



RAPIDES PARISH AIRPORT AUTHORITY  
PINEVILLE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1996

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: ~~12-10-97~~

LOGAN THOMAS  
Legislative Auditor  
Baton Rouge, Louisiana

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# ROZIER, HARRINGTON & McKAY

CERTIFIED PUBLIC ACCOUNTANTS

1817 PETERSLAN DRIVE  
ALEXANDRIA, LOUISIANA 71301

John E. Rozier, PC, C.F.A.  
M. Dale Harrington, C.F.A.  
Mark S. McKay, C.F.A.

Gay W. Wilks, C.F.A.  
Keith S. Burns, C.F.A.

MAILING ADDRESS  
P.O. Box 1178  
Monroe, LA 71218-0178

Telephone (504) 833-0888  
Teletype (504) 833-0807

February 26, 1997

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the accompanying component unit financial statements of the Rapides Parish Airport Authority as of December 31, 1996 and for the year then ended. These component unit financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these component unit 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The component unit financial statements referred to above present only the financial transactions of the Rapides Parish Airport Authority, a component unit of the Rapides Parish Police Jury.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Rapides Parish Airport Authority, as of December 31, 1996 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 26, 1997, on our consideration of the Rapides Parish Airport Authority's internal control structure and a report dated February 26, 1997 on its compliance with laws and regulations.

  
ROZIER, HARRINGTON & McKAY  
Certified Public Accountants

RAPIDES PARISH AIRPORT AUTHORITY  
PROPRIETARY FUND (AIRPORT ENTERPRISE FUND)

Balance Sheet  
December 31, 2006

**ASSETS**

Cash	
Cash - board restricted	\$ 131,740
Receivables	731,828
Prepaid expenses	455,266
Property and equipment (net of accumulated depreciation)	99,170
Investments held by deferral compensation plan	13,191,636
Other assets	49,972
	<u>4,218</u>
<b>Total assets</b>	<b>\$ 14,564,072</b>

**LIABILITIES AND EQUITY**

**LIABILITIES**

Accounts payable	\$ 15,850
Accrued expenses	22,408
Deferral compensation obligation	<u>49,972</u>
<b>Total liabilities</b>	<b>\$ 88,230</b>

**EQUITY:**

Contributed capital	\$ 16,284,817
Retained earnings	<u>11,888,955</u>
<b>Total equity</b>	<b>14,473,862</b>
<b>Total liabilities and equity</b>	<b>\$ 14,564,072</b>

The accompanying notes are an integral part of this statement

**RAPIDS PARISH AIRPORT AUTHORITY**  
**PROPRIETARY FUND (AIRPORT ENTERPRISE FUND)**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance**  
**For the Year Ended December 31, 1995**

**OPERATING REVENUES:**

Rents, Leases, and Fees	\$ 371,514
Other	<u>28,757</u>
<b>Total revenues</b>	<u>400,271</u>

**OPERATING EXPENSES:**

Salaries and Wages	348,381
Payroll taxes and benefits	160,831
Insurance	31,228
Repairs and maintenance	35,991
Office and administrative	8,151
Telephone and utilities	78,700
Operating equipment expense	15,644
Depreciation	448,168
Automobile and travel	5,372
Advertising and promotion	14,535
Contract services	33,120
Supplies	9,819
Other	<u>18,618</u>
<b>Total expenses</b>	<u>1,180,259</u>

**Net operating loss** (773,028)

**OTHER INCOME AND EXPENSES:**

Interest income	32,910
Property taxes	461,523
Timber sale	83,098
Gain on disposal of asset	34,139
Other	<u>(10,832)</u>
<b>Total other income and expenses</b>	<u>601,048</u>

**Net income (loss)** (123,780)

**Retained earnings (deficit) - beginning of year** (1,673,175)

**Retained earnings (deficit) - end of year** \$ (1,896,955)

The accompanying notes are an integral part of this statement.

