

LOUISIANA AIRPORT AUTHORITY**FINANCIAL REPORT****For the Year Ended
June 30, 2004**

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.

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FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Louisiana Airport Authority
LaPlace, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Airport Authority as of and for the year ended June 30, 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Louisiana Airport Authority's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Airport Authority as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2004, on our consideration of the Louisiana Airport Authority's internal control over financial reporting and on 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.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Rebowe & Company

October 13, 2004

LOUISIANA AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
June 30, 2004

As management of the Louisiana Airport Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2004.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$163,305 (*net assets*).
- The Authority's total assets decreased by \$136,669 due to the decrease in amounts due from the state and federal government.
- The Authority's total liabilities decreased by \$217,761 due to reductions in the use of outside consultants.
- The Authority's total revenues decreased by \$1,420,636 due to completion of the grant related studies.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise four components: 1) Statement of Net Assets, 2) Statement of Activities, 3) Fund Financial Statements, and 4) Notes to the Financial Statements.

The Statement of Net Assets presents 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 Activities 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. miscellaneous receivables, prepaid items, amounts due from other governments, accounts payable and other liabilities).

Notes to Basic Financial Statements. The accompanying notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**LOUISIANA AIRPORT AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)
June 30, 2004**

BASIC FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the Authority, assets exceeded liabilities by \$163,305 at the close of the most recent year, June 30, 2004. By far the largest portion of the Authority's net assets (96%) reflects cash of \$157,292.

The Authority implemented Governmental Accounting Standards Board Statement No. 34 for the year ended June 30, 2004. A detailed comparative analysis will be provided in the financial statements of the Authority for the fiscal year ending June 30, 2005, when comparative data will be available.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should contact the Authority's office at (985) 652-3240.

BASIC FINANCIAL STATEMENTS

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF NET ASSETS
June 30, 2004

ASSETS	<u>Primary Government</u> <u>Transportation & Urban</u> <u>Development Activities</u>
Cash	\$ 157,292
Prepaid insurance	7,000
Accounts receivable	3,113
Deposits	175
Capital assets (net of accumulated depreciation)	<u>9,986</u>
TOTAL ASSETS	<u><u>177,566</u></u>
 LIABILITIES	
Liabilities	
Accounts payable	9,615
Compensated absences payable	<u>4,646</u>
Total Liabilities	<u><u>14,261</u></u>
 NET ASSETS	
Investment in Capital Assets (net of related debt)	21,245
Net assets	<u>142,060</u>
Total Net Assets	<u><u>\$ 163,305</u></u>

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> Operating Grants and Contributions	<u>Net (Expense) Revenue and Changes in Net Assets</u>
Transportation and urban development	\$ 458,658	\$ 544,853	\$ 86,195
		General revenues:	
		Interest income	49
		Change in net assets	86,244
		Net Assets - beginning, restated	77,061
		Net Assets - ending	<u>\$ 163,305</u>

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUND TYPE
June 30, 2004

		GOVERNMENTAL FUND TYPE
		GENERAL FUND
ASSETS AND OTHER DEBITS		
Cash	\$	157,292
Accounts receivable		3,113
Prepaid expenses		7,000
Deposits		175
		<hr/>
TOTAL ASSETS AND OTHER DEBITS	\$	<u>167,580</u>
 LIABILITIES, EQUITY AND OTHER CREDITS		
Liabilities:		
Accounts payable	\$	9,615
		<hr/>
TOTAL LIABILITIES		<u>9,615</u>
 Equity and other credits		
Fund balances		
Unreserved and undesignated		157,965
		<hr/>
TOTAL EQUITY AND OTHER CREDITS		<u>157,965</u>
 TOTAL LIABILITIES, EQUITY AND OTHER CREDITS		
	\$	<u>167,580</u>

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND TYPE
- GENERAL FUND
For the Year Ended June 30, 2004

	<u>GOVERNMENTAL FUND TYPE</u>
	<u>GENERAL FUND</u>
REVENUES	
Federal funds	\$ 85,061
State matching funds	9,451
State budget funding	425,341
Other	<u>25,049</u>
TOTAL REVENUES	<u>544,902</u>
 EXPENDITURES	
Current	
Capital outlay	6,739
Transit and urban development	<u>450,095</u>
TOTAL EXPENDITURES	<u>456,834</u>
REVENUES OVER EXPENDITURES	 88,068
FUND BALANCE, beginning of year	<u>69,897</u>
FUND BALANCE, end of year	<u><u>\$ 157,965</u></u>

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUND
TO THE STATEMENT OF NET ASSETS
June 30, 2004

Amount reported for transportation and urban development activities in the statement of net assets are different because:

Total Fund Balance	\$ 157,965
--------------------	------------

Capital assets and accumulated depreciation are not considered as current resources and are not reported in the general fund.

