

III. COMPLIANCE WITH LAWS AND REGULATIONS



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN
AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

Board of Directors
Vicksburg-Tulalaha District Airport Board
Boswell, Louisiana

We have audited the general purpose financial statements of Vicksburg-Tulalaha District Airport Board, as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audits to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Vicksburg-Tulalaha District Airport Board is the responsibility of Vicksburg-Tulalaha District Airport Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

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

Vicksburg, Mississippi
March 25, 1997



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL
ASSISTANCE PROGRAMS**

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

We have audited the general purpose financial statements of Vicksburg-Tallahatchie District Airport Board, as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997.

We have applied procedures to test Vicksburg-Tallahatchie District Airport Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the fiscal years ended November 30, 1996 and 1995: political activity, civil rights, cash management, federal financial reports, allowable cost/cost principles, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Vicksburg-Tallahatchie District Airport Board's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Vicksburg-Tallahatchie District Airport Board had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the Board, management, Federal Aviation Administration, and the applicable State Auditors. However, this report is a matter of public record and its distribution is unlimited.

May & Company

Vicksburg, Mississippi
March 25, 1997



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC
REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAM TRANSACTIONS**

Board of Directors
Vicksburg-Tulalaha District Airport Board
Monroe, Louisiana

We have audited the general purpose financial statements of Vicksburg-Tulalaha District Airport Board, as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997.

In connection with our audits of the general purpose financial statements of Vicksburg-Tulalaha District Airport Board, and with our consideration of Vicksburg-Tulalaha District Airport Board's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transaction applicable to certain nonmajor federal financial assistance programs for the fiscal years ended November 30, 1996 and 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services offered or authorized, matching, and reporting, that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Vicksburg-Tulalaha District Airport Board's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Vicksburg-Tulalaha District Airport Board, had not complied, in all material respects, with these requirements. Also the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

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

May & Company

Vicksburg, Mississippi
March 25, 1997

IV. OTHER INFORMATION

**STATEMENT OF FINANCIAL POSITION - APPROVED BUDGET
 AND BALANCE SHEET, FISCAL YEAR 2014 - (CONTINUED)
 FROM THE FINANCIAL STATEMENT REPORT FOR 2014**

	2013	2014	2014	2014	2014	2014
	Actual	Approved Budget	Actual	Actual	Approved Budget	Actual
U.S. Department of Homeland Security						
Federal Prison System						
Federal Prison Administration	241M	220,000,000	\$ 79,000	1,000	\$ 2,000,000	1,000
Total Federal Prisons			1,000	1,000	1,000	1,000

Board of Directors
Vicksburg-Tulalaha District Airport Board
Merid, Louisiana

Page Four

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
March 25, 1997



**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE**

Board of Directors
Wicksburg-Tulalaha District Airport Board
Mound, Louisiana

We have audited the general purpose financial statements of Wicksburg-Tulalaha District Airport Board as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997. These general purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 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 financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the general purpose financial statements of Wicksburg-Tulalaha District Airport Board, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audits of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

May & Company

Wicksburg, Mississippi
March 25, 1997

Board of Directors
Vicksburg-Tallahatchie District Airport Board
Monroe, Louisiana

Page Three

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching, that are applicable to the unencumbered nonmajor program. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Vicksburg-Tallahatchie District Airport Board's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Presently, all accounting functions are performed by few individuals which limits segregation of duties. Due to the size of the Board's operation, it may not be cost effective to add additional personnel. Since segregation of duties desired for a strong system of internal control cannot be achieved, we suggest that the Board of Directors continue to perform an active role in the review and authorization of invoices and disbursements and routinely review general ledger activity.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Vicksburg-Tallahatchie District Airport Board, in a separate letter dated March 25, 1993.

Page Two

Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls:

- Treasury or financing*
- Revenues and receipts*
- Purchases and disbursements*
- External financial reporting*

General Requirements:

- Political activity*
- Allowable cost/cost principles*
- Administrative requirements*
- Cash management*
- Federal financial reports*
- Civil rights*

Specific Requirements:

- Types of services allowed or unallowed*
- Matching*
- Reporting*

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the years ended November 30, 1996 and 1995, Vicksburg-Tallahatchee District Airport Board had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following major federal financial assistance programs:

U. S. Department of Transportation,
Federal Aviation Administration

U. S. Department of Agriculture,
Rural Development



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Directors
Wicksburg-Tallulah District Airport Board
Monroe, Louisiana

We have audited the general purpose financial statements of Wicksburg-Tallulah District Airport Board, as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997.

We conducted our audits in accordance with generally accepted auditing standards: *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments"*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the years ended November 30, 1996 and 1995, we considered the internal control structure of Wicksburg-Tallulah District Airport Board in order to determine our auditing procedures for the purpose of expressing our opinion on Wicksburg-Tallulah District Airport Board's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated March 25, 1997.

The management of Wicksburg-Tallulah District Airport Board, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations.

