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VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD

Financial Statements, Study and
Evaluation of Internal Controls and Compliance

For the Year Ended
December 31, 1999

with

Independent Auditor's Reports

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-26-00

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

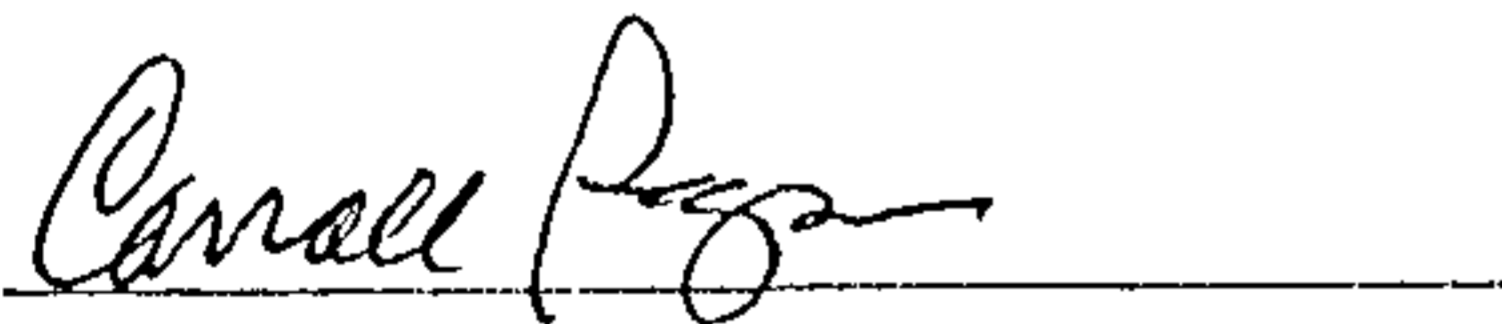
June 30, 2000

Office of Legislative Auditor
Attention: Ms. JoAnne Sanders, CPA
1600 North Third Street
Baton Rouge, Louisiana 70804

Dear Ms. Milner:

In accordance with Louisiana Revised Statute 24:514, enclosed are the general purpose financial statements, with supplemental information schedules, for the Vicksburg-Tallulah District Airport Board as of and for the year ended December 31, 1999. The report includes all funds under the control and authority of the Vicksburg-Tallulah District Airport Board. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carroll Pugh", is written over a horizontal line.

Chairman

Enclosure

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS, STUDY
AND EVALUATION OF INTERNAL CONTROLS AND COMPLIANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

TABLE OF CONTENTS

	<u>Page Number</u>
I. FINANCIAL STATEMENTS	1
Independent Auditor's Report on Financial Statements	2
Combined Balance Sheet-All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types	5
Statement of Revenues, Expenses, and Changes in Fund Equity - Proprietary Fund	6
Statement of Cash Flows-Proprietary Fund	7
Notes To Financial Statements	8-15
II. STUDY AND EVALUATION OF INTERNAL CONTROLS AND COMPLIANCE	16
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17-18
Schedule of Prior Year Findings	19

I. FINANCIAL STATEMENTS



WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS

Board of Directors
Vicksburg-Tallulah District Airport Board
Mound, Louisiana

We have audited the accompanying general purpose financial statements of Vicksburg-Tallulah District Airport Board (a quasi governmental entity) as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Vicksburg-Tallulah District Airport Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Vicksburg-Tallulah District Airport Board, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 13, 2000, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

May + Company

Vicksburg, Mississippi
June 13, 2000

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED BALANCE SHEET-ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1999**

	<u>ASSETS</u>				
	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	
CASH	\$ 70,287	\$ -	\$ -	\$ -	
ACCOUNT RECEIVABLE TRADE	57,239	-	13,240	-	70,479
PREPAID EXPENSES	2,938	-	-	-	2,938
INVENTORY	-	-	11,099	-	11,099
DUE FROM OTHER FUNDS	-	68,755	44,159	-	112,914
PROPERTY AND PLANT:					
Land	-	-	-	364,958	364,958
Airport facilities	-	-	160,549	3,613,789	3,774,338
Airport equipment	-	-	190,650	272,659	463,309
Terminal building	-	-	-	238,670	238,670
Fuel truck	-	-	115,450	-	115,450
Office furniture, equipment, and vehicles	-	-	-	19,567	19,567
Construction in progress	-	-	-	467,677	467,677
Accumulated depreciation	-	-	(89,867)	-	(89,867)
TOTAL ASSETS	<u>\$ 130,464</u>	<u>\$ 68,755</u>	<u>\$ 445,280</u>	<u>\$ 4,977,320</u>	<u>\$ 5,621,819</u>

See accompanying notes to financial statements.

