

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD**  
**FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2022**

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
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# THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members  
American Institute of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Mississippi Society of  
Certified Public Accountants

Louisiana Society of  
Certified Public Accountants

Board of Directors  
Vicksburg-Tallulah District Airport Board  
175 VTR Airport Road  
Tallulah, LA 71282

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of the Vicksburg-Tallulah District Airport Board (a quasi-governmental entity) as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Airport, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgement of a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, We

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vicksburg-Tallulah District Airport Board's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Agency Head is presented for the purpose of additional analysis and is not part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the Agency Head is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 7, 2023, on our consideration of the Vicksburg-Tallulah District Airport Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Vicksburg-Tallulah District Airport Board's internal control over financial reporting and compliance.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
June 7, 2023

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

**Management's Discussion and Analysis**  
December 31, 2022

As management of the Vicksburg-Tallulah District Airport Board (Airport), we offer readers of the Airport's financial statements this narrative overview and analysis of the financial activities of the Airport for the fiscal year ended December 31, 2022. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

**Financial Highlights**

The Airport's net position decreased by \$333,791 in the year ended December 31, 2022. This decrease was comprised of a \$80,095 increase in unrestricted net position and a \$413,886 decrease in investment in capital assets. During the year ended December 31, 2022, depreciation and amortization expense amounted to \$608,023 and \$179,450 of fixed assets were added. The related debt was reduced by \$14,667.

During the year, the Airport's revenue from business-type operations increased \$224,570. This was primarily due to an increase in fuel sales. While operating revenue increased \$224,570, operating expenses also increased \$235,635. The most significant increase of operating expense was fuel purchases.

During the current year, the Airport received \$236,240 in grants from the LADOTD and FAA to be used for major additions and improvements to the Airport. The Airport added \$179,450 to fixed assets in the current year.

This discussion and analysis serve as an introduction to the Airport's basic financial statements, which consist of four components: 1) Statement of Net Position, 2) Statement of Activities, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

**Statement of Net Position.** This statement presents the Airport's assets and liabilities, with the difference of assets and liabilities reported as net position. The fluctuation in net position can be used as an indication of whether the financial position of the Board is improving or deteriorating.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for current year revenues and expenses regardless of when cash is received or paid. The statement also exhibits the relationship of revenue and expenses with the changes in net position.

**Statement of Cash Flows.** The statement of cash flows illustrates the cash inflows and outflows of the Vicksburg-Tallulah District Airport Board.

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

## REPORTING ON THE VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD AS A WHOLE

The following table reflects the condensed Statement of Net Position:

### CONDENSED STATEMENT OF NET POSITION Years Ended December 31, 2022, and 2021

	2022	2021
<b>Assets</b>		
Current and other assets	\$ 255,219	\$ 517,319
Capital assets, net	12,211,692	12,640,245
Total Assets	12,466,911	13,157,564
<b>Liabilities</b>		
Current and other liabilities	71,609	413,804
Long-term liabilities	278,663	293,330
Total Liabilities	350,272	707,134
<b>Net Position</b>		
Invested in capital assets, net of debt	11,918,362	12,332,248
Unrestricted	198,277	118,182
Total Net Position	\$ 12,116,639	\$ 12,450,430

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Vicksburg-Tallulah District Airport Board, assets exceed liabilities at the close of the fiscal year by \$12,116,639 in 2022 and \$12,450,430 in 2021. Of these amounts, \$11,918,362, or 98%, and \$12,332,248 or 99% of the total net position represent the investment of the Airport in capital assets net of related debt. Net position of \$198,277 and \$118,182 for 2022 and 2021, respectively, are technically unrestricted.

The following table reflects the condensed Statement of Activities:

### CONDENSED STATEMENT OF ACTIVITIES Years Ended December 31, 2022, and 2021

	2022	2021
<b>Revenues</b>		
Program revenues		
Sales	\$ 631,449	\$ 398,529
Rental	87,182	90,529
Other	13,528	18,531
Other Revenues		
Intergovernmental	442,741	887,870
Interest earned	42	93
Total Revenues	1,174,942	1,395,552
<b>Function/Program Expenses</b>		
Fuel purchases	551,474	315,625
Depreciation	607,422	552,410
Payroll and related benefits	181,850	197,543
Other	167,987	152,488
Total Expenses	1,508,733	1,218,066
Increase (Decrease) in Net Position	(333,791)	177,486
Net Position - Beginning	12,450,430	12,272,944
Net Position - Ending	\$ 12,116,639	\$ 12,450,430



As indicated above, net position decreased by \$333,791. This decrease is primarily due to depreciation.

