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WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1995
With Supplemental Information Schedules

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and for the Two Years Ended
December 31, 1995
With Supplemental Information Schedules

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Independent Auditor's Report

WEST CARROLL PARISH AIRPORT AUTHORITY Oak Grove, Louisiana

I have audited the general purpose financial statements of the West Carroll Parish Airport Authority, as of December 31, 1995, and for each of the years in the two year period then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the West Carroll Parish Airport Authority's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements present fairly, in all material respects, the financial position of the West Carroll Parish Airport Authority, as of December 31, 1995, and the results of its operations for each of the years in the two year period then ended, in conformity with generally accepted accounting principles.

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WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana
Independent Auditor's Report,
December 31, 1995

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the West Carroll Parish Airport Authority. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards* and OMB Circular A-128, I have also issued reports dated June 27, 1996, on the West Carroll Parish Airport Authority's schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants; and my consideration of the agency's internal control structure.



West Monroe, Louisiana
June 27, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1995

| | GOVERNMENTALFUND TYPE..... | | | TOTAL (MEMORANDUM ONLY) |
|--|-------------------------------------|---|---|-------------------------------|
| | GENERAL FUND | AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND | GENERAL FIXED ASSET ACCOUNT GROUP | |
| ASSETS | | | | |
| Cash | \$2,084 | \$20 | | \$2,104 |
| Receivables: | | | | |
| Federal funds - federal grants | | 21,540 | | 21,540 |
| State funds - state grants | | 2,393 | | 2,393 |
| Land, buildings, and equipment | | | \$833,853 | 833,853 |
| TOTAL ASSETS | <u>\$2,084</u> | <u>\$23,953</u> | <u>\$833,853</u> | <u>\$859,890</u> |
| LIABILITIES AND FUND EQUITY | | | | |
| Liabilities - accounts payable | NONE | \$23,933 | NONE | \$23,933 |
| Fund Equity: | | | | |
| Investment in general fixed assets | | | \$833,853 | 833,853 |
| Fund balances - | | | | |
| unreserved - undesignated | \$2,084 | 20 | | 2,104 |
| Total Fund Equity | <u>2,084</u> | <u>20</u> | <u>833,853</u> | <u>835,957</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$2,084</u> | <u>\$23,953</u> | <u>\$833,853</u> | <u>\$859,890</u> |

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana
GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended December 31, 1994

| | GENERAL FUND | AIRPORT IMPROVEMENT CAPITAL PROJECTS FUND | TOTAL (MEMORANDUM ONLY) |
|--|---------------------|---|-------------------------------|
| REVENUES | | | |
| Intergovernmental revenue: | | | |
| Federal funds-Federal Grants | | \$13,380 | \$13,380 |
| State funds-State Grants | | 1,487 | 1,487 |
| Other revenues | \$275 | | 275 |
| Total revenues | <u>275</u> | <u>14,867</u> | <u>15,142</u> |
| EXPENDITURES | | | |
| Current-Transportation: | | | |
| Operating Services | 275 | | 275 |
| Other Expenses | 29 | | 29 |
| Capital Outlay - | | | |
| engineering services | | 14,867 | 14,867 |
| Total expenditures | <u>304</u> | <u>14,867</u> | <u>15,171</u> |
| EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES | (29) | NONE | (29) |
| FUND BALANCES AT BEGINNING OF YEAR | <u>236</u> | <u>20</u> | <u>256</u> |
| FUND BALANCES AT END OF YEAR | <u><u>\$207</u></u> | <u><u>\$20</u></u> | <u><u>\$227</u></u> |

The accompanying notes are an integral part of this statement.

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

Notes to the Financial Statements
As of and for the Two Years Ended December 31, 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Carroll Parish Airport Authority was created by the West Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 2:602, on April 8, 1991. The authority is governed by a five member board of commissioners appointed by the police jury. Commissioners serve four year terms, without compensation. The authority is responsible for planning, acquiring, constructing, and operating the airport.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the West Carroll Parish Police Jury is the financial reporting entity for West Carroll 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the West Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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.

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

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.

Because the police jury created the authority, appoints the commissioners of the authority, and has the ability to impose its will on the authority, the authority was determined to be a component unit of the West Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the authority 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 West Carroll Parish financial reporting entity.

