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**FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1998**

**A JOINT VENTURE OF THE
POLICE JURY OF THE PARISH OF POINTE COUPEE
NEW ROADS, LOUISIANA
and
CITY OF NEW ROADS, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 MAR 24 1999

**FALSE RIVER AIR PARK COMMISSION
8662 AIRPORT SPUR
NEW ROADS, LOUISIANA 70760
(504) 638-3192**

GOVERNING BOARD

Commissioner	Appointed By	Term Expires
Charlie Bonnette, Chairman	Pointe Coupee Police Jury	August 31, 2004
John M. Olinde, Secr/Trea	Pointe Coupee Police Jury	August 31, 1999
James E. Saizon, Jr.	Pointe Coupee Police Jury	August 31, 2000
Louis A. Hebert	City of New Roads	August 31, 2001
John L. Ewing	City of New Roads	August 31, 2002
Christopher Battley	City of New Roads	August 31, 2003

MANAGER

Yvonne Chenevert

MEETING DATE

**First Thursday of Every Month
at Airport Terminal**

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George F. Delaune

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mr. Charlie Bonnette, Chairman
and Members of the Board of Commissioners
False River Air Park Commission
New Roads, Louisiana

I have audited the accompanying general purpose financial statements of FALSE RIVER AIR PARK COMMISSION, NEW ROADS, LOUISIANA, a joint-venture of the Pointe Coupee Parish Police Jury and City of New Roads, Louisiana, as of and for the year ended December 31, 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the Guide require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the False River Air Park Commission, New Roads, Louisiana, as of December 31, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated March 8, 1999 on my consideration of the Commission's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of False River Air Park Commission, New Roads, Louisiana, 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 Government, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

George F. Delaune, CPA

March 8, 1999

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FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1998

	Governmental Fund Type		Account Groups		Totals (Memorandum Only)	
	General	Capital Project	General Fixed Assets	General Long Term Debt	1998	1997
ASSETS						
Cash	\$3,520				\$3,520	\$7,161
Receivables - Rentals	335				335	
Due from other governments - Federal		\$281,102			281,102	2,241
State		31,234			31,234	19,132
Inventory - fuel	2,639				2,639	1,987
Property, plant, and equipment			\$2,658,177		2,658,177	1,529,298
Amount due for retirement of lease obligation				\$8,694	8,694	12,625
TOTAL ASSETS	<u>\$6,494</u>	<u>\$312,336</u>	<u>\$2,658,177</u>	<u>\$8,694</u>	<u>\$2,985,701</u>	<u>\$1,572,444</u>
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$2,378				\$2,378	\$3,328
Payroll tax liabilities	40				40	424
Deferred revenue						65
Construction costs payable		\$312,336			312,336	8,024
Retainage payable		34,611			34,611	13,416
Capital lease obligation				\$8,694	8,694	12,625
Total Liabilities	<u>2,418</u>	<u>346,947</u>		<u>8,694</u>	<u>358,059</u>	<u>37,882</u>
Fund Equity:						
Investment in general fixed assets			\$2,658,177		2,658,177	1,529,298
Fund balances - Unreserved - undesignated	(30,242)				(30,242)	5,264
Total Fund Equity	<u>(30,242)</u>		<u>2,658,177</u>		<u>2,627,935</u>	<u>1,534,562</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>(\$27,824)</u>	<u>\$346,947</u>	<u>\$2,658,177</u>	<u>\$8,694</u>	<u>\$2,985,994</u>	<u>\$1,572,444</u>

The accompanying notes are an integral part of these statements.