LIABILITIES, EQUITY AND OTHER CREDITS

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type</u>	<u>Account Group</u>	<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>General Fixed Assets</u>	
LIABILITIES:					
Accounts and retainage payable	\$ 10,309	\$ -	\$ 26,147	\$ -	\$ 36,456
Deferred revenue	-	-	2,243	-	2,243
Installment purchase payable:					
Current portion	-	-	16,104	-	16,104
Long-term portion	-	-	8,129	-	8,129
Due to other funds	<u>112,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,914</u>
Total liabilities	<u>123,223</u>	<u>-</u>	<u>52,623</u>	<u>-</u>	<u>175,846</u>
COMMITMENTS AND CONTINGENCY					
EQUITY AND OTHER CREDITS:					
Contributed capital	-	-	95,000	-	95,000
Investment in general fixed assets	-	-	-	4,977,320	4,977,320
Fund balances- undesignated	7,241	68,755	-	-	75,996
Retained earnings - unreserved	<u>-</u>	<u>-</u>	<u>297,657</u>	<u>-</u>	<u>297,657</u>
Total equity and other credits	<u>7,241</u>	<u>68,755</u>	<u>392,657</u>	<u>4,977,320</u>	<u>5,445,973</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 130,464</u>	<u>\$ 68,755</u>	<u>\$ 445,280</u>	<u>\$ 4,977,320</u>	<u>\$ 5,621,819</u>

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES-ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Type		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
REVENUES:			
Intergovernmental	\$ 134,763	\$ 28,146	\$ 162,909
Interest and other	834	-	834
Federal grant	<u>-</u>	<u>262,825</u>	<u>262,825</u>
Total revenues	<u>135,597</u>	<u>290,971</u>	<u>426,568</u>
EXPENDITURES:			
Current:			
General government	142,827	-	142,827
Capital outlay	<u>-</u>	<u>292,027</u>	<u>292,027</u>
Total expenditures	<u>142,827</u>	<u>292,027</u>	<u>434,854</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(7,230)	(1,056)	(8,286)
FUND BALANCES, beginning of year	<u>14,471</u>	<u>69,811</u>	<u>84,282</u>
FUND BALANCES, end of year	<u>\$ 7,241</u>	<u>\$ 68,755</u>	<u>\$ 75,996</u>

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY-PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise</u>
OPERATING REVENUES:	
Fuel sales	\$ 106,172
Hangar and property leases	40,705
Miscellaneous	<u>399</u>
Total operating revenues	<u>147,276</u>
OPERATING EXPENSES:	
Fuel purchases and expenses	68,856
Repairs and maintenance	1,202
Payroll	25,465
Depreciation	29,105
Utilities	2,724
Miscellaneous	4,698
Insurance	<u>2,167</u>
Total operating expenses	<u>134,217</u>
INCOME FROM OPERATIONS	13,059
NONOPERATING REVENUES (EXPENSES):	
Interest expense	<u>(3,782)</u>
NET INCOME	9,277
FUND EQUITY, beginning of year	<u>383,380</u>
FUND EQUITY, end of year	<u>\$ 392,657</u>

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF CASH FLOWS-PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Income from operations	\$ 13,059
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	29,105
Increase in:	
Accounts receivable-trade	3,515
Inventory	6,219
Prepaid expenses	1,278
Increase (decrease) in:	
Accounts and retainage payable	15,658
Due to other funds	(47,302)
Deferred revenue	<u>(255)</u>
Net cash provided by operating activities	<u>21,277</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments for capital acquisitions	(3,652)
Principal payments on installment purchase payable	(13,843)
Interest payments on installment purchases payable	<u>(3,782)</u>
Net cash used in capital and related financing activities	<u>(21,277)</u>
Net increase in cash	-
CASH, at beginning of year	<u>-</u>
CASH, at end of year	\$ -

