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IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
REPORTING PACKAGE  
FOR THE YEAR ENDED DECEMBER 31, 2003

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- SECTION 2: Independent Auditors' Report  
Management's Discussion and Analysis  
Financial Statements  
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- SECTION 3: Management Letter

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 8/25/04

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IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
STATE DATA COLLECTION FORM  
FOR THE YEAR ENDED DECEMBER 31, 2003  
(FEDERAL FORM NOT REQUIRED IN CURRENT YEAR DUE TO  
FEDERAL AWARDS EXPENDED OF LESS THAN \$300,000)

[This form is an unaudited informational document prepared by management of the agency.]

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

**DATA COLLECTION FORM**  
**FOR REPORTING ON STATE AND LOCAL GOVERNMENT AND QUASI-PUBLIC ENTITIES**

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted 6/20/04

RETURN to: Legislative Auditor  
Attn: Engagement Processing  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:  
12/31/03

3. Audit Period Covered  
 Annual  Biennial  
 Other to

2. Type of Report:  
 Single Audit  GAO Audit Standards Audit  
 Compilation  Compilation/Attestation  
 Program Audit  Other

4. AUDITEE INFORMATION

Auditee Name  
Iberia Parish Airport Authority

Street Address (Number and Street)  
5217 North/South Taxi Road

Mailing Address (PO No.)

City State Zip  
New Iberia LA 70560

Auditee Contact  
Name Title  
Robert Mouton Director  
Telephone Fax  
337-365-7202 337-365-7203  
Email (Optional)

5. AUDITOR INFORMATION

Firm Name  
Mixon, Roy, Metz & Mixon CPAs

Street Address (Number and Street)  
450 East Main Street

Mailing Address (PO No.)  
P O Box 9729

City State Zip  
New Iberia LA 70562

Auditor Contact  
Name Title  
Robert J Metz CPA  
Telephone Fax  
337-367-9204 337-367-9208  
Email (Optional)

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:  
None

If there are no modifications to the auditor's financial opinion, no reported deficiencies in internal control, no reported instances of noncompliance, and no management letter, check this box and do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements.  Not Applicable  
 Unqualified Opinion  Qualified Opinion  Adverse Opinion  Disclaimer of Opinion  
b. Is a 'going concern' explanatory paragraph included in the audit report?  Yes  No  
c. Do any of the funds have deficit balances?  Yes  No

7. INTERNAL CONTROL

Do the comments on internal control include:  material weaknesses  other conditions

8. COMPLIANCE

Do the comments on compliance include:  criminal acts/fraud & abuse  other noncompliance  not applicable

9. CURRENT YEAR MANAGEMENT LETTER (Finding Caption and No.)

03-1 Unsigned Leases Resolved  Yes  No  No Longer Applicable  
03-3 Delinquencies Resolved  Yes  No  No Longer Applicable  
03-4 Sales Tax Resolved  Yes  No  No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

03-2 Monitoring Leases \$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable  
\$ \_\_\_\_\_ Resolved  Yes  No  No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions?  Yes  No  
Do any findings address violation of bond indenture covenants?  Yes  No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS

(Finding/Comment Caption and No.)  
02-1 Leases Resolved  Yes  No  No Longer Applicable  
02-3 Delinquencies Resolved  Yes  No  No Longer Applicable  
02-2, 02-4, 02-5, 02-6 Resolved  Yes  No  No Longer Applicable  
Resolved  Yes  No  No Longer Applicable

AUDITEE SIGNATURE

Robert Mouton  
Mixon Roy Metz & Mixon CPAs  
Robert J Metz CPA

Date 5/27 MAY '04

CPA'S SIGNATURE

Date 5-25-04

RECEIVED  
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IBERIA PARISH AIRPORT AUTHORITY  
(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)  
INDEPENDENT AUDITORS' REPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FINANCIAL STATEMENTS  
OTHER REQUIRED SUPPLEMENTARY INFORMATION AND REPORTS  
FOR THE YEAR ENDED DECEMBER 31, 2003

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**MIXON, ROY, METZ & MIXON**

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

TYNES E. MIXON, JR., CPA  
JAMES R. ROY, CPA  
ROBERT J. METZ, CPA  
ARTHUR R. MIXON, CPA

Telephone  
(337) 367-9204  
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(337) 367-9208

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Iberia Parish Airport Authority (A Component Unit of the Iberia Parish Government), as of and for the year ended December 31, 2003 as listed in the table of contents. These financial statements are the responsibility of the Iberia Parish Airport 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 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Iberia Parish Airport Authority as of December 31, 2003, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 5 through 7, are not a required part of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated May 1, 2004 on our consideration of the Iberia Parish Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 our audit.