**RAPIDES PARISH AIRPORT AUTHORITY**  
**PROPRIETARY FUND (AIRPORT ENTERPRISE FUND)**  
**Statement of Cash Flows**  
**For the year ended December 31, 1996**

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Operating income	\$ (773,828)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	440,106
(Increase) decrease in receivables	95,004
(Increase) decrease in prepaid expenses	7,183
(Increase) (decrease) in accounts payable	77
Increase (decrease) in accrued expenses	(511,280)
Net cash provided (used) by operating activities	(282,828)
<b><u>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES:</u></b>	
Ad Valorem tax receipts	459,667
Timber sales	83,098
Net cash provided (used) by non-capital financing activities	542,765
<b><u>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>	
Cash payments for property and equipment	(864,967)
Cash proceeds from sale of property and equipment	24,359
Cash proceeds from grants	829,891
Net cash provided (used) by capital and related financing activities	(2,822)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest receipts	80,119
Net cash provided by investing activities	80,119
Net increase (decrease) in cash	282,110
Beginning cash balance	171,458
Ending cash balance	<u>\$ 453,568</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

For the year ended December 31, 1996 there were no investing, capital, and financing activities that did not result in cash receipts or payments.

The accompanying notes are an integral part of this statement.

## RAPIDES PARISH AIRPORT AUTHORITY

Notes to the Financial Statements

December 31, 1985

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ORGANIZATION AND BASIS OF PRESENTATION

Rapides Parish Authority was created in December 1979 and is governed by a board of nine members appointed by the Rapides Parish Police Jury. The Authority operates Alexandria Under Regional Airport providing facilities and services to accommodate aviation and industrial development.

The Airport Authority is a component unit of the Rapides Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Airport Authority and do not present financial information on the primary government, the general government services provided by that entity, or the other governmental units that are accountable to the primary government.

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

#### FUND ACCOUNTING

The accounts of the Authority are organized on the fund basis. The operations of the fund are accounted for with a set of self-balancing accounts (Enterprise Fund) that comprise its assets, liabilities, fund equity, revenue, and expenses. Enterprise Funds are used to account for operations (a) 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 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.

#### PROPERTY AND EQUIPMENT - PROPRIETARY FUND

Property and equipment including infrastructure are recorded at cost or estimated value at time of acquisition in the proprietary fund. Depreciation is computed using the straight-line and accelerated methods over the estimated useful lives of the assets ranging from 3 to 40 years.

#### COMPENSATED ABSENCES

Employees of the Airport Authority earn from 5 to 15 days of vacation leave each year, depending on length of service. In addition, employees earn from 6 to 12 days of sick leave each year. Vacation leave may be accumulated, not to exceed 30 days. Upon separation of employment, employees are compensated for accumulated vacation leave at the employee's current rate of pay. Employees are not compensated for accumulated sick leave at termination.

# RAPIDES PARISH AIRPORT AUTHORITY

Notes to the Financial Statements  
December 31, 1996

## BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurement basis applied. Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and expenses are recognized when they are incurred.

## CONTRIBUTED CAPITAL

Amounts contributed to the Airport Authority for acquisition or restoration of fixed assets are recorded as contributed capital. Depreciation of these contributed capital assets is computed using the straight-line method over the estimated useful lives of the assets and is charged as a current period expense.

## CONSTRUCTION IN PROGRESS

Transactions which are related to construction projects are recorded in a construction in progress account. When construction projects are completed, the costs which were originally recorded as construction in progress are transferred to a permanent property and equipment account. The transfer occurs during the accounting period which immediately follows the period of completion.

## STATEMENT OF CASH FLOWS

During 1989 the Authority adopted Government Auditing Standards Board Statement No. 9, "Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." This statement requires entities to report a statement of cash flows as part of a full set of financial statements instead of reporting a statement of changes in financial position. For the purposes of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in bank and Certificates of Deposits.

## NOTE 2 - CASH AND CASH EQUIVALENTS

At December 31, 1996, cash and cash equivalents totaled \$863,568 (bank balances) and \$980,420 (bank balances). The composition of these accounts is as follows:

	Bank Balance	Bank Balance
Demand Deposits, Interest Bearing	\$ 135,388	\$ 170,040
Time Deposits	723,880	723,880
Petty Cash	100	—
Total Cash	<u>\$ 863,568</u>	<u>\$ 900,420</u>



**RAPIDS PARISH AIRPORT AUTHORITY**

Notes to the Financial Statements  
December 31, 1996

Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. The securities pledged are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, all deposits with financial institutions were fully covered by Federal deposits insurance and pledged securities. A detailed analysis of this coverage is as follows:

Total Cash at December 31, 1996 (Bank Balance)	\$ 908,420
Less FDIC coverage	____290,000
Subtotal	608,420
Less Securities Pledged to Airport But Held in the Name of the Financial Institution (uncollateralized - GASB Category 3)	____(303,820)
Excess of FDIC Insurance and Pledged Securities	\$ 304,600

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the pledging bank has failed to pay deposited funds upon demand.

