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IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
REPORTING PACKAGE  
FOR THE YEAR ENDED DECEMBER 31, 1998

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- SECTION 1: Data Collection Form
- SECTION 2: Financial Statements, Required Schedules,  
and Independent Auditors' Reports
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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 JUN 23 1999

IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
DATA COLLECTION FORM  
FOR THE YEAR ENDED DECEMBER 31, 1998

IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
FINANCIAL STATEMENTS, REQUIRED SCHEDULES, AND  
INDEPENDENT AUDITORS' REPORTS  
FOR THE YEAR ENDED DECEMBER 31, 1998

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**Independent Auditors' Report**

The Iberia Parish Airport Authority  
(A Component Unit of the Iberia Parish Government)  
New Iberia, Louisiana 70560

We have audited the accompanying general-purpose financial statements of the Iberia Parish Airport Authority (A Component Unit of the Iberia Parish Government), as of and for the year ended December 31, 1998 as listed in the table of contents. These general-purpose financial statements are the responsibility of the Iberia Parish Airport Authority'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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 Iberia Parish Airport Authority as of December 31, 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 our report dated May 1, 1999 on our consideration of the Iberia Parish Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

MEMBER OF

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
LOUISIANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The Iberia Parish Airport Authority

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Iberia Parish Airport Authority, taken as a whole. The accompanying schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules listed in the table of contents are not required parts of the general-purpose financial statements and are presented for additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

*Mixon, Roy, Metz & Mixon*  
MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 1999

**IBERIA PARISH AIRPORT AUTHORITY**  
 (A Component Unit of the Iberia Parish Government)  
**PROPRIETARY FUND TYPE**  
**AIRPORT ENTERPRISE FUND**  
**Balance Sheet**  
**December 31, 1998**

Assets:

Current Assets:

Cash and cash equivalents	\$ 229,214
Investments, at cost	172,508
Accounts receivable, net of allowance for uncollectible accounts of \$32,880	3,013
Grants receivable	61,141
Accrued interest	1,358
Restricted assets	<u>4,173,439</u>

Total Current Assets: \$ 4,640,673

Property, Plant and Equipment:

Land	\$ 1,827,553
Buildings and improvements	14,674,717
Machinery and equipment	<u>834,163</u>
	\$17,336,433
Accumulated depreciation	<u>(11,986,827)</u>

Total Property, Plant and Equipment: \$ 5,349,606

Total Assets: \$ 9,990,279

The accompanying notes are an integral part of this statement.

**IBERIA PARISH AIRPORT AUTHORITY**  
 (A Component Unit of the Iberia Parish Government)  
**PROPRIETARY FUND TYPE**  
**AIRPORT ENTERPRISE FUND**  
**Balance Sheet**  
**December 31, 1998**

Liabilities and Fund Equity:

Current Liabilities:

Accounts payable	\$	8,606
Contracts payable		19,969
Prepaid rents		15,479
Lessee deposits		9,515
Current maturities of long-term debt		8,596
Payable from restricted assets		
Current maturities of revenue bonds	\$	0
Accrued interest on revenue bonds		<u>23,100</u>
Compensated absences		14,785
Due to other funds		<u>847</u>
<u>Total Current Liabilities:</u>	\$	<u>100,897</u>

Long-Term Liabilities:

Notes payable	\$	101,594
Revenue bonds payable		<u>4,200,000</u>
<u>Total Long-Term Liabilities:</u>		<u>4,301,594</u>

Total Liabilities:

\$ 4,402,491

Fund Equity:

Contributed capital:

Federal		\$10,524,044
State		4,051,313
Local		<u>893,653</u>

\$15,469,010

Amortization

(10,861,525)

Net contributed capital:

\$ 4,607,485

Retained earnings:

Reserved	\$	0
Unreserved		<u>980,303</u>

Total retained earnings:

\$ 980,303

Total Fund Equity:

\$ 5,587,788

Total Liabilities and Fund Equity:

\$ 9,990,279

The accompanying notes are an integral part of this statement.



IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
PROPRIETARY FUND TYPE  
AIRPORT ENTERPRISE FUND

Statement of Revenues, Expenses, and Changes in Retained Earnings  
For the Year Ended December 31, 1998

<u>Operating Revenues:</u>	
Leases and rentals	\$ 582,579
Fees and other revenues	<u>53,256</u>
<u>Total Operating Revenues:</u>	<u>\$ 635,835</u>
<u>Operating Expenses:</u>	
Personal services	\$ 144,192
Professional fees	22,870
General repairs	68,318
Utilities	27,770
Telephone and other communications	7,516
Insurance	36,245
Materials and supplies	22,117
Fuel and oil	4,539
Chemicals	19,301
Other	16,860
Employee benefits	25,812
Unemployment tax	3,724
Contract payments - other	<u>31,800</u>
<u>Total Operating Expenses Excluding Depreciation:</u>	<u>\$ 431,064</u>
<u>Operating Income Before Depreciation:</u>	\$ 204,771
Depreciation	<u>224,845</u>
<u>Operating Loss:</u>	<u>\$ (20,074)</u>
<u>Nonoperating Revenues (Expenses):</u>	
Interest income - revenue bonds	\$ 132,459
Interest income - other	22,859
Operating grants	262,875
Contract payments	(257,872)
Interest expense - revenue bonds	(161,700)
Interest expense - other	(9,337)
Professional fees - revenue bonds	<u>(35,684)</u>
<u>Total Nonoperating Revenues (Expenses):</u>	<u>\$ (46,400)</u>
Net loss	\$ (66,474)
Depreciation on fixed assets acquired with contributed capital	<u>164,937</u>
<u>Increase in Retained Earnings:</u>	\$ 98,463
<u>Retained Earnings, Beginning of Year:</u>	<u>881,840</u>
<u>Retained Earnings, End of Year:</u>	<u>\$ 980,303</u>

The accompanying notes are an integral part of this statement.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
PROPRIETARY FUND TYPE  
AIRPORT ENTERPRISE FUND  
Statement of Cash Flows  
For the Year Ended December 31, 1998

Cash Flows From Operating Activities:

Operating loss	\$ (20,074)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	224,845
Decrease in accounts receivable	30,344
Decrease in accounts payable and accrued expenses	(1,838)
Loss on disposal of equipment	997
<u>Net Cash Provided by Operating Activities:</u>	<u>\$ 234,274</u>

Cash Flows From Noncapital Financing Activities:

Operating grants received	\$ 243,958
Contract payments	(242,903)
Net decrease in due to other funds	(1,857)
<u>Net Cash Used in Noncapital Financing Activities:</u>	<u>\$ (802)</u>

Cash Flows From Capital and Related Financing Activities:

Capital grants received	\$ 166,476
Proceeds from revenue bonds	4,200,000
Professional fees - revenue bonds	(35,684)
Proceeds from sale of equipment	700
Capital expenditures - buildings	(379,006)
Capital expenditures - equipment	(75,844)
Principal payments on notes and revenue bonds	(10,626)
Interest payments on notes and revenue bonds	(147,937)
<u>Net Cash Provided by Capital and Related Financing Activities:</u>	<u>\$ 3,718,079</u>

Cash Flows From Investing Activities:

Interest on investments and restricted assets	\$ 141,979
Purchase of investments	(16,536)
Purchase of restricted assets	(4,158,018)
<u>Net Cash Used In Investing Activities:</u>	<u>\$(4,032,575)</u>

Net Decrease in Cash and Cash Equivalents:

<u>Net Decrease in Cash and Cash Equivalents:</u>	\$ (81,024)
<u>Cash and Cash Equivalents at Beginning of Year:</u>	<u>310,238</u>
<u>Cash and Cash Equivalents at End of Year:</u>	<u>\$ 229,214</u>

Non-Cash Transactions:

During the year 203.5 acres of land with an estimated fair market value of \$508,750 were acquired from the federal government.

The accompanying notes are an integral part of this statement.

**IBERIA PARISH AIRPORT AUTHORITY**  
**(A Component Unit of the Iberia Parish Government)**  
**Notes to the General-Purpose Financial Statements**

1. Summary of Significant Accounting Policies:

The Iberia Parish Airport Authority was created by resolution of the Iberia Parish Police Jury on January 26, 1966 under the provisions of Louisiana Revised Statutes 2:601-2:613. The Iberia Parish Airport Authority is the governing body of Acadiana Regional Airport and LeMaire Memorial Airport and administers the overall operation and development of the aforementioned airports.

