

1009

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

*This document
copies from this
copy and should
BACK IN 1982*

**AIRPORT COMMISSION OF AIRPORT DISTRICT #1
OF JEFFERSON PARISH
Bossier, Louisiana**

**GENERAL PURPOSE FINANCIAL STATEMENTS
APRIL 30, 1991 AND 1990**

These provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or controller, and other appropriate public officials. The report is available for public inspection at the Bureau Range office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 10 1993

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

GENERAL PURPOSE FINANCIAL STATEMENTS
APRIL 30, 1997

TABLE OF CONTENTS

	Page
Independent Auditor's Report on the General Purpose Financial Statements	1
General Purpose Financial Statements	
Balance Sheet	3
Statement of Revenues, Expenditures, And Changes in Retained Earnings	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-15
Supplemental Schedules	
Schedule of Property Rental and Colonge Rental Income	13
Other Reports	
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	15
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	16-17
Management Memoranda	18-19

KRIELOW, GILLESPIE & CO.

A CORPORATION WITH OFFICES IN SEVERAL STATES

200 N. P. STREET

F. O. BARRON BLDG.

JEFFERSON, LA 70601

TELEPHONE 524-1200

INDEPENDENT AUDITORS' REPORT

To the Airport Commission of Airport District #1

Of Jefferson Davis Parish

Terrebonne, Louisiana

We have audited the accompanying general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 1997 and 1996. These general purpose financial statements are the responsibility of the Airport Commission of Airport District #1's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Airport Commission of Airport District #1 of Jefferson Davis Parish as of April 30, 1997 and 1996, and the results of its operations and the cash flows of its proprietary fund types for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 18, 1997 on our consideration of the Airport Commission of Airport District #1's internal control structure and a report dated June 18, 1997 on its compliance with laws and regulations.

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

Krielow, Gillespie & Co.

Certified Public Accountants

Terrebonne, Louisiana

June 19, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

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

BALANCE SHEET
As of April 30, 1997 and 1996

	<u>April 30, 1997</u>	<u>April 30, 1996</u>
ASSETS		
Current assets:		
Cash and cash equivalents:		
Jeff Davis Bank	\$ 27,223	\$ 71,379
Jeff Davis Bank - CMAA	62,741	80,898
Hibernia National Bank	5,802	4,861
Accounts receivable	24,879	14,024
State Grants Receivable	13,129	-
Prepaid insurance	9,294	9,188
Total current assets	<u>\$ 143,068</u>	<u>\$ 180,350</u>
Property, plant and equipment:		
Land	\$ 995,849	\$ 995,849
Buildings, fixtures, & equipment	3,958,642	3,777,309
	<u>\$ 4,954,491</u>	<u>\$ 4,773,158</u>
Less accumulated depreciation	1,323,243	1,608,807
Net property, plant and equipment	<u>\$ 3,631,248</u>	<u>\$ 3,164,351</u>
Other assets:		
Utility fee deposit	\$ 79	\$ 79
Total assets	<u>\$ 3,774,386</u>	<u>\$ 3,344,700</u>
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	14,650	2,844
Retirement payable	24	24
Due to ERFID	11,486	12,476
Total current liabilities	<u>\$ 26,160</u>	<u>\$ 25,344</u>
Fund equity:		
Contributed capital - donated assets	\$ 750,315	\$ 750,315
Distributed capital - grant fund	2,157,849	2,148,798
Retained earnings - undesignated	106,226	105,487
Total fund equity	<u>\$ 2,014,390</u>	<u>\$ 1,994,600</u>
Total liabilities and fund equity	<u>\$ 2,040,550</u>	<u>\$ 2,020,344</u>

The Accompanying Notes Are An Integral Part of This Statement.