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Airport Board was created in a joint effort between Mississippi and Louisiana, comprised of the City of Vicksburg, Mississippi, The City of Tallulah, Louisiana, Madison Parish, Louisiana Police Jury and The Warren County, Mississippi Board of Supervisors. The Airport 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 officials as part of his official duties. Members of the Board are appointed by the respective City, 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 Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB issued a revised codification of governmental accounting and financial reporting standards. The codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Airport Board has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989.

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

Basis of Presentation

The accompanying financial statements of the Vicksburg-Tallulah District Airport Board 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.

Continued

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Accounting

The accounts of the Vicksburg-Tallulah District Airport Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate.

Revenues are accounted for in these operating funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

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. The funds presented in the accompanying general purpose financial statements are described as follows:

Governmental Funds

General Fund-The General Fund is the general operating fund of the Vicksburg-Tallulah District Airport Board. It is used to account for all financial resources, except those required to be accounted for in another fund.

Capital Project Funds-Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by other funds.

Proprietary Fund Types

Enterprise Fund-The Enterprise Fund is used to account 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 costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis to be financed or recovered primarily through user charges; or (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. Revenues generally are from fuel sales, property leases and hangar rental. Customers are pilots, individuals and corporations that utilize the airport facilities.

Continued

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Enterprise Fund - Continued-Fixed assets used in the proprietary fund operations are included on the balance sheet, net of accumulated depreciation. Depreciation is charged as an expense against operations. Depreciation is computed using the straight line method over the estimated useful lives. The airport facilities and equipment are depreciated over twenty years.

Deferred revenues consist primarily of prepaid rent. Deferred revenues also arise when resources are received by the Airport before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Airport has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

General Fixed Assets (GFA)

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost. No depreciation is recorded on general fixed assets.

Basis of Accounting

Basis of accounting refers to the point in time when revenues and expenditures are recognized and reported in the financial statements and is determined by the fund type in which the grant, entitlement or shared revenue transactions are recorded. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds are maintained on the modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

Revenues – Revenues consist of reimbursement of eligible airport construction cost from the U. S. Department of Transportation and Development, Federal Aviation Administration. The Federal Aviation Administration (FAA) pays ninety percent of eligible cost, the remaining ten percent and all other reimbursement is derived from participating entities sharing one quarter each, unless agreed to otherwise. Grant funds from the Federal Aviation Administration are recorded when the Vicksburg-Tallulah District Airport Board has incurred the qualifying expenditure and all other grant requirements have been met.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues – continued-Participation and intergovernmental revenues are recorded when the related expenditure is incurred.

Interest revenues are recorded as received.

Expenditures – Expenditures are recorded when the related fund liability is incurred.

Other Financing Sources (Uses) – Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components, as applicable. All proprietary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recorded at the time liabilities are incurred. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet and are not eliminated.

Inventory

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

Contributed Capital

Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Total Column on Combined Statements-Overview

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does 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.

NOTE B. CONTINGENCY

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 request 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, if any at all.

NOTE C. CASH

Cash includes amounts in interest bearing demand deposits. Under state law, the Board may deposit funds in demand deposits, interest bearing deposits, money market accounts, or time deposits with state banks organized under the laws of a state of the United States.

As of December 31, 1999, the book balance of the board's deposits was \$70,287 and the bank balance was \$71,062. Of the bank balance, all was covered by federal depository insurance. Of the total deposits of \$70,287, \$68,755 is restricted for capital projects.

NOTE D. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

General:	
Local entities	\$ 57,239
Enterprise:	
Trade	<u>13,240</u>
Total	<u>\$ 70,479</u>

All amounts are considered collectible by the Airport.

Continued

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE E. COMMITMENTS

On September 12, 1995, the Board entered into an agreement with a fuel vendor for the purchase of all AV gas and jet fuel. The agreement is for a period of twenty-four months with a five year renewal option. The purchase price is revalued weekly using a stated indicator. The contract expired in September 1997, and was renewed in March 1998.

