

New Orleans International Airport

June 24, 2011

Postlethwaite & Netterville, APAC
One Galleria Blvd, Suite 2100
Metairie, LA 70001

We are providing this letter in connection with your audits of the financial statements of the Louis Armstrong New Orleans International Airport (the Airport) as of December 31, 2010 and 2009, and for the years then ended for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position, the results of operations, and cash flows in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the New Orleans Aviation Board or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of revenues and expenditures of passenger facility charges.
5. We are not aware of any unrecorded adjustments in the financial statements, except for the following:

Account	Description	Debit	Credit
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Proposed JE # 10			
To expense master plan			
100-000-000-1823-0000	ACCUM DEP - LAND IMPROVE	142,409.00	
PN-2	Master plan costs	2,499,067.00	
100-000-000-1822-0000	LAND IMPROVEMENTS		2,641,476.00
Total		<u><u>2,641,476.00</u></u>	<u><u>2,641,476.00</u></u>

6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective actions taken to address significant findings and recommendations.
11. The Airport has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net assets.
12. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Airport is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination

of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.


14. There are no:
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB *Accounting Standards Codification 450, Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB *Accounting Standards Codification 450, Contingencies*.
 - d. Reservations or designation of net assets that were not properly authorized and approved.
15. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes as the schedule of revenues and expenditures of passenger facility charges.
16. The Airport has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
17. The Airport has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
18. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
19. Under *GASB No. 14* the Airport is considered its own reporting entity and its financial statements do not include any other entity. The Airport does consider itself a component unit of the City of New Orleans. The reporting entity is a proprietary fund.
20. The financial statements properly classify all funds and activities.
21. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) are properly classified and, if applicable, approved.
22. Land and other real estate held are properly valued.
23. Provisions for uncollectible receivables have been properly identified and recorded.
24. Expenses have been appropriately classified in the statement of revenues, expenses, and changes in net assets.

25. Revenues are appropriately classified in the statement of revenues, expenses, and changes in net assets. Revenues are charged and recorded in accordance with the terms of agreements with the airlines.
26. Special items are appropriately classified and reported.
27. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
28. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
29. Work in progress is appropriately valued and is not yet available to be capitalized. Retainage and construction payables are accurately and adequately presented. Remaining expenditures left on open projects is appropriately disclosed.
30. Debt is properly authorized and recorded in the financial records. Disclosures concerning debt requirements, covenant calculations, and terms are properly presented. The loss on defeasance and loss on swap agreements related to the issuance of the 2009 bonds is properly calculated and valued.
31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
32. We acknowledge our responsibility for the supplementary information (SI) in schedules 1 and 2. The SI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SI.
33. With respect to passenger facility charges:
 - a. We are responsible for complying with and have complied with the requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide) issued by the Federal Aviation Administration, for the year ended December 31, 2010.
 - b. We have identified in the schedule of revenues and expenditures of passenger facility charges as prescribed in the Guide, all collections received and expenditures made during the audit period.
 - c. We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to passenger facility charges that provides reasonable assurance that we are managing our funds in compliance with laws, regulations, and the provisions of contracts and grant agreements. We believe the internal control system is adequate and is


functioning as intended. Also, no changes have been made in internal control over compliance or other factors to the date of this letter that might significantly affect internal control.

- d. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to passenger facility charges.
 - e. We have made available to you all documentation related to the compliance requirements, including information related to financial reports.
34. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.


Signed:



Raymond Anderson
Chief Financial Officer



Deanna Felder
Airport Financial Manager



Bill Fraught
Chief Accountant