**FALSE RIVER AIR PARK COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General Fund	Capital Project	Totals (Memorandum Only)	
			1998	1997
Revenues:				
Charges for services -				
Hangers	\$6,909		\$6,909	\$7,482
Ag-sites	3,021		3,021	3,615
Property	3,047		3,047	3,047
Office space	6,000		6,000	6,000
Fuel sales	12,810		12,810	11,647
Total Charges for Services	31,787		31,787	31,791
Intergovernmental revenues -				
Capital grants -				
Federal		\$811,238	811,238	44,818
State		272,771	272,771	167,526
Operating grants -				
State				952
Parish of Pointe Coupee	31,947		31,947	29,635
City of New Roads	31,947		31,947	29,635
Total Intergovernmental Revenues	63,894	1,084,009	1,147,903	272,566
Miscellaneous revenues -				
Royalties and leases	233		233	4,298
Interest earned	174		174	185
Reimbursement from capital projects	3,515		3,515	
Miscellaneous	63		63	
Total Miscellaneous Revenues	3,985		3,985	4,483
Total Revenues	99,666	1,084,009	1,183,675	308,840
Expenditures:				
Operations -				
Salaries and benefits	18,206		18,206	18,400
Professional fees	1,717		1,717	1,000
Utilities	10,366		10,366	5,918
Contract labor -				
Maintenance	5,308		5,308	5,183
Janitor	1,026		1,026	199
Insurance	9,138		9,138	7,344
Telephone	3,574		3,574	3,326
Promotions	855		855	1,156
Membership dues	150		150	219
Meetings and seminars	841		841	1,249
Rent	4,000		4,000	

The accompanying notes are an integral part of these statements.

	General Fund	Capital Project	Totals (Memorandum Only)	
			1998	1997
Expenditures:				
Operations -				
Fuel purchases	8,950		8,950	8,836
Repairs and supplies -				
Grounds	2,307		2,307	3,228
Buildings & hangars	2,132		2,132	2,799
Runways and roads	862		862	3,624
Communications	7,167		7,167	8,189
Machinery and equipment	228		228	994
Fuel tanks and pumps	5,303		5,303	2,967
Janitorial				75
Office	2,459		2,459	1,753
All other	913		913	239
Total Operations	85,502		85,502	76,698
Capital Outlays -				
Equipment	3,135		3,135	3,725
Construction	8,129	1,117,615	1,125,744	214,358
Total Capital Outlays	11,264	1,117,615	1,128,879	218,083
Debt Service -				
Principal payment	3,932		3,932	3,679
Interest expense	868		868	1,121
Total Debt Service	4,800		4,800	4,800
Total Expenditures	101,566	1,117,615	1,219,181	299,581
Excess (Deficiency) of Revenues Over Expenditures before Transfers	(1,900)	(33,606)	(35,506)	9,259
Fund Balance - January 1	5,264		5,264	(3,995)
FUND BALANCE - December 31	\$3,364	(\$33,606)	(\$30,242)	\$5,264

The accompanying notes are an integral part of these statements.

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (GAAP BASIS) - GOVERNMENTAL FUND TYPE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Revenues:				
Charges for services -				
Hangers	\$7,128	\$6,909	(\$219)	\$7,482
Ag-sites	3,615	3,021	(594)	3,615
Hay property	3,047	3,047		3,047
Office space	6,000	6,000		6,000
Fuel sales	11,360	12,810	1,450	11,647
Total Charges for Services	<u>31,150</u>	<u>31,787</u>	<u>637</u>	<u>31,791</u>
Intergovernmental revenues -				
Operating grants -				
State				952
Parish of Pointe Coupee	29,635	31,947	2,312	29,635
City of New Roads	29,635	31,947	2,312	29,635
Total Intergovernmental Revenues	<u>59,270</u>	<u>63,894</u>	<u>4,624</u>	<u>60,222</u>
Miscellaneous revenues -				
Royalties and leases	4,000	233	(3,767)	4,298
Interest earned		174	174	185
Reimbursement from capital projects		3,515	3,515	
Miscellaneous		63	63	
Total Miscellaneous Revenues	<u>4,000</u>	<u>3,985</u>	<u>(15)</u>	<u>4,483</u>
Total Revenues	<u>94,420</u>	<u>99,666</u>	<u>5,246</u>	<u>96,496</u>
Expenditures:				
Operations -				
Salaries and benefits	17,000	18,206	(1,206)	18,400
Professional fees	1,500	1,717	(217)	1,000
Utilities	6,000	10,366	(4,366)	5,918
Contract labor -				
Maintenance	3,000	5,308	(2,308)	5,183
Janitor	600	1,026	(426)	199
Insurance	12,000	9,138	2,862	7,344
Telephone	4,000	3,574	426	3,326
Membership dues		855	(855)	1,156
Promotions		150		219
Meetings and seminars	800	841	(41)	1,249
Rent	4,000	4,000		

The accompanying notes are an integral part of these statements.

