauregard Regional Airport, DeRidder, Louisiana. The governing authority of the Airport District is a Board of Commissioners consisting of ten members selected by the Beauregard Parish Police Jury to serve a period of two years. The commissioners of the district receive no compensation for their services. The airport employees consist of five individuals that handle all maintenance and clerical work. The Airport District's boundaries include approximately four thousand acres located within the Parish of Beauregard, State of Louisiana.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Airport District No. 1 of the Parish of Beauregard is considered a component unit of the Beauregard Parish Police Jury. As a component unit, the accompanying financial statements are included within the reporting of the primary government, either blended into those financial statements or separately reported as discrete component units.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Airport District No. 1 of the Parish of Beauregard. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Airport District No. 1 of the Parish of Beauregard reports the following proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) 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.

Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Notes to the Financial Statements (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing fuel, water, rentals, leases, and timber sales comprise the operating revenue of the District's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**C. Cash and Cash Equivalents**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Airport District No. 1 of the Parish of Beauregard's investment policy allow the entity to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**D. Inventories**

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased.

**E. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The district maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest expense during the current fiscal year.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	40-50 years
Improvements other than buildings	10-40 years
Machinery and equipment	5-20 years

Notes to the Financial Statements (Continued)

**F. Absences**

The district has the following policy relating to sick leave and annual leave:

**Sick Leave**

All permanent, full-time employees are eligible to receive five days sick leave per year. There can be no sick leave carried over from one year to the next. Upon termination of employment the employee will not be paid for unused sick leave.

**Annual Leave**

Permanent, full-time employees may earn annual leave. All annual leave must be scheduled no later than January 31<sup>st</sup> each year and approved in advance.

Annual leave will accrue as follows:

<u>Required Length of Employment</u>	<u>Annual Leave Authorized</u>
One year	One week / 5 days
Two – Four years	Two weeks / 10 days
Five – Ten years	Three weeks / 15 days
Eleven years & above	Four weeks / 20 days

Employees may accumulate and carry over a maximum of two weeks /10 days from one year to the next. Any annual leave above the two weeks maximum must be taken prior to December 31<sup>st</sup> of each calendar year or be lost.

Any accumulated annual leave as of December 31<sup>st</sup> would be immaterial to the financial statements and has not been recorded.

**G. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Airport District No.1 of the Parish of Beauregard has no long-term obligations as of December 31, 2013.

**H. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the district, which are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items to report as of December 31, 2013.

**I. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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. Actual results could differ from those estimates.

Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Notes to the Financial Statements (Continued)

**2. CASH AND CASH EQUIVALENTS**

At December 31, 2013, the District has cash (book balances) totaling \$118,296 as follows:

Money market interest bearing demand deposits	117,996
Petty cash	300
Total	118,296

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2013, the District has \$118,296 in deposits (collected bank balances). These deposits are secured from risk by \$118,296 of federal deposit insurance. State statutes relating to cash and cash equivalents are located at Note 1C.

**3. RECEIVABLES**

The receivables of \$411,991 at December 31, 2013, are as follows:

<u>Class of receivable</u>	<u>Amount</u>
Grants	<u>\$ 411,991</u>



Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Notes to the Financial Statements (Continued)

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2013, for the primary government is as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 305,267	\$ -	\$ -	\$ 305,267
Construction in progress	80,812	625,779	2,128	704,463
Total capital assets not being depreciated	<u>386,079</u>	<u>625,779</u>	<u>2,128</u>	<u>1,009,730</u>
Capital assets being depreciated				
Buildings	746,053	-	-	746,053
Improvements other than buildings	8,102,901	46,354	-	8,149,255
Machinery and equipment	600,364	11,047	7,799	603,612
Total capital assets being depreciated	<u>9,449,318</u>	<u>57,401</u>	<u>7,799</u>	<u>9,498,920</u>
Less accumulated depreciation for:				
Buildings	393,325	18,652	-	411,977
Improvements other than buildings	3,400,665	207,401	-	3,608,066
Machinery and equipment	435,490	12,582	7,799	440,273
Total accumulated depreciation	<u>4,229,480</u>	<u>238,635</u>	<u>7,799</u>	<u>4,460,316</u>
Total business-type assets being depreciated, net	<u>\$ 5,219,838</u>	<u>\$ (181,234)</u>	<u>\$ -</u>	<u>\$ 5,038,604</u>

**5. CONSTRUCTION COMMITMENTS**

Airport District No. 1 of the Parish of Beauregard has active construction projects as of December 31, 2013. The Airport District had the following construction projects. The Rehabilitation Lighting Vault Project which provides additional lighting for pilots, the two airport runway projects are to improve the runway strips, the Environmental Wetlands Acquisition Project is to secure property in a wetlands area and the Wind Cone Project provides for an updated wind cone by the runway. At year end the commitments with contractors were as follows:

Project	Spent to date	Remaining Commitment
Rehabilitate Lighting Vault	\$ 5,346	\$ 59,654
Rehabilitate Runway 18-36	214,396	1,316,822
Rehabilitate Runway 14-32	453,371	121,629
Environmental Wetland Acquisition	6,896	138,703
Wind Cone Installation	4,502	20,498

**6. ACCOUNTS AND OTHER PAYABLES**

The payables of \$410,651 at December 31, 2013, are as follows:

Accounts	\$ 4,778
Contracts	405,873
Total	<u>\$ 410,651</u>

Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

Notes to the Financial Statements (Concluded)

**7. PENSION PLAN**

Substantially all employees of Airport District No. 1 of the Parish of Beauregard are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. The employees of the airport district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, PO Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 16.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contributions to the System under Plan A for the years ending December 31, 2013, 2012 and 2011, were \$20,256, 19,334, and \$17,294, respectively, equal to the required contributions for each year.