### **General Fund Budgetary Highlights**

The Airport prepares an annual budget to be used as a planning tool.

A budgetary comparison schedule showing the Airport's originally adopted budget compared with actual operating results is provided on page 16 of the report that follows.

### **Economic Factors and Next Year's Budget**

The Airport considers many factors when setting their budget.

Revenues and expenditures of the Airport's funds are expected to remain fairly consistent with the 2022 fiscal year with the exception of grant funds and capital outlay.

### **Requests for Information**

This financial report is designed to provide a general overview of the Airport's finances for all those with an interest in the Airport's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Vicksburg-Tallulah District Airport Board, 175 VTR Airport Road, Tallulah, LA 71282.

## **BASIC FINANCIAL STATEMENTS**

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF NET POSITION -- PROPRIETARY FUND  
DECEMBER 31, 2022**

**Assets**

Current Assets

Cash and cash equivalents	\$ 101,023
Accounts receivable	61,654
Inventory	61,160
Prepaid expenses	31,382
Total Current Assets	255,219

Non-Current Assets

Capital assets, net of accumulated depreciation	12,204,814
Prepaid lease, net of accumulated amortization	6,878
Total Non-Current Assets	12,211,692

Total Assets	12,466,911
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**Liabilities and Net Position**

Liabilities

Accounts payable	50,333
Payroll tax liabilities	6,609
Mortgage payable - current	14,667
Total Current Liabilities	71,609

Mortgage payable - long term	278,663
Total Liabilities	350,272

Net Position

Invested in capital assets	11,918,362
Unrestricted	198,277
Total Net Position	\$ 12,116,639

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

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION – PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Enterprise</u>
Operating Revenues	
Fuel sales	\$ 631,449
Hangar and property leases	87,182
Miscellaneous	13,528
Total Operating Revenues	732,159
Operating Expenses	
Fuel purchases and expenses	551,474
Repairs and maintenance	22,606
Payroll and related benefits	181,850
Depreciation	607,422
Amortization	581
Insurance	34,866
Office	33,120
Utilities	34,271
Contract services	40,152
Materials and supplies	2,391
Total Operating Expenses	1,508,733
Income (Loss) from Operations	(776,574)
Non Operating Revenue	
LADOTD	91,931
FAA	144,309
Interest income	42
Total Non Operating Revenue	236,282
Gain (Loss) Before Contributions from Partners	(540,292)
Capital Contributions from Other Governments (Partners)	206,501
Change in Net Position	(333,791)
Net Position at Beginning of Year	12,450,430
Net Position at End of Year	\$ 12,116,639

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

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF CASH FLOWS – PROPRIETARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 731,588
Cash paid for fuel purchases	(557,083)
Cash paid for employee services	(183,124)
Cash paid for other costs	<u>(184,246)</u>
Net cash provided (used) by operating activities	<u>(192,865)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	<u>42</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
FAA and LADOTD grants	375,559
Capital contributions from partners	218,016
Purchases of capital assets	(507,245)
Reduction of note payable	<u>(14,667)</u>
Net cash provided (used) by capital and related financing activities	<u>71,663</u>
Net increase in cash and cash equivalents	(121,160)
Cash and cash equivalents, beginning of year	<u>222,183</u>
Cash and cash equivalents, end of year	<u><u>\$ 101,023</u></u>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Cash flows from operating activities:	
Income (loss) from operations	\$ (776,574)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation & amortization	608,003
(Increase) decrease in:	
Accounts receivable - trade	(571)
Inventory	(5,329)
Prepaid expenses	(3,994)
Increase (decrease) in:	
Trade accounts payable and payroll taxes	<u>(14,400)</u>
Net cash provided (used) by operating activities	<u><u>\$ (192,865)</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**INTRODUCTION**

The Airport Board was created in an effort between Mississippi and Louisiana, comprised of the City of Vicksburg, Mississippi, the City of Tallulah, Louisiana, Madison Parish Police Jury, and the Warren County, Mississippi Board of Supervisors. The Board is responsible for construction and management of the Vicksburg-Tallulah Airport. The Airport is considered a quasi-public entity because a majority of the governing body is appointed by or authorized to be appointed by a government or individual governmental official as part of their official duties. Members of the board are appointed by the respective cities, parish or county. Each area is designated a specific number of members to appoint. Presently there are five board members. Intergovernmental revenues and participating revenues are provided by these four entities or the State of Louisiana on behalf of the two Louisiana members. The Airport is located in Mound, Louisiana.