Capital Assets	\$ 21,245	
Accumulated Depreciation	<u>(11,259)</u>	9,986

Long term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

(4,646)

Total Net Assets	<u><u>\$ 163,305</u></u>
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The Notes to Basic Financial Statements are an integral part of this statement.

**LOUISIANA AIRPORT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
June 30, 2004**

Total net increase in fund balances - General Fund \$ 88,068

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

	Capital outlay	\$ 6,739	
	Depreciation Expense	<u>(3,917)</u>	
			2,822

Compensated absences are reported as expenses in the statement of activities. These expenses, reported in the statement of activities, do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. The difference attributed to compensated absences is:

(4,646)

Increase in net assets of primary activities: \$ 86,244

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2004

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>ORIGINAL</u>	<u>AMENDED</u>		<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES				
Federal funds	\$ 199,201	\$ 85,061	\$ 85,061	\$ -
State matching funds	-	9,451	9,451	-
State budget funding	425,341	425,341	425,341	-
Other	5,976	25,052	25,049	(3)
TOTAL REVENUES	<u>630,518</u>	<u>544,905</u>	<u>544,902</u>	<u>(3)</u>
EXPENDITURES				
Current				
Capital outlay	10,800	12,426	6,739	5,687
Transit and urban development	458,663	447,792	450,095	(2,303)
TOTAL EXPENDITURES	<u>469,463</u>	<u>460,218</u>	<u>456,834</u>	<u>3,384</u>
EXCESS OF REVENUES OVER EXPENDITURES	161,055	84,687	88,068	3,381
FUND BALANCE, beginning of year	69,897	69,897	69,897	-
FUND BALANCE, end of year	<u>\$ 230,952</u>	<u>\$ 154,584</u>	<u>\$ 157,965</u>	<u>\$ 3,381</u>

The Notes to Basic Financial Statements are an integral part of this statement.

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004

NOTE A – GENERAL INFORMATION

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Louisiana Airport Authority was created in 1992 under the provisions of the Louisiana Revised Statutes of 1950 (R.S. 2:650-661). The Authority is governed by a Board of Commissioners. The Louisiana Airport Authority is a non-profit (quasi governmental) entity created to aid in the development of an inter-modal, transportation facility to be located in St. Charles Parish by conducting and coordinating feasibility and developmental studies, as well as attract and obtain investors. The planned development will contain facilities to accommodate air, rail and truck traffic. During the research stage of the project, the entity was funded with Federal and state grants.

The accompanying financial statements include government activities, organizations, and functions for which the Authority is financially accountable.

B. Government-wide and fund financial statements

Basis of Presentation

The financial statements of the Louisiana Airport Authority (the “Authority”) 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.

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999.

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

Government-wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of this measurement focus is the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with the government's activities are reported. Fund equity is classified as net assets. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, the Statement of Net Assets and Statement of Activities present revenues, expenses, and fixed asset acquisitions as follows:

Revenues - Revenues are recognized in the accounting period in which they are earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Expenses - Expenses are recorded when the liability is incurred or economic asset is used, regardless of the timing of related cash flows.

Fixed Assets - Fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

The Authority reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Fund Financial Statements

The Authority uses funds and account groups 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The funds of the Authority are classified into the "governmental" category. The category, in turn, is divided into separate "fund types".

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

Governmental funds are used to account for all of the Authority's general activities. The General Fund is used to account for all activities of the general government not accounted for in some other fund, and is the only fund used.

C. Measurement focus, basis of accounting and financial statement presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Revenues susceptible to accrual are intergovernmental revenues.