Louisiana Revised Statutes 2:601-2:613 is an act authorizing the creation by the parish of airport authorities, and granting to such airport authorities all powers necessary to operate the airport.

The Acadiana Regional Airport is located in New Iberia, Louisiana and Lemaire Memorial Airport is located in Jeanerette, Louisiana. Both cities are located in Iberia Parish. Neither airport handles regular passenger traffic and are considered to be general aviation facilities. The airports are primarily utilized by local aircraft, military and government aircraft, the oil industry, and aircraft maintenance operations. The Iberia Parish Airport Authority is self-supporting through facility and land rentals and currently has no local or parish financial assistance.

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity:

GASB Statement No. 14 established criteria for determining the primary government and the component units that should be included within the primary government. Based upon the following criteria the Iberia Parish Government (the primary government) is considered to have financial accountability for the Iberia Parish Airport Authority.

1. Appointment of governing board
2. Ability to impose its will (subject to La. Revised Statutes 2)
3. Has potential for financial burden

Because of the above criteria, the Iberia Parish Airport Authority was determined to be a component unit of the Iberia Parish Government, the governing body of the parish. The accompanying general-purpose financial statements present information only on the fund maintained by the Iberia Parish Airport Authority and does not present information on the Iberia Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the primary government.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

B. Fund Accounting:

The Iberia Parish Airport Authority is organized and operated on a fund basis whereby a separate self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, fund equity, revenues and expenses. The Enterprise Fund is used to account for operations since the Iberia Parish Airport Authority has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and accountability.

The Iberia Parish Airport Authority reports in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Iberia Parish Airport Authority has elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

The accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audit of State and Local Governmental Units.

C. Basis of Accounting:

Basis of accounting refers to when revenues and expenses are recognized and reported in the general-purpose financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

The fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet.

The fund's records are maintained on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

The Iberia Parish Airport Authority does not use encumbrance accounting.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

D. Budgetary Practices:

Budgetary practices include public notice of proposed budgets, public inspection of proposed budgets, public hearings on the budgets and approval by the Iberia Parish Government (the primary government). Formal budgetary integration is employed as a management control device during the year. Budgetary amendments can only be made through ordinances adopted by the Iberia Parish Government (the primary government) *as recommended by the Iberia Parish Airport Authority*. All budgetary appropriations lapse at the end of each year. A budgetary comparison has not been included in the general-purpose financial statements as it is not required by generally accepted accounting principles.

E. Cash and Cash Equivalents and Investments:

Cash includes unrestricted amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include unrestricted amounts in time deposits and those investments with original maturities of 90 days or less. Investments are unrestricted time deposits with original maturities of 90 days or more.

Under state law, the Iberia Parish Airport Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Iberia Parish Airport Authority 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.

F. Fixed Assets:

All fixed assets are originally recorded at historical cost or estimated cost if historical cost is not available. Donated fixed assets are recorded at fair market value at the time of donation.

Depreciation of all exhaustible fixed assets used by the fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method based on the estimated useful life of the individual assets.

Interest costs directly related to capital projects are capitalized in the period incurred.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

G. Compensated Absences:

Accumulated unpaid annual leave is accrued at the end of the fiscal year. Accumulated sick leave while available for the use of employees is not accrued since it is not a vested right nor is it payable at the end of employment.

H. Restricted Revenues:

Because the Iberia Parish Airport Authority has received federal financial assistance it is subject to the Airport and Airway Improvement Act of 1982, as amended, Section 511 (A) (12). Basically this Act requires that all revenues generated by the airport be expended for the capital or operating costs of the airport.

I. Use of Estimates:

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Deposits, Investments, Restricted Assets:

Cash and cash equivalents consisted of the following at December 31, 1998:

Interest-bearing demand deposits	\$ 218,908
Savings account	<u>10,306</u>
	<u>\$ 229,214</u>

Investments consisted of certificates of deposit at December 31, 1998  
(all mature in 1999):

\$ 172,508

Restricted assets consisted of the following at December 31, 1998:

Interest bearing demand deposits (sinking fund)	\$ 208,018
90 day certificate of deposit (unused revenue bond proceeds)	3,950,000
Accrued interest	<u>15,421</u>
	<u>\$ 4,173,439</u>

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

2. Deposits, Investments, Restricted Assets (Continued):

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. At December 31, 1998 the Iberia Parish Airport Authority had \$4,583,349 in deposits (collected bank balances including certificate of deposits). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$4,383,349 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Cat. 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Iberia Parish Airport Authority that the fiscal agent has failed to pay deposited funds upon demand.