The entities above created a regional airport authority pursuant to the regulations of Mississippi and Louisiana acting by and through the Louisiana Department of Transportation and Development, Office of Aviation and Public Transportation.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

The following is a summary of certain significant accounting policies and practices:

Basis of Presentation

Proprietary fund accounting is used for the District's ongoing operations and activities which are similar to those often found in the private sector. Proprietary funds are accounted for using the economic resources measurement focus. The District accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Revenues from landing and airfield fees, terminal building, rental building, and leased areas are reported as operating revenues. Transactions, which are capital, financing, or investment related, are reported as non-operating revenues. Expenses from employee wages and benefits, purchase of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expenses and financing costs are reported as non-operating expenses.

Fund Accounting

The Vicksburg-Tallulah District Board is organized and operated on a fund basis whereby a self-balancing set of accounts (Enterprise Fund) is maintained that comprises its assets, liabilities, net position, revenues, and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed primarily through user charges.

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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued**

Net Position

The Airport's resources are classified for accounting and reporting purposes into the following two net position categories:

**Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and long-term leases net of amortization reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

**Unrestricted net position** consists of net position which does not meet the definition of the preceding category. Unrestricted net position often has constraints on resources which are imposed by management but can be removed or modified.

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use by external parties such as creditors, grantors, laws or regulations of other governments.

Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Board 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 a principal office in Louisiana. Certificates of deposits are classified as investments if their maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

Inventory

Inventory is valued at the lower of cost or market using the first-in, first-out method.

Capital Assets

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable government or business-type activities column of the governmental-wide financial statements.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during the construction of projects acquired with bond funds.

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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued**

Capital Assets – continued

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Terminal building	45 years
Airport facilities, runway, etc.	45 years
Localizer	45 years
Office furniture, fixtures, and equipment	5 to 15 years
Equipment	10 to 20 years
Vehicles	5 years
Hangars	20 years

Leases

The Airport leases land in Madison Parish, Louisiana. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our statement of net position – proprietary fund. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our statement of net position.

ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Airport uses the implicit rate when it is readily determinable. Since most of the Airport's leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Airport's incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Airport's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

Bad Debts

The Airport uses the allowance method for recognizing bad debts. The Board has had very few bad debts in prior years and believes the current receivables are collectible. Since all receivables at year end were collected prior to March 31, 2023, no allowance has been established for the year ending December 31, 2022.

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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES – continued**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Practices

The Board adopts the annual budget using the prior year's revenues and expenditures and current price levels as a guide. The Board budgets the expected operating results without considering depreciation expense. The budget presented in the accompanying financial statements is shown without the current year's depreciation expense.

**NOTE 2 CASH**

As reflected in the financial statements, the Board had cash and cash equivalents totaling \$101,023 at December 31, 2022. The bank balances at December 31, 2022, were \$132,230 of which \$132,230 was insured from loss by FDIC. Cash and investments 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. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

At December 31, 2022, the Board had cash and cash equivalents as follows:

Petty cash	\$	150
Demand deposits		56,143
Interest bearing demand deposits		44,730
		44,730
Total	\$	101,023

**NOTE 3 ACCOUNTS RECEIVABLE**

Accounts receivable is comprised of the following:

Local entities (partners)	\$	10,414
LDOTD/FAA		50,494
Trade		746
		746
Total	\$	61,654

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 CHANGES IN CAPITAL ASSETS**

The changes in capital assets are as follows:

	Balance 1/1/2022	Addition	Deduction	Balance 12/31/2022
Land	\$ 489,388	\$ -	\$ -	\$ 489,388
Aviation servitude	77,979	-	-	77,979
Airport facilities	16,912,370	219,902	-	17,132,272
Airport equipment	267,069	-	-	267,069
Terminal building	238,670	-	-	238,670
Fuel trucks	115,450	-	-	115,450
Fuel farm	190,650	-	-	190,650
Hangars	485,412	964,355	-	1,449,767
Office furniture and equipment	8,590	-	-	8,590
Construction in progress:	1,062,255	57,448	1,062,255	57,448
Total	<u>19,847,833</u>	<u>1,241,705</u>	<u>1,062,255</u>	<u>20,027,283</u>
Less: Accumulated depreciation	<u>(7,215,047)</u>	<u>(607,422)</u>	<u>-</u>	<u>(7,822,469)</u>
Total	<u>\$12,632,786</u>	<u>\$ 634,283</u>	<u>\$ 1,062,255</u>	<u>\$12,204,814</u>

**NOTE 5 PREPAID LAND LEASES**

In November 2014, the airport entered into a 20-year prepaid lease of land for \$11,265. The lease expires November, 2034.

The following summarizes the line items in the statements of financial position which includes amounts for operating leases as of December 31, 2022:

**Operating Lease**

Prepaid lease right-of-use assets \$ 6,878

The following summarizes the line items in the statement of revenues, expenses, and changes in net position – proprietary fund, which include the components of lease expense for the year ended December 31, 2022:

Operating lease expense included in operating expenses \$ 563

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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 5 PREPAID LAND LEASES – continued**

As of December 31, 2022, the right-of-use (ROU) asset had a balance of \$6,878, as shown in noncurrent assets on the statement of net position – proprietary fund. The lease asset and liability were calculated utilizing the risk-free discount (3.25%), according to the Airport's elected policy. There is no option to renew and the Airport is not reasonably certain that it will renew the lease.

As disclosed in Note 1, the Airport adopted FASB ASC 842 during the fiscal year ending December 31, 2022. This lease is the only lease required to be included in our statement of net position – proprietary fund under FASB ASC 842. As a result, adopting FASB ASC 842 had no impact to prior statement of net position information.

**NOTE 6 CONTINGENCIES**

The Airport Authority receives federal and state monies for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under the terms and conditions of the appropriate agency. Management believes that expenditures disallowed would be insignificant.

**NOTE 7 HANGAR AND PROPERTY LEASES**

The Airport serves as lessor for various hangars and related property. The property leases are for a period of twenty years, whereas hangar leases generally are for annual periods and can be cancelled with 30-day notice. The annual rent to be collected on property leases for each of the next five years is \$49,893. The hangars have a cost of \$1,449,767 with related accumulated depreciation of \$362,972 at December 31, 2022. The property leased is a portion of the total airport land.

**NOTE 8 RISK MANAGEMENT**

The Airport is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; error and omissions; and natural disasters for which the airport carries commercial insurance. No claims were paid on any of the policies during the past three years. There was no reduction in insurance coverage during the year ended December 31, 2022.

**NOTE 9 SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 7, 2023, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**PART II**

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
STATEMENT OF ACTIVITIES – PROPRIETARY FUND  
BUDGET AND ACTUAL (BUDGET BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget	Actual	Favorable/ (Unfavorable) Variation
<b>Revenue</b>			
Fuel sales	\$ 390,100	\$ 631,449	\$ 241,349
Hanger and property lease	76,850	87,182	10,332
Income from partners	275,600	206,501	(69,099)
Other	2,600	13,570	10,970
Total revenue	<u>745,150</u>	<u>938,702</u>	<u>193,552</u>
<b>Expenses</b>			
Fuel purchase and expense	320,300	551,474	(231,174)
Payroll and related benefits	207,450	181,850	25,600
Insurance	35,475	34,866	609
Office	29,300	33,120	(3,820)
Utilities	35,175	34,271	904
Contract services	28,500	40,152	(11,652)
Material and supplies	7,650	2,391	5,259
Repair and maintenance	81,300	22,606	58,694
Total expense	<u>745,150</u>	<u>900,730</u>	<u>(155,580)</u>
<b>Net Income</b>	<u>\$ -</u>	37,972	<u>\$ 37,972</u>
<b>Adjustments</b>			
FAA and LADOTD grants		236,240	
Amortization expense		(581)	
Depreciation expense		<u>(607,422)</u>	
Change in net position (GAAP Basis)		(333,791)	
Net position at beginning of year		<u>12,450,430</u>	
Net position at end of year		<u>\$ 12,116,639</u>	

