

97800-86-41  
1004

22

*Original Copy  
Do not put  
back*

**Moama-Terriborne Airport Commission  
Terriborne Parish Consolidated  
Government**

**General Purpose Financial Statements  
and Independent Auditor's Report  
June 30, 1988**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Governor, Attorney General, and other public officials as required by state law. 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.

Printed Date: DEC 2, 1988

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, Attorney General, and other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma-Terrebonne Airport Commission**  
Terrebonne Parish Consolidated Government

**General Purpose Financial Statements  
and Independent Auditor's Report  
As of and for the Year Ended June 30, 1999  
With Supplemental Information Schedule**

**Table of Contents**

	<b><u>Page</u></b>
<b>Financial Statement Section -</b>	
Independent Auditor's Report	1
General Purpose Financial Statements - Proprietary Fund - Enterprise Fund:	
Balance Sheet - All Fund Types and Account Groups	2
Statement of Revenues, Expenses, and Changes in Retained Earnings	3
Statement of Cash Flows	4
Notes to Financial Statements	5-15
<b>Supplemental Information Section -</b>	
Schedule of Compensation Paid Board of Commissioners	16-17
<b>Special Reports of Certified Public Accountants -</b>	
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	18-19
Independent Auditor's Comments on Resolution Matters Relating to Prior Audit Comments and Findings	20

**Martin  
and  
Polgar**

101 Huey Road  
P.O. Box 5854  
Baton Rouge, Louisiana 70804

Chartered Public Accountants  
in Independent Organizations

File # 0082 001-0004  
File # 0082 001-0001

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Houma-Terrebonne Airport Commission  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Houma-Terrebonne Airport Commission, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Houma-Terrebonne Airport Commission'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 the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Houma-Terrebonne Airport Commission as of June 30, 1998, 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 August 17, 1998 on our consideration of the Houma-Terrebonne Airport Commission's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

*Martin and Polgar*  
August 17, 1998



**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**  
**Proprietary Fund - Enterprise Fund**

**Statement of Revenues, Expenses, and Changes in Retained Earnings**  
**For the Year Ended June 30, 1998**

<b>OPERATING REVENUES</b>	
Rents and leases	\$ 700,124
Commissions on fuel	30,844
Other revenues	<u>9,523</u>
Total operating revenues	<u>831,291</u>
<b>OPERATING EXPENSES</b>	
Personnel services	217,528
Contractual services	71,728
Materials and supplies	31,482
Repairs and maintenance	69,058
Other expenses	11,060
Depreciation expense	<u>303,734</u>
Total operating expenses	<u>705,735</u>
<b>OPERATING INCOME</b>	<u>125,556</u>
<b>NONOPERATING INCOME</b>	
Interest income	354,413
Unrealized appreciation on investment valuation (Note 1-E)	<u>100,508</u>
Total nonoperating income	<u>454,921</u>
<b>NET INCOME</b>	580,176
<b>ADD DEPRECIATION OF FIXED ASSETS ACQUIRED BY CONTRIBUTED CAPITAL</b>	<u>200,825</u>
<b>INCREASE IN RETAINED EARNINGS</b>	781,110
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>7,239,751</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$ 8,020,861</u>

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**  
**Proprietary Fund - Enterprise Fund**

**Statement of Cash Flows**  
**Decrease in Cash and Cash Equivalents**  
**For the Year Ended June 30, 1998**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Net income	\$ 585,175
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	303,736
Unrealized appreciation on investment valuation (increase) decrease in:	(158,200)
Receivables	38,919
Prepaid insurance	(1,814)
Increase (decrease) in:	
Accounts payable	2,874
Deferred revenues	4,118
Compensated absences payable	<u>(3,885)</u>
Net cash flow from operating activities	<u>\$24,814</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	
Purchases of fixed assets	(167,737)
Purchases of investments	(1,323,049)
Proceeds from sales of investments	455,000
Principal returns of investments	<u>405,238</u>
Net cash flows used in investing activities	<u>\$1,430,548</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Contributions in aid of construction	<u>107,288</u>
Net decrease in cash and equivalents	(207,410)
<b>CASH AND EQUIVALENTS, beginning</b>	<u>1,267,819</u>
<b>CASH AND EQUIVALENTS, ending</b>	<u>\$ 920,409</u>