The restricted assets may only be used for the construction of the wide body hangar and revenue bond payments.

3. A. Operating Leases as Lessor:

The primary business of the Iberia Parish Airport Authority is providing space and facilities for fixed base operators, and private and public transporters. The Iberia Parish Airport Authority also leases excess land to agricultural tenants. The revenues derived from the users of Airport facilities and land are in the form of operating leases. Lease contracts include escalation clauses, options to renew, and penalty clauses. The Iberia Parish Airport Authority does not require deposits or any other collateral other than normal lessor rights.

The following schedule represents the future minimum lease payments due to the Iberia Parish Airport Authority for contracts in effect as of December 31, 1998:

<u>Year Ended</u>	<u>Amount</u>
1999	\$ 423,953
2000	349,697
2001	267,593
2002	243,821
2003	247,674
Later Years	<u>4,826,665</u>
	<u>\$ 6,359,403</u>

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

3. A. Operating Lease as Lessor (Continued):

In addition to the above operating leases, the Iberia Parish Airport Authority also receives flowage fees based on a prenegotiated percentage of invoice cost of aviation fuel and oil sold by Airport tenants. Flowage fees were \$38,959 in the current year.

Agricultural leases were \$126,718 in the current year. Lease revenues are based on an annual minimum rental or 1/6 of the crop, whichever is greater.

3. B. Operating Lease as Lessor - Major Tenant:

The following schedule which is included in the above schedule represents the future minimum lease payments due from a major tenant for contracts in effect as of December 31, 1998.

<u>Year Ended</u>	<u>Amount</u>
1999	\$ 301,719
2000	246,719
2001	176,878
2002	173,910
2003	178,258
Later Years	<u>4,391,314</u>
	<u>\$ 5,468,798</u>

Lease payments billed to this tenant in the current year was \$361,734 which represent 62% of the total leases and rentals. At December 31, 1998 included in accounts receivable as due from this tenant were rents totaling \$0. This tenant's major business is the repainting of large commercial passenger aircraft for a small number of major customers all of which are considered material to the tenant's operations.

Additional monthly rentals of \$35,000 are anticipated from the tenant in mid 2000 depending on the completion date of a new wide body hangar.

4. Changes in Fixed Assets:

A summary of changes in fixed assets are as follows:

	Balance December 31, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1998</u>
Land	\$ 1,318,803	\$508,750	\$ 0	\$ 1,827,553
Building & Imp	14,298,330	376,387	0	14,674,717
Machinery & Equip	<u>765,043</u>	<u>75,844</u>	<u>6,724</u>	<u>834,163</u>
	<u>\$16,382,176</u>	<u>\$ 960,981</u>	<u>\$ 6,724</u>	<u>\$17,336,433</u>



IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

5. Long-Term Liabilities:

During 1988, the Iberia Parish Airport Authority purchased two buildings built by former lessees on Airport property: one from F.D.I.C. and one from a bank. Consideration to F.D.I.C. is 30% of the base rental of said building for the period June 1, 1988 through May 31, 1998 (ten years); the present value of the expected liability to the F.D.I.C. was computed using a 9% interest rate. No payments are due when the building is not rented. Consideration to the bank was \$150,000 and was set up as an installment loan due in 20 years at 8% interest per annum. Both the liability to the F.D.I.C. and to the bank are considered unsecured, but the liability to the bank is guaranteed by the Iberia Parish Government (the primary government).

On June 4, 1998 the Iberia Parish Airport Authority issued and sold \$4,200,000 of Airport Revenue Bonds, series 1998 (6.60% - 7.45%) for the construction of a wide body hangar. The bonds are secured by net revenues of the Iberia Parish Airport Authority. Monthly payments covering principle and interest are required to be made to a sinking fund. No reserve fund is required. The first principal payment is due June 2000.

The following schedule represents the annual requirements to amortize long-term debt including interest of \$2,806,818 based on information in existence at December 31, 1998.

