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AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS

APRIL 30, 1996 AND 1995

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 AUG 28 1996

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS
APRIL 30, 1996**

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KRIELOW, GILLESPIE & CO.

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Airport Commission of Airport District #1
Of Jefferson Davis Parish
Jennings, Louisiana

We have audited the accompanying general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 1996 and 1995. These general purpose financial statements are the responsibility of the Airport Commission of Airport District #1's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Airport Commission of Airport District #1 of Jefferson Davis Parish as of April 30, 1996 and 1995, and the results of its operations and the cash flows of its proprietary fund types for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 31, 1996 on our consideration of the Airport Commission of Airport District #1's internal control structure and a report dated July 31, 1996 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The schedules listed in the table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
July 31, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**BALANCE SHEET
As of April 30, 1996 and 1995**

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
ASSETS		
Current assets:		
Cash and cash equivalents		
Jeff Davis Bank	\$ 73,579	\$ 36,057
Jeff Davis Bank-IMMA	60,868	4,933
Calcasieu Marine National Bank	4,661	3,885
Accounts receivable	14,024	51,184
Prepaid insurance	9,148	9,095
Total current assets	<u>\$ 162,280</u>	<u>\$ 105,154</u>
Property, plant and equipment:		
Land	\$ 993,549	\$ 993,549
Buildings, hangars, & equipment	<u>3,777,309</u>	<u>3,763,493</u>
	\$ 4,770,858	\$ 4,757,042
Less accumulated depreciation	<u>1,630,815</u>	<u>1,540,050</u>
Net property, plant and equipment	<u>\$ 3,140,043</u>	<u>\$ 3,216,992</u>
Other assets:		
Utility line deposit	<u>\$ 73</u>	<u>\$ 73</u>
Total assets	<u><u>\$ 3,302,396</u></u>	<u><u>\$ 3,322,219</u></u>
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Note payable	\$ -	\$ 30,000
Accounts payable	2,555	1,794
Retirement payable	24	24
Due to DOTD	12,406	12,406
Accrued interest payable	-	144
Total current liabilities	<u>\$ 14,985</u>	<u>\$ 44,368</u>
Fund equity:		
Contributed capital - donated assets	\$ 751,325	\$ 751,325
Contributed capital - grant fund	2,340,598	2,340,598
Retained earnings - undesignated	<u>195,488</u>	<u>185,928</u>
Total fund equity	<u>\$ 3,287,411</u>	<u>\$ 3,277,851</u>
Total liabilities and fund equity	<u><u>\$ 3,302,396</u></u>	<u><u>\$ 3,322,219</u></u>

The Accompanying Notes Are An Integral Part Of This Statement

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
For the Years Ended April 30, 1996 and 1995**

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
Operating revenues:		
Property rental income	\$ 170,026	\$ 120,698
Gallorage rental income	6,560	7,296
Miscellaneous income	601	10
Total operating revenues	<u>\$ 177,187</u>	<u>\$ 128,004</u>
Operating expenses:		
Personal services:		
Salaries	\$ 3,000	\$ 3,000
Retirement	234	215
Advertising, dues & subscriptions:		
Dues & subscriptions	10	10
Office printing	119	898
Utilities:		
Utilities	4,960	4,770
Telephone	313	420
Repairs and maintenance:		
Airport	9,833	3,189
Large hangar, garage	119	589
Buildings	977	3,212
T-hangars	2,874	1,523
Jet fuel system	543	523
Equipment	1,193	2,550
Other	853	1,477
Materials and supplies:		
Office expense	295	455
Other operating expenses:		
Airport management contract	27,000	24,000
Professional fees	10,400	8,145
Insurance	13,695	14,683
Equipment rental	-	2,318
Conventions	1,218	554
Miscellaneous	104	299
Depreciation	90,765	79,603
Total operating expenses	<u>\$ 168,505</u>	<u>\$ 152,433</u>
Operating income (loss)	<u>\$ 8,682</u>	<u>\$ (24,429)</u>
Nonoperating revenues (expenses):		
Interest income	\$ 936	\$ 1,365
Damages income	-	738
interest expense	(58)	(144)
Total nonoperating revenues (expenses)	<u>\$ 878</u>	<u>\$ 1,959</u>
Net income (loss)	\$ 9,560	\$ (22,470)
Retained earnings, as beginning of year	<u>185,928</u>	<u>208,398</u>
Retained earnings, end of year	<u>\$ 195,488</u>	<u>\$ 185,928</u>

