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

**COMPONENT UNIT FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED APRIL 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/7/07

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

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October 12, 2007

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, as of and for the year ended April 30, 2007, and the supplementary schedules, as listed in the table of contents. These financial statements and schedules are the responsibility of the Airport District No. 1 of Jefferson Davis Parish's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish as of April 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2007, 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* and should be considered in assessing the results of our audit.

The Airport District No. 1 of Jefferson Davis Parish has not presented management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

*Broadhurst, Hamilton & Company*

**BROADHURST, HAMILTON & COMPANY**  
Certified Public Accountants

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF NET ASSETS  
AS OF APRIL 30, 2007

**ASSETS**

Current Assets:

|  |              |
|--|--------------|
| Cash and cash equivalents                                      | \$ 329,016   |
| Accounts receivable, net of allowance for doubtful accountants | 3,492        |
| Prepaid insurance  | <u>5,816</u> |

Total Current Assets \$ 338,324

Non-Current Assets:

|  |                  |
|--|------------------|
| Utility deposits                                 | \$ 73            |
| Capital assets - net of accumulated depreciation | <u>5,406,354</u> |

Total Non-Current Assets \$ 5,406,427

**TOTAL ASSETS** \$ 5,744,751

**LIABILITIES**

Current Liabilities:

|                  |               |
|------------------|---------------|
| Accounts payable | \$ 1,746      |
| Prepaid revenue  | <u>11,689</u> |

**TOTAL LIABILITIES** \$ 13,435

**NET ASSETS**

|                                    |              |
|------------------------------------|--------------|
| Net book value of capital assets   | \$ 5,406,354 |
| Less: Current and non-current debt | <u>-</u>     |

|   |                |
|---|----------------|
| Invested in capital assets, Net of related debt | \$ 5,406,354   |
| Unrestricted fund balance                       | <u>324,962</u> |

**TOTAL NET ASSETS** \$ 5,731,316

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED APRIL 30, 2007

**OPERATING REVENUES:**

|                                 |                          |
|---------------------------------|--------------------------|
| Property rental                 | \$ 343,910               |
| Property rental (In-kind)       | 20,940                   |
| Gallonage rental                | 19,482                   |
| Grant income                    | 19,476                   |
| Miscellaneous revenue           | <u>31,652</u>            |
| <b>Total Operating Revenues</b> | <b>\$ <u>435,460</u></b> |

**OPERATING EXPENSES:**

|  |                          |
|--|--------------------------|
| Advertising, Dues & Subscriptions:                       |                          |
| Dues & subscriptions                                     | \$ 2,113                 |
| Advertising & printing                                   | 1,508                    |
| Utilities and Telephone:                                 |                          |
| Utilities  | 8,430                    |
| Telephone  | 3,577                    |
| Materials, Supplies and Repairs:                         |                          |
| Repairs - Airport  | 16,964                   |
| Supplies   | 842                      |
| Other Operating Expenses:                                |                          |
| Airport contract management (includes in-kind \$20, 940) | 122,940                  |
| Professional fees  | 16,770                   |
| Insurance  | 9,107                    |
| Depreciation expense                                     | <u>197,582</u>           |
| <b>Total Operating Expenses</b>                          | <b>\$ <u>379,833</u></b> |

**OPERATING INCOME/(LOSS)**

**\$ 55,627**

**NON-OPERATING REVENUES/(EXPENSES):**

|  |             |
|--|-------------|
| Interest Income/Expense                        | \$ -        |
| <b>Total Non-Operating Revenues/(Expenses)</b> | <b>\$ -</b> |

**INCOME/(LOSS) BEFORE CONTRIBUTIONS**

**\$ 55,627**

**CAPITAL CONTRIBUTIONS**

**-**

**NET INCREASE IN NET ASSETS**

**\$ 55,627**

**NET ASSETS - BEGINNING OF YEAR**

**5,675,689**

**NET ASSETS - END OF YEAR**

**\$ 5,731,316**

The accompanying notes are an integral part of this statement.

**PROPRIETARY FUND - ENTERPRISE FUND**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED APRIL 30, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|  |                          |
|--|--------------------------|
| Receipts from customers and users                | \$ 389,919               |
| Payments to suppliers of goods and services      | (184,545)                |
| Other receipts                                   | <u>19,476</u>            |
| <b>Net Cash Provided by Operating Activities</b> | <b><u>\$ 224,850</u></b> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

|   |                            |
|---|----------------------------|
| Acquisition and construction of capital assets                              | \$ (192,957)               |
| Contributed capital-capital grants  | <u>-</u>                   |
| <b>Net Cash Provided/(Used) by Capital and Related Financing Activities</b> | <b><u>\$ (192,957)</u></b> |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|   |                    |
|---|--------------------|
| Proceeds from redemption of investments                 | \$ -               |
| Interest on investments                                 | <u>-</u>           |
| <b>Net Cash Provided/(Used) by Investing Activities</b> | <b><u>\$ -</u></b> |