B. FUND ACCOUNTING

The authority uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The authority's current operations require only the use of governmental funds. The fund types used by the authority are described as follows:

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

General Fund

The General Fund is the general operating fund of the authority. It accounts for all activities except those required to be accounted for in other funds.

Capital Projects Fund

These funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities, improvements, and major repairs.

**C. GENERAL FIXED ASSETS AND
LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental funds and the related assets are reported in the general fixed assets account group. Approximately 84 per cent of the authority's general fixed assets are valued at actual historical cost. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. The authority has no long-term debt at December 31, 1995.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The authority uses the

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana
Notes to the Financial Statements (Continued)

following practices in recognizing and reporting revenues and expenditures:

Revenues

Federal and state grants are recognized when the authority is entitled to the funds.

Substantially all other revenues are recognized when received.

Based on the above criteria, federal and state grants, have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

Although Louisiana Revised Statute 39:1303 requires the authority to adopt an annual budget for the General Fund and follow certain other procedures, the authority did not adopt budgets for the two years ended June 30, 1995 and 1994.

F. CASH

Under state law, the authority may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1995, the authority has cash (book balance) totaling \$2,104.

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 bank. Cash (bank balance) at December 31, 1995, is \$2,104 and is fully insured by federal deposit insurance.

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Notes to the Financial Statements (Continued)

**G. TOTAL COLUMNS ON
COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CHANGES IN GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the two years ended December 31, 1995:

| | <u>Balance</u> <u>January 1,</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> |
|--------------------------|-------------------------------------|------------------|------------------|---------------------------------------|
| 1994: | | | | |
| Land | \$389,486 | | | \$389,486 |
| Buildings | 135,000 | | | 135,000 |
| Construction in progress | 90,448 | \$14,867 | | 105,315 |
| Total | <u>\$614,934</u> | <u>\$14,867</u> | <u>NONE</u> | <u>\$629,801</u> |
| 1995: | | | | |
| Land | \$389,486 | | | \$389,486 |
| Buildings | 135,000 | | | 135,000 |
| Construction in progress | 105,315 | \$204,052 | | 309,367 |
| Total | <u>\$629,801</u> | <u>\$204,052</u> | <u>NONE</u> | <u>\$833,853</u> |

3. LITIGATION AND CLAIMS

The authority is not involved in any litigation at December 31, 1995, nor is it aware of any unasserted claims.

**Independent Auditor's Reports on Federal
Financial Assistance; Compliance With Laws,
Regulations, Contracts, and Grants;
and Internal Control Structure**

The following independent auditor's reports on the schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants; and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; the *Single Audit Act of 1984*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

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I have audited the general purpose financial statements of the West Carroll Parish Airport Authority as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated June 27, 1996. These general purpose financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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. I believe that my audit provides a reasonable basis for my opinion.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the West Carroll Parish Airport Authority taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

West Monroe, Louisiana
June 27, 1996

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

Schedule of Federal Financial Assistance
For the Two Years Ended December 31, 1995

| FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME | CFDA NUMBER | PASS-THROUGH GRANTOR'S NUMBER |1994..... | |1995..... | | (DEFERRED) ACCRUED REVENUE AT DECEMBER 31, 1995 |
|---|----------------|-------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|---|
| | | | REVENUE RECOGNIZED | ISSUES/ EXPENDITURES | REVENUE RECOGNIZED | ISSUES/ EXPENDITURES | |
| UNITED STATES DEPARTMENT OF TRANSPORTATION Passed through Louisiana Department of Transportation and Development: Airport Improvement Program | 20.106 | | \$8,941 | \$13,380 | \$183,735 | \$183,735 | \$21,540 |



**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts, and Grants**

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

I have audited the general purpose financial statements of the West Carroll Parish Airport Authority as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated June 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the West Carroll Parish Airport Authority is the responsibility of the authority's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the West Carroll Parish Airport Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, or contracts that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instances of noncompliance.

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WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Independent Auditor's Report

on Compliance, etc.,

December 31, 1995

**Need to Comply with the Local Government
Budget Act**

Finding: The airport authority did not adopt a budget for its General Fund for 1994 and 1995. LRS 39:1303 requires the airport authority to adopt an annual budget for its General Fund and comply with certain other provisions contained therein. The airport authority was not fully aware of the statutory requirements and did not adopt the required budgets. Consequently, the airport authority did not adequately monitor its revenues and expenditures for 1994 and 1995.