MEMBER OF

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

The Iberia Parish Airport Authority

Our audit was performed for the purpose of forming an opinion on the financial statements of the Iberia Parish Airport Authority, taken as a whole. The accompanying schedules listed in the table of contents are not required parts of the financial statements and are presented for additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Mixon, Roy, Metz & Mixon*

MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 2004



Iberia Parish Airport Authority  
December 31, 2003

Management's Discussion and Analysis

Our discussion and analysis of the Iberia Parish Airport Authority's (the Authority) financial performance provides an overview to the Authority's financial activities for the fiscal year ended December 31, 2003. Please read in conjunction with the Authority's basic financial statements, which begin on page 8.

**Financial Highlights**

- Total cash increased by \$230,913 for the year ended December 31, 2003.
- The Authority's net assets decreased by \$169,095 during the year ended December 31, 2003 after deducting depreciation of \$591,941. Excluding depreciation, net assets would have increased by \$422,846.
- While total net assets decreased, unrestricted net assets increased by \$229,477. Unrestricted net assets are those net assets available to meet the day-to-day operating needs of the Authority.

**Using This Annual Report**

This annual report consists of Management's Discussion and Analysis, the basic financial statements, and notes to the financial statements. Management's Discussion and Analysis provides a narrative of the Authority's financial performance and activities for the year ended December 31, 2003. The basic financial statements provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

- The Statement of Net Assets presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The Statement of Revenues and Expenses presents information showing how the Authority's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.
- The Statement of Cash Flows presents information showing how the Authority's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

See Independent Auditor's Report.



Iberia Parish Airport Authority  
December 31, 2003

Management's Discussion and Analysis

**Financial Analysis of the Authority as a Whole**

A summary of net assets is presented below:

Net Assets			
	<u>2003</u>	<u>2002</u>	<u>Change</u>
Cash	\$ 909,959	\$ 679,046	\$ 230,913
Other current assets	213,172	220,450	(7,278)
Capital assets, net of depreciation	<u>14,155,433</u>	<u>14,651,712</u>	<u>(496,279)</u>
<b>Total Assets</b>	<b>\$15,278,564</b>	<b>\$15,551,208</b>	<b>\$ (272,644)</b>
Current liabilities	\$ 587,089	\$ 436,706	\$ (150,383)
Noncurrent liabilities	<u>3,240,000</u>	<u>3,493,932</u>	<u>253,932</u>
<b>Total Liabilities</b>	<b>\$ 3,827,089</b>	<b>\$ 3,930,638</b>	<b>103,549</b>
Invested in capital assets	\$10,573,333	\$10,908,663	\$ (335,330)
Restricted net assets	40,409	103,651	(63,242)
Unrestricted net assets	<u>837,733</u>	<u>608,256</u>	<u>229,477</u>
<b>Total Net Assets</b>	<b><u>\$11,451,475</u></b>	<b><u>\$11,620,570</u></b>	<b><u>\$ (169,095)</u></b>

A summary of changes in net assets is presented below:

Changes in Net Assets			
	<u>2003</u>	<u>2002</u>	<u>Change</u>
Operating revenues	\$ 1,103,895	\$ 1,150,779	\$ (46,884)
Operating expenses	<u>(599,111)</u>	<u>(622,465)</u>	<u>23,354</u>
	\$ 504,784	\$ 528,314	\$ (23,530)
Depreciation	(591,941)	(590,601)	(1,340)
Interest expense	(256,765)	(276,202)	19,437
Other income, expenses	84,563	17,892	66,671
Capital contribution	<u>90,264</u>	<u>477,912</u>	<u>(387,648)</u>
Change in net assets	<b><u>\$ (169,095)</u></b>	<b><u>\$ 157,315</u></b>	<b><u>\$ (326,410)</u></b>

See Independent Auditor's Report.

Iberia Parish Airport Authority  
December 31, 2003

**Management's Discussion and Analysis**

Capital assets, include land and improvements, roads, port facilities, and furniture, fixtures, and equipment. Additions to capital assets during the year ended December 31, 2003 consisted of equipment of \$8,415 and preliminary infrastructure costs of \$90,264.

The Authority's non-current liabilities consist of notes and bond principle payments due after one year. In 2003, the Authority refinanced a bank loan and a prior year revenue bond issue into one new revenue bond issue resulting in a lower interest rate. The new \$3,450,000 Airport Refunding Bond issue matures semi-annually thru June 2013 with interest payable at 5.45%.