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Airport Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended June 30, 1998

**NOTE 1 - Summary of Significant Accounting Policies**

The Houma-Terrebonne Airport Commission was created by the City of Houma and the Terrebonne Parish Police Jury in 1957, as authorized by Louisiana Revised Statute 2:802. On January 9, 1994, after a vote of the citizens of Terrebonne Parish, the City of Houma and the Terrebonne Parish Police Jury were consolidated to form the Terrebonne Parish Consolidated Government. The Airport Commission is governed by a five-member board. The Terrebonne Parish Consolidated Government appoints four members, and the remaining member is appointed by the other board members. The Airport Commission is responsible for maintaining and operating the Houma-Terrebonne Airport, which provides airport facilities and services that accommodate general aviation.

The Houma-Terrebonne Airport has an aviation/industrial complex of 1,600 acres. Ninety percent is oil field related and produces approximately 160 leases. A busy helicopter oil field shuttle dominates the flying operations. The airport is equipped with a full instrument landing system. Through four fixed based operators, a full range of aviation services results in approximately 100,000 aircraft movements each year. Unlimited potential exists for aviation and industrial development with direct flight line and parking apron access available on 600 leaseable acres. Hard-surfaced roads, access to major highways, water canals, and port facilities, as well as a large non-union labor pool, are readily available.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards for state and local governmental entities. The GASB has issued a codification of governmental accounting and financial reporting standards (1987). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The accompanying financial statements have been prepared in accordance with such principles.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Financial accountability by the consolidated government is determined on the basis of the following criteria:

**Houma-Terrebonne Airport Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended June 30, 1998

**NOTE 1 - Summary of Significant Accounting Policies (Cont.)**

1. Appointment of voting majority of governing board
2. Imposes its will
3. Financial benefit or burden
4. Fiscally dependent
5. Designate management

Because the consolidated government appoints a majority of the governing board and thereby can impose its will, the Commission was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the consolidated government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**A. FUND ACCOUNTING**

The Houma-Terrebonne Airport Commission is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

**B. FIXED ASSETS AND LONG-TERM LIABILITIES**

Fixed assets of the Airport Commission, including donated property and equipment, are valued at cost. All donated property and equipment are recorded at estimated fair market value on the date of the donation. Assets are capitalized if costs exceed \$500 and if they have a useful life of at least one year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Fixed assets reported on the balance sheet are net of accumulated depreciation. Depreciation is computed using the straight-line



**Houma-Terrebonne Airport Commission**  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended June 30, 1998

**NOTE 1 - Summary of Significant Accounting Policies (Cont.)**

**B. FIXED ASSETS AND LONG-TERM LIABILITIES (Cont.)**

method over the estimated useful life of the individual asset. Estimated useful lives of assets range from 5 to 40 years as follows:

	Estimated Life <u>in Years</u>
Property	
Master Plan Phase I - taxiways and paving	40
Runways and parking apron	10-40
Runways and approach lighting	7-30
Hangers	25-30
Buildings	15-40
Equipment	3-40
Automobiles and trucks	6-14
Office furniture and fixtures	5-20
Land improvements	20-40
Industrial park improvements	40
Miscellaneous	5-20

Airport improvements generally have been constructed or acquired with contributions-in-aid of construction. Depreciation shown on the statement of revenues and expenses includes depreciation of assets acquired from contributions. The depreciation applicable to contributed capital is closed to the contributed capital account rather than retained earnings.

By a quit-claim deed executed on April 9, 1968, the Houma-Terrebonne Airport Commission acquired 1743.47 acres of airport property and existing facilities that were transferred to the City of Houma and the Terrebonne Parish Police Jury by the General Services Administration pursuant to the authority contained in the Federal Property and Administrative Services Act of 1949 and the Surplus Property Act of 1944. Administration of this property is governed by the provisions of this quit-claim deed. The quit-claim deed is carried on the books at the nominal value of \$1 and, accordingly, no depreciation is included in the accompanying financial statements.

