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COMPONENT UNIT FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT AUDITORS

AIRPORT AUTHORITY FOR AIRPORT
DISTRICT #1 OF CALCASIEU PARISH

LAKE CHARLES, LOUISIANA

December 31, 1997

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These financial statements and the report thereon are a public document. A copy of the report has been submitted to the auditor, or treasurer, clerk and other appropriate public officials. The report is available for public inspection at the District Executive Office of the Legislative Auditor General, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Airport Authority For Airport District #1
of Calcasieu Parish
Lake Charles, Louisiana

We have audited the accompanying general purpose financial statements of the Airport Authority for Airport District #1 of Calcasieu Parish, a component unit of Calcasieu Parish Police Jury, as of and for the year then ended December 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these 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 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 Airport Authority District #1 of Calcasieu Parish as of December 31, 1997, and the results of its operations and cash flows of its proprietary fund type 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 June 2, 1998 on our consideration of the Airport Authority District #1 of Calcasieu Parish's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Member AICPA

Member Public Company Accountants Section of the AICPA

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of Airport Authority District #1 of Calcasieu Parish, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Smith & Associates

June 2, 1998

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1997

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	CAPITAL PROJECTS	ENTERPRISE	
ASSETS			
Cash	\$ -	\$798,880	\$798,880
Accounts receivable			
Ad valorem taxes	-	276,823	276,823
Calcasieu Parish			
Police Jury	175,000	-	175,000
State of Louisiana	98,824	-	98,824
Federal Aviation			
Administration grants	100,746	-	100,746
State revenue sharing	-	8,710	8,710
Trade accounts (net of allowance for doubtful accounts of \$-)	-	63,362	63,362
Prepaid expenses	4,449	8,788	13,237
Property, plant and equipment (net of \$9,188,957 accumulated depreciation)	-	10,341,358	10,341,358
Advances to other funds	-	194,821	194,821
	\$978,718	\$11,493,872	\$12,472,590
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$277,448	\$19,493	\$296,941
Accrued liabilities	-	21,801	21,801
Deductions from ad valorem taxes for retirement systems	-	8,394	8,394
Security deposits	-	4,000	4,000
Advances from other funds	194,821	-	194,821
	\$74,309	\$54,548	\$129,857
FUND EQUITY			
contributed capital	-	9,918,303	9,918,303
Retained earnings	-	1,523,329	1,523,329
Fund balance			
Unreserved and undesignated	4,449	-	4,449
	4,449	11,441,632	11,443,781
	\$978,718	\$11,493,872	\$12,472,590

The accompanying notes are an integral part of this financial statement.

Airport Authority for Airport District #3 of Calcasieu Parish
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- ALL GOVERNMENTAL FUND TYPES

For the year ended December 31, 1997

	CAPITAL PROJECTS

Revenues	
Grants - Federal Aviation Administration	6095,058
Grants - State of Louisiana	343,195
Project funding from Calcasieu Parish	
Police Jury	175,000

Total revenues	1,471,153
Expenditures	
Equipment	23,557
Improvements and repairs	45,563
Runway rehabilitation	441,154
Parking lot improvements	210,972
Terminal building rehabilitation	416,437
Engineering and other	10,889

Total expenditures	1,568,539

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,377)
Other financing sources (uses)	
Operating transfers in	94,778

EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	16,391
Fund balance at January 1, 1997	(13,844)

Fund balance at December 31, 1997	\$4,449

The accompanying notes are an integral part of this financial statement.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE

For the year ended December 31, 1987

	ENTERPRISE FUND
Operating revenues	
Leases, rentals, and commissions	6261,578
Landing fees	119,788
Ad valorem taxes	323,588
State revenue sharing	33,886
Other	3,887
	1,023,486
Operating expenses	
Contractual services	67,887
Deduction from ad valorem	
Taxes for retirement system	9,396
Depreciation	529,838
Gas and water/sewer	1,480
oil and oil	7,345
Insurance	64,787
Materials and supplies	104,781
Miscellaneous	8,693
Office expenses	11,537
Payroll taxes	16,807
Professional services	9,848
Retirement contributions	25,539
Salaries and wages	410,338
security charges	38,358
Travel	970
Utilities and telephone	88,328
	1,367,465
Total operating expenses	1,367,465
OPERATING LOSS	(374,979)
Other revenues (expenses)	
Interest income	51,821
Gain on purchase of land for right-of-way	149,181
	(173,997)
LOSS BEFORE OPERATING TRANSFERS	(173,997)
Operating transfers out	(198,778)
	(348,765)
NET LOSS	(348,765)
Retained earnings at January 1, 1987	3,793,936
Retained earnings at December 31, 1987	3,445,171

The accompanying notes are an integral part of this financial statement.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE

For the year ended December 31, 1987

Cash Flows from operating activities:	
Operating income (loss)	(\$274,078)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	521,624
Changes in operating assets and liabilities:	
Increase in accounts receivable	(21,838)
Decrease in accounts payable	41,885
Decrease in accrued liabilities	(783)
	312,458
Net cash provided by operating activities	
Cash flows from noncapital financing activities	
Operating transfers out	(194,770)
	(194,770)
Net cash provided by noncapital financing activities	
Cash flows from capital and related financing activities:	
Proceeds from highway right of way	188,000
Acquisition of fixed assets	(5,200)
Advances to the Capital Project fund	(184,078)
	(1,278)
Net cash used for capital and related financing activities	
Cash flows from investing activities	
Interest on operating funds and investments	51,823
	51,823
Net cash provided by investing activities	
NET INCREASE IN CASH	
	42,250
Cash, beginning of year	786,700
Cash, end of year	828,950

The accompanying notes are an integral part of this financial statement.

Airport Authority For Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

SUPPLEMENTAL SCHEDULE OF BONDAGE INVESTING CAPITAL AND
FINANCING ACTIVITIES - PROPRIETARY FUND TYPE

December 31, 1987

During the year ended December 31, 1987, the following were contributed
to the enterprise fund from the capital projects fund:

Parking lot improvements	\$218,972
Runway rehabilitation	481,154
Lighting	3,604
Control tower improvements	28,027
Equipment	21,517
Construction in progress:	
Terminal building rehabilitation	814,817

	\$1,531,091
	=====

No cash transactions occurred as a result of these contributions of
assets.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS

December 31, 1997

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Airport Authority for Airport District #1 of Calcasieu Parish (the Authority) was created by the Calcasieu Parish Police Jury as provided by Revised Statutes 2:602. The Authority is governed by a board of five commissioners who, along with the Airport Manager, establish regulations governing the maintenance and operations of the facilities of the Lake Charles Regional Airport.

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the authority's accounting policies are described below.

1. Reporting entity

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB. The basic, but not the only, criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criteria used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority is able to exercise oversight responsibilities. Based upon the application of these criteria, the Authority is a component unit that should be included in the Calcasieu Parish Police Jury's financial reporting because of the significance of their oversight relationship with the Authority.

2. Fund Accounting

The accounts of the Authority are organized on the basis of funds, 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, or expenses as appropriate.

Airport Authority For Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1997

2. Fund Accounting - continued

Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

The Capital Projects Fund is used to account for financial resources to be used for the acquisition, renovations, or construction of major capital facilities.

The Enterprise Fund is used to account for operations that are financed by providing services to the general public on a continuing basis and it is operated similar to a private business enterprise.

3. Fixed Assets

Fixed assets are stated at cost. Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. The cost and related accumulated depreciation of assets sold or otherwise disposed of during the period are removed from the accounts. Any gain or loss is reflected in the year of disposal. Accumulated depreciation is reported on the proprietary fund balance sheet.

Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation for the year ended December 31, 1997 amounted to \$123,426. The estimated useful lives are as follows:

	Years

Buildings and improvement	30
Land improvements	10-40
Machinery and equipment	3-10
Furniture and fixtures	5-10

4. Basis of Accounting

All governmental funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes and the related state revenue sharing (which is based on population and households in the parish) are recognized in the year the taxes are assessed. Federal and state aid and grants are recognized when the district is entitled to the funds. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1987

4. **Basis of Accounting - Continued**

The proprietary fund is maintained on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

5. **Total Columns on Combined Statements - Overview**

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

6. **Statement of Cash Flows**

For purposes of reporting cash flows all highly liquid investments (including restricted assets) with a maturity of three months or less are considered to be cash equivalents.

7. **Budget Policy**

A proposed budget is prepared for the Enterprise Fund and submitted to the Board of Directors prior to the beginning of each year. A budget summary and notice of public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the accrual basis of accounting, covers all authority activities. At the end of the fiscal year unexpended appropriations automatically lapse.

NOTE 8 - CASH

The Authority's deposits are fully collateralized by Federal and State government bonds held by First National Bank of Lake Charles in the name of Airport Authority for Airport District #1 of Calcasieu Parish.

Cash of the Authority is classified into three categories to give an indication of the level of risk assumed at year end.

Category 1: includes deposits insured or collateralized with securities held by the Authority or its agent in the name of the Authority.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTICE TO FINANCIAL STATEMENTS - Continued

December 31, 1997

NOTE B - CASH - (continued)

Category 2: includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

Category 3: includes insured and unregistered deposits with the securities held by the pledging financial institution, or by its trust department or agent, but not in the Authority's name.

Cash as of December 31, 1997 was all classified as category 1.

NOTE C - PENSION PLAN

Full-time employees of the Authority are members of the Parochial Employees' Retirement System of Louisiana, a multi-employer (contributory), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The system is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Eligible employees of the Authority were members of Plan A for 1997. Under Plan A, members with 10 years of creditable service may retire at age 60; members with 25 years of service may retire at age 55; members with 30 years of service may retire regardless of age. The retirement allowance is equal to three percent of the member's final average compensation (defined as the average of the highest consecutive 36 months) multiplied by his years of creditable service. However, any employee who was a member of the supplemental plan only prior to the revision date has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final compensation.

Contributions to the system include 1/4 of 1% of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries, 0.54 under Plan A, to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by an actuarial valuation for the prior fiscal year. The employer contributions for 1997 were 7.75% of covered employees' salaries.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1997

NOTE C - PENSION PLAN -(continued)

The payroll for the Authority employees covered by the system for the year ended December 31, 1997 was \$290,587; the Authority's total payroll and accrued benefits was \$419,139. The Authority contributed \$13,552 to the system during the year.

NOTE D - ANNUAL AND SICK LEAVE

Permanent employees earn one to six weeks of annual leave and two to six weeks of sick leave each year depending on length of service with the Authority. A maximum of ten days of annual leave may be accumulated and carried forward without limitation. Upon termination, employees are paid for unused annual leave only.

NOTE E - AD VALOREM TAXES

For the year ended December 31, 1997, taxes of .61 mills were levied on property with taxable assessed valuations of \$488,949,800 and were dedicated to the operation and maintenance of the Airport.

Property tax millage rates are adopted on a 10 year basis. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

A renewal election was held and passed in October 1994 to levy millage beginning in 1994 and expiring 2004.

NOTE F - CONTRIBUTION OF CAPITAL

During the year ended December 31, 1997, capital projects totalling \$1,931,091 were transferred to the Enterprise Fund as a contribution of capital.