**NET INCREASE IN CASH AND CASH EQUIVALENTS** \$ **31,893**

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 297,123

**CASH AND CASH EQUIVALENTS, END OF YEAR** **\$ 329,016**

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

|  |                          |
|--|--------------------------|
| Operating income                                   | \$ 55,627                |
| Depreciation expense                               | 197,582                  |
| (Increase)/Decrease in accounts receivable         | (164)                    |
| (Increase)/Decrease in prepaid insurance           | (2,313)                  |
| Increase/(Decrease) in accounts payable            | 20                       |
| Increase/(Decrease) in prepaid revenue             | 5,751                    |
| Increase/(Decrease) in deferred insurance proceeds | <u>(31,653)</u>          |
| <b>Net Cash Provided by Operating Activities</b>   | <b><u>\$ 224,850</u></b> |

The accompanying notes are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

## NOTES TO FINANCIAL STATEMENTS

### 1. Organization and Significant Accounting Policies

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.

#### Basis of Presentation:

The District has adopted the provisions of GASB Statement No. 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of activities, and a statement of cash flows. It requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The District has no debt attributable to its capital assets.
- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The District has not restricted net assets.
- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### Reporting Entity:

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Police Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. 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.

(Continued)

**NOTES TO FINANCIAL STATEMENTS**

- (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.

Because the police jury appoints a voting majority of the board and has the ability to impose its will on the organization, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. 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 government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**Fund Accounting**

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and 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 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.

**Budgetary Practices**

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

**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.

**Prepaid Expense**

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

**Fixed Assets**

All fixed 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.

Fixed 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  |

(Continued)

NOTES TO FINANCIAL STATEMENTS

**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.

**Reserves**

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

**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.

**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 finance 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 fiscal year ending in 2007.

**Compensated Absences**

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

**2. Cash and Cash Equivalents**

As of April 30, 2007, the District has cash and cash equivalents (book balance) totaling \$329,016 as follows:

|                                  |                   |
|----------------------------------|-------------------|
| Demand deposits                  | \$ 329,016        |
| Interest bearing demand deposits | <u>-</u>          |
| Total book balances              | <u>\$ 329,016</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 | <u>\$ 331,658</u> |
|--------------|-------------------|

(Continued)

**NOTES TO FINANCIAL STATEMENTS**

|  |           |                |
|--|-----------|----------------|
| Insured (FDIC)   | \$        | 104,660        |
| Uninsured, Uncollateralized:                                       |           |                |
| Pledged securities held by pledging<br>Bank's agent in Bank's name |           | 226,998        |
| <b>Total bank balances</b>   | <b>\$</b> | <b>331,658</b> |

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.

**3. Investments**

The District invests only in certificates of deposit. 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 Commission.

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, 2007, the District had no investments.

**4. Accounts Receivable**

The following is a summary of receivables at year end:

|                                       |           |              |
|---------------------------------------|-----------|--------------|
| Customer property rentals             | \$        | 4,017        |
| Due from other governments            |           | -            |
| <b>Gross Receivables</b>              | <b>\$</b> | <b>4,017</b> |
| Less: Allowance for doubtful accounts |           | (525)        |
| <b>Net accounts receivable</b>        | <b>\$</b> | <b>3,492</b> |

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.

(Continued)

**NOTES TO THE FINANCIAL STATEMENTS**

**5. Fixed Assets**

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

|   | <u>Balance</u><br><u>05/01/2006</u> | <u>Adjustments/</u><br><u>Additions</u> | <u>Retirements</u>   | <u>Balance</u><br><u>04/30/2007</u> |
|---|-------------------------------------|---|----------------------|-------------------------------------|
| Runway and Improvements                   | \$ 4,688,414                        | \$ -                                    | \$ -                 | \$ 4,688,414                        |
| Buildings and Hangers                     | 2,137,028                           | -                                       | 15,094               | 2,121,934                           |
| Other Improvements                        | 223,974                             | 13,414                                  | 11,700               | 225,688                             |
| Furniture & Equipment                     | <u>89,662</u>                       | <u>24,796</u>                           | <u>-</u>             | <u>114,458</u>                      |
| <b>Total Depreciable Assets</b>           | <b><u>\$ 7,139,078</u></b>          | <b><u>\$ 38,210</u></b>                 | <b><u>26,794</u></b> | <b><u>\$ 7,150,494</u></b>          |
| <b>Less Accumulated Depreciation</b>      |                                     |   |                      | <b><u>(2,892,436)</u></b>           |
| <b>Net Depreciable Assets</b>             |                                     |   |                      | <b><u>\$ 4,258,058</u></b>          |
| <b>Construction in Progress</b>           | <b>\$ -</b>                         | <b>\$ 154,747</b>                       | <b>\$ -</b>          | <b>154,747</b>                      |
| <b>Land</b>                               | <b><u>993,549</u></b>               | <b><u>-</u></b>                         | <b><u>-</u></b>      | <b><u>993,549</u></b>               |
| <b>Net Property Plant &amp; Equipment</b> |                                     |   |                      | <b><u>\$ 5,406,354</u></b>          |

**6. Commitments**

As of April 30, 2007, the District had one construction contract project in progress totaling \$154,747 for rehabilitation of Runway 13-31. Remaining construction contract commitments for this project was \$275,365 as of April 30, 2007.