The cash held in time deposits has been restricted by the Board of Commissioners for the purchase or replacement of equipment and for future capital improvement projects.

**NOTE 3. PROPERTY AND EQUIPMENT**

A summary of property and equipment at December 31, 1996 is as follows:

Description	
Land	\$ 7,088,325
Buildings and Improvements	9,008,196
Machinery and Equipment	283,300
Vehicles and Rolling Stock	376,778
Communications Equipment	53,998
Constructions in Progress (Note 5)	____3,700
	16,899,308
Less Accumulated Depreciation	____3,822,872
Net Property and Equipment	<b>\$13,076,436</b>

**RAPIDES PARISH AIRPORT AUTHORITY**

**Notes to the Financial Statements  
December 31, 1996**

For the year ended December 31, 1996, depreciation expense totaled \$448,106. In addition, the Authority acquired property and equipment costing \$463,836. The Authority also retired worn out equipment and exchanged certain equipment for newer equipment. Disposal of equipment is summarized as follows:

Original Cost	\$ 20,445
Accumulated Depreciation	____ 18,086
Book Value	2,359
Trade-In Allowances and Sales	____ 26,490
Gain on Disposal of Equipment	\$ 24,139

**NOTE 4 - RECEIVABLES:**

A summary of receivables at December 31, 1996 is as follows:

Grants	\$ 9,283
Accrued Interest	4,483
Property Taxes	441,471
Other	____ 128
Total	455,265
Less Allowance for Uncollectible	____
Receivables - (Net)	\$ 455,265

**NOTE 5 - CONTRIBUTED CAPITAL:**

The changes in the contributed capital accounts for the year ended December 31, 1996 are summarized as follows:

Contributed Capital, January 1, 1995	\$15,843,283
Additions	
AIP Project (Note #)	432,682
Other	____ 8,892
Contributed Capital, December 31, 1996	\$16,284,857

## RAPIDES PARISH AIRPORT AUTHORITY

Notes to the Financial Statements  
December 31, 1986**NOTE 6 - PROPERTY TAXES:**

In September 1985, the voters of Rapides Parish approved a special ad valorem tax of one and one-half (1 & 1/2) mills on the assessed valuation on all taxable property. This tax is for a period of ten (10) years beginning with 1987 for the purpose of continuing operations and maintenance of the Airport facility. The monies collected from this tax and the related receivables are accounted for as non-operating revenues in the Airport Enterprise Fund.

Ad valorem taxes are assessed on a calendar year basis and are due on or before the thirty-first (31st) day of December in the year the tax is levied. Property taxes are recognized in compliance with NCCA Interpretation-3 (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

**NOTE 7 - PENSION PLAN:**

The Airport manager is a member of the Parochial Employees Retirement System of Louisiana (Plan A). In addition to an employer contribution, the Authority remits funds to the retirement system which are recorded as an expense of the Enterprise Fund. During 1986, retirement expenses paid by the Authority totaled \$2,905.

Employees may contribute to a deferred compensation plan adopted under the provisions of Internal Revenue Code (IRC) Section 457. Amounts contributed to the deferred compensation plan and investment income attributable to those contributions are subject to income tax upon withdrawal from the plan. Furthermore, the deferred compensation is not available for withdrawal until termination, death, retirement, or unforeseeable emergency.

Under the terms of an IRC Section 457 plan, all assets held in the plan are considered property of the Airport Authority and are subject to claims by the Authority's general creditors. Participants rights under the plan are equivalent to the rights of the general creditors.

