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AIRPORT DISTRICT NO. 1  
BEAUREGARD PARISH POLICE JURY  
PARISH OF BEAUREGARD  
STATE OF LOUISIANA  
DERIDDER, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS  
As of and For the Year Ended December 31, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 8-11-04

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**John A. Windham, CPA**

## **INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
Airport District No. 1  
of the Parish of Beauregard  
State of Louisiana

I have audited the accompanying general purpose financial statements of Airport District No. 1 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, as of and for the year ended December 31, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of Airport District No. 1 of the Parish of Beauregard's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 I 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 statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Airport District No. 1 of the Parish of Beauregard, State of Louisiana, as of December 31, 2003 and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Commissioners  
Airport District No. 1  
of the Parish of Beauregard  
State of Louisiana

In accordance with *Government Auditing Standards*, I have also issued my report dated May 19, 2004, on my consideration of Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



DeRidder, Louisiana  
May 19, 2004

AIRPORT DISTRICT NO. 1  
 BEAUREGARD PARISH - STATE OF LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND  
 (All Fund Types and Account Groups)

BALANCE SHEET  
 December 31, 2003

ASSETS

## Current assets:

Cash	\$ 72,559
Accounts receivable	1,831
Grants receivable	1,984
Prepaid insurance	4,345
Inventory	22,084
Total current assets	<u>\$ 102,803</u>

## Fixed assets:

Property, plant, and equipment - net	<u>\$ 4,361,284</u>
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## Other assets:

Debt issue cost - net	<u>\$ 1,650</u>
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Total assets	<u>\$ 4,465,737</u>
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LIABILITIES AND FUND EQUITY

## Current liabilities:

Accounts payable	\$ 3,598
Contracts payable	4,877
Accrued compensated absences	19,043
Current portion of note payable	35,000
Total current liabilities	<u>\$ 62,518</u>

## Long term liabilities:

Note payable	<u>\$ 115,000</u>
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Total liabilities	<u>\$ 177,518</u>
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## Fund equity:

Contributed capital	\$ 5,877,587
Retained earnings (deficit) - unreserved	<u>(1,589,368)</u>
Total fund equity	<u>\$ 4,288,219</u>

Total liabilities and fund equity	<u>\$ 4,465,737</u>
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The accompanying notes are an integral part of this statement.

AIRPORT DISTRICT NO. 1  
 PARISH OF BEAUREGARD - STATE OF LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 For the Year Ended December 31, 2003

<u>Operating revenues</u>	
Fuel and oil sales	\$ 191,828
Water sales	3,708
Agricultural and other leases	30,847
Timber sales	205,557
Hangar and other rentals	55,592
Total operating revenues	<u>\$ 487,532</u>
 <u>Operating expenses</u>	
Salaries and related benefits	\$ 146,228
Purchases of fuel and oil	108,319
Office supplies	9,326
Repairs and maintenance	47,447
Utilities and communications	39,296
Rentals	140
Depreciation	174,122
Amortization	471
Timber maintenance	20,304
Professional services	4,621
Contracted services	8,609
Insurance	25,969
Sales taxes	5,069
Small tools	190
Dues and publications	2,354
Bank charges	3,897
Uniforms	427
Travel and seminars	3,485
Miscellaneous	366
Total operating expenses	<u>\$ 600,640</u>
 Operating income (loss)	 <u>\$ (113,108)</u>
	(Continued)

The accompanying notes are an integral part of this statement.

AIRPORT DISTRICT NO. 1  
 PARISH OF BEAUREGARD - STATE OF LOUISIANA  
 PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS  
 For the Year Ended December 31, 2003

<u>Non-operating revenues (expenses)</u>	
Interest income	\$ 928
Interest expense	(9,075)
Miscellaneous revenue	988
Gain on sale of assets	1,334
Total non-operating revenues (expenses)	<u>\$ (5,825)</u>
Net income (loss)	\$ (118,933)
Retained earnings (deficit), beginning of year	<u>(1,470,435)</u>
Retained earnings (deficit), end of year	<u>\$ (1,589,368)</u> (Concluded)

The accompanying notes are an integral part of this statement.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2003