<u>Year Ending December 31,</u>	<u>Notes</u>	<u>Revenue Bonds</u>
1999	\$ 17,116	\$ 289,429
2000	15,103	496,475
2001	15,103	490,193
2002	15,103	495,858
2003	15,103	490,160
2004 thru 2013	<u>87,755</u>	<u>4,689,610</u>
	<u>\$ 165,283</u>	<u>\$ 6,951,725</u>
<u>Interest included</u>	<u>\$ 55,093</u>	<u>\$ 2,751,725</u>

Changes in long-term debt were as follows:

	<u>Balance December 31, 1997</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1998</u>
FDIC	\$ 6,431	\$ 0	\$ 4,463	\$ 1,968
Bank	114,385	0	6,163	108,222
Revenue Bonds	<u>0</u>	<u>4,200,000</u>	<u>0</u>	<u>4,200,000</u>
Total	<u>\$120,816</u>	<u>\$4,200,000</u>	<u>\$ 10,626</u>	<u>\$4,310,190</u>

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

6. Lessee Deposits:

By state law lessees are required to make a deposit in the form of a bid security at the time they make a bid on a lease. The deposits are normally returned a year after the bid is accepted or immediately if the bid is not accepted. These bid securities are returned with no interest accruing.

Per the contracts with the agricultural tenants annual minimum lease payments are required prior to harvesting. During harvesting, the mills send 1/6 of the crop proceeds to the Iberia Parish Airport Authority.

After harvesting, the Iberia Parish Airport Authority returns the lesser of the minimum lease payment or the 1/6 to the tenant.

7. Contributed Capital:

Donations of assets or amounts contributed to the airport for acquisition or construction of fixed assets are recognized in the enterprise funds as contributed capital. In the current year there were net additions to contributed capital of \$688,163 (including 203.5 acres from the federal government estimated at \$508,750). Contributed capital generated through donations and grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on the portion of the assets acquired or constructed from such grants. This amortization is closed to the appropriate contributed capital account and is reflected as an adjustment to net income. In the current year this amortization was \$164,937.

8. Defined Benefit Pension Plan:

All employees of the Iberia Parish Airport Authority participate in the Parochial Employees Retirement System (PERS) of Louisiana, a multiple-employer public employee retirement system.

All permanent employees who work at least 28 hours per week and are under 60 years of age are members of the plan. Members of the plan may retire with thirty years of creditable service regardless of age, with twenty-five years of service at age 55, and with 10 years of service at age 60. The retirement allowance is equal to 3% of the member's final compensation multiplied by his years of creditable service, with certain provisions made for those employees who were members of the supplemental plan only prior to its revisions date. Their retirement allowance may not exceed the greater of 100% of a member's final salary or compensation. The System also provides disability and survivor benefits. Benefits are established by State statute.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

8. Defined Benefit Pension Plan (Continued):

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each Parish. State statute requires covered employees to contribute 9.50% of their earnings to the plan; the Airport Authority contributes 7.75% of each employee's salary as an employer match. Although contributions are determined by state statute rather than actuarial calculation, actuarial required contributions are determined for the System, but not separately for the Iberia Parish Airport Authority.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's comprehensive annual financial report. The Iberia Parish Airport Authority does not guarantee the benefits granted by the System. A copy of the System's comprehensive annual report can be obtained from the Parochial Employee's Retirement System of Louisiana.

9. Deferred Compensation Plan:

The Iberia Parish Government (the primary government) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Parish employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. 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 are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Parish subject only to the claims of the Parish's general creditors. Participants' rights under the plan are equal to those of general creditors of the Parish in an amount equal to the fair market value of the deferred account for each participant. The Parish believes it is unlikely that it will use the assets to satisfy claims of general creditors in the future.

Investments are managed by the plan's administrator under one of five investment options, or a combination thereof. The choice of the investment option (s) is made by the participants.

10. Postretirement Health Care and Life Insurance Benefits:

The Iberia Parish Government (the primary government) provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the parish employees become eligible for these benefits if they reach normal retirement age while working for the Parish.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

10. Postretirement Health Care and Life Insurance Benefits (Continued):

These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Parish. The Iberia Parish Airport Authority recognizes the cost of providing these benefits (Iberia Parish Airport Authority's portion of premiums) as an expenditure when paid.