## OTHER REPORTS

Schedule of Prior Year Audit Findings  
Year Ended December 31, 2013

Findings - Financial Statement Audit

There were no prior year audit findings reported as of December 31, 2012.

Schedule of Current Year Audit Findings and Management's Response  
Year Ended December 31, 2013

Financial Statement Audit Findings

Audit Finding No. 2013-1

Bank account not reconciled on a monthly basis

Condition:	The airport district's bank account was not being reconciled on a monthly basis. As of the beginning of field work in May 2014 the bank account had not been reconciled since September 2013.
Criteria:	The bank account should be reconciled and reviewed by a responsible official on a monthly basis.
Cause of Condition:	The individual that reconciles the bank statement stated that a computer crash at the Beauregard Parish Police Jury Office where the account is reconciled caused a delay in reconciling the bank account.
Effect of Condition:	Management did not know the balance in the bank account for over eight months. This can lead to inaccurate financial reporting to the board. When the bank account was reconciled the cash account on the financial statements that were presented to the auditor for audit had a difference of over three thousand dollars.
Recommendation:	I recommend that the bank account be reconciled on a monthly basis and that the airport manager be given a copy to review. Also the bank reconciliation should be compared to the cash account on the monthly financial statements for accuracy.

Schedule of Current Year Audit Findings and Management's Response  
Year Ended December 31, 2013

Financial Statement Audit Findings

Audit Finding No. 2013-2

Documents not furnished to auditor in a timely fashion

Condition:	Bank reconciliations, annual salary and benefits summary and accounts payable documentation was not timely furnished to the auditor when requested. The information was requested at the beginning of field work on approximately May 8, 2014 and several times thereafter. The correct bank reconciliation, salary and benefits summary and accounts payable documentation were given to the auditor on June 20, 2014 leaving only ten days for the auditor to complete the field work and prepare the audit report by the statutory deadline of June 30, 2014.
Criteria:	According to the Louisiana Governmental Audit Guide the district should provide documents requested by the auditor for the audit in a timely manner in order to have the audit completed and submitted to the Louisiana Legislative Auditor by the statutory due date.
Cause of Condition:	When requested the bank account had not been reconciled for the last three months of the year under audit and had to be completed before being furnished to the auditor. The other documentation requested by the auditor was not presented for audit until the bank account had been reconciled.
Effect of Condition:	The audit report was held up for presentation to the board of directors for over a month. Also the auditor was placed in jeopardy of not completing the field work and having the audit report written and submitted to the Louisiana Legislative Auditor by the statutory due date.
Recommendation:	I recommend that audit documentation be presented to the auditor within a timely manner after being requested. Audit documentation should be kept accurate and up to date at all times during the year to facilitate a smooth annual audit and the completion of the audit report for presentation to the board in a timely fashion and submission to the Louisiana Legislative Auditor by the statutory due date for the report.

Beauregard Regional Airport

1220 1st Avenue, DeRidder, LA 70634

(337) 463-8250 FAX (337) 463-5826

manager@beauregional.com

Schedule 2

6/25/14

Louisiana Legislative Auditor  
Daryl G. Purpera, CPA, CFE  
1600 North Third Street  
Baton Rouge, LA 70804

Re: Current Year Audit Findings  
Year Ended December 31, 2013

Dear Mr. Purpera,

Please accept this letter acknowledging the Audit Findings described herein and the district's plan to correct them.

Audit Finding No. 2013-1

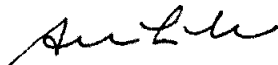
The district is in agreement with the auditor's recommendation. The district will request a copy of the bank account reconciliation to be included with the general ledger and revenue & expense reports currently being provided each month for comparison.

Audit Finding No. 2013-2

The district is in agreement with the auditor's recommendation. The district will inform the Police Jury in writing of its intent to comply with the audit requirements and the timeliness thereof. The district will also verify that these items are being completed consistently during the year.

The Beauregard Parish Airport District 1 will reveal these findings to the Beauregard Parish Police Jury and insist that these discrepancies are corrected.

Sincerely,



Sam Lack  
Manager  
Beauregard Regional Airport

# John A. Windham, CPA

*A Professional Corporation*

1620 North Pine Street  
DeRidder, LA 70634  
Tel: (337) 462-3211  
Fax: (337) 462-0640

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

Members of the Board of Commissioners  
Airport District No. 1 of the Parish of Beauregard  
State of Louisiana

I 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 business-type activities and the major fund of Airport District No. 1 of the Parish of Beauregard, State of Louisiana, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Airport District No. 1 of the Parish of Beauregard, State of Louisiana's basic financial statements, and have issued my report thereon dated June 23, 2014.

## **Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Airport District No. 1 of the Parish of Beauregard, State of Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Airport District No. 1 of the Parish of Beauregard, State of Louisiana's internal control. Accordingly, I do not express an opinion on the effectiveness of Airport District No. 1 of the Parish of Beauregard, State of Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of current year audit findings and management's response, that I considered to be significant deficiencies. Audit Finding No. 2013-1



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Airport District No. 1 of the Parish of Beauregard, State of Louisiana’s financial statements are free from material misstatement, I 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 my audit and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Airport District No. 1 of the Parish of Beauregard, State of Louisiana’s Response to Findings**

Airport District No. 1 of the Parish of Beauregard, State of Louisiana’s response to the findings identified in my audit is described in the accompanying schedule of current year audit findings and management’s response. Airport District No. 1 of the Parish of Beauregard, State of Louisiana’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DeRidder, Louisiana  
June 23, 2014