**OTHER FINANCIAL INFORMATION**

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
SCHEDULE OF COMPENSATION, BENEFITS,  
OTHER PAYMENTS TO AGENCY HEAD  
DECEMBER 31, 2022**

Randy Woods- Manager

Salary and expense amount	\$	62,580
Benefits - insurance		11,623
Benefits - retirement		1,744
Reimburse		<u>706</u>
 Total	 \$	 <u><u>76,653</u></u>



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

# THE HALFORD FIRM, PLLC

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

Board of Directors  
Vicksburg-Tallulah District Airport Board  
175 VTR Airport Road  
Tallulah, Louisiana 71282

We have audited, in accordance with the 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, the financial statements of the Vicksburg-Tallulah District Airport Board, a component unit of the Madison Parish Police Jury, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Vicksburg-Tallulah District Airport Board's basic financial statements, and have issued our report thereon dated June 7, 2023.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Vicksburg-Tallulah District Airport Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Vicksburg-Tallulah District Airport Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Vicksburg-Tallulah District Airport Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Vicksburg-Tallulah District Airport Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is identified as 22-01 in the schedule of findings and questioned costs.

## **Vicksburg-Tallulah District Airport Board Response to Findings**

The Vicksburg-Tallulah District Airport Board's response to the finding identified in our audit is described in the Schedule of Findings. The Airport response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
June 7, 2023

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

CURRENT YEAR FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

**COMPLIANCE**

**22-01 Local Budget Act**

**CONDITION:** The Vicksburg-Tallulah Regional Airport had actual expenditures over budgeted expenditures by more than five percent.

**CRITERIA:** R.S. 39:1311 et seq. Budgetary Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer shall advise the governing authority or independently elected official in writing when:

- (1) Revenue collections plus projected revenue collections for the remainder of the year, within a fund, fail to meet estimated annual revenues by five percent or more.
- (2) Actual expenditures plus projected expenditures for the remainder of the year, within a fund, exceed estimated budgeted expenditures by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and beginning fund balance is being used to fund current expenditures.”

**CAUSE:** The condition results from the failure to amend the operating budget for expenditures and transfers when they exceed budgeted appropriations by greater than five percent.

**EFFECT:** The Airport is not in compliance with the Local Government Budget Act.

**RECOMMENDATION:** The Airport should monitor the budget closely and amend the budget as necessary in order to comply with the Local Government Budget Act.

**MANAGEMENT'S CORRECTION ACTION PLAN:** The Airport concurs with the finding and will monitor and amend the budget as necessary in the future.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR YEAR ENDED DECEMBER 31, 2022**

The following is a summary of the status of the prior year findings included in the auditor's report dated June 21, 2022, covering the examination of the financial statements of the Vicksburg-Tallulah District Airport Board as of and for the year ended December 31, 2021.

**21-01 Local Budget Act**

**CONDITION:** The Vicksburg-Tallulah Regional Airport had actual revenues less than budgeted revenues by more than five percent

**RECOMMENDATION:** The Airport should monitor the budget closely and amend the budget as necessary in order to comply with the Local Government Budget Act.

**CURRENT STATUS:** This finding was not resolved by December 31, 2022, and is a repeat finding for the current year. See finding 22-01.

**STATEWIDE  
AGREED-UPON PROCEDURES**

# THE HALFORD FIRM, PLLC

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Vicksburg-Tallulah District  
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Vicksburg-Tallulah District Airport Board and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Vicksburg-Tallulah District Airport Board's compliance with certain laws and regulations during the fiscal year ended December 31, 2022, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Vicksburg-Tallulah District Airport Board's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations.
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.