Invested in capital assets represent the Authority's long-term investment in capital assets, net of accumulated depreciation and debt, and is not available for current operations.

The restricted portions of the net assets represents bond reserve funds that are subject to external restrictions on how they can be used.

Exclusive of land sales in 2003 of \$53,702 and the capital contributions in 2003 and 2002, the changes in net assets for 2003 and 2002 are very comparable.

**Other Currently Known Facts, Decisions, or Conditions**

Air traffic counts for 2001 to 2003 are detailed below. Since the Iberia Parish Airport is a "General Aviation Airport" and is not passenger service oriented, the economics of the airport tenants impact the counts.

2001	86,955
2002	87,567
2003	76,577

The largest tenant of the Authority had not made all of its lease payments for the period of November 2002 thru May 2003. This tenant has accounted for 73% of total billings in 2003 and 2002. At December 31, 2003 the Authority was due \$277,312 in receivables, of which an allowance of \$214,312 has been recorded (\$90,476 in 2003 and \$123,836 in 2002).

**Contacting the Authority's Financial Management**

This financial report is designed to provide a general overview of the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Iberia Parish Airport Authority's office at 5217 North/South Taxi Road, New Iberia, Louisiana.

See Independent Auditor's Report.

Iberia Parish Airport Authority  
Statement of Net Assets  
As of December 31, 2003

**ASSETS**

**CURRENT ASSETS**

Unrestricted Assets:

Cash and cash equivalents	\$ 853,881
Accounts receivable – net of allowance for uncollectible accounts of \$254,123	65,055
Accrued interest receivable	<u>885</u>
Total Unrestricted Assets	919,821

Restricted Assets:

Capital Funds:

Federal and state grant receivables	90,264
Due from tenant – hurricane damage (hangar 14)	56,968

Revenue Bond Funds:

Cash and cash equivalents	<u>56,078</u>
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Total Restricted Assets	<u>203,310</u>
-------------------------	----------------

Total Current Assets	1,123,131
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**NON-CURRENT ASSETS:**

Capital Assets:

Land and easements	1,824,536
Buildings, improvements and equipment, net of depreciation	12,240,633
Construction in progress	<u>90,264</u>
Total Capital Assets	<u>14,155,433</u>

<b>TOTAL ASSETS</b>	<b><u>\$15,278,564</u></b>
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The accompanying notes are an integral part of these financial statements.

Iberia Parish Airport Authority  
Statement of Net Assets  
As of December 31, 2003

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Payable From Unrestricted Assets:

Accounts payable	\$ 12,443
Refund due to farmers	57,487
Prepaid rents	12,238
Leasee deposits	16,741
Deferred revenue-insurance proceeds (hangar 11)	87,000
Compensated absences	16,382
Due to other funds	27,029
Current maturities of long-term debt	<u>5,000</u>
Total Payable From Unrestricted Assets	<u>234,320</u>

Payable From Restricted Assets:

Construction contracts payable	47,100
Accrued interest payable	15,669
Current maturities of long-term debt	<u>290,000</u>
Total Payable From Restricted Assets	<u>352,769</u>

Total Current Liabilities	<u>587,089</u>
---------------------------	----------------

<b>LONG TERM DEBT</b>	<u>3,240,000</u>
-----------------------	------------------

Total Liabilities	<u>3,827,089</u>
-------------------	------------------

**NET ASSETS**

Invested in Capital Assets, net of Related Debt	10,573,333
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Restricted:

Bond Reserve Funds	40,409
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Unrestricted	<u>837,733</u>
--------------	----------------

Total Net Assets	<u>11,451,475</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$15,278,564</u></u>
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The accompanying notes are an integral part of these financial statements.

Iberia Parish Airport Authority  
Statement of Revenues, Expenses and Changes in Net Assets  
For the Years Ended December 31, 2003