Recommendation: I recommend that the board comply with all requirements of the Local Government Budget Act.

Management's Response: The chairman stated that the authority will comply with the applicable requirements of the Local Government Budget Act for the current and all future years.

**The Airport Authority Should Avoid
Unethical Employment Arrangements**

Finding: The chairman was employed by the authority in violation of state law. Louisiana Revised Statute (LRS) 42:64 prohibits the holding of incompatible offices. Further, LRS 42:1112 prohibits a public servant from participating in a transaction in which he has a substantial economic interest involving his governmental entity while LRS 42:1113 prohibits an appointed member of a board from entering into a transaction which is under the supervision of his agency. On January 3, 1995, the board, by unanimous vote, appointed its chairman as manager of the airport and agreed to pay him \$100 per month. The position of airport manager and member of the airport authority board are incompatible offices. A member of the board cannot also hold an appointive position which is under the control of the board. Further, no member of the board can have any financial transactions with the board other than those which arise as a normal part of his or her duties as a board member (travel reimbursement, per diem, etc.). Also, during the year 1995 the individual was paid \$1,100 and I could find no indication that the amount was reported to the Internal Revenue Service as compensation.

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Independent Auditor's Report

on Compliance, etc.,

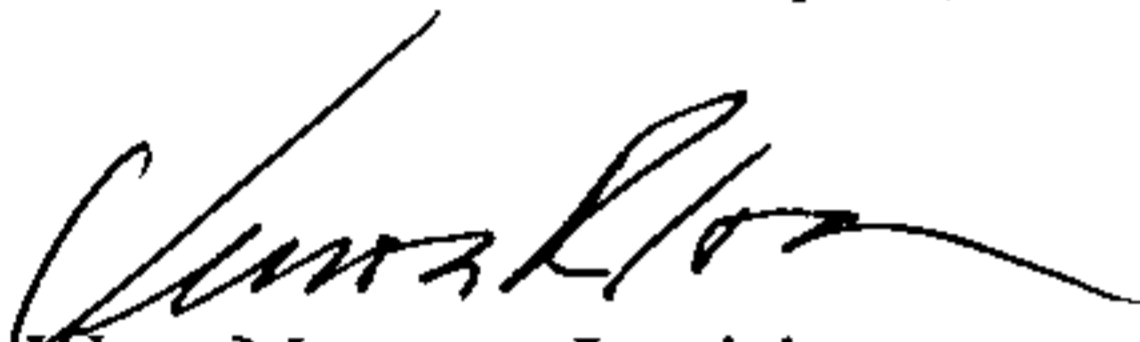
December 31, 1995

Recommendation: The board should terminate the employment arrangement. Further, the amount paid to the chairman should be reported to the Internal Revenue Service as compensation.

Management's Response: The chairman of the board stated that the board would discuss the finding and recommendations and reach a decision on what action to take.

In connection with my engagement, I have also issued a letter to management of the airport authority which addresses transactions of the authority subsequent to the end of the audit period.

This report is intended for the information of the members of the West Carroll Parish Airport Authority, management of the authority, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

June 27, 1996

**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

I have audited the general purpose financial statements of the West Carroll Parish Airport Authority as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated June 27, 1996.

I have applied procedures to test the West Carroll Parish Airport Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the two years ended December 31, 1995:

- Political activity
- Civil rights
- Cash management
- Allowable costs/cost principles
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the West Carroll Parish Airport Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the West Carroll Parish Airport Authority, had not complied, in all material respects, with those requirements.

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WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Independent Auditor's Report on
Compliance With General Requirements
Applicable to Federal Programs,
December 31, 1995

This report is intended for the information of the West Carroll Parish Airport Authority, management of the authority, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be "L. M. Smith", written in a cursive style.

West Monroe, Louisiana
June 27, 1996



**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

I have audited the general purpose financial statements of the West Carroll Parish Airport Authority as of December 31, 1995 and for each of the years in the two year period then ended, and have issued my report thereon dated June 27, 1996.

In connection with my audit of the general purpose financial statements of the West Carroll Parish Airport Authority and with my consideration of the West Carroll Parish Airport Authority's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain Nonmajor federal financial assistance programs for the two years ended December 31, 1995. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, matching, reporting, special requirements that are applicable to those transactions and claims for reimbursement. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the West Carroll Parish Airport Authority's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the West Carroll Parish Airport Authority had not complied, in all material respects, with those requirements.