11. Annual and Sick Leave:

Employees of the Iberia Parish Airport Authority accrue annual and sick leave at varying rates according to years of service with the authority. Employees may be advanced up to one year's earned sick leave. Employees may accrue up to 45 days of annual leave and up to 360 days of sick leave.

Upon retirement or voluntary separation, employees are paid for accumulated annual leave not to exceed 45 work days. Employees who retire and have accumulated earned annual leave of 21 days or more may apply said annual leave to early retirement or increased retirement credit. Payment of annual leave for involuntary separation is limited to the accumulated annual leave of the current year.

Upon retirement, accumulated sick leave is used in retirement benefit computation as earned service. Upon resignation or death, accumulated sick leave is forfeited.

12. Air Traffic Control Tower Services:

The Iberia Parish Airport Authority was awarded an annual grant through September 1999 for air traffic control (ATC) from the Federal Aviation Administration. The grant is currently for \$19,969 per month. The Iberia Parish Airport Authority has also entered into a contract with a firm to supply the personnel to run the tower. The cost of this contract is also currently \$19,969 per month. For the current year grant revenues were \$222,875 and ATC cost were \$222,872.

Because the Airport Authority anticipate they would not incur the cost for ATC at it's current level if they did not receive a grant, the total cost of ATC is included as a nonoperating expense instead of an operating expense.

The FAA has indicated that they anticipate funding for ATC will continue after September 1999. If funding for ATC is not available and if the Airport Authority has no ATC or a reduced ATC, it is not known to what extent air traffic would be curtailed and subsequently, what would be the consequences to current tenants and their abilities to meet their lease obligations.

IBERIA PARISH AIRPORT AUTHORITY  
 (A Component Unit of the Iberia Parish Government)  
 Notes to the General-Purpose Financial Statements (Continued)

13. Self - Insurance:

The Risk Management Fund was begun in 1991 when the Iberia Parish Government (the primary government) made the decision to self-insure its general liability, auto, errors and omissions, property, and workers compensation risks. The Iberia Parish Airport Authority participates in the Fund.

The Parish purchases excess coverage through outside sources for the following coverages:

	<u>Deductible</u>	<u>Coverage</u>
General Liability	\$ 25,000	\$1,000,000
Auto	25,000	1,000,000
Errors and omissions	25,000	1,000,000
Property	25,000	250,000
Workers compensation	100,000	1,000,000
Aggregate Loss Fund	N/A	225,000

At December 31, 1998 there were no outstanding claims which would effect the Iberia Parish Airport Authority. Also, as of this report date, no discussions between the Iberia Parish Government (the primary government) and the Iberia Parish Airport Authority have been made concerning who has the responsibility for the deductible portion of any future claims.

In addition to the above, the lease agreements requires that airport tenants maintain general liability, workmen's compensation, and property insurance.

14. Related Party Transactions:

Accounting services for the Airport Authority are provided by the Iberia Parish Government (the primary government). Fees paid for the services in the current year were \$2,400.

15. Contingencies and Subsequent Events:

As noted earlier, the federal grant for air traffic control services is on a year to year basis and the consequences of it possibly not being renewed is unknown.

The Iberia Parish Airport Authority with FAA approval sold land to the Iberia Parish Government in 1997 at appraised value, with the understanding that the Iberia Parish Government would be responsible for any crop damages sustained by the current farm tenant. If the Airport Authority is forced to satisfy the tenant damages, it could amount to an estimated \$85,000. In addition, it is also not clear if payment of the \$85,000 would be viewed as a violation of Section 511(a)(12) concerning revenue diversion or PL289 concerning the sale of property at fair market value. If there is a violation, it is not known what the consequences would be.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the General-Purpose Financial Statements (Continued)

15. Contingencies and Subsequent Events (Continued):

In mid 1999 construction of a wide body hangar is anticipated to commence with final completion in mid 2000. Anticipated cost is \$9,700,000 with financing by the \$4,200,000 1998 revenue bond issue and \$5,500,000 of federal and state grants. The revenue bond agreement calls for a \$35,000 monthly rent which will go to paying a portion of the revenue bonds. The Iberia Parish Airport Authority will be responsible for an additional \$6,000 per month to satisfy the remaining portion of the revenue bond payments.