Long-term liabilities are recognized within the Enterprise Fund.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

Notes to Financial Statements  
As of and for the Year Ended June 30, 1998

**NOTE 1 - Summary of Significant Accounting Policies (Cont.)**

**C. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting also refers to the timing of the measurements made, regardless of the measurement focus applied. The Airport Commission's records are maintained on a cash basis of accounting. However, the Enterprise Fund reported in the accompanying financial statements has been converted to the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The Enterprise Fund is reported using a flow of economic resources measurement focus and a determination of net income and capital maintenance.

**D. CASH AND CASH EQUIVALENTS**

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. At June 30, 1998, the Commission has cash and cash equivalents totaling \$970,409 as follows:

Petty cash	\$ 200
Interest bearing demand deposits	194,197
Government money market fund	<u>776,012</u>
Total	\$ <u>970,409</u>

These deposits are stated at cost, which equals 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. The 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. Bank deposits were fully secured during the year ended June 30, 1998.

The government money market fund is secured by pooled government securities.

Houma-Terrebonne Airport Commission  
Terrebonne Parish Consolidated Government

Notes to Financial Statements  
As of and for the Year Ended June 30, 1998

**NOTE 1 - Summary of Significant Accounting Policies (Cont.)**

**D. CASH AND CASH EQUIVALENTS (Cont.)**

For purposes of the statement of cash flows, the Commission considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

**E. INVESTMENTS**

Under state law, the Commission may invest in United States bonds, treasury notes, or certificates. At June 30, 1998, the Commission holds investments totaling \$4,714,377 as follows:

	<u>Cost</u>	<u>Market Value</u>
Government National Mortgage Assoc.	\$ 526,602	\$ 558,772
Federal National Mortgage Assoc.	2,693,810	2,711,604
Federal Home Loan Mortgage Corp.	1,594,965	1,483,203
Total	<u>\$ 4,714,377</u>	<u>\$ 4,753,579</u>

The investments are registered in the name of the broker for the benefit of the Airport Commission and are held by the broker. Because the underlying securities are not held in the Airport Commission's name and are not held by the Airport Commission or its agent, they are considered unmeasured and unregistered (Category 3) in applying the credit risk of GASB Codification Section 1 50-154. The Commission's investment philosophy as related to these investments is to hold these investments until maturity. Such philosophy results in no loss of principal regardless of market conditions. During the year ended June 30, 1998 the Commission recognized \$106,206 of unrealized appreciation on such investments.

In addition to the aforementioned investments, the Airport Commission participates in a deferred compensation plan (note 5). At June 30, 1998, the plan administrator held fixed annuities for plan participants valued at \$192,699. These assets are valued at fair market value.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**NOTE 1 - Summary of Significant Account Policies (Cont.)**

**F. VACATION AND SICK LEAVE**

Employees of the Airport Commission are granted from 10 to 15 days of vacation leave each year, depending on their length of service.

In addition, employees are granted 10 days of sick leave each year. A maximum of 10 days of unused vacation leave may be carried forward from year to year. Sick leave can be accumulated not to exceed 60 days. Upon separation of employment, employees are compensated for accumulated vacation leave at the employee's current rate of pay. Employees retiring with more than 10 years of service are compensated for 60 percent of the accumulated sick leave to a maximum of 45 days. At June 30, 1998, employees of the airport commission have accumulated \$ 18,332 of employee leave benefits.