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
Expenditures:				
Operations -				
Fuel purchases	9,000	8,950	50	8,836
Repairs and supplies -				
Grounds	1,600	2,307	(707)	3,228
Buildings and hangars	2,000	2,132	(132)	2,799
Runways and roads	2,000	862	1,138	3,624
Communications	8,400	7,167	1,233	8,189
Machinery and equipment	1,500	228	1,272	994
Fuel tanks and pumps	5,500	5,303	197	2,967
Janitorial				75
Office	2,000	2,459	(459)	1,753
All other	500	913	(413)	239
Total Operations	<u>81,400</u>	<u>85,502</u>	<u>(3,952)</u>	<u>76,698</u>
Capital Outlays -				
Equipment	3,725	3,135	590	3,725
Construction	8,129	8,129		
Total Capital Outlays	<u>11,854</u>	<u>11,264</u>	<u>590</u>	<u>3,725</u>
Debt Service -				
Principal payment	3,932	3,932		3,679
Interest expense	868	868		1,121
Total Debt Service	<u>4,800</u>	<u>4,800</u>		<u>4,800</u>
Total Expenditures	<u>98,054</u>	<u>101,566</u>	<u>(3,362)</u>	<u>85,223</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,634)	(1,900)	1,884	11,273
Transfers Out				(2,014)
Excess (Deficiency) of Revenues Over Expenditures and Transfers	(3,634)	(1,900)	1,884	9,259
Fund Balance - January 1	<u>5,264</u>	<u>5,264</u>		<u>(3,995)</u>
FUND BALANCE - December 31	<u><u>\$1,630</u></u>	<u><u>\$3,364</u></u>	<u><u>\$1,884</u></u>	<u><u>\$5,264</u></u>

The accompanying notes are an integral part of these statements.

**FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - INTRODUCTION

The False River Air Park Commission, New Roads, Louisiana (the "Commission") is a joint venture created by a resolution of the Pointe Coupee Parish Police Jury (the "Parish") and the City of New Roads (the "City") in May 1974. The Commission operates under a commission form of government and provides an airport authority under the provisions of Louisiana Revised Statutes (LRS) 2:131, et seq. Said Commission operates under the powers as outlined under LRS 2:135.

The Commission is composed of six (6) members. Three (3) are appointed by the Parish and three (3) are appointed by the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the False River Air Park Commission, New Roads, Louisiana 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.

Reporting Entity

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Statement No. 14, the False River Air Park Commission includes all funds, account groups, et cetera, that are within the oversight responsibility of the False River Air Park Commission.

The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- c. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
2. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As the governing authority of the parish, for reporting purposes, the Pointe Coupee Parish Police Jury is the financial reporting entity for Pointe Coupee Parish. The financial reporting entity consists of [a] the primary government (police jury), [b] organizations for which the primary government is financially accountable, and [c] other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Because the police jury may suffer financial burden and is fiscally responsible to the Commission, the Commission was determined to be a component unit of the Pointe Coupee Parish Police Jury.

Certain units of local government over which the False River Air Park Commission exercises no oversight responsibility, such as the parish police jury, parish school board, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the False River Air Park Commission.

Fund Accounting

The Commission 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 relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group 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.

Funds of the Commission are classified as governmental funds. Governmental funds account the Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the Commission include :

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

General Fund -- the general operating fund of the Commission and accounts for all financial resources.

Capital Project Fund -- accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.

Federal and state grants and reimbursements are recorded when the Commission is entitled to the funds.

Substantially all other revenues are recorded when received by the Commission.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Commissioners and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the year, monthly budgetary comparison statements are used as management tools to control operations.

The Commission exercises budgetary control at the line item level. Unexpended appropriations lapse at the end year end and must be reappropriated in the next year's budget to be expended..

Encumbrances

The Commission does not follow the encumbrance method of accounting.

Cash

Cash includes amounts in demand deposits. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Bad Debts

The Commission uses the direct charge-off method whereby uncollectible amounts due from charges are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Inventories

Inventory of aviation fuel is valued at cost using the FIFO method. All other supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. The Commission has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including runways and lighting systems. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Compensated Absences

The Commission has no vacation or sick leave policies.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Commission's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FALSE RIVER AIR PARK COMMISSION
 NEW ROADS, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 3 - CASH

At December 31, 1998, the status of deposited funds and collateralized balances are as follows:

Balance per bank statements	\$	4,029
Secured by Federal Deposit insurance		4,029
Unsecured and Uncollateralized	\$	0

These deposits are stated at cost, which approximates market. Under state law, these deposits 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.