16. Year 2000 Compliance:

The Iberia Parish Airport Authority is aware of the potential problem concerning the "year 2000". Its computer system consist of one desktop PC, Wordperfect, and Quicken. It has recently replaced the PC with one Y2K compliant and if need be can replace the software.

The Iberia Parish Government (who handles the accounting for the Iberia Parish Airport Authority) has updated its mainframe and is in the process of examining its other hardware and software for Y2K problems and anticipates being compliant by September 1999. If the Iberia Parish Government has problems the accounting can be taken over by the Iberia Parish Airport Authority's system.

Even though no major problems are anticipated with the system of the Iberia Parish Airport Authority it is not known what problems may be encountered by lessors, vendors, sub-contractors, financial institutions, or grantors.

OTHER SUPPLEMENTARY INFORMATION

IBERIA PARISH AIRPORT AUTHORITY  
 (A Component Unit of the Iberia Parish Government)  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 1998

<u>Federal Grantor Program Title</u>	<u>Federal Pass-Through CFDA Number</u>	<u>Grantors Number</u>	<u>Project Description</u>	<u>Federal Revenues</u>	<u>Federal Expenditure</u>
U.S. Department of Transportation Federal Aviation Administration Air Traffic Control	N/A	N/A	Air Traffic Control	\$222,875	\$222,872
U.S. Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106	N/A	Lighting Improvements	<u>105,971</u>	<u>105,971</u>
<u>Total Federal Assistance</u>				<u>\$328,846</u>	<u>\$328,843</u>



IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Schedule of Expenditures of State Awards  
For the Year Ended December 31, 1998

<u>Project Number</u>	<u>Project Description</u>	<u>State Revenues</u>	<u>State Expenditures</u>
DOTD 716-23-0006	Wide Body Hanger	\$ 51,868	\$ 51,868
DOTD FA98-SN8121	Lighting Project	11,775	11,775
DED CFMS F534849	Venturestar SOQ	35,000	35,000
DOTD 977-99-0097	Beacon Project	<u>9,800</u>	<u>9,800</u>
<u>Total State Assistance:</u>		<u>\$108,443</u>	<u>\$108,443</u>

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Schedule of Amounts Paid to Commissioners  
For the Year Ended December 31, 1998

For the year ended December 31, 1998 there were no amounts paid to the Iberia Parish Airport Authority commissioners for compensation or per diem allowances.

IBERIA PARISH AIRPORT AUTHORITY  
 (A Component Unit of the Iberia Parish Government)  
 Schedule of Additional Revenue Bond Data  
 For the Year Ended December 31, 1998

The ordinance which provides for the issuance of "Taxable Airport Revenue Bonds, Series 1998" requires certain additional data be presented as follows:

1. The Iberia Parish Airport Authority as of December 31, 1998 has appeared to comply with the necessary requirements and covenants included in the ordinance.
2. Major insurance policies in effect at December 31, 1998:

<u>Risk</u>	<u>Insurer</u>	<u>Term</u>
Building, fleet, workmen comp.	Thru Iberia Parish Govt	Various
Airport liability	Great American Ins. Co.	5-98 to 5-99
Rented properties (obtained by lessees)	Various	Various
Airport liability (obtained by ATC subcontractor)	National Union Fire Ins. Co.	1-99 to 1-00

3. Detail of major repairs and improvements in the current year:

Roof - Hangar 92	\$ 56,668
Lighting Project (in process)	118,011

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1998

For the year ended December 31, 1997, there were no findings or questioned costs.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Schedule of Findings and Questioned Costs  
or the Year Ended December 31, 1998

For the year ended December 31, 1998, there were no findings or questioned costs.

MISCELLANEOUS REQUIRED REPORTS

**MIXON, ROY, METZ & MIXON**

Certified Public Accountants  
A Professional Corporation  
450 East Main St. • P. O. Box 9729  
New Iberia, LA 70562-9729

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

The Iberia Parish Airport Authority  
(A Component Unit of the Iberia Parish Government)  
New Iberia, Louisiana 70560

We have audited the financial statements of the Iberia Parish Airport Authority (A Component Unit of the Iberia Parish Government), as of and for the year ended December 31, 1998 and have issued our report thereon dated May 1, 1999. 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 Iberia Parish Airport Authority'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 Iberia Parish Airport Authority'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.