**STATEMENT OF THE RECEIPTS AND DISBURSES OF THE
GOVERNMENT OF THE DISTRICT OF COLUMBIA
During 1997**

**STATEMENT OF RECEIPTS, DISBURSES,
AND CHANGES IN NET ASSETS FOR THE YEAR
FOR THE YEARS ENDED APRIL 30, 1997 AND 1998**

	<u>April 30, 1997</u>	<u>April 30, 1998</u>
Operating activities:		
Programs and services	\$ 618,800	\$ 68,000
Grants and contracts	1,800	4,000
Manufacture income	-	-
Transfer from/ to other funds	(24,700)	11,000
	<u>595,900</u>	<u>83,000</u>
Operating expenses:		
Personnel services	\$ 2,000	\$ 1,000
Salaries	800	100
Benefits	1,200	900
Advertising, travel, and printing	60	10
Office subscriptions	1,000	100
Miscellaneous	-	-
Utilities	600	400
Electric	400	300
Telephone	-	-
Supplies and maintenance	5,000	1,000
Account	1,000	500
Travel/transportation	200	100
Printing	-	2,000
Telephone	-	100
Miscellaneous	300	1,000
Equipment	100	100
Other	-	-
Materials and supplies	50	100
Office expenses	-	-
Other operating activities	50,000	20,000
Airport management contract	5,000	50,000
Maintenance fees	10,000	10,000
Services	1,000	-
Construction Eng. Studies	100	1,000
Construction	10	-
Bonding fees	-	100
Miscellaneous	-	-
Expenses	<u>55,000</u>	<u>61,000</u>
Transporting expenses	<u>50,000</u>	<u>50,000</u>
	<u>595,900</u>	<u>83,000</u>
Operating income (loss)	\$ -100,000	\$ 0,000
Nonoperating income (expense):		
Interest income	\$ 1,000	\$ 100
Dividend income	2,000	-
Service income	1,000	-
Interest expense	-	(100)
Nonoperating income (expense)	<u>4,000</u>	<u>0,000</u>
	<u>\$ 4,000</u>	<u>\$ 0,000</u>
Net income (loss)	\$ -96,000	\$ 0,000
Net assets or liabilities, beginning of year	120,000	120,000
Net assets or liabilities, end of year	\$ 24,000	\$ 120,000

The Accompanying Notes Are An Integral Part of This Statement.

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

**STATEMENT OF CASH FLOWS
For the Years Ended April 30, 1997 and 1996**

	<u>April 30, 1997</u>	<u>April 30, 1996</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 58,653	\$ 6,682
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	93,468	90,767
Net changes in assets and liabilities:		
Decrease (increase) in receivables	(27,773)	37,148
Increase (decrease) in prepaid insurance	(26)	(57)
Increase (decrease) in accounts payable	11,883	637
Increase (decrease) in retirement payable	-	-
Net cash provided by operating activities	<u>\$ 134,993</u>	<u>\$ 135,177</u>
Cash flows from noncapital financing activities	<u>\$ -</u>	<u>\$ -</u>
Cash flows from capital and related financing activities:		
Contributed capital (Louisiana D.A.T. 201)	\$ 17,211	\$ -
Contributed capital (F.A.A.)	-	-
Proceeds from payments and short term bank note	-	130,000
Payments for capital acquisitions	(180,716)	(17,815)
Interest income	1,872	936
Interest expense	-	(608)
Insurance claims	2,415	-
Net cash provided (used) by financing activities	<u>\$ (159,044)</u>	<u>\$ 115,513</u>
Cash flows from investing activities:		
Equipment	1,000	-
Net cash provided (used) by investing activities	<u>\$ 1,000</u>	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (23,051)</u>	<u>\$ 21,215</u>
Cash and cash equivalents at beginning of year	<u>126,188</u>	<u>104,973</u>
Cash and cash equivalents at end of year	<u>\$ 103,137</u>	<u>\$ 126,188</u>

The Accompanying Notes Are An Integral Part of This Statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

INTRODUCTION

Airport District #1 was created by Jefferson Davis Parish Police Jury Ordinance No. 483 on March 7, 1963 pursuant to Louisiana Revised Statutes 1:324 and is a political subdivision of Jefferson Davis Parish and the State of Louisiana. The Airport Commission is the governing authority of the Airport District consisting of five commissioners appointed by the Jefferson Davis Parish Police Jury to staggered terms. The Commission's primary source of revenue is through leases, building and property rentals.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