-continued

**Written Policies and Procedures - continued**

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethic policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*The Vicksburg-Tallulah Airport Board has established policies and procedures for the above listed items, but none of them are written.*

-continued



**Written Policies and Procedures – continued**

**Board or Finance Committee**

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The Board of directors had meetings in 11 months of the year under review.*

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*The Board reviewed financial records in all 11 of its meeting.*

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*The Airport did not have a negative fund balance in any fund.*

- d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*The Airport had a finding in the prior year audit report relative to their budget. This was not corrected in the current year.*

**Bank Reconciliations**

3. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

-continued

## Written Policies and Procedures – continued

### Bank Reconciliations- continued

- b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*The entity has three bank accounts so all three were selected for review. The bank reconciliations were done timely by the secretary who also records the ledger. There were not any items that had been outstanding for more than 12 months.*

### Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*The Airport has only one collection site. (The Airport office at Mound, LA)*

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*There is one cash drawer that is shared by four employees.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

*Four employees collect cash, one of these employees (The Secretary/Bookkeeper) is responsible for preparing bank deposits and reconciling collection documentation.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*The secretary/bookkeeper (who collects cash) is also responsible for posting collection entries to the general ledger.*

-continued

**Written Policies and Procedures – continued**

**Collections - continued**

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

*The secretary/bookkeeper performs both of these functions without another employee's verification of the reconciliation.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*The Board does have insurance that covers theft.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*The Airport does not use pre-numbered collections receipts. All receipts are generated by the computer when the transaction is recorded.*

- b) Trace sequentially pre-numbered receipts, systems report, and other related collection documentation to the deposit slip.

*No exception noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exception noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*The Airport only makes deposits on Fridays and not every Friday.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exception noted.*

-continued

**Written Policies and Procedures – continued**

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)**

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

*There is only one location that processes payments.*

9. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee jobs duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase.

*Procedures for processing disbursements do not include a purchase order system.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exception noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*The Airport does not use an approved vendor list.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*No exception noted.*

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

*No exception noted.*

10. For each location selected under procedure #5 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicated that deliverables included on the invoice were received by the entity.

*No exception noted.*

-continued

**Written Policies and Procedures – continued**

**Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) – continued**

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedures #5B above, as applicable.

*No exceptions noted.*

- 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/ or account for testing that does include electronic disbursements.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards**

- 12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*The Airport has just one credit card.*

- 13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported).

*No exception noted.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*There were not any finance charges or late fees charged on the credit card in 2022.*

-continued

**Written Policies and Procedures – continued**

**Credit Cards/Debit Cards/Fuel Cards/P-Cards-continued**

14. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions, (e.g., each card should have 10 transactions subject in inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*All transactions tested were supported by original invoices. There were not any missing receipts.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A (vii).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*The Airport did not have any travel-related expenditures in the period under review.*

**Contracts**

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
- a) Observe whether the contract was bid on in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

-continued

**Written Policies and Procedures – continued**

**Contracts-continued**

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*No exception noted in the review of five contracts.*

**Payroll and Personnel**

- 17. Obtain a listing employees/elected official employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

*No exception noted.*

- 19. Obtain a listing of those employees and officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

-continued

**Written Policies and Procedures – continued**

**Payroll and Personnel-continued**

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exception observed in applying these procedures.*

**Ethics**

21. Using the 5 randomly selected employees/officials from procedure Payroll and Personnel procedure #9A obtain ethics documentation from management, and:

- a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170.

*All employees completed a one-hour ethics training course during the year.*

- b) Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*No changes in ethics policy in the current year.*

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

*The Airport has an ethics designee.*

**Debt Service**

23. Obtain a listing of bond/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debts instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

24. Obtain a listing of bond/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived assets funds, or other funds required by the debt covenants).

*No exceptions observed in applying these procedures.*

-continued



**Written Policies and Procedures – continued**

**Fraud Notice**

25. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

*There were not any known misappropriations in the year under review.*

26. Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*The notice relating to misappropriation was posted on the Airport's premises.*

**Information Technology Disaster Recovery/Business Continuity**

27. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*The Airport has not tested restoration of backups.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*The Airport has antivirus software on its computers and the operating system is currently supported by the vendor.*

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*No employees terminated in the year under review.*

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**Written Policies and Procedures – continued**

**Prevention of Sexual Harassment**

29. Using the 5 randomly selected employees/officials Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements.
  - b) Number of sexual harassment complaints received by the agency.
  - c) Number of complaints which resulted in a finding that sexual harassment occurred.
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action, and:
  - e) The amount of time it took to resolve each complaint.

*The Airport has not provided sexual harassment training to its employees. According to management there has not been any sexual harassment reported.*

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
June 7, 2023