<b>Operating Revenues</b>	
Airport property leases (net of bad debts of \$90,476)	\$ 814,978
Agricultural leases	136,520
Fuel & oil flowage	54,183
Hurricane repair reimbursement (hangar 14)	74,093
Other revenue	<u>24,121</u>
<b>Total Operating Revenues</b>	<u>1,103,895</u>
 <b>Operating Expenses</b>	
Personal services	181,714
Professional fees	57,400
General repairs	54,867
Hurricane repairs (hangar 14)	74,093
Utilities and communications	48,193
Insurance	48,279
Supplies, chemicals and fuel	30,508
Other	12,595
Employee benefits	60,322
Contract payments – other	<u>31,140</u>
<b>Total Operating Expenses</b>	599,111
 <b>Operating Income Before Depreciation</b>	504,784
 <b>Depreciation</b>	<u>591,941</u>
 <b>Operating Loss Before Non-Operating Income and Expenses</b>	<u>(87,157)</u>
 <b>Non-Operating Income and (Expenses)</b>	
Interest income	30,861
Interest expense – revenue bonds	(249,540)
Interest expense – other	(7,225)
Land sale and reimbursed costs – net	<u>53,702</u>
<b>Total Non-Operating Income and (Expenses)</b>	<u>(172,202)</u>
 <b>Loss before Capital Contributions</b>	(259,359)
 <b>Capital Contributions</b>	<u>90,264</u>
 <b>Net Assets</b>	
Decrease in Net Assets	(169,095)
 Total Net Assets, beginning of year	<u>11,620,570</u>
 <b>Total Net Assets, end of year</b>	<u>\$11,451,475</u>

The accompanying notes are an integral part of these financial statements.

Iberia Parish Airport Authority  
Statement of Cash Flows  
For the Year Ended December 31, 2003

<b>Cash Flows From Operating Activities</b>	
Cash received from operations	\$ 1,265,930
Payments for goods and services	(373,740)
Payments for payroll and related expenses	<u>(246,988)</u>
Net Cash Provided By Operating Activities	<u>645,202</u>
<b>Cash Flows From Non-capital Financing Activities</b>	
Net change in due to other funds	<u>(587)</u>
Net Cash Used in Non-capital Financing Activities	<u>(587)</u>
<b>Cash Flows From Investing Activities</b>	
Interest received	<u>29,976</u>
Net Cash Provided By Investing Activities	<u>29,976</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Purchase of capital assets	(51,579)
Principal payments on bonds & notes	(247,878)
Net proceeds of refunded bonds	39,829
Interest paid	(262,690)
Sale of property	56,719
Capital contributions	<u>21,921</u>
Net Cash Used In Capital and Related Financing Activities	<u>(443,678)</u>
<b>Net increase in cash and cash equivalents</b>	230,913
Cash and cash equivalents, beginning of year	<u>679,046</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 909,959</u>
<b>Reconciliation of Operating Loss to Net Cash Provided By Operating Activities:</b>	
Operating Loss	\$ (87,157)
Adjustments to reconcile loss from operations to net cash provided by operating activities:	
Depreciation	591,941
Decrease in assets:	
Receivables	76,506
Increase in liabilities:	
Accounts payable and accrued expenses	<u>63,912</u>
<b>Net Cash Provided By Operating Activities</b>	<u>\$ 645,202</u>

The accompanying notes are an integral part of these financial statements.



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

1. Summary of Significant Accounting Policies:

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

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

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

The following is a summary of certain significant accounting policies.

A. Financial Reporting Entity:

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

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

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



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

**B. Fund Accounting:**

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

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

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

**C. Basis of Accounting:**

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

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

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

Revenues from airport property rentals and agriculture leases are reported as operating revenues. Transactions, which are capital, financing or investing related, are reported as non-operating revenues. All expenses related to operating the airport are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

The Iberia Parish Airport Authority does not use encumbrance accounting.

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

**D. Budgetary Practices:**

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

**E. Cash and Cash Equivalents and Investments:**

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

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

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

**F. Restricted Assets:**

Restricted assets consist of monies and other resources, which are restricted legally as described below:

Capital Funds – These assets represent capital debt proceeds that are restricted for designated capital projects and can not be expended for any other item.

Revenue Bond Funds – These assets represent airport revenue bond proceeds held in Bond Reserve Accounts.

**G. Capital Assets:**

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

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

G. Capital Assets (Continued):

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

The estimated lines by general classification are as follows:

Buildings and Improvements	10 – 35 Years
Equipment	5 – 10 Years

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

H. Capital Contributions:

Certain expenditures for airport capital improvements are significantly funded through the Airport Improvement Program (AIP) of the FAA, with certain matching funds provided by the State and the Authority, or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studies are reported in the Statement of Revenues, Expenses and Changes in Net Assets, after non-operating revenues and expenses as capital contributions.

I. Compensated Absences:

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

J. Restricted Revenues:

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

K. Use of Estimates:

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

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

L. Change in Accounting Principles:

Effective January 1, 2003, the Iberia Parish Airport Authority adopted the provisions of Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued by the Governmental Accounting Standard Board. Adoption of this statement had no significant effect on the basic financial statements except for the reformatting of the financial statements and classification of the net assets in accordance with the statements.