The Accompanying Notes Are An Integral Part Of This Statement

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**STATEMENT OF CASH FLOWS
For the Years Ended April 30, 1996 and 1995**

	April 30, 1996	April 30, 1995
Cash flows from operating activities:		
Operating income (loss)	\$ 8,682	\$ (23,691)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	90,765	79,603
Net changes in assets and liabilities:		
Decrease (increase) in receivables	37,160	(41,059)
Decrease (increase) in prepaid insurance	(52)	554
Increase (decrease) in accounts payable	617	(11,439)
Increase (decrease) in retirement payable	-	(31)
Net cash provided by operating activities	\$ 137,172	\$ 3,937
Cash flows from noncapital financing activities:	\$ -	\$ -
Cash flows from capital and related financing activities:		
Contributed capital (Louisiana D.O.T.D.)	\$ -	\$ 6,044
Contributed capital (F.A.A.)	-	314,789
Proceeds from (payments on) short term bank note	(30,000)	30,000
Payments for capital acquisitions	(13,815)	(442,579)
Interest income	936	1,365
Interest expense	(60)	-
Net cash provided (used) by financing activities	\$ (42,939)	\$ (90,381)
Cash flows from investing activities:	\$ -	\$ -
Net increase (decrease) in cash and cash equivalents	\$ 94,233	\$ (86,444)
Cash and cash equivalents at beginning of year	44,875	131,319
Cash and cash equivalents at end of year	\$ 139,108	\$ 44,875

The Accompanying Notes Are An Integral Part Of This Statement

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

INTRODUCTION

Airport District #1 was created by Jefferson Davis Parish Police Jury Ordinance No. 483 on March 7, 1963 pursuant to Louisiana Revised Statutes 2:326 and is a political subdivision of Jefferson Davis Parish and the State of Louisiana. The Airport Commission is the governing authority of the Airport District consisting of five commissioners appointed by the Jefferson Davis Parish Police Jury to varying terms. The Commission's primary source of revenue is through hangar, building and property rentals.

The accounting and reporting policies of the Airport Commission of Airport District #1 conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Government Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants. Our examination was also made in accordance with the provisions of *Government Auditing Standards*, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

Because the police jury appoints members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

statements present information only on the funds maintained by the commission and do not present information of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund presented in the general purpose financial statements is described as follows:

PROPRIETARY FUND

Enterprise Funds - Enterprise funds are used to account for operations (a) which 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 or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity is segregated into contributed capital (if any) and retained earnings components. Proprietary fund type operating statements present increases and decreases in net total assets. All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

E. BUDGETARY PRACTICES

The Commission was not required and did not adopt a budget for the fiscal year ended April 30, 1996 or April 30, 1995.

**F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

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 Commission 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 their principal offices in Louisiana.

Under state law, the Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. PREPAID INSURANCE

Prepaid insurance in the enterprise fund consists of insurance expenses to be allocated ratably over the policy periods. The costs are recorded as prepaid expenses at the time the insurance premiums are paid.

H. FIXED ASSETS

All fixed assets are valued at historical cost or if contributed property, at their estimated fair value at 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 balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by 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.

I. COMPENSATED ABSENCES

The Commission has no formal vacation and sick leave policy adopted since it has only one part-time employee and provides for no compensated absences.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

J. FUND EQUITY

Contributed Capital

Contributed capital is recorded in the proprietary fund when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

For the year ended April 30, 1995, the Commission received a total of \$314,789 from the federal government and \$6,044 from the State of Louisiana for a capital improvement project. These amounts are included as contributed capital.

2. CASH AND INVESTMENTS

At April 30, 1996 and 1995, the Commission has cash and cash equivalents totaling \$139,108 and \$44,875, respectively, as follows:

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
Interest bearing demand deposits	<u>\$ 139,108</u>	<u>\$ 44,875</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 times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at April 30, 1996 and 1995, are secured as follows:

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
Bank Balance (Fully Insured)	<u>\$ 139,108</u>	<u>\$ 45,125</u>
Insured (FDIC)	<u>\$ 139,108</u>	<u>\$ 45,125</u>

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

3. RECEIVABLES

The following is a summary of receivables at April 30, 1996 and 1995:

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
Rents Receivable-SRS Manufacturing	\$ 14,025	\$ 10,125
Grant Receivable-F.A.A.	<u>-0-</u>	<u>41,059</u>
Total	<u>\$ 14,025</u>	<u>\$ 51,184</u>

4. FIXED ASSETS

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

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
Land	\$ 993,549	\$ 993,549
Runways and Improvements	2,668,897	2,667,800
Buildings and Hangars	732,285	732,921
Improvements Other than Buildings and Hangars	296,884	297,347
Furniture and Equipment	<u>79,243</u>	<u>65,425</u>
Sub-Total	\$ 4,770,858	\$ 4,757,042
Less Accumulated Depreciation	<u>1,630,815</u>	<u>1,540,050</u>
Total	<u>\$ 3,140,043</u>	<u>\$ 3,216,992</u>

Fully depreciated assets totaled \$830,568 and \$782,670 at April 30, 1996 and 1995, respectively.

5. COMPENSATION PAID TO BOARD MEMBERS

The Commission paid no compensation to board members for the years ended April 30, 1996 and 1995.

6. LEASES

At April 30, 1996, the cost of property the Commission held for lease was \$675,916 with accumulated depreciation of such property of \$660,942.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1996**

Future minimum rentals on non-cancelable leases of such property in aggregate are as follows.

Fiscal Year:		
1997	\$	114,921
1998		114,571
1999		112,695
2000		111,215
2001		106,776
Thereafter		<u>524,823</u>
Total	\$	<u>1,085,001</u>

SUPPLEMENTAL SCHEDULES

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON DAVIS PARISH
Jennings, Louisiana**

**SCHEDULE OF PROPERTY RENTAL AND GALLONAGE RENTAL INCOME
For the Years Ended April 30, 1996 and 1995**

	<u>April 30, 1996</u>	<u>April 30, 1995</u>
<u>PROPERTY RENTAL INCOME</u>		
Large hangar	\$ 5,969	\$ 5,919
T-hangars	9,615	9,890
Macro Oil	18,000	18,000
SRS Manufacturing	27,000	27,000
Taco Bell	15,840	15,840
Waffle House	7,800	7,800
Hangar (CHI)	900	1,125
Acadiana III	4,550	3,500
Office	480	400
Shop Rite	<u>79,872</u>	<u>31,224</u>
Total property rental income	<u>\$ 170,026</u>	<u>\$ 120,698</u>
<u>GALLONAGE RENTAL INCOME</u>		
Riceland Aviation	\$ 1,616	\$ 2,224
Macro Oil	<u>4,944</u>	<u>5,072</u>
Total property rental income	<u>\$ 6,560</u>	<u>\$ 7,296</u>

The Accompanying Notes Are An Integral Part Of This Statement

OTHER REPORTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Airport Commission of Airport District #1
of Jefferson Davis Parish
Jennings, Louisiana

We have audited the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 1996 and 1995, and have issued our report thereon dated July 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and *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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Airport Commission of Airport District #1 of Jefferson Davis Parish is the responsibility of the Commission's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under *Governmental Auditing Standards* and that are material to the financial statements, the effects of which have been corrected in the Airport Commission of Airport District #1's April 30, 1996 general purpose financial statements:

1. Condition: Minutes of meeting not published in official journal.
Cause: Miscommunication regarding content of publications and requirements of written minutes.
Effect: Noncompliance with Louisiana R.S. 42:7.1.
Client Response: Official minutes are now being published as required.

We considered these instances of noncompliance in forming our opinion on whether the Airport Commission of Airport District #1's general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated July 31, 1996, on those general purpose financial statements.

This report is intended for the information of the Airport Commission of Airport District #1 of Jefferson Davis Parish, the Legislative Auditor and other state and federal audit agencies. However, this report is a matter of public record and its distribution is not limited.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
July 31, 1996

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Airport Commission of Airport District #1
Of Jefferson Davis Parish
Jennings, Louisiana

We have audited the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 1996 and 1995, and have issued our report thereon dated July 31, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements are free of material misstatement.

The management of the Airport Commission of Airport District #1 of Jefferson Davis Parish 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 our audit of the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, for the year ended April 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our 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 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 errors or 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended solely for the use of management, the Legislative Auditor and other state and federal audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Airport Commission of Airport District #1, the Legislative Auditor and other state and federal audit agencies, is a matter of public record.

Krielow, Gillespie & Co.
Certified Public Accountants

Jennings, Louisiana
July 31, 1996