**7. 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 7, 2006, commercial insurance coverage of property damage carried by Allstate Insurance Company had been cancelled. The District was able to secure coverage with Louisiana Citizens Insurance. The policy period is from August 15, 2006 to August 15, 2007. The District is no longer at risk. As of April 30, 2007, the District also 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.

**8. Litigation 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.

The District is involved in a matter concerning previously leased property in which the DEQ has not approved the environmental site report. The responsible party has been notified and in the opinion of legal council, the issue will be resolved and the District will have no exposure.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

9. 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.

10. Non-Cancelable Operating Leases

The District had numerous real estate properties leased to various commercial enterprises. As of April 30, 2007 these properties are reported in the accompanying financial statements at a cost of \$1,822,630 with associated accumulated depreciation of \$663,274.

As of April 30, 2007 future minimum rentals of non-cancelable operating leases of such property in aggregate are as follows:

|              |                   |
|--------------|-------------------|
| Fiscal Year  |                   |
| 2008         | \$ 44,110         |
| 2009         | 21,664            |
| 2010         | 21,664            |
| 2011 to 2016 | <u>12,032</u>     |
| Total        | <u>\$ 171,787</u> |

11. Economic Dependence

The District has two commercial customers that each account for more than 10% individually of total operating revenues.

12. 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. 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 \$20,940, has been recorded in the accompanying financial statements as operating revenue and as an expense for the year ending April 30, 2007.

Two members of the Board of Commissioners leases an airplane hanger from the District at fair market value. These two leases provided \$1,495 in revenues to the District during the fiscal year ending April 30, 2007.

13. Leases and Commitments

On February 1, 2005, the District entered into a lease operating agreement with Riceland Aviation, Inc. The term of the lease is for five years expiring on January 31, 2010. Under the 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.

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

14. Changes in Contributed Capital

The following is a summary of changes in contributed capital:

|  | <u>Donated<br/>Assets</u>   | <u>Capital<br/>Grants</u>   |
|--|-----------------------------|-----------------------------|
| Balance, Beginning of Year             | \$ 751,325                  | \$ 4,208,107                |
| Additions:                             |                             |                             |
| Federal Aviation Administration        | -                           | -                           |
| Dept of Transportation and Development | -                           | -                           |
|  | <u>                    </u> | <u>                    </u> |
| Balance, End of Year                   | <u>\$ 751,325</u>           | <u>\$ 4,208,107</u>         |

15. Subsequent Events

As of April 30, 2007, the District had one construction contract project in progress. The project is expected to be completed by November, 2007. The project is 100% funded by the U. S. Department of Transportation - Federal Aviation Administration.

(Concluded)

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

**BROADHURST, HAMILTON & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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October 12, 2007

**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 the financial statements of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, as of and for the year ended April 30, 2007, and have issued our report thereon dated October 12, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Airport District No. 1 of Jefferson Davis Parish's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Airport District No. 1 of Jefferson Davis Parish's financial statements that is more than inconsequential will not be prevented or detected by the Airport District No. 1 of Jefferson Davis Parish's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Airport District No. 1 of Jefferson Davis Parish's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 of 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**.

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies, and the Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

*Broadhurst, Hamilton & Company*

**BROADHURST, HAMILTON & COMPANY**  
Certified Public Accountants

**SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS**  
**AS OF APRIL 30, 2007**

| <u>Ref No.</u> | <u>Fiscal<br/>Year<br/>Finding<br/>Initially<br/>Occurred</u> | <u>Description of Finding</u> | <u>Corrective<br/>Action Taken<br/>(Yes, No,<br/>Partially)</u> | <u>Planned<br/>Corrective<br/>Action/Partial<br/>Corrective<br/>Action Taken</u> |
|----------------|---|-------------------------------|---|--|
|----------------|---|-------------------------------|---|--|

No Prior Audit Findings

**SUMMARY OF SCHEDULE OF CURRENT AUDIT FINDINGS**  
**AS OF APRIL 30, 2007**

| <u>Ref No.</u>      | <u>Fiscal<br/>Year<br/>Finding<br/>Initially<br/>Occurred</u> | <u>Description of Finding</u> | <u>Corrective<br/>Action Taken<br/>(Yes, No,<br/>Partially)</u> | <u>Planned<br/>Corrective<br/>Action/Partial<br/>Corrective<br/>Action Taken</u> |
|---------------------|---|-------------------------------|---|--|
| No Current Findings |   |                               |   |  |