This statement established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation.
- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

2. Cash and Cash Equivalents:

Unrestricted cash consisted of the following at December 31, 2003:

Interest-bearing demand deposits	\$ 638,567
Savings account	<u>215,314</u>
	<u>\$ 853,881</u>

Restricted cash consisted of the following at December 31, 2003

Interest bearing demand deposits (revenue bond sinking fund)	<u>\$ 56,078</u>
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IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Notes to the Financial Statements (Continued)

2. Cash and Cash Equivalents (Continued):

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2003 the Iberia Parish Airport Authority had \$909,959 in deposits (collected bank balances including certificate of deposits). These deposits are secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Cat. 3).

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

The restricted cash may only be used for revenue bond payments.

3. A. Operating Leases as Lessor:

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

The following schedule represents the future minimum lease payments due to the Iberia Parish Airport Authority for contracts in effect as of December 31, 2003

<u>Year Ended</u>	<u>Amount</u>
2004	\$ 874,993
2005	815,255
2006	756,543
2007	753,903
2008	754,250
2009 - 2013	3,406,294
2014 - 2018	3,315,824
2019 - 2023	3,395,215
2024 - 2028	2,215,194
2029 - 2034	634,030
	<u>\$16,921,501</u>

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

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

In addition to the above operating leases, the Iberia Parish Airport Authority also receives flowage fees based on a prenegotiated percentage of invoice cost of aviation fuel and oil sold by Airport tenants. Flowage fees were \$54,183 in the current year.

Agricultural leases were \$136,520 in the current year. Lease revenues are based on an annual minimum rental or 1/6 of the crop, whichever is greater.

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

The following schedule, which is included in the above schedule, represents the future minimum lease payments due from a major tenant for contracts in effect as of December 31, 2003.

<u>Year Ended</u>	<u>Amount</u>
2004	732,301
2005	671,801
2006	611,301
2007	611,301
2008	616,084
2009 - 2013	3,152,155
2014 - 2018	3,257,370
2019 - 2023	3,373,105
2024 - 2028	2,205,495
2029 - 2034	630,000
	<u>\$15,860,913</u>

Lease payments billed to this tenant in the current year was \$755,795 which represent 73% of the total leases and rentals. At December 31, 2003 included in accounts receivable as due from this tenant were rents and other fees totaling \$277,312 – of which \$63,000 was collected by the report date. This tenant’s major business is the repainting of large commercial passenger aircraft for a small number of major customers, all of which are considered material to the tenant’s operations.

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

3. C. Operating Lease-Bad Debts

The allowance for doubtful accounts is comprised of the following:

Year	Amount
2003	\$ 90,476
2002	123,836
1999	9,762
1990	5,550
1988	14,923
1987	18
1986	907
1985	<u>8,651</u>
	<u>\$254,123</u>

For years 1999 and prior the Iberia Parish Airport Authority obtained judgements against former tenants.

The major tenant described in note 3B has been delinquent with some payments since August 2002. A summary of the allowance for the tenant is as follows.

Billed 8-02 to 12-03	\$1,099,605
Paid by tenant thru report date	(535,293)
Paid by letter of credit	<u>(350,000)</u>
Doubtful as to collection	<u>\$ 214,312</u>

The delinquencies are mostly from the period of November 2002 thru May 2003. Thru the report date the tenant has made only one month's rent payment. The Authority is working with the tenant's management to get the current payments back on schedule.

The letter of credit was a state guarantee, which expired in 2003.

4. Changes in Capital Assets:

A summary of changes in capital assets is as follows:

	<u>Balance 12-31-02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-03</u>
Land	\$ 1,827,553	\$ 0	\$ 3017	\$ 1,824,536
Building & Imp	25,536,452	90,264	0	25,626,716
Machinery & Equip	<u>1,086,530</u>	<u>8,415</u>	<u>0</u>	<u>1,094,945</u>
	\$28,450,535	<u>\$ 98,679</u>	<u>\$ 3,017</u>	\$28,546,197
Accumulated Depreciation	<u>(13,798,823)</u>			<u>(14,390,764)</u>
Net Capital Assets	<u>\$14,651,712</u>			<u>\$14,155,433</u>



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

5. Long-Term Liabilities:

During 1988, the Iberia Parish Airport Authority purchased a building built by a former lessee on Airport property from a bank. Consideration to the bank was \$150,000 and was set up as an installment loan due in 20 years at 8% interest per annum.