The Authority has one governmental fund, the General Fund, which is used to account for all of its operating activities.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Authority has elected not to follow subsequent private-sector guidance.

D. Assets, liabilities and net assets or equity

1. Deposits and Investments.

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State statutes authorize the investment in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool (LAMP).

2. Receivables

All receivables were considered fully collectible at year end, therefore, no allowance has been provided.

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets and Depreciation

In the government-wide financial statements, capital assets are recorded at cost in the statement of net assets. Donated assets are valued at their estimated fair market value on the date received. The Authority does not have any infrastructure assets. Depreciation is computed using the straight line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Office Furniture, Fixtures and Equipment	5 years

Capital asset acquisition costs are reflected as expenditures in governmental funds, and the related assets are reported in the Statement of Net Assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

5. Compensated Absences

The Director receives three weeks (15 days) of paid vacation each year and one week (5 days) sick/personal days per year. The executive assistant earns up to two weeks (10 days) of vacation and one week (5 days) of sick leave each year. Up to one week of sick leave and two weeks of vacation can be accrued, but it must be used during the following year or it is lost.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation is that Capital assets and accumulated depreciation are not considered as current resources and are not reported in the governmental fund balance sheet:

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

Capital assets	\$21,245
Accumulated depreciation	<u>(11,259)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 9,986</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This difference is comprised of compensated absences:

\$(4,646)

B. Explanation of certain differences between the governmental fund statement of revenue, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$2,822 difference are as follows:

Capital outlay	\$ 6,739
Depreciation expense	<u>(3,917)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> .	<u>\$ 2,822</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Formal budgetary accounting is employed as a management control device during the year for the General Fund. Budgeted amounts are as originally adopted or as finally amended by resolutions or motions of the Board through June 30, 2004.

The level of budgetary control is at the function level. Expenditures may not exceed appropriations until additional appropriations are provided. Appropriations lapse at the end of each fiscal year.

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

The budget for the General Fund is adopted on the cash basis of accounting. Budgetary comparisons presented in the accompanying financial statements have been adjusted for amounts accrued in the financial statements and grant revenues and expenditures that are not budgeted.

IV. DETAILED NOTES

A. CASH

At June 30, 2004, the two bank balances were \$155,418 and \$1,874. The Authority is FDIC insured and any excess over FDIC insurance is collateralized by its fiscal agents.

B. RECEIVABLES

There were no intergovernmental receivables at June 30, 2004. Accounts receivable of \$3,113 represents a refund of \$1,154 due from a consultant and a receivable of \$1,959 for the overpayment of a reimbursed expense.

C. CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended June 30, 2004:

	Balance July 1, <u>2003</u>	Adjust- ment *	Restated Balance July 1, <u>2003</u>	<u>Additions</u>	Balance June 30, <u>2004</u>
<i>Capital assets being depreciated:</i>					
Furniture, fixtures and equipment	\$ 12,316	\$ 2,190	\$ 14,506	\$ 6,739	\$ 21,245
<i>Less accumulated depreciation:</i>	—	—	<u>7,342</u>	<u>3,917</u>	<u>11,259</u>
<i>Total capital assets, net accumulated depreciation:</i>	<u>\$ 12,316</u>	<u>\$ 2,190</u>	<u>\$ 7,164</u>	<u>\$ 2,822</u>	<u>\$ 9,986</u>

* Adjustment for GASB 34 implementation purposes.

Depreciation expense was charged to the transportation and urban development function of the Authority.

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

D. COMMITMENTS AND CONTINGENCIES

The Authority is obligated under an operating lease for office space. The lease is considered to be an operating lease for accounting purposes. Lease expenditures for the year ended June 30, 2004 amounted to \$8,400. This lease is on a month to month basis as of December 31, 2002.

The Authority is obligated under an operating lease for a copier. Lease expenditures for the year ended June 30, 2004 amounted to \$1,987. The following is a schedule of future minimum lease payments as of June 30, 2004.

Year Ended June 30,	
2004	\$ 1,987
2005	1,987
2006	1,987
2007	1,494
	<u>\$ 7,455</u>

V. OTHER INFORMATION

A. CONCENTRATION OF RISK

The Authority has received 16% of total revenue from the Federal Aviation Administration (FAA). The majority of the Authority's support is received from State grants. For the fiscal year ended June 30, 2004, 80% of the Authority's total revenue was derived from state grants. The remaining 4% was comprised of a grant received for an economic impact study and interest income.