**NOTE 8 - CONSTRUCTION IN PROGRESS:**

Construction activity for the year ended December 31, 1986 is summarized as follows:

	Balance December 31, 1985	Additions	Deletions	Balance December 31, 1986
Evaluation Study	\$	\$ 2,791	\$	\$ 2,791
Airfield Lighting Phase II	64,551	376,022	440,553	
Access Roads	824,974	56,664	881,638	
Total	\$889,285	\$435,477	\$1,322,191	\$ 2,791

**RAPIDES PARISH AIRPORT AUTHORITY**

**Notes to the Financial Statements**  
**December 31, 1996**

When projects are completed, the final cost is deleted from construction in progress and added to a permanent property and equipment account. The transfer to a permanent account occurs during the accounting period which immediately follows the period of completion. Amounts which were deleted from construction in progress during 1996 have been added to the buildings and improvements component of property and equipment.

**AIRFIELD LIGHTING (PHASE I & II)** - The purpose of this project is to rehabilitate the airport runway and taxiway lighting system. Ninety percent (90%) of the funding is being provided by the Federal Aviation Administration (FAA) through the Airport Improvement Program. The remaining funds will be provided by the State of Louisiana and the Rapides Parish Airport Authority.

Phases I & II of this project are complete and related costs have been reclassified as buildings and improvements.

**ACCESS ROADS** - The purpose of this project is to resurface roads providing access for Airport operations. Ninety percent (90%) of the funding is being provided by the Federal Aviation Administration through the Airport Improvement Program. Remaining funds will be provided by the State of Louisiana.

At year end, construction was complete and the related costs have been reclassified as improvements.

**EVALUATION STUDY** - Includes amounts spent in the preparation of plans for proposed buildings, or for proposed modifications of existing structures in order to attract specific industries to locate in the airport's facilities. These costs will either be capitalized or expensed pending each potential tenant's decision to locate at the airport.

**NOTE 9 - GRANT RECEIPTS**

Funding for some of the Airport Authority's activities has been provided by governmental grants. An analysis of grant receipts for the year ended December 31, 1996 is as follows:

<i>Airport Improvement Projects</i>	<i>Federal Share</i>	<i>State Share</i>	<i>Total</i>
<i>Lighting Phase I &amp; Access Roads (AIP 83-22-0082-14)</i>	<i>389,409</i>	<i>43,253</i>	<i>432,662</i>

All grant funds have been used for improvements to the Airport Authority's facilities, and grant receipts were recorded as contributed capital when the amounts became subject to accrual.

**NOTE 10 - COMPENSATION OF BOARD MEMBERS:**

During 1996, no members of the Board of Commissioners received compensation for their work with the Authority.

## RAPIDES PARISH AIRPORT AUTHORITY

Notes to the Financial Statements  
December 31, 1996

### NOTE 11 - COMMERCIAL AVIATION

The Rapides Parish Airport Authority operates Alexandria Elder Regional Airport. The availability of commercial airline service was an essential part of the Airport's overall operations; however, commercial aviation was transferred to the Alexandria International Airport during August of 1996. Commercial service was provided by four (4) carriers during 1996, and the Authority earned \$145,872 from rents, leases and fees paid by these four commercial carriers. Additional revenue was generated by tenants that provided ground transportation, parking, food, beverages and other services to commercial airline passengers.

Due to the relocation of the commercial airline service, the Rapides Parish Airport Authority has converted its operations to a "Multi-Use Airport". Under the multi-use concept, the Airport Authority has continued existing general aviation operations. The concept also involves granting leases of the facilities by the military, government agencies and industrial concerns.

### NOTE 12 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft; damage or destruction of assets; fires; and emissions; injuries to employees; and natural disasters. Protection from these risks is provided by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded available coverage in any of the past three (3) fiscal years.

**ROZIER, HARRINGTON & MCKAY**  
CERTIFIED PUBLIC ACCOUNTANTS

1401 HUTCHMAN DRIVE  
ALEXANDRIA, LOUISIANA 71304

John E. Hester, CPA  
M. Mike Harrington, CPA  
Mark E. McKay, CPA

MAILING ADDRESS  
P.O. Box 12, 78  
Alexandria, LA 71302-0012, 78

Lee W. Willis, CPA  
Scott S. Hester, CPA

Telephone (504) 442-1144  
Telexphone (504) 487-2007

February 26, 1997

**INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION -  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Board of Commissioners  
Rapides Parish Airport Authority  
Bossierville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority as of and for the year ended December 31, 1996 and have issued our report thereon dated February 26, 1997. These component unit financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these component unit 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 U.S. and the provisions of Office of Management and Budget Circular A-128, *Standards of Standards and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit 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 opinion.