NOTE G - LEASE REVENUE

The Authority leases its property to commercial airlines, car rental companies, concessionaires, certain fixed base operators who service the airline industry and the Federal Aviation Administration. A significant portion of these leases are non-cancelable operating leases.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTICE TO FINANCIAL STATEMENTS - continued

December 31, 1987

NOTE C - LEASE REVENUE - (continued)

Minimum rentals on non-cancelable operating leases for the next five years are as follows:

Year	Amount
1988	\$167,088
1989	350,818
2000	533,538
2001	128,613
2002	99,348

	\$878,017

NOTE E - PROPERTY, PLANT AND EQUIPMENT

	Balance 12-31-86	Additions	Disposals	Balance 12-31-87
Land	\$2,419,898	-	(59,409)	\$2,410,409
Buildings and Improvements	2,842,370	10,382	-	2,872,827
Land Improvements	11,578,368	881,738	-	12,341,258
Machinery and equipment	883,871	31,615	-	904,888
Furniture and fixtures	82,258	-	-	82,258
Construction in progress	-	816,817	-	816,817
	-----	-----	-----	-----
	\$17,807,365	\$1,532,321	(59,409)	\$19,330,304
	-----	-----	-----	-----

NOTE I - COMMITMENTS

As of December 31, 1987, the authority had authorized to complete rehabilitation of the Airport passenger terminal building. Funding for the project is provided by the FAA, Louisiana Department of Transportation and Development, and the Calcasieu Parish Police Jury. Commitments for completion are as follows:

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

NOTE TO FINANCIAL STATEMENTS - Continued

December 31, 1997

NOTE I - COMMITMENTS - (continued)

Grant authorization	\$503,500
Assesses statement	178,600

Total authorized cash	1,130,500
Expended through December 31, 1997	\$16,817

Committed for 1998	\$121,742

NOTE J - RELATED PARTY TRANSACTIONS

Pursuant to a Cooperative Endeavor between the Calcasieu Parish Police Jury and the Airport Authority for Airport District #1 of Calcasieu Parish, funding in the amount of \$178,600 was provided by the Police Jury for assesses statement. The project was part of the airport passenger terminal building rehabilitation. As of December 31, 1997, the statement was complete and is included in construction in progress for the terminal rehabilitation. Funding from the Police Jury is recorded as a receivable in the Capital Project Fund as of December 31, 1997. Funding from the Police Jury was received in March, 1998.

NOTE K - HIGHWAY RIGHT OF WAY

In March, 1987, as part of State Project No. 188-03-8022, the Department of Transportation and Development of the State of Louisiana purchased approximately 12 acres of land from the Authority. Just compensation for the property was \$145,775 plus \$12,835 for sign and light relocation. The total payment of \$158,650, net of land cost of \$9,488, was reported as other income in the Enterprise Fund.

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Year ended December 31, 1997

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
US Department of Transportation: Airport Improvement Program	20.106	\$908,800

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

Board of Commissioners
Airport Authority for Airport District #1
of Calcasieu Parish
Lake Charles, Louisiana

We have audited the general purpose financial statements of the Airport Authority for Airport District #1 of Calcasieu Parish, a component unit of Calcasieu Parish Police Jury, as of and for the year ended December 31, 1987, and have issued our report thereon dated June 2, 1988. We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Airport Authority for Airport District #1 of Calcasieu Parish are free of material misstatements, 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 of 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 Airport Authority for Airport District #1 of Calcasieu Parish'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 Board of Commissioners, management, the Federal Aviation Administration and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Stall & Associates

June 1, 1990

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

Board of Commissioners
Airport Authority for Airport District #1
of Calcasieu Parish
Lake Charles, Louisiana

Compliance

We have audited the compliance of the Airport Authority for Airport District #1 of Calcasieu Parish 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, 1997. The 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 Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance 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. These 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 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 the Authority's compliance with these requirements.

In our opinion, the 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, 1997.

Internal Control Over Compliance

The management of the Airport Authority for Airport District #1 of Calcasieu Parish 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 Airport Authority for Airport District #1 of Calcasieu Parish'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 OAG 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 Board of Commissioners, management, the Federal Aviation Administration and the Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



June 3, 1998

Airport Authority for Airport District #1 of Calcasieu Parish
Lake Charles, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

December 31, 1997

CURRENT AUDIT

US Department of Transportation
Airport Improvement Program - CFDA Number 20.108

There were no findings or questioned cost in the current audit report
which require further comment.