<u>Cash flows from operating activities:</u>	
Cash received from customers	\$ 493,724
Cash payments to suppliers for goods and services	(279,977)
Cash payments to employees for services	(145,560)
Net cash provided by operating activities	<u>\$ 68,187</u>
<u>Cash flows from non-capital financing activities:</u>	
Miscellaneous revenues	<u>\$ 988</u>
<u>Cash flows from capital and related financing activities:</u>	
Acquisition and construction of capital assets	\$ (322,039)
Principal paid on note	(30,000)
Interest paid on note payable	(14,025)
Contributed capital received	292,100
Gain on sale of assets	1,334
Net cash used for capital and related financing activities	<u>\$ (72,630)</u>
<u>Cash flows from investing activities:</u>	
Interest on cash management activities	<u>\$ 928</u>
Net decrease in cash and cash equivalents	\$ (2,527)
Cash and cash equivalents, beginning of year	<u>75,086</u>
Cash and cash equivalents, end of year	<u>\$ 72,559</u>

(Continued)

The accompanying notes are an integral part of this statement.



AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA  
PROPRIETARY FUND - ENTERPRISE FUND

STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2003

RECONCILIATION OF OPERATING LOSS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	<u>\$ (113,108)</u>
 <u>Adjustments to reconcile operating loss to net cash provided by operating activities</u>	
Depreciation	\$ 174,122
Amortization	471
 <u>Changes in assets and liabilities</u>	
Decrease in accounts receivable	6,192
Increase in inventory	(7,193)
Decrease in prepaid insurance	7,465
Decrease in accounts payable	(430)
Increase in accrued compensated absences	668
Total adjustments	<u>\$ 181,295</u>
 Net cash provided by operating activities	 <u>\$ 68,187</u> (Concluded)

The accompanying notes are an integral part of this statement.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended December 31, 2003

**INTRODUCTION**

Airport District No. 1 of the Parish of Beauregard was created by the Beauregard Parish Police Jury through the adoption of Resolution 58-88 dated December 13, 1988, by virtue of the authority conferred by Sub-Part A, Part IV, Chapter 2, Title 2 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. The airport district provides for the general maintenance, upkeep, and construction of property, plant and equipment of the Beauregard Parish Airport, DeRidder, Louisiana. The governing authority of the airport district is a Board of Commissioners consisting of seven members selected by the Beauregard Parish Police Jury to serve a period of two years. The commissioners of the district receive no compensation for their services. The airport district's boundaries include approximately four thousand acres located within the Parish of Beauregard, State of Louisiana.

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

**A. BASIS OF PRESENTATION**

The accompanying general purpose financial statements of Airport District No. 1 of the Parish of Beauregard 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**

As the governing authority of the parish, for reporting purposes, the Beauregard Parish Police Jury is the financial reporting entity for Beauregard Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature or significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Beauregard Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and /or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the district's governing board, and has the ability to impose its will on the district, the district was determined to be a component unit of the Beauregard Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

### **C. FUND ACCOUNTING**

The airport district uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

#### Proprietary Fund

The Proprietary fund accounts for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration. The proprietary funds focus is on income measurement, which together with the maintenance of equity is an important financial indicator. The proprietary fund is an enterprise fund.

1. Enterprise Fund - accounts for operations that are (a) financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees; 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.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise 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 this fund are included on the balance sheet. The enterprise fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, money market accounts and time deposits. Cash equivalents include investments with original maturities of three months or less. Under state law, the airport district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the airport district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed three months; however, if the original maturities are three months or less, they are classified as cash equivalents.

**F. INVENTORIES**

Inventories consist of fuel and oil, and are recorded as an expense when consumed. Inventories are valued at cost.

**G. PREPAID ITEMS**

Prepaid items consist of insurance premiums paid in the current year on policies that have terms that extend into subsequent years.

**H. FIXED ASSETS**

Fixed assets of the airport district are included on the balance sheet of the fund net of accumulated depreciation. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Infrastructure is capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives of five to forty years for machinery, equipment, buildings and improvements respectively. Interest cost incurred during construction is not capitalized.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**I. COMPENSATED ABSENCES**

The airport district revised its leave policy as of December 26, 2003; the revised policy is as follows:

**Sick Leave**

All permanent, full-time employees are eligible to receive five days sick leave per year. There can be no sick leave carried over from one year to the next. Upon termination of employment the employee will not be paid for unused sick leave.