MEMBER OF

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
LOUISIANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The Iberia Parish Airport Authority

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Mixon, Roy, Metz & Mixon*

MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 1999



**MIXON, ROY, METZ & MIXON**

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INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133

The Iberia Parish Airport Authority  
(A Component Unit of the Iberia Parish Government)  
New Iberia, Louisiana 70560

We have audited the compliance of the Iberia Parish Airport Authority (A Component Unit of the Iberia Parish Government) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 1998. Iberia Parish Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Iberia Parish Airport Authority's management. Our responsibility is to express an opinion on the Iberia Parish Airport Authority's compliance based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the Iberia Parish Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Iberia Parish Airport Authority's compliance with those requirements.

In our opinion, Iberia Parish Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998.

MEMBER OF  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
LOUISIANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The Iberia Parish Airport Authority

Internal Control Over Compliance

The management of the Iberia Parish Airport Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Iberia Parish Airport Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Mixon, Roy, Metz & Nixon*  
MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 1999

IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
MANAGEMENT LETTER AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 1998

3. Comment:

DOTD and EDA has certain requirements for construction of the wide body hanger. It is recommended the Airport Authority review these requirements.

Response: We will review as soon as possible and comply with the requirements as needed.

4. Comment:

The revenue bond issue for construction of the 747 hanger requires monthly sinking fund transfers and proper insurance coverage. The Airport Authority office staff should monitor the sinking fund and the insurance requirements.

Response: We understand the requirements and the appropriate steps will be taken.

5. Comment:

The wide body hanger project represents a long term liability of the Airport Authority and the Iberia Parish Government. The appropriate steps should be taken to ensure that the assets will be there to repay the bonds.

Response: We understand the issue and the appropriate steps will be taken. We will require a signed lease prior to construction and will be issued a nonrevocable letter of credit for \$750,000 by the tenant.

6. Prior year findings and comments:

97-1 - No new lease terms for Hanger 11.

Has not been resolved, construction on parts of the project is still not complete.

97-2 - Sale of airport property.

Has not been resolved.

97-3 - DOTD hanger requirements.

Project still in progress.

The Iberia Parish Airport Authority

Page 3

May 1, 1999

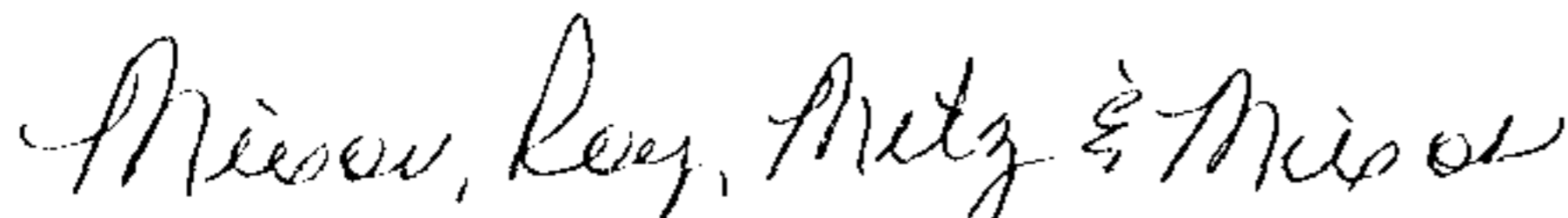
97-4 - Revenue bond payments.

Has not been resolved, project is still not complete.

A copy of the audit report needs to be sent to the Legislative Auditor, The Iberia Parish Government, to the central audit report clearing house (Bureau of the Census, Data Preparation Division, 1201 East 10th Street, Jeffersonville, Indiana 47132) and to the federal grantor agencies. The Legislative Auditor requires 9 copies plus this management letter.

Finally, we wish to extend our appreciation to the Iberia Parish Airport Authority for permitting us to perform these auditing services. We would also like to thank the staff of the Iberia Parish Airport Authority for their help during our engagement. We have enjoyed the professional relationship that has built up. We also hope that the commissioners realize that the Airport staff are very conscientious and caring about their duties. We wish the Airport a prosperous future.

Sincerely,



MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

MRMM:el