Our audit was made for the purpose of forming an opinion on the component unit financial statements of the Rapides 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 component unit financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the component unit financial statements and, in our opinion, is fairly presented in all material respects in relation to the component unit financial statements taken as a whole.

  
ROZIER, HARRINGTON & MCKAY  
Certified Public Accountants

**RAPIDS PARISH AIRPORT AUTHORITY**  
 Schedule of Federal Financial Assistance  
 For the Year Ended December 31, 1996

Federal Grant/ Pass Through Grant/ Program Title _____	Federal CFDA Number	Pass-Through Grant's Number	Expenditures
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Airport Improvement Program	20-106	N/A	\$ 388,400

**ROZIER, HARRINGTON & McKAY**  
CERTIFIED PUBLIC ACCOUNTANTS

1107 PETERMAN DRIVE  
ALEXANDRIA, LOUISIANA 71301

John S. Rozier, III, C.P.A.  
M. Dale Harrington, C.P.A.  
Mark S. McKay, C.P.A.

Lee W. Mills, C.P.A.  
Bobby S. Morris, C.P.A.

MAILING ADDRESS  
P.O. Box 12454  
Alexandria, LA 71312-0154

Telephone: (504) 844-1114  
Telex: (504) 844-0117

February 26, 1997

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE  
OF THE RAPIDES PARISH AIRPORT AUTHORITY**

Board of Commissioners  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority, as of and for the year ended December 31, 1996 and have issued our report thereon dated February 26, 1997.

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 financial statements are free of material misstatement.

The management of the Rapides 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 cost 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of component unit 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 component unit financial statements of the Rapides Parish Airport Authority, for the year ended December 31, 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 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 accounts that would be material in relation to the component unit 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 operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management. However, this report is a matter of public record and its distribution is not limited.

  
ROBERT HARRINGTON & MCKAY  
Certified Public Accountants

**ROZIER, HARRINGTON & McKAY**  
CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE  
ALEXANDRIA, LOUISIANA 71301

John S. Rozier, Jr., C.P.A.  
M. Dale Harrington, C.P.A.  
Mark S. McKay, C.P.A.

MAILING ADDRESS  
P.O. Box 11179  
Monroe, LA 70133-1179

Lee W. Wilks, C.P.A.  
Basil S. Lewis, C.P.A.

Telephone (504) 480-0100  
Teletype (504) 480-0107

February 26, 1997

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
BASED ON AN AUDIT OF COMPONENT UNIT FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS**

Board of Commissioners  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority as of and for the year ended December 31, 1996, and have issued our report thereon dated February 26, 1997.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Rapides Parish Airport Authority is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the component unit 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 no instances of noncompliance that are required to be reported under Governmental Auditing Standards.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

*Mark S. McKay*  
ROZIER, HARRINGTON & McKAY  
Certified Public Accountants

**ROZIER, HARRINGTON & McKEY**  
CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERSMAN DRIVE  
ALEXANDRIA, LOUISIANA 71301

John B. Rozier, III, C.P.A.  
M. Dale Harrington, C.P.A.  
Mark S. McKay, C.P.A.

**MAILING ADDRESS**  
P.O. Box 2275  
Alexandria, LA 71302-2175

Lee W. Mills, C.P.A.  
Rand S. Moore, C.P.A.

Telephone (504)443-3444  
Telex (504)443-3444

February 26, 1997

**INDEPENDENT AUDITORS' REPORT  
ON THE RAPIDES PARISH AIRPORT AUTHORITY'S  
INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

**Board of Commissioners**  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority as of and for the year ended December 31, 1996, and have issued our report thereon dated February 26, 1997. We have also audited the compliance of the Rapides Parish Airport Authority with requirements applicable to major federal financial assistance programs and have issued our report thereon dated February 26, 1997.