**G. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 3 - BANK DEPOSITS**

Under state law, 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 Commission's deposits are categorized to give an indication of the level of risk assumed at June 30, 1998. The categories are as follows:

- Category 1 - Insured or collateralized with securities held by the Commission or by its agent in the Commission's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name.
- Category 3 - Uncollateralized

**Houma-Terrebonne Airport Commission**  
 Terrebonne Parish Consolidated Government

Notes to Financial Statements  
 As of and for the Year Ended June 30, 1999

**NOTE 2 – BANK DEPOSITS (Cont.)**

Deposits, categorized by level of risk, are:

	Bank Balance	Category		
		1	2	3
Cash and cash equivalents	\$237,401	150,637	77,364	-0-

**NOTE 3 - RECEIVABLES**

The following is a summary of receivables at June 30, 1999:

	Current	Long Term
Rent receivable	\$ 55,565	\$ -0-
Due from tenants for parking lots	4,361	1,443
Notes receivable	<u>9,554</u>	<u>10,358</u>
	<u>\$ 69,500</u>	<u>\$ 11,791</u>

Because the Federal Aviation Administration required fencing of airport property, many tenant parking lots were no longer convenient for customer use. As a result, the commission entered into agreements with several tenants to build new parking lots and finance the construction of those lots over the remaining lease terms. At June 30, 1999, the amount due from tenants for parking lots totals \$ 5,504.

On June 24, 1992, the Commission sold a building acquired from lease termination to Gulf Air Enterprises, Inc. for a 10-year note receivable of \$ 54,800 with an interest rate of 10 percent per annum. On February 18, 1993 the Commission sold a building acquired from lease termination to Guffard Equipment Corporation for a 10-year non-interest bearing note receivable of \$ 9,542. The notes receivable are due in monthly installments of \$ 725 and \$ 72 respectively. At June 30, 1999, the amount due from these notes receivable totals \$ 19,812.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**NOTE 3 - RECEIVABLES (Cont'd)**

The Airport Commission considers all accounts receivable to be fully collectible. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the accounts are uncollectible.

**NOTE 4 - FIXED ASSETS**

A summary of fixed assets at June 30, 1998 is as follows:

Land	\$ 935,655
Buildings	260,563
Improvements other than buildings	10,912,500
Furniture and equipment	284,532
Construction in progress	<u>150,458</u>
	12,903,141
Less accumulated depreciation	<u>4,121,534</u>
Total	<u>\$8,480,507</u>

**NOTE 5 - DEFERRED COMPENSATION PLAN**

The Houma-Terrebonne Airport Commission offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan is administered by a third party, the Public Employees Benefit Services Corporation. The plan, which is available to all Commission employees, permits employees to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the Airport Commission (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Commission's general creditors. Participant rights under the plan are equal to those of general creditors of the Commission in an amount equal to the fair market value of the deferred account for each participant.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**NOTE 4 - DEFERRED COMPENSATION PLAN (Cont.)**

The deferred compensation liability and asset are equal to the total cash balances for each participant's account as of June 30, 1998.

The Commission has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor.

**NOTE 5 - PENSION PLAN**

Effective January 1987, the Commission also provides pension benefits for all of its full-time employees through a defined contribution plan administered by the Public Employees Benefit Services Corporation as authorized by the pension plan contract dated January 1987. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The plan requires that both the employee and the Commission contribute an amount equal to five per cent of the employee's base salary each month. For employees hired prior to July 1, 1993 the Commission's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years of continuous service. Employees hired subsequent to July 1, 1993 receive vesting under a seven year sliding vesting schedule. Commission contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Commission's current-period contribution requirement.

The Commission's contributions were calculated using the base salary amount of \$145,625 for full-time employees. The Commission and the employees made the required five percent contributions, \$ 7,281, or \$ 14,562 in total.

**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

Notes to Financial Statements  
As of and for the Year Ended June 30, 1999

**NOTE 7 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

The Houma-Terrebonne Airport Commission provides certain continuing health care and life insurance benefits for its retired employees. All of the Airport Commission's employees become eligible for these benefits if they reach normal retirement age while working for the Commission. These benefits for retirees, as well as similar benefits for active employees, are provided through an insurance company whose monthly premiums are paid by the Commission, except for \$ 40 paid by the employee for dependent coverage. For the year ended June 30, 1998 the cost of retiree benefits totaled \$5,905. Effective July 1, 1993, employees retiring with 10 or more years of service and age 65 or greater are eligible to participate in a Medicare Supplement program sponsored by the Commission with the retiree share of the premium set by the Commission.