On June 4, 1998 the Iberia Parish Airport Authority issued and sold \$4,200,000 of Airport Revenue Bonds, series 1998 (6.60% - 7.45%) for the construction of a wide body hangar.

In 2003, the Iberia Parish Airport Authority refunded the above notes and bonds with a combined balance of \$3,410,172 into a new refunding bond issue of \$3,450,000. The new bonds – “Taxable Airport Revenue Refunding Bonds, Series 2003” (5.45%) are secured by revenues of the Iberia Parish Airport Authority and by any general revenues of the Iberia Parish Government (the primary government).

In April 2000, the Iberia Parish Airport Authority borrowed \$100,000 from the Iberia Parish Government (the primary government). The loan is due at \$5,000 per year at 0% interest. The loan is unsecured.

The following schedule represents the annual requirements to amortize long-term debt including interest of \$1,632,579 based on information in existence at December 31, 2003.

<u>Revenue</u>		<u>Note - IPG</u>	<u>Bonds</u>
<u>Year Ending December 31,</u>			
2004	\$	5,000	\$ 474,074
2005		5,000	473,133
2006		5,000	476,238
2007		5,000	473,252
2008		5,000	474,586
2009 thru 2013		25,000	2,085,741
2014 thru 2018		25,000	0
2019 thru 2021		10,000	0
		<u>\$ 85,000</u>	<u>\$ 4,457,024</u>
<u>Interest included</u>	\$	<u>0</u>	<u>\$ 1,007,024</u>

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

5. Long-Term Liabilities (Continued):

Changes in long-term debt were as follows:

	Balance December <u>31, 2002</u>	<u>Refunding</u>	<u>Payments</u>	Balance December <u>31, 2003</u>
Note Payable - IPG	\$ 90,000	\$ 0	\$ 5,000	\$ 85,000
Note Payable - Bank	78,049	(70,171)	7,878	0
Revenue Bonds - 1998	3,575,000	(3,340,000)	235,000	0
Revenue Bonds - 2003	<u>0</u>	<u>3,450,000</u>	<u>0</u>	<u>3,450,000</u>
Total	<u>\$3,743,049</u>	<u>\$ 39,829</u>	<u>\$ 247,878</u>	<u>\$3,535,000</u>

The excess refunding amount was deposited into the "reserve bond sinking fund".

6. Lessee Deposits:

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

Per the contracts with the agricultural tenants annual minimum lease payments are required prior to harvesting. During harvesting, the mills send 1/6 of the crop proceeds to the Iberia Parish Airport Authority. After harvesting, the Iberia Parish Airport Authority returns the lesser of the minimum lease payment or the 1/6 to the tenant. The minimum lease payments of \$57,487 were due to be refunded to the farmers at December 31, 2003.

7. Capital Contributions:

Since its inception, the Iberia Parish Airport Authority has received capital contributions from Federal, State and local grants.

A summary of changes in capital contributions are as follows:

	Balance <u>12-31-02</u>	<u>Addition</u>	<u>Deletions</u>	Balance <u>12-31-03</u>
Federal	\$13,669,216	\$ 48,036	\$ (3,017)	\$13,714,235
State	7,759,884	42,228	0	7,802,112
Local	<u>890,653</u>	<u>0</u>	<u>0</u>	<u>890,653</u>
	<u>\$22,319,753</u>	<u>\$ 90,264</u>	<u>\$ (3,017)</u>	<u>\$22,407,000</u>

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

**8. Defined Benefit Pension Plan:**

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

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

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each Parish. State statute requires covered employees to contribute a percentage of their earnings to the plan; the Airport Authority contributes 7.75% of each employee's salary as an employer match. Although contributions are determined by state statute rather than actuarial calculation, actuarial required contributions are determined for the System, but not separately for the Iberia Parish Airport Authority. In the current year the Airport Authority's contribution amount was \$14,309.

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

**9. Deferred Compensation Plan:**

The Iberia Parish Government (the primary government) offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Parish employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Parish subject only to the claims of the Parish's general creditors. Participants' rights under the plan are equal to those of general creditors of the Parish in an amount equal to the fair market value of the deferred account for each participant. The Parish believes it is unlikely that it will use the assets to satisfy claims of general creditors in the future.

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

9. Deferred Compensation Plan (Continued):

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

10. Postretirement Health Care and Life Insurance Benefits:

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

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

11. Annual and Sick Leave:

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

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

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

12. Self - Insurance:

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

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

General Liability, Auto, Errors and omissions, Property, Workers compensation and Aggregate Loss Fund

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

12. Self - Insurance (Continued):

At December 31, 2003 there were no outstanding claims which would effect the Iberia Parish Airport Authority. Also, as of this report date, no discussions between the Iberia Parish Government (the primary government) and the Iberia Parish Airport Authority have been made concerning who has the responsibility for the deductible portion of any future claims.