We conducted our 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, *Audit of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement and about whether Rapides Parish Airport Authority complied with laws and regulations, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audits for the year ended December 31, 1996, we considered the Rapides Parish Airport Authority's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the component unit financial statements of the Rapides Parish Airport Authority and on the compliance of the Rapides Parish Airport Authority with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the component unit financial statements in a separate report dated February 26, 1997.

The management of the Rapides 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, that transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles, and 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, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

*Accounting Applications*

Cash Disbursements  
Cash Receipts  
Fixed Assets

*Administrative Applications*

Political Activity  
Davis Bacon Act  
Civil Rights  
Federal Financial Reports  
Allowable Cost/Cost Principles  
Administrative Requirements

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

During the year ended December 31, 1996, the Rapides Parish Airport Authority expended 100% of its federal financial assistance under the Airport Improvement Program, a major federal financial assistance program.

We 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 we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the Airport Improvement Program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our 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 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. 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 for the information of the Rapidai Falls Airport Authority's management. However, this report is a matter of public record and its distribution is not limited.

  
ROSIER, HARRINGTON & MCKAY  
Certified Public Accountants

# ROZIER, HARRINGTON & MCKAY

CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE  
ALEXANDRIA, LOUISIANA 71302

John E. Rozier, IV, C.P.A.  
W. Dale Harrington, C.P.A.  
Mark S. McKay, C.P.A.

Lee W. Wilks, C.P.A.  
Glad S. Hanks, C.P.A.

MAILING ADDRESS  
P.O. Box 1174  
Bossierie, LA 71115-0174

Telephone (504) 482-1800  
Teletype (504) 482-1927

February 26, 1997

## INDEPENDENT AUDITORS' REPORT ON THE RAPIDES PARISH AIRPORT AUTHORITY'S COMPLIANCE WITH GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Commissioners  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority as of and for the year ended December 31, 1996, and have issued our report thereon dated February 26, 1997.

We have applied procedures to test the Rapides Parish Airport Authority's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1996.

Political Activity  
Davis-Bacon Act  
Civil Rights

Federal Financial Reports  
Allowable Cost/Cost Principles  
Administrative Requirements

Our 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*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Rapides Parish Airport Authority's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Rapides Parish Airport Authority had not complied, in all material respects, with these requirements.

*Advisors:*

American Institute of Certified Public Accountants • Society of Louisiana CPAs

Board of Commissioners

February 26, 1997

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This report is intended for the information of the Rapides Parish Airport Authority's management. However, this report is a matter of public record and its distribution is not limited.

  
ROGER HARRINGTON & McLEAN  
Certified Public Accountants

**ROZIER, HARRINGTON & MCKAY**  
CERTIFIED PUBLIC ACCOUNTANTS

1407 PETERMAN DRIVE  
ALEXANDRIA, LOUISIANA, 71301

John B. Rozier, DR, C.P.A.  
M. John Harrington, C.P.A.  
Mark S. McKay, C.P.A.

MAILING ADDRESS  
P.O. Box 11176  
Baton Rouge, LA 70811-1176

Lee W. Wilks, C.P.A.  
Mark S. Rozier, C.P.A.

Telephone (504) 443-1408  
Telexphone (504) 443-1407

February 26, 1997

**INDEPENDENT AUDITORS' REPORT ON  
COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO  
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Commissioners  
Rapides Parish Airport Authority  
Pineville, Louisiana

We have audited the component unit financial statements of the Rapides Parish Airport Authority as of and for the year ended December 31, 1996, and have issued our report thereon dated February 26, 1997.

We have also audited Rapides Parish Airport Authority's compliance with the requirements governing types of services allowed or unallowed, matching, level of effort, or earmarking, special reporting requirements, and special test and provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of Rapides Parish Airport Authority is responsible for the Rapides Parish Airport Authority's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements 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 Office of Management and Budget Circular A-128, *Standards of State and Local Governments*. These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Rapides Parish Airport Authority's compliance with these requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Rapides Parish Airport Authority complied, in all material respects with the requirements governing types of services allowed or unallowed, matching, level of effort, or earmarking, special reporting requirements, and special test and provisions that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1996.



Board of Commissioners  
February 26, 1997  
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This report is intended for the information of the Rapides Parish Airport Authority. However, this report is a matter of public record and its distribution is not limited.

  
ROGER HARRINGTON & MCKAY  
Certified Public Accountants