Because the police jury appoints members of the board and has the ability to significantly influence operations, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the governing body of the parish with the oversight responsibility. The accompanying financial statements present information only on the funds maintained by the commission and do not present information of the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

**AIRPORT COMMISSION OF AIRPORT DISTRICT #8
OF JEFFERSON DAVIS PARISH**

Bossier, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

C. FUND ACCOUNTING

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

PROPRIETARY FUND

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

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

D. BASIS OF ACCOUNTING

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

E. BUDGETARY PRACTICES

The Commission was not required and did not adopt a budget for the fiscal year ended April 30, 1997 or April 30, 1996.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

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

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

G. PREPAID INSURANCE

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

H. FIXED ASSETS

All fixed assets are valued at historical cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation has been calculated on each class of depreciable property using the straight-line method over the estimated useful lives of the assets.

I. COMPENSATED ABSENCES

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

J. FUND EQUITY

Contributed Capital

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

For the year ending April 30, 1997, the Commission received \$17,221 from the State of Louisiana. This amount is included as contributed capital.

2. CASH AND INVESTMENTS

At April 30, 1997 and 1996, the Commission has cash and cash equivalents totaling \$93,528 and \$139,108, respectively, as follows:

	<u>April 30, 1997</u>	<u>April 30, 1996</u>
Interest-bearing demand deposits	\$ 93,528	\$ 139,108

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 collateral bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at April 30, 1997 and 1996, are secured as follows:

	<u>April 30, 1997</u>	<u>April 30, 1996</u>
Bank Balances (Fully Insured)	\$ 93,528	\$ 139,108
Insured (FDIC)	\$ 93,528	\$ 139,108

3. RECEIVABLES

The following is a summary of receivables at April 30, 1997 and 1996:

	<u>April 30, 1997</u>	<u>April 30, 1996</u>
From Receivable-SES Manufacturing	\$ 24,575	\$ 14,075
Grant Receivable-State	<u>17,221</u>	<u>-0-</u>
Total	\$ 41,796	\$ 14,075

The Airport Commission has a \$24,575 net receivable from SES Manufacturing who is currently under bankruptcy reorganization as of year end April 30, 1997. An estimate of the possible loss could not be determined as of the report date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

4. FIXED ASSETS

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

	April 30, 1997	April 30, 1996
Land	\$ 585,549	\$ 585,549
Roadways and Improvements	2,668,021	2,668,021
Buildings and Hangars	991,442	712,285
Improvements Other than Buildings and Hangars	296,894	296,894
Furniture and Equipment	79,243	79,243
Construction-in-Progress	37,696	--
Sub-Total	\$ 4,958,734	\$ 4,370,992
Less Accumulated Depreciation	1,735,282	1,636,817
Total	\$ 3,223,452	\$ 2,734,175

Fully depreciated assets totaled \$863,000 and \$830,968 at April 30, 1997 and 1996, respectively.

5. COMPENSATION PAID TO BOARD MEMBERS

The Commission paid no compensation to board members for the years ended April 30, 1997 and 1996.

6. LEASES

At April 30, 1997, the cost of property the Commission held for lease was \$845,072 with accumulated depreciation of each property of \$669,823.

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

Fiscal Year:		\$	
1998		177,794	
1999		125,415	
2000		174,035	
2001		169,495	
2002		121,157	
Thereafter		873,566	
Total		\$ 1,641,462	

**AIRPORT COMMISSION OF AIRPORT DISTRICT #8
OF JEFFERSON DAVIS PARISH
Bossier, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 1997**

The numbers presented above do not include a new lease with Delta Shuttle Acadian Real Estate, Inc. signed May 7, 1997. The Delta Shuttle lease was signed after the fiscal year end therefore no commitments were made as of the period ending April 30, 1997. The lease will begin on May 1, 1997 and terminate on April 30, 2002 with 3 additional 3 year options with the same terms and conditions. Payments will be due on the 1st of every month beginning 90 days from the date permits are issued or first day of business, whichever occurs first.