All sick leave earned and accumulated when this policy became effective will be frozen at the December 26<sup>th</sup>, 2003 amount and pay rate. Each employee will then have the option to receive either one lump sum payment or three equal annual payments for unused sick leave, one lump sum at retirement, or have the time added to retirement time.

**Annual Leave**

Permanent, full-time employees may earn annual leave. All annual leave must be scheduled no later than January 31<sup>st</sup> each year and approved in advance.

*Annual leave will accrue as follows:*

Required Length of Employment

One year  
Two – Four years  
Five – Ten years  
Eleven years & above

Annual Leave Authorized

One week / 5 days  
Two weeks / 10 days  
Three weeks / 15 days  
Four weeks / 20 days

Employees may accumulate and carry over a maximum of two weeks / 10 days from one year to the next. Any annual leave above the two weeks maximum must be taken prior to December 31<sup>st</sup> of each calendar year or be lost.

Any earned and accumulated annual leave over ten days at the time this policy is adopted will be fixed at current value based on employee wages as of December 26, 2003. Each employee will have the option to receive one lump sum payment or three equal annual payments, one lump sum payment at retirement, or have the time added to retirement, for all time over ten days.

Upon separation of employment, the employee will be paid for earned and unused vacation time for which he/she is eligible.

Annual leave will begin to accrue the date an employee is made full-time. Employees must work one full year before he/she is eligible for vacation.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**J. FUND EQUITY**

Contributed Capital

Contributed capital is recorded in the enterprise fund for capital grants 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.

**K. FASB PRONOUNCEMENTS**

Airport District No. 1 of the Parish of Beauregard has applied all applicable GASB (Government Accounting Standards Board) pronouncements as well as FASB (Financial Accounting Standards Board) statements and interpretations, APB (Accounting Principles Board) opinions and (ARB's) Accounting and Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Also, applied are all FASB statements and interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

**(2) CASH AND CASH EQUIVALENTS**

At December 31, 2003, the airport district has cash and cash equivalents (book balances) totaling \$72,559 as follows:

Petty Cash	\$ 400
Money Market	<u>72,159</u>
Total	<u>\$ 72,559</u>

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, 2003, the airport district has \$72,559 in deposits (collected bank balances).

These deposits are secured from risk by federal deposit insurance of \$72,559.

State statutes relating to cash and cash equivalents are located at Note 1E, "Cash and Cash Equivalents."

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**(3) RECEIVABLES**

The accounts receivable of \$1,831 at December 31, 2003 are as follows:

Class of Receivable	
Fuel sales	811
Rentals	1,000
Internet reimbursement	<u>20</u>
Total	<u>\$ 1,831</u>

**(4) FIXED ASSETS**

A summary of fixed assets at December 31, 2003, is as follows:

	December 31, 2002	Additions	Deletions	Accumulated Depreciation	December 31, 2003
Land	\$ 177,259	\$ -	\$ -	\$ -	\$ 177,259
Buildings	746,054	-	-	(225,457)	520,597
Improvements	4,961,511	240,146	-	(1,812,083)	3,389,574
Machinery and equipment	491,969	3,117	-	(335,974)	159,112
Construction in progress	<u>134,795</u>	<u>114,742</u>	<u>(134,795)</u>	<u>-</u>	<u>114,742</u>
Totals	<u>\$ 6,511,588</u>	<u>\$ 358,005</u>	<u>\$ (134,795)</u>	<u>\$ (2,373,514)</u>	<u>\$ 4,361,284</u>

**(5) PENSION PLAN**

Substantially all employees of Airport District No. 1 of the Parish of Beauregard are members of the Parochial Employees Retirement System of Louisiana (System), a cost sharing, multiple-employer defined benefit pension plan 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. The employees of the airport district are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1 percent of final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, PO Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% of their annual covered salary and the district is required to contribute at an actuarially determined rate. The current rate is 7.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the district are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The district's contributions to the System under Plan A for the years ending December 31, 2003, 2002 and 2001, were \$6,382, \$6,200 and \$6,078, respectively, equal to the required contributions for each year.