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

13. Related Party Transactions:

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

In a prior year the Parish Government loaned the Airport Authority \$100,000. The terms are no interest and annual payments of \$5,000.

14. Contingencies and Subsequent Events:

The contract for air traffic control services is provided by the FAA on an annual basis. As of the report date, the FAA has not indicated how long they would fund the ATC service. If funding for ATC is not available and if the Airport Authority has no ATC or a reduced ATC, it is not known to what extent air traffic would be curtailed and subsequently, what would be the consequences to current tenants and their abilities to meet their lease obligations.

OTHER SUPPLEMENTARY INFORMATION



IBERIA PARISH AIRPORT AUTHORITY  
 (A Component Unit of the Iberia Parish Government)  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2003

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grantors Number</u>	<u>Project Description</u>	<u>Federal Revenues</u>	<u>Federal Expenditure</u>
U.S. Department of Transportation Federal Aviation Administration Air Improvement Program	20.106	3-22-0036.08	Runway Striping & Fencing	\$ 48,036	\$ 48,036
<u>Total Federal Assistance</u>				<u>\$ 48,036</u>	<u>\$ 48,036</u>

Note – In prior years the Airport Authority received grants for ATC (Air Traffic Control) services. However now the FAA contracts for and pays directly the ATC service. The Airport Authority is not responsible for any contracting, monitoring, or compliance, thus the FAA provided ATC service is not considered a federal award and is not listed on the above schedule. (The cost of the contract is unknown to the Airport Authority but is estimated to be approximately \$300,000).



IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Schedule of Expenditures of State Awards  
For the Year Ended December 31, 2003

<u>Project Number</u>	<u>Project Description</u>	<u>State Revenues</u>	<u>State Expenditures</u>
DOTD 923-02-0018	Runway/Taxiway Striping & Security Fencing	\$ 0	\$ 0
EDAP #252-03167	Infrastructure Imp-Indust Complex	<u>42,228</u>	<u>42,228</u>
<u>Total State Assistance:</u>		<u>\$ 42,228</u>	<u>\$ 42,228</u>

**IBERIA PARISH AIRPORT AUTHORITY**  
**(A Component Unit of the Iberia Parish Government)**  
**Schedule of Amounts Paid to Commissioners**  
**For the Year Ended December 31, 2003**

For the year ended December 31, 2003 there were no amounts paid to the Iberia Parish Airport Authority commissioners for compensation or per diem allowances.

MISCELLANEOUS REQUIRED REPORTS

**MIXON, ROY, METZ & MIXON**

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

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

We have audited the financial statements of the Iberia Parish Airport Authority (A Component Unit of the Iberia Parish Government), as of and for the year ended December 31, 2003 and have issued our report thereon dated May 1, 2004. We conducted our 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 the Iberia Parish Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we reported to management of the Iberia Parish Airport Authority in a separate letter dated May 1, 2004.

The Iberia Parish Airport Authority

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Iberia Parish Airport Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Iberia Parish Airport Authority's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-2.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Iberia Parish Airport Authority in a separate letter dated May 1, 2004.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

May 1, 2004

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Management's Corrective Action Plan  
For the Year Ended December 31, 2003

Section I - Internal Control and Compliance Related to the Financial Statements

Finding 03-2 Monitoring leases

Summary: There is no formal system set up to monitor the various lease requirements.

Management Response: The office manager is in the process of establishing such a system and should have it completed shortly. A new employee has recently been hired which will allow better monitoring. Our insurance agent will be contacted to help with the insurance requirements.

Section II - Internal Control and Compliance Related to Federal Awards

Not Applicable

Section III - Management Letter

Finding 03-1 Unsigned leases

Summary: Hangars 11,14, 53 and some equipment do not have fully completed and signed leases.

Management's Response: The airport manager is working with our attorney to complete the required leases. All leases should be completed in the near future.

Finding 03-3 Lease Delinquencies

Summary: The major tenant has not made all lease payments.

Management's Response: The Authority has had several meetings with the tenant. They are still feeling the effects of September 11, but indicate things are improving. The plan is for them to stay current and make partial payments on amounts in arrears. The airport director will monitor the situation.

Finding 03-4 Sales Tax Payment

Summary: Sales tax was errorously paid on an invoice.

