



**Darnall, Sikes,  
Gardes & Frederick.**

(A Corporation of Certified Public Accountants)

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Release Date 1/5/11

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Mr. Don Menard and  
Members of the Council  
St. Landry Parish Government  
Opelousas, Louisiana

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Re: St. Landry Parish Airport Authority

Dear Don:

We have performed the procedures enumerated below, which the St. Landry Parish Government has specified to provide reasonable assurance that the St. Landry Parish Airport Authority is in compliance with certain laws and regulations required by Louisiana Revised Statutes for the six month reporting period ended June 30, 2010. This agreed-upon engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

**INQUIRES RELATING TO THE ST. LANDRY PARISH AIRPORT AUTHORITY**

The following questions were presented to management and their responses are noted as follows:

- Are contracts required for hangar and land leases?

Response: Yes, contracts are to be signed for hangar space and land leases.

Results: Based on our procedures, we identified twelve individuals or businesses with land leases at the airport and twenty-six leases for hangar space. Two of the land leases should have been issued as a lease for hangar space. Three of the twelve land tenants did not have a lease on file and four tenants had leases that were expired as of June 30, 2010. Of the twenty-six leases for hangar space, four did not have a lease on file.

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Upon further inquiry, it was noted that in December of 2007, one of the airport hangar buildings was donated to the St. Landry Parish Airport Authority with an assessed value of \$47,900. The building was subsequently sold for \$1,500 by the Airport Authority without complying with Louisiana Surplus Property Provisions.

We also noted that the Airport Authority has a hanger that incurred storm damage in 2003. The Airport Authority entered into an agreement with a tenant to repair the hanger for credit of \$8,535 towards his rent. As of June 30, 2010, it does not appear that these upgrades have been completed.

- Is telephone and computer usage monitored?

Response: There are no controls in place over the airport's telephone and internet usage. There have been complaints of individuals abusing both long distance calling and internet access.

- Are personnel reimbursed for expenditures substantiated?

Response: Employees are required to submit invoices and an odometer reading to support reimbursements.

Results: We noted employees are not required to obtain approval for expenditures and mileage reimbursement. A trip log is not required. During the period examined, an employee only reported his vehicle's odometer reading at the beginning and end of each month. The employee was paid for total miles driven without consideration of business and personal mileage.

- Are controls in place for monitoring capital assets?

Response: The bookkeeper for the Airport Authority codes capital assets to a general ledger account labeled "Asset Purchases".

Results: Upon inquiry, we were informed that a tractor shredder was removed from airport property and reportedly sold for \$300. The sale of the asset is in violation of Louisiana R.S. 33:4712 (F) which requires the disposition of surplus movable property to be appraised and advertised for sale. As of June 30, 2010, the proceeds of the sale were not posted to the accounting records.

- Are controls in place for monitoring of fuel disbursements?

Response: Customers are required to use a credit card to activate the fuel pumps.

Results: The Airport Authority has two test cards in their possession which are used occasionally when a customer may not have a credit card. Although the fuel company reports the activity, the individual using the card is not identified on the statement. We also noted that there is an additional pump on the back of the fuel tanks that can be accessed. Gas consumption is not monitored on this pump.

During the six month period ended June 30, 2010, we noted one individual was allowed to prepay fuel at a discounted rate and use the test card for fuel disbursement. Although this activity was approved by the Board, the transaction was not recorded in the general ledger as a prepayment of fuel with corresponding deferred revenue (liability). The entire prepayment was coded to revenue.

#### **PROCEDURES RELATING TO RENTAL OF TERMINAL SPACE**

1. Obtain a diagram of the hangar space and a list of renters during each month with rental fees.

We obtained the diagram of the hangar space along with the list of renters for each month from January through June 2010.

2. Compare the expected revenue per the contracts to revenue deposited per bank accounts.

The following table represents activity for the six month period ended June 30, 2010:

	Hangar Rentals	Land Leases
Number of leases	26	12
Estimated revenue per leases	\$ 18,420	\$ 4,578
Revenue deposited per bank statements	\$ 8,660	\$ 2,575
Amount due	\$ 9,760	\$ 2,003

Based on the table above, the amount of revenue expected during the period was greater than the amount collected for the six months ended June 30, 2010. Additionally, the lease contracts have a provision allowing for the assessment of late penalties; \$20 per month for hangar rentals and \$25 per month for land leases. We did not identify any charges for late payments relating to hangar or land leases during the period.