**(6) PAYABLES**

The accounts payable of \$3,598 at December 31, 2003 are as follows:

Suppliers and vendors	<u>\$ 3,598</u>
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**(7) COMPENSATED ABSENCES**

At December 31, 2003, employees of the airport district have accumulated and vested \$19,043 of employee leaves benefits, which was computed in accordance with GASB Codification Section C60.

**(8) NOTE PAYABLE**

Certificate of Indebtedness in the amount of \$ 320,000 and bearing interest at a rate of 5.50% were issued on July 1, 1996 by Airport District No. 1 of the Parish of Beauregard (the "Issuer").

The Certificates have been issued pursuant to a resolution adopted by the governing authority of the Issuer on December 20, 1995 (the "Resolution"), for the purpose of (i) constructing and improving



AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

airport hangers to be located at the Beauregard Parish Airport, (ii) prepaying the outstanding promissory note of the Issuer, dated October 28, 1992 (the "Outstanding Note"); and (iii) paying the costs incurred in connection with the issuance of the Certificates, under the authority conferred by Sections 2921 to 2925, inclusive, of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority.

The Certificates, to the amount named, constitute legally binding special and limited obligations of the Issuer and are secured by an irrevocable pledge and dedication of the excess of annual revenues of the Issuer above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding.

The Certificates are due as follows:

Year ending December 31,	Principal payments	Interest payments	Total
2004	35,000	8,250	43,250
2005	35,000	6,325	41,325
2006	40,000	4,400	44,400
2007	40,000	2,200	42,200
Total	<u>\$ 150,000</u>	<u>\$ 21,175</u>	<u>\$ 171,175</u>

**(9) DEBT ISSUANCE COST**

A summary of debt issuance cost at December 31, 2003 is as follows:

Debt issuance cost	\$ 5,181
less: accumulated depreciation	<u>(3,531)</u>
Net debt issuance cost	<u>\$ 1,650</u>

**(10) ENTERPRISE FUND RETAINED DEFICIT**

The retained earnings deficit of the enterprise fund, amounting to \$1,589,368, arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation, a non-cash expense, contributes to the deficit. Even though the retained deficit exists, the enterprise fund had an overall fund equity of \$4,288,219 at December 31, 2003. The Board of Commissioners will raise user fees to reduce the retained deficit, when needed.

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)

**(11) CHANGES IN CONTRIBUTED CAPITAL**

The following is a summary of changes in contributed capital:

Balance at December 31, 2002	\$ 5,690,885
Additions:	
Federal Aviation Administration	135,364
State of Louisiana,	
Department of Transportation and Development	<u>51,338</u>
Balance at December 31, 2003	<u>\$ 5,877,587</u>

AIRPORT DISTRICT NO. 1  
PARISH OF BEAUREGARD - STATE OF LOUISIANA

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended December 31, 2003

PRIOR AUDIT FINDINGS

Airport District No. 1 of the Parish of Beauregard, DeRidder, Louisiana had no prior audit findings.

# John A. Windham, CPA

*A Professional Corporation*

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John A. Windham, CPA

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

Board of Commissioners  
Airport District No. 1  
of the Parish of Beauregard  
State of Louisiana

I have audited the general purpose financial statements of Airport District No. 1 of the Parish of Beauregard, State of Louisiana, a component unit of the Beauregard Parish Police Jury, DeRidder, Louisiana, as of and for the year ended December 31, 2003, and have issued my report thereon dated May 19, 2004. I conducted my audit in accordance with auditing standards generally accepted in the United States of America 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 Airport District No. 1 of the Parish of Beauregard's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Airport District No. 1 of the Parish of Beauregard's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting

Board of Commissioners  
Airport District No. 1  
of the Parish of Beauregard  
State of Louisiana

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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, others within the organization, the Legislative Auditor and Airport District No. 1 of the Parish of Beauregard's management and is not intended to be and should not be used by anyone other than these specified parties, although under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*John M. Windham, CPA*

DeRidder, Louisiana  
May 19, 2004