During 1997, the Board entered into a three year contract for maintenance of the NDB and localizer for \$650 per month.

On July 20, 1998, the Board entered into a contract with a contractor for the extension of the Apron and Taxiway stub. The contract is for a sum of \$707,348 of which \$443,609 had been incurred as of December 31, 1999.

NOTE F. INSTALLMENT PURCHASE PAYABLE

On March 6, 1996, the Board executed a municipal lease and option agreement with LaSalle National Bank for the lease/option of a fuel farm for aviation fuel delivery. The Board paid \$120,000 down and is financing \$70,350 over 60 months with a monthly payment of \$1,463 and an interest rate of 9.0775%. The liability is secured by the fuel farm tanks and loading system.

Annual maturities for the remaining term are as follows:

<u>December 31,</u>		
2000		16,104
2001		<u>8,129</u>
		<u>\$ 24,233</u>

Continued

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE G. CHANGES IN GENERAL FIXED ASSETS

The details of general fixed assets are as follows:

	<u>December 1, 1998</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Retirements</u>	<u>December 31, 1999</u>
Land	\$ 364,958	\$ -	\$ -	\$ 364,958
Airport facilities	3,613,789	-	-	3,613,789
Airport equipment	272,659	-	-	272,659
Terminal building	238,670	-	-	238,670
Office furniture, equipment and vehicles	19,567	-	-	19,567
Construction in Progress	<u>175,650</u>	<u>292,027</u>	<u>-</u>	<u>467,677</u>
	<u>\$ 4,685,293</u>	<u>\$ 292,027</u>	<u>\$ -</u>	<u>\$ 4,977,320</u>

Continued

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1999**

NOTE H. SEGMENT INFORMATION

Beginning in 1995, the airport maintains one enterprise fund which is intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended December 31, 1999 is presented below. Segment information not listed can be obtained from the financial statements.

Net working capital	\$ 24,004
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NOTE I. PERSONNEL COSTS

Included in general government current expenditures is \$55,096 and included in the enterprise fund is \$25,465 for the year ended December 31, 1999, which represents salaries and fringe benefits remitted or owed to Madison Parish Police Jury. Airport personnel are paid by and considered employees of Madison Parish Police Jury. At December 31, 1999, \$-0- of this amount was in accounts payable and or accrued expenses.

NOTE J. COMPENSATION PAID BOARD MEMBERS

Members of the Airport Board receive no compensation.

NOTE K. HANGER AND PROPERTY LEASES

The airport leases hangars and property. The property leases are for a period of twenty years, whereas hangar leases generally are for annual periods and can be canceled with a 30 day notice. Annual rental to be collected on property leases for each of the next five years is \$23,134. The hangars have a cost of \$160,549 with related accumulated depreciation of \$27,639 at December 31, 1999. The property leased is a portion of the total Airport land.

II. STUDY AND EVALUATION OF INTERNAL CONTROLS AND COMPLIANCE



May & Company

A Limited Liability Partnership

WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

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

Board of Directors
Vicksburg-Tallulah District Airport Board
Mound, Louisiana

We have audited the general purpose financial statements of Vicksburg-Tallulah District Airport Board as of and for the year ended December 31, 1999, and have issued our report thereon dated June 13, 2000. We conducted our 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.

Compliance

As part of obtaining reasonable assurance about whether Vicksburg-Tallulah District Airport Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

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

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Board of Directors
Vicksburg-Tallulah District Airport Board

Page Two

The prior year comments are addressed in the accompanying schedule of prior year findings.

This report is intended for the information of the Board, management, Federal Aviation Administration and applicable State Auditors. However, this report is a matter of public record and its distribution is not limited.

May + Company

Vicksburg, Mississippi
June 13, 2000

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOEARD
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1999**

**SECTION I. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

1998-1 Actual receipts in the general fund failed to meet budgeted revenues by 5% or more. Since the entity is a quasi governmental entity, a budget is not required.

1998-2 A lack of segregation of duties was reported. Mitigating controls are in place.

**SECTION II. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL
AWARDS**

Not applicable

SECTION III. MANAGEMENT LETTER

Not applicable