Board of Directors
Wicksburg-Tallulah District Airport Board
Monroe, Louisiana

Page Two

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Presently, all accounting functions are performed by five individuals which limits segregation of duties. Due to the size of the Board's operations, it may not be cost effective to utilize additional personnel. Since segregation of duties desired for a strong system of internal control cannot be achieved, we suggest that the Board of Directors continue to perform an active role in the review and authorization of invoices and disbursements and to routinely review general ledger activity.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Wicksburg-Tallulah District Airport Board, in a separate letter dated March 25, 1997.

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

Wicksburg, Mississippi
March 25, 1997



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Wicksburg-Talulah District Airport Board
Monroe, Louisiana

We have audited the general purpose financial statements of Wicksburg-Talulah District Airport Board as of and for the fiscal years ended November 30, 1996 and 1995, and have issued our report thereon dated March 25, 1997.

We conducted our audits in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Wicksburg-Talulah District Airport Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Wicksburg-Talulah District Airport Board, for the year ended November 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

II. STUDY AND EVALUATION OF INTERNAL CONTROLS

**YICKSHURG-TALJILAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

NOTE K. PERSONNEL COSTS

Included in general government current expenditures is \$57,231 and \$51,514 for the year ended November 30, 1996 and 1995, respectively, and \$15,636 included in the enterprise fund for the year ended November 30, 1996, 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 November 30, 1996, \$7,874 of this amount was in accrued expenses. At November 30, 1995, \$10,491 of this amount was in accounts payable.

NOTE L. COMPENSATION PAID BOARD MEMBERS

Members of the Airport Board receive no compensation.

NOTE M. SUBSEQUENT EVENT

Subsequent to November 30, 1996, the Airport Board received notification from the Federal Aviation Administration of their approval of a \$700,000 award to expand the apron.

YICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995

NOTE L. CHANGES IN FIXED ASSETS - CONTINUED

	December 31, 1995	Transfers/ Additions	Transfers/ Retirements	November 30, 1995
Construction in progress	\$ 3,299,882	\$ 375,997	\$ 3,299,882	\$ 335,997
Land	345,476			345,476
Airport facilities	-	3,299,882		3,299,882
Airport equipment	-	206,189		206,189
Terminal building	233,156	1,504		234,660
Office furniture and equipment	750	8,846	-	9,596
	<u>\$ 3,883,364</u>	<u>\$ 3,893,318</u>	<u>\$ 3,299,882</u>	<u>\$ 4,475,730</u>

During the year ended November 30, 1996, the Airport Board transferred fixed assets with an original cost of \$62,000 from the General Fixed Asset Group to the Enterprise Fund. This transfer has been removed from the General Fixed Asset Account Group and is accounted for as a capital contribution in the related Enterprise Fund.

NOTE M. 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 years ended November 30, 1996 and 1995, is presented below. Segment information can be obtained from the financial statements.

	<u>1996</u>	<u>1995</u>
Net working capital	\$ (7,508)	\$ 14,740

Continued.....



LETTER TO MANAGEMENT

Vicksburg-Tallahah District Airport Board
Mound, Louisiana

In planning and performing our audit of the financial statements of Vicksburg-Tallahah District Airport Board for the year ended November 30, 1996, we considered the Company's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our concerns and suggestions regarding these matters. A separate report dated March 25, 1997, contains our report on reportable conditions in the Company's internal control structure. This letter does not affect our report dated March 25, 1997, on the financial statements of Vicksburg-Tallahah District Airport Board.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Company personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

May & Company

Vicksburg, Mississippi
March 25, 1997

**VICKSBURG-TALULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

NOTE C. CONTRIBUTED LAND AND EQUIPMENT

The Department of Transportation and Development, State of Louisiana, purchased property for \$341,226 in 1988, for use of the Vicksburg-Talulah District Airport Board in constructing the Vicksburg-Talulah Regional Airport facility. During 1996, various agencies of the State of Louisiana contributed land and equipment with a value of \$48,111 and supplies with a value of \$2,938. During 1995, the State of Louisiana contributed a loader and MHD with a value of \$286,188. For accounting purposes, the property, equipment and supplies were transferred with full substitution and subrogation, in equal proportions of one-fourth to each, the Mayor and Aldermen of the City of Vicksburg, Warren County, The Mayor and Aldermen of the City of Talulah and Madison Parish. This land and equipment is reflected in the General Fixed Asset Group.

NOTE D. CONTINGENCY

The Airport Authority receives Federal and State monies for specific programs 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 E. 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 November 30, 1996, \$52,800 of the Airport Board's cash was restricted. This is the amount received from Warren County. This money may only be spent upon the approval of the Warren County Board member as a representative of the Warren County Board of Supervisors.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1995**