3. Physically inspect airplanes on site and compare to list of renters provided.

We physically inspected the airplanes on site and compared the planes onsite with the contracts and list of renters provided. No exceptions noted.

#### **PROCEDURES RELATING TO ELECTRICITY USAGE**

1. Obtain electricity bills of the Airport Authority for the six months of January through June 2010.

We obtained electricity bills of the Airport Authority to identify which electric meters were being paid by the Airport Authority and identified the location of each meter to determine which hangar/building were being serviced. Based on our procedures, we did not identify any instances in which the airport was paying the electricity bills for any hangar/building not owned by the airport authority.

## PROCEDURES RELATING TO CAPITAL ASSETS

1. Obtain a schedule of capital assets and the general ledger of expenditures for the months of January through June 2010.

We scanned all purchases exceeding \$1,000 to identify any purchases of capital assets. We identified a total of seven purchases exceeding \$1,000 and noted two relating to capital assets:

- One check for \$10,250 had no support and was coded to building repairs and maintenance. Per the March 2010 Board minutes, the check was issued to a vendor to pressure clean, seal, replace damaged panels and provide the application of asphalt aluminum to the roof of a hanger belonging to the Airport Authority. According to the June 2010 Board minutes and subsequent to the work performed by the vendor, the hanger roof reportedly has multiple leaks and efforts to contact the vendor have been unsuccessful.
- One check issued for the purchase of a John Deere Gator XUV all-purpose vehicle totaling \$8,193 and was properly coded as an equipment purchase in the general ledger. Although not required by law the Airport Authority did not obtain three quotes prior to purchase. The Louisiana Legislative Auditor best practices recommend government entities obtain three written quotes.

2. With regards to capital assets, are bids for purchases exceeding \$20,000 obtained as set forth by the Louisiana Public Bid Law?

We noted an AP 8600 Lektro Airplane Tug was purchased for \$26,913 and the Board did not obtain bids prior to purchasing in accordance with Louisiana Public Bid Law.

## PROCEDURES RELATING TO FUEL PURCHASES AND SALES

1. Obtain invoices for fuel purchases during the six month period ending June 30, 2010.

The Airport Authority purchases its fuel from Eastern Aviation and we obtained a summary of fuel purchases from Eastern Aviation for the six month period ended June 30, 2010.

The airport purchased three shipments of fuel during the six months ended June 30, 2010 as noted below:

Fuel Purchases	Gallons	Amount
AVGAS:		
February 2010	4,250	\$ 13,145
April 2010	4,001	\$ 13,609
June 2010	4,252	\$ 13,024
	<u>12,503</u>	<u>\$ 39,778</u>
JETA		
No purchases	<u>-</u>	<u>\$ -</u>

During our procedures, we noted that the contract between Eastern Aviation and Airport Authority was expired as of June 30, 2010.

2. Obtain billings to customers for the sale of fuel for the six month period ending June 30, 2010.

We were informed that customers are not billed for fuel purchases, all transactions occur by using a credit card to dispense fuel. However, upon inquiry we noted that tenants are able to prepay their fuel purchases at a discounted rate if paid for in volume (minimum 1,000 gallons). The tenants are then allowed to disburse fuel from the pumps as needed using a credit card type access key. The tracking of fuel disbursed is performed manually and an accounting of the prepaid balance available to the tenant is maintained by the Airport consultant.

3. Obtain bank deposits relating to fuel sales.

The majority of fuel sales function through credit card transactions. Eastern Aviation, the fuel billing company, accounts for these transactions by posting a "payment" transaction on the Airport Authority billing statement which is an offset to fuel purchases from Eastern Aviation. Thus, these fuel transactions do not post to the bank account of the Airport Authority.

Total bank deposits per the bank statement for the six months ended June 30, 2010 totaled \$5,500. Included in this amount is a tenant prepayment for fuel of \$3,700. According to the airport personnel records the tenant had used 60% of the prepayment for fuel consumption and had 40% or \$1,480 remaining as a prepaid balance as of June 30, 2010.

4. Obtain fuel disbursement (sales) and inventory records.

We obtained fuel disbursement records from the computerized fuel tracking program at the airport.

For the six month period ended June 30, 2010, the computerized fuel tracking program reported the occurrence of three hundred ninety - six (396) Avgas transactions and thirty (30) JetA transactions with no discrepancy in pricing being noted.