NOTE 4 - CAPITAL GRANTS

Airport Lighting and Navigational Aids Improvements

On June 11, 1997, the Parish of Pointe Coupee and City of New Roads executed an agreement with the Louisiana Department of Transportation and Development (DOTD), for improvements consisting of the installation of a rotating beacon, runway end identifier lights (REIL's), precision approach path indicators (PAPI's); the required ancillary equipment, and hydrologic analysis to facilitate operation of same. This State Project No. 939-01-0009 was funded 100% by the DOTD in the amount of \$305,184. The following is a summary of completed construction costs accepted on March 27, 1998:

Construction	\$	159,546
Engineering		57,893
Construction Inspection Services		84,060
Testing		1,270
Survey		650
Storage		1,765
Administration		339
		\$ 305,523

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Rehabilitate Runway 18/36

On September 5, 1997, the Parish of Pointe Coupee and City of New Roads executed an agreement with the U.S. Department of Transportation/Federal Aviation Administration and Louisiana Department of Transportation and Development (DOTD), for improvement to runway 18/36. This AIP Project No. 3-22-0074-0597 and State Project No. 939-01-0010 was funded 90% by USDOT/FAA in the amount of \$543,036 and 10% by DOTD in the amount of \$60,337. In addition, DOTD funded \$39,200 for change order number 1 and \$318 for additional testing. The following is a summary of completed construction costs at March 4, 1998:

Construction	\$ 539,632
Engineering	57,156
Construction Inspection Services	42,270
Testing	477
Administration	4,504
	<u>\$ 644,039</u>

Rehabilitate of Parallel Taxiway and Apron Areas

On October 27, 1998, the Parish of Pointe Coupee and City of New Roads executed an agreement with the the U.S. Department of Transportation/Federal Aviation Administration and Louisiana Department of Transportation and Development (DOTD), for improvement to parallel taxiway and apron areas. This AIP Project No. 3-22-0074-0698 and State Project No. 939-01-0011 is funded 90% by USDOT/FAA and 10% by DOTD estimated at \$459,417. The following is a summary of construction costs at December 31, 1998:

	Amount Paid	Currently Due	Retainage Due	Total Costs
Construction		\$ 291,985	\$ 32,443	\$ 324,428
Engineering	\$ 34,430	6,756	2,168	43,354
Construction Inspection Services		13,595		13,595
Administration	1,034			1,034
	<u>\$ 35,464</u>	<u>\$ 312,336</u>	<u>\$ 34,611</u>	<u>\$ 382,411</u>

**FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Rehabilitate of Apron Areas

On December 8, 1998, the Parish of Pointe Coupee and City of New Roads accepted a grant from the U.S. Department of Transportation/Federal Aviation Administration and Louisiana Department of Transportation and Development (DOTD), for improvement to apron areas. This AIP Project No. 3-22-074-07 and State Project No. 939-01-0011 is funded 90% by USDT/FAA and 10% by DOTD estimated at \$329,903. This project was not started as of December 31, 1998.

NOTE 5 - OPERATING GRANTS

Annual appropriations are made by the Parish and City to defer the operating costs of the False River Air Park. These appropriations are budgeted by the governmental entities and are susceptible to change depending upon economic conditions and the financial burden of their respective operations.

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>1/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/98</u>
Land	\$ 202,487			\$ 202,487
Land improvements	10,977	\$ 8,129		19,106
Buildings and sidewalks	91,093			91,093
Roads and runways	941,096	949,562		1,890,658
Radios and antennas	14,197			14,197
Machinery and equipment	44,951			44,951
Water well	5,134			5,134
Furniture and fixtures	5,005	3,135		8,140
Construction in progress	214,358	1,117,615	\$ (949,562)	382,411
Totals	<u>\$ 1,529,298</u>	<u>\$ 1,128,879</u>	<u>\$ (949,562)</u>	<u>\$ 2,658,177</u>

Since its inception in 1974, equipment and improvements have been contributed by the Office of Aviation, originally under the Louisiana Department of Public Works and presently under the Louisiana Department of Transportation and Development and jointly by the Parish and City. Because of the inability to obtain reliable cost data necessary for accurate accountability, these assets

**FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

are not included in general fixed assets. Consequently, General Fixed Assets as presented above represent only those assets and improvements disbursed by the Commission for the years after December 31, 1985.