**NOTE 8 - LEASES**

The Airport Commission leases various parcels of land and/or buildings located at the airport to various aviation, industrial and business concerns. These are noncancelable leases with obligated terms ranging from one to ten years or other maximums established by Louisiana Revised Statutes. All leases contain escalation clauses. The leases are subject to state bid laws and final approval by the Federal Aviation Administration under the terms of the quit-claim deed signed April 9, 1998. The following is a schedule of future minimum rental income from noncancelable operating revenue leases as of June 30, 1999.

<u>Year ending June 30,</u>	
1999	\$ 722,501
2000	476,040
2001	359,430
2002	198,481
2003	160,374
Thereafter	1,425,868
	<u>\$ 3,301,394</u>



**Houma-Terrebonne Airport Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to Financial Statements**  
**As of and for the Year Ended June 30, 1998**

**NOTE 9 - CONTRIBUTED CAPITAL**

Amounts contributed to the Airport Commission to acquire or construct fixed assets are recognized as contributed capital. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income. The following is a summary of contributed capital as of June 30, 1998:

Contributions from:	
Federal Aviation Administration	\$ 7,191,823
State of Louisiana	752,295
United States Department of Commerce	310,500
City of Houma	100,000
Terrebonne Parish Consolidated Government	201,031
Donations	<u>120,299</u>
	\$ 8,675,948
Less amortization	<u>(2,990,085)</u>
	<u>\$ 5,685,863</u>

**Martin  
and  
Follegie**

601 Poydras Street  
17th Floor, Suite 1  
New Orleans, Louisiana 70004

Chartered Public Accountants  
(in Louisiana) (Professional)

Phone: (504) 581-0600  
Fax: (504) 451-3900

**INDEPENDENT AUDITOR'S REPORT ON  
ADDITIONAL INFORMATION**

To the Board of Commissioners  
Houma-Terrebonne Airport Commission

Our report on our audit of the general purpose financial statements of the Houma-Terrebonne Airport Commission for the year ended June 30, 1998 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Information Schedule of Compensation Paid Board of Commissioners is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 17, 1998

House-Terrebonne Airport Commission  
Terrebonne Parish Consolidated Government

Schedule of Compensation Paid Board of Commissioners  
For the Year Ended June 30, 1998

The schedule of Compensation paid Board of Commissioners is presented in compliance with the House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 2:603, the board members have elected the monthly meeting method of compensation. Under this method, the chairman receives a monthly salary, and the chairman and other board members receive a payment for each meeting attended with a limit of two meetings per month. The chairman receives \$75 per meeting and \$150 per month salary. The board members receive \$50 per meeting. The compensation is included in personal services expense on the statement of revenues and expenses.

Augustus Brown	\$ 1,050
Albert Guidry	1,350
Leopold C. LaCoste	1,200
John D. Monteiro, Chairman	3,450
John Wiemann	<u>1,350</u>
Total	<u>\$ 8,400</u>

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Houma-Terrebonne Airport Commission  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited the general purpose financial statements of the Houma-Terrebonne Airport Commission as of and for the year ended June 30, 1996, and have issued our report thereon dated August 17, 1996. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Houma-Terrebonne Airport Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Houma-Terrebonne Airport Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Houma-Terrebonne Airport Commission, management and the U.S. Department of Transportation, Federal Aviation Administration. However, this report is a matter of public record and its distribution is not limited.



August 17, 1998

**Martin  
and  
Pollock**

100 Henry Road  
P.O. Box 5094  
Harris, Louisiana 70002

Chartered Public Accountants  
& Certified Financial Planners

Ph: (504) 831-5555  
Fax: (504) 831-3811

**INDEPENDENT AUDITOR'S COMMENTS ON RESOLUTION  
MATTERS RELATING TO PRIOR AUDIT COMMENTS AND FINDINGS**

The prior audit report for the year ended June 30, 1997 included no items requiring comment. A management letter was not issued.

*Martin and Pollock*

August 17, 1998