Management's Response: The office manager will attempt to get reimbursed for the taxes paid. We realize that sales tax should not be paid and feel this is an isolated incident. We will take greater care in reviewing invoices in the future.

IBERIA PARISH AIRPORT AUTHORITY  
(A Component Unit of the Iberia Parish Government)  
Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2003

Section I - Internal Control and Compliance Material to the Financial Statements

There were no findings affecting internal control and compliance material to the financial statements in the prior year's report.

Section II Internal Control and Compliance Material to Federal Awards

There were no findings affecting internal control and compliance material to federal awards in the prior year's report.

Section III Management Letter

02-1 - No new lease terms for Hangar 11, 14, 53 various equipment.

Has not been resolved, final details are being worked out by the attorney.

02-2 - Sinking fund transfers

Resolved.

02-3 - Delinquent lease payments

Has not been resolved, discussions are ongoing to correct the situation.

02-4 - Cash flow

Resolved

02-5 - Project refund

Resolved

02-6 - Environmental concerns

Resolved



IBERIA PARISH AIRPORT AUTHORITY

(A COMPONENT UNIT OF THE IBERIA PARISH GOVERNMENT)

MANAGEMENT LETTER

FOR THE YEAR ENDED DECEMBER 31, 2003

**MIXON, ROY, METZ & MIXON**

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**MANAGEMENT LETTER**

May 1, 2004

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

Gentlemen:

As indicated in our report dated May 1, 2004, we have audited the Iberia Parish Airport Authority for the year ending December 31, 2003 and as indicated in that report we found no material weaknesses or irregularities.

The following are our findings and comments and your responses as to your plans to address the issues noted. It is the responsibility of the audit committee to make sure the plans are followed:

03-1 Comment:

There is nothing in writing concerning the new lease terms for hangar #11, #14 and #53 and various equipment. This should be done as soon as possible to avoid misunderstandings.

Response: For hanger #11 oral discussions have been made and, the final terms should be reached in 2004.

The hangars #14 and #53 lease has expired and is in the hands of the attorney and should be resolved in early 2004.

The attorney is still working out the terms of the equipment rents.

03-2 Comment:

Communications with Airport Authority staff indicates that the staff did not have a monitoring system set up for leases.

Leases have varying terms and requirements. The Airport Authority staff needs to devise a formal system to keep track of each lease's terms and important dates. The system should address expirations, rent increases, and insurance requirements.

**MEMBER OF**

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

03-2 Comment (Continued):

Most significant is the insurance coverage required by the leases. Neither us as auditors nor the Airport Authority staff have the expertise to verify the proper coverage. However, it does appear the Airport Authority may not have the required insurance. We strongly suggest that the Airport Authority contract with its insurance agent to review all lease requirements and tenant insurance policies to determine if proper coverage is maintained.

As each lease is due to renew, have your insurance agent review for proper and up to date coverage. An effort should probably be made at some standardization.

Response: The office manager is in the process of establishing such a system. A new employee has recently been hired which will allow better monitoring. In reference to insurance, the airport director will make the necessary contact with our agent as soon as possible.

03-3 Comment

The major tenant has not made all lease payments since November 2002. The Airport Authority should have their attorney review the legal ramifications of allowing the use of property by non-paying tenants. However, the Authority should be aware that at least the tenant is providing insurance, maintenance, and utilities.

Also due to the uncertainty of cash flow, the Authority should be conservative in spending until the delinquency situation is resolved.

Response: The Authority has had several meetings with the tenant. They are still feeling the effects of September 11, but indicate things are improving. The plan is for them to stay current and make partial payments on amounts in arrears. The airport director will monitor the situation.

03-4 Comment:

Sales tax in the amount of \$988.91 was errorously paid on an invoice. Government bodies are exempt from the payment of sales taxes. The Authority should investigate for a possible refund. In the future, invoices should be reviewed thoroughly prior to payment.

Response: The office manager will attempt to get reimbursed for the taxes paid. We realize that sales tax should not be paid and feel this is a isolated incident. We will take greater care in reviewing invoices in the future.

A copy of the audit report needs to be sent to the Legislative Auditor, the Iberia Parish Government, to the central audit report clearing house (Bureau of the Census, Data Preparation Division, 1201 East 10<sup>th</sup> Street, Jeffersonville, Indiana 47132) and to the federal grantor agencies. The Legislative Auditor requires 1 copy plus this management letter.

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

Sincerely,

  
MIXON, ROY, METZ & MIXON  
CERTIFIED PUBLIC ACCOUNTANTS

MRMM:ec