B. FUTURE FUNDING

In September 2001, the Federal Aviation Administration (FAA) approved funding for a \$4.32 million dollar grant to determine the best location for a regional airport between New Orleans and Baton Rouge. The FAA authorized \$2.4 million of the \$4.32 million dollar grant September 30, 2001. The site selection study was completed in 2002. The Master Plan and Economic Impact Studies were completed in February 2004.

The grant is in the FAA's 2001 fiscal year budget and is about half of the amount needed to complete the \$4.32 million dollar study. The balance, about \$1.87 million, will be requested from the FAA's 2004-05 budget. Since the FAA requires matching state funds in a 90-10

LOUISIANA AIRPORT AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

match for the grant, \$325,000 is in the state's capital outlay budget for the study. The remaining \$107,000 was requested from the state Capital Outlay Bill November 1, 2001 and resubmitted November 1, 2002, November 1, 2003, and November 1, 2004. The remaining Federal Grant and state matching funds are needed to complete the Environmental Analysis, Rail & Highway Access Study and Intermodal Commerce Study. A revised timeline and funds in the amount of \$3.7 million have now been requested from the State of Louisiana to fund the Project Program Document and Environmental Analysis. The revised timeline indicates a date of October 2005 for the LAA to enter into a public/private partnership agreement with the Canadian Commercial Corporation to build the Louisiana Transportation Center.

The LAA has also requested \$650,000 in the 2005-06 state budget for operating expenses. The budget for the fiscal year ended June 30, 20?? has been amended to reflect the current appropriation of \$100,000.

OTHER SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

Board of Commissioners
Louisiana Airport Authority
LaPlace, Louisiana

We have audited the basic financial statements of the Louisiana Airport Authority as of and for the year ended June 30, 2004, and have issued our report thereon dated October 13, 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 Louisiana Airport Authority’s basic financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Airport Authority’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, the Legislative Auditor of the State of Louisiana, 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. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

Rebowe & Company

October 13, 2004

LOUISIANA AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/Federal Project Number</u>	<u>Federal Expenditures</u>
U.S. Department of Transportation Federal Aviation Administration Airport Improvement Program	20.106	3-22-D009-R201	<u>\$ 11,723</u>
Total Expenditures of Federal Awards			<u>\$ 11,723</u>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

LOUISIANA AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2004

NOTE A – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS*, OMB CIRCULAR A-133, “AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS” AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

Due to the amount of federal funds received, a single audit was not required.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Authority has met the qualifications for the respective grants.

2. ACCRUED AND DEFERRED REIMBURSEMENT

Various reimbursement procedures are used for federal awards received by the Authority. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

LOUISIANA AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2004

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Louisiana Airport Authority.
2. No reportable conditions in internal control relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Louisiana Airport Authority, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A single audit was not performed due to the level of funding received
5. A management letter was not issued.
6. Louisiana Airport Authority qualified as a low-risk auditee.

B. FINDINGS RELATED TO FINANCIAL STATEMENTS

There were no findings related to financial statements for the year ended June 30, 2004.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARDS

There were no findings related to federal awards for the year ended June 30, 2004.

LOUISIANA AIRPORT AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2004

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

None

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None

SECTION III - MANAGEMENT LETTER

- 02-1 Adoption and Revision of Budget - The budget should be adopted on the accrual basis of accounting and amended as changes in revenues and/or expenditures are anticipated. Resolved.

- 02-2 Deficit Fund Balance - The beginning fund balance (or deficit) and anticipated ending fund balance should be reflected in the Authority's budget. Resolved.

- 02-3 Cash Management - The Authority should attempt to minimize the time elapsing between receipt and disbursement of federal funds. Resolved.

- 02-4 Fiscal Agent Collateral - The Authority should have all bank balances in excess of FDIC insurance collateralized by its fiscal agents. Resolved.

**LOUISIANA AIRPORT AUTHORITY
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2004**

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, there is no corrective action plan required as part of this section.