NOTE 7 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended December 31, 1998:

	Capital Lease
Long-term obligations payable at January 1, 1998	\$ 12,625
Additions	0
Deductions	(3,931)
Long-term obligations payable at December 31, 1998	\$8,694

The Commission records items under capital leases as assets and obligations in the accompanying financial statements. At December 31, 1998, the Commission has one capital lease for a fast-pay fueling system in the amount of \$20,593.

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1998:

Fiscal Year	Amount
1999	\$ 4,800
2000	4,800
Total Minimum Lease Payments	\$ 9,600
Less - Amount Representing Interest	(906)
Present Value of Net Minimum Lease Payments	\$ 8,694

NOTE 8 - PENSION PLAN AND RETIREMENT COMMITMENTS

All employees of the Commission belong to the Federal Social Security and Medicare System.

FALSE RIVER AIR PARK COMMISSION
NEW ROADS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 - CONTINGENT LIABILITIES

There is no pending litigation against the Commission.

NOTE 10 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Charlie Bonnette	\$	0
John M. Olinde		0
James E. Saizon, Jr.		0
Christopher Battley		0
John L. Ewing		0
Louis A. Hebert		0
		<hr/>
	\$	<u>0</u>

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OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT
(A Professional Corporation)

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OFFICERS ASSOCIATION

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

Mr. Charlie Bonnette, Chairman
and the Members of the Board of Commissioners
False River Air Park Commission
New Roads, Louisiana

I have audited the financial statements of FALSE RIVER AIR PARK COMMISSION, NEW ROADS, LOUISIANA (the "Commission"), a joint venture of the Pointe Coupee Parish Police Jury and City of New Roads, Louisiana, for the year ended December 31, 1998, and have issued my report thereon dated March 8, 1999. I conducted my audit in accordance with generally accepted auditing standards and 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 Commission's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Commission's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial

reporting. My 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 on the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), the City of New Roads, Louisiana, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

March 8, 1999

George F. Delaune

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

Mr. Charlie Bonnette, Chairman
and the Members of the Board of Commissioners
False River Air Park Commission
New Roads, Louisiana

I have audited the compliance of FALSE RIVER AIR PARK COMMISSION, NEW ROADS, LOUISIANA (the "Commission"), a joint venture of the Pointe Coupee Parish Police Jury and City of New Roads, Louisiana, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1998. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. My responsibility is to express an opinion on the Commission's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my

opinion. My audit does not provide a legal determination on the Commission's compliance with those requirements.

In my opinion, False River Air Park Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1998. However, the results of my auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of False River Air Park Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of management, the Police Jury of the Parish of Pointe Coupee, New Roads, Louisiana (oversight entity), the City of New Roads, Louisiana, and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

March 8, 1999

**FALSE RIVER AIR PARK COMMISSION
SCHEDULE OF FINDINGS
YEAR ENDED DECEMBER 31, 1998**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of False River Air Park Commission.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance were considered nonmaterial to the general purpose financial statements of False River Air Park Commission during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs of False River Air Park Commission.
5. The auditor's report on compliance for the major federal award programs for False River Air Park Commission expresses an unqualified opinion.
6. The programs tested as major programs included:
 - a. Airport Improvement Program - CFDA No. 20.106
7. The threshold for distinguishing Type A programs was \$300,000.
8. False River Air Park Commission was determined to be a low-risk auditee.

B. FINDINGS — FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS — MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

FALSE RIVER AIR PARK COMMISSION
 NEW ROADS, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 1998

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
<i>U.S. Department of Transportation</i>			
Federal Aviation Administration			
Airport Improvement Program Rehabilitation of Runway	*	20.106	N/A
Airport Improvement Program Rehabilitation of Paralle Taxiway & Apron	*	20.106	N/A
Total			<u>\$924,878</u>