This report is intended for the information of the West Carroll Parish Airport Authority, management of the authority, and interested state and federal grantor agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

West Monroe, Louisiana
June 27, 1996

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Independent Auditor's Report on the Internal Control Structure

WEST CARROLL PARISH AIRPORT AUTHORITY
Oak Grove, Louisiana

I have audited the general purpose financial statements of the West Carroll Parish Airport Authority as of December 31, 1995, and for each of the years in the two year period then ended, and have issued my report thereon dated June 27, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the West Carroll Parish Airport Authority is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the West Carroll Parish Airport Authority for the two years ended December 31, 1995, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana
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December 31, 1995

control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above.

This report is intended for the information of the West Carroll Parish Airport Authority, management of the authority, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
June 27, 1996

WEST CARROLL PARISH AIRPORT AUTHORITY

Oak Grove, Louisiana

Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting applications:

Revenues/receipts

Expenditures/disbursements

General Requirements:

Political activity

Civil rights

Cash management

Allowable costs/cost principles

Administrative requirements

Specific Requirements:

Types of services allowed/unallowed

Reporting

Matching

Claims for advances and reimbursements

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the two years ended December 31, 1995 and 1994, the West Carroll Airport Authority had no major federal financial assistance programs and expended 100 per cent of its total federal financial assistance.

WEST CARROLL PARISH AIRPORT AUTHORITY

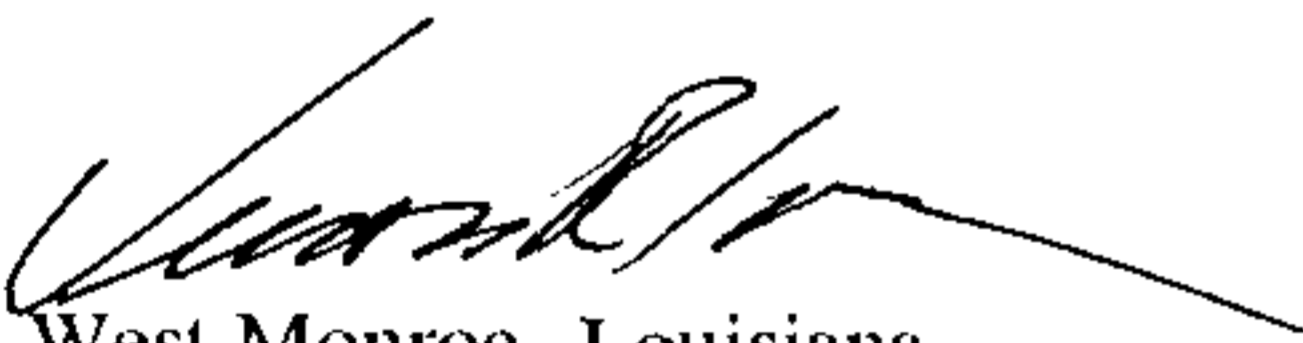
Oak Grove, Louisiana

Independent Auditor's Report on Internal
Control Structure Used in Administering
Federal Financial Assistance Programs,
December 31, 1995

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements and requirements governing claims for advances and reimbursements that are applicable to the airport authority's nonmajor program. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the West Carroll Parish Airport Authority, management of the authority and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

June 27, 1996



June 27, 1996

MANAGEMENT LETTER

BOARD OF COMMISSIONERS
WEST CARROLL PARISH
AIRPORT AUTHORITY
Oak Grove, Louisiana

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

In planning and performing my audit of the West Carroll Parish Airport Authority's financial statements for the two years ended December 31, 1995, a certain matter came to my attention which I feel should be conveyed to management of the authority. This matter, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, is an item which I feel should be brought to your attention.

NEED TO TERMINATE LEASE AGREEMENT

On April 19, 1996, the authority accepted the bid of an individual for lease of the authority's land, for farming purposes. The lease arrangement is for \$2,010 per year. The individual is the son-in-law of one of the authority's board members. Louisiana Revised Statute 42:1113 prohibits a member of the immediate family of a board member from entering into any transaction with the board. Consequently, the lease is in violation of the above ethics statute.

I recommend that the authority terminate the lease agreement with the individual and ensure that any future agreements do not involve the immediate family of the authority's board members.

GENERAL

I am available to assist the airport authority with any problems or questions they may have concerning the above or any other matters.

Respectfully,

Vernon R. Coon

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