SUPPLEMENTAL SCHEDULES

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

SCHEDULE OF PROPERTY RENTAL AND GALLONAGE RENTAL INCOME
For the Years Ended April 30, 1997 and 1996

	April 30, 1997	April 30, 1996
PROPERTY RENTAL INCOME		
Leip's Burger	\$ 3,918	\$ 3,000
Thompson	13,898	9,000
Mauro Oil	28,000	28,000
SAH Manufacturing	27,000	27,000
Taco Bell	15,840	15,840
Waffle House	8,000	7,000
Wagner (DFO)	900	900
Wagner (DFO)	3,150	4,150
Academy II	128	148
Office	13,104	-
Payton	6,823	-
D & D Builders	79,871	79,871
Slap-Bat	<u> </u>	<u> </u>
Total property rental income	<u>\$ 192,882</u>	<u>\$ 178,010</u>
GALLONAGE RENTAL INCOME		
Woodard Aviation	\$ 914	\$ 1,310
Mauro Oil	<u>4,945</u>	<u>5,518</u>
Total property rental income	<u>\$ 5,859</u>	<u>\$ 6,828</u>

OTHER REPORTS

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

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

We have audited the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury, as of and for the years ended April 30, 1997 and 1996, and have issued our report thereon dated June 19, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Accounting Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Airport Commission of Airport District #1 of Jefferson Davis Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, for the year ended April 30, 1997, 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.

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

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Airport Commission of Airport District #1 of Jefferson Davis Parish, in a separate letter dated June 19, 1997.

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

Kvilew, Gibbons & Co.
Certified Public Accountants

Jennings, Louisiana
June 13, 1987

KRIELOW, GILLESPIE & CO.
A CORPORATION OF PUBLIC PUBLIC ACCOUNTANTS
P.O. BOX 10708
JEFFERSON, LOUISIANA
70608-0708

MANAGEMENT MEMORANDUM

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

We have audited the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish, a component unit of the Jefferson Davis Parish Police Jury as of and for the years ended April 30, 1997 and 1996, and have issued our report thereon dated June 19, 1997. As part of our audit, we made a study and evaluation of the Commission's internal control structure to the extent we considered necessary to evaluate the structure as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Commission's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the internal control structure taken as a whole.

The management of the Airport Commission of Airport District #1 of Jefferson Davis Parish is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projections 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 the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the structure. Accordingly, we do not express such an opinion on the internal control structure of the Airport Commission of Airport District #1 of Jefferson Davis Parish taken as a whole. However, our audit disclosed the following conditions that we believe results in more than a relatively low risk that errors or irregularities in accounts that would be material in relation to the financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish may occur and not be detected within a timely period.

- Condition:** The client keeps a record of hangar rents paid by each occupant. While these records along with other financial information would provide for calculation of rents receivable at year end, the amount cannot be readily determined. Further, the rents received from local occupants are not being tracked by the client.

Recommendation:

Procedures should be instituted to improve the current rent receivable records to include rent floor lease payments and to provide enough information to allow for a readily-determinable amount of rents receivable at year end. The record of receipts for each occupancy should indicate the amount, period and date of receipt. So that any arrears could at the end of a period can be determined. This will provide for a more distinguishable audit trail.

Client Response:

The client concurs with the findings and will institute procedures for improving the records of rents received.

The above conditions were considered in determining the nature, timing, and extent of the audit tests to be applied to the audit of the general purpose financial statements of the Airport Commission of Airport District #1 of Jefferson Davis Parish for the fiscal years ended April 30, 1997 and 1998, and this report does not affect our report on these financial statements dated June 15, 1997.

Kistler, Gillette & Co.
Certified Public Accountants

Laurie A. LeBlanc
June 15, 1997