A record of the fuel inventory levels was not maintained as of January 1, 2010 and June 30, 2010. The following table notes to the total Avgas fuel purchases and sales during the six month period ended June 30, 2010.

Avgas purchases	12,503 gallons
Avgas sales	<u>9,904</u> gallons
Excess purchases	<u>2,599</u> gallons

Following is a comparison of fuel sales per the computerized fuel tracking program and the airport's accounting records:

Month	Sales per Fuel System	Sales per General Ledger	Variance
January	\$ 8,788	\$ 22,501	\$ (13,713)
February	5,615	5,469	146
March	6,054	6,465	(411)
April	12,801	13,940	(1,139)
May	11,002	10,041	961
June	9,367	21,137	(11,770)
	<u>\$ 53,627</u>	<u>\$ 79,553</u>	<u>\$ (25,926)</u>

#### PROCEDURES RELATING TO CREDIT CARD USAGE

1. Obtain copies of monthly credit card bills and trace expenditures on credit card bills to supporting documentation for the months of January through June 2010.

Based on our procedures, neither credit card transactions nor any payments to credit card companies from the client's records were noted.

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

This report is intended solely for the information and use of the board members and management of St. Landry Parish Government and St. Landry Parish Airport Authority. This report is not intended to be and should not be used by anyone other than those specified parties.

*Dannall, Sites, Gaudes & Frederick*

A Corporation of Certified Public Accountants

Eunice, Louisiana  
November 8, 2010



**Don Menard**  
Parish President

# **St. Landry Parish Government**

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## **St. Landry Parish Airport**

### **Corrective Action Plan**

- 1. In order to activate the Corrective Action Plan, St. Landry Parish Government will assume all administrative and operational functions of the St. Landry Parish Airport.**
- 2. Contracts for land leases and hanger rent.**
  - Review all contracts and update records to ensure monthly billings are correct
  - Update the lease rates and post for public viewing
  - Establish procedures in order to mail hanger rental bills on a monthly basis and track outstanding invoices
  - Advertise and promote the airport to attract more tenants.
  - Keep a record of all leases and rentals and in the event that invoices are not paid on time, follow contract policy as it relates to late fees, interest, Etc.
  - In reference to the hanger that was donated and later sold, we will research the matter to determine if there is a way to allow the individual who paid for the hanger in good faith will be allowed to keep it.
  - In reference to the tenants that were given credit for repairs to the hangers they are renting, we will review the minutes of the meetings to determine what was done and understand the intent of the board.

**3. Telephone and computer usage.**

- We will inquire as to recommended software to have installed that will control the use of the computers and prevent access to unwanted sites.
- We will have the telephone company identify where all the phone lines are located and decide on which lines are needed and terminate all other lines.
- We will contact telephone companies not currently being used and ask for quotes on providing service to the airport.

**4. Employee reimbursements for mileage and invoices.**

- Any employee who has to be reimbursed for mileage will have to fill out a Parish Government's reimbursement form; it will have to be approved by the department head.
- Purchasing items for airport will have to follow the purchasing procedures of the St. Landry Parish Government.

**5. With regards to capital assets, including materials and supplies. Controls in place for monitoring of capital assets.**

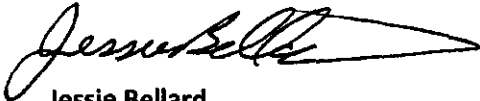
- We will follow the Louisiana Public Bid Law; all items that are to be purchased will follow the St. Landry Parish Government's purchasing procedures.
  - All items purchased will be placed on inventory and tagged with a tag stating the inventory number which will be used for monitoring.
  - We will follow up with the retrieval of the shredder that was taken from the airport without proper approval.
  - It will be stored at the airport until we can determine its need. In the event that the shredder is not needed then we will follow the State Law as it relates to the sale of said equipment.
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**6. Controls for monitoring of fuel disbursements.**

- All cards will be traced by name, and only used in the event that a pilot pays for fuel in advance. All others will use their credit cards.
- Every morning the tanks will be measured for its fuel inventory, it will be logged so that an accurate record can be kept.
- Discounted rates of fuel will be allowed but in a different manner, the pre-paid cards will be in dollar amounts not gallons.
- We will bid out the fuel as per state law and maintain that procedure in the future.

Submitted by:

A handwritten signature in cursive script, appearing to read 'Jessie Bellard', written in black ink.

Jessie Bellard

Director of Administration