	<u>Governmental Funds</u>		Totals (Majority Fund)
	<u>General</u>	<u>Capital Projects</u>	
REVENUES:			
Federal grants	\$ -	\$ 225,442	\$ 225,442
Participation	-	25,049	25,049
Intragovernmental	335,351	231,889	567,240
Interest	<u>8,694</u>	<u>-</u>	<u>8,694</u>
Total revenues	<u>344,045</u>	<u>487,340</u>	<u>831,425</u>
EXPENDITURES:			
Current-			
General government	136,173	-	136,173
Capital outlay-			
Current expenditures	<u>5,846</u>	<u>586,618</u>	<u>592,464</u>
Total expenditures	<u>142,019</u>	<u>586,618</u>	<u>728,637</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>202,026</u>	<u>(104,230)</u>	<u>97,796</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	104,230	104,230
Operating transfers out	<u>(104,230)</u>	<u>-</u>	<u>(104,230)</u>
Total other financing sources (uses)	<u>(104,230)</u>	<u>104,230</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	97,796	-	97,796
FUND BALANCE, December 1, 1994	<u>180,489</u>	<u>-</u>	<u>180,489</u>
FUND BALANCE, November 30, 1995	<u>\$ 278,285</u>	<u>\$ -</u>	<u>\$ 278,285</u>

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

NOTE II. INSTALLMENT PURCHASE PAYABLE

On March 6, 1995, 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 9.87125%. The liability is secured by the fuel farm tanks and loading system.

Annual installments for the next five years are as follows:

November 30,	
1997	\$12,185
1998	13,339
1999	14,601
2000	15,983
2001	<u>8,550</u>
	<u>\$64,658</u>

NOTE I. CHANGES IN FIXED ASSETS

The details of general fixed assets are as follows:

	December 31, 1995	Transfers/ Additions	Transfers/ Retirements	November 30, 1996
Construction in progress	\$ 375,907	\$ -	\$ 375,907	\$ -
Land	345,476	19,482		364,958
Airport facilities	3,299,882	311,987		3,611,869
Airport equipment	206,189	66,430		272,619
Terminal building	238,679			238,679
Office furniture, equipment and vehicles	<u>8,296</u>	<u>8,821</u>	<u>-</u>	<u>17,117</u>
	<u>\$4,475,229</u>	<u>\$ 409,830</u>	<u>\$ 375,907</u>	<u>\$4,499,166</u>

Continued.....

SECTION 101-107 U.S. AIR POLLUTION CONTROL BOARD
 FEDERAL FUNDING PROGRAMS, FISCAL YEAR 1970
 FROM THE FEDERAL FISCAL YEAR 1970 REPORT, APRIL 1970

Page 1

Agency	Federal Funds Available	Federal Funds Expended	Federal Funds Approved	Cost Share Ratio	Number of States	Number of Pollution Control Agencies	Cost Share Ratio
U.S. Department of Transportation Federal System Administration	20.100	220,000,000	1,200,000	0	1	20,000	1
U.S. Department of Agriculture Food Development		1,000		1	1	1,000	1
Total Development		1,000		1	1	1,000	1

See accompanying pages to General Statement

RECEIVED

1968
 FILE 7017
 DO NOT WRITE
 OVER THIS
 DATE RECEIVED
 APR 25 1968
 COPY AND FILE
 DATE 1968

APR 25 1968
 MISSISSIPPI ARCHIVES

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS, STUDY AND
EVALUATION OF INTERNAL CONTROLS, COMPLIANCE
WITH LAWS AND REGULATIONS AND
OTHER INFORMATION
FOR THE FISCAL YEARS ENDED
NOVEMBER 30, 1966 AND 1968

with

INDEPENDENT AUDITORS REPORTS

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, and is available to any member of the public. This report is available for public inspection at the State Comptroller of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Printed Date **APR 30 1968**

GENERAL PURPOSE FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION SCHEDULES

4-25-97

DATE

Office of Legislative Auditor
Attention: Ms. Dorothy Milner
1680 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-0397

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-Tallahatchie District Airport Board as of and for the year ended November 30, 1996. The report includes all funds under the control and authority of the Vicksburg-Tallahatchie District Airport Board. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Sincerely,


(Signature/Title) *Carroll P. [unclear]*

Enclosure

**WICKSBURG/TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS, STUDY
AND EVALUATION OF INTERNAL CONTROLS, COMPLIANCE
WITH LAWS AND REGULATIONS AND OTHER INFORMATION
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

TABLE OF CONTENTS

Page Number		Exhibit
1	I. FINANCIAL STATEMENTS	
2	Independent Auditor's Report on Financial Statements	
3	Combined Balance Sheets - All Fund Types and Account Groups	A
7	Combined Statements of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	B
9	Combined Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	C
11	Statements of Revenues, Expenses, and Changes in Fund Equity - Proprietary Fund	D
12	Statements of Cash Flows - Proprietary Fund	E
14	Notes To Financial Statements	
24	II. STUDY AND EVALUATION OF INTERNAL CONTROLS	
25	Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	
27	Independent Auditor's Report on Internal Control Structure used in Administering Federal Financial Assistance Programs	

Continued.....

**VICKSBURG-TALLEULAH DISTRICT AIRPORT BOARD
 FINANCIAL STATEMENTS, STUDY
 AND EVALUATION OF INTERNAL CONTROLS, COMPLIANCE
 WITH LAWS AND REGULATIONS AND OTHER INFORMATION - CONTINUED
 FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

TABLE OF CONTENTS

Page Number		Exhibit
31	III. COMPLIANCE WITH LAWS AND REGULATIONS	
32	Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	
33	Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	
34	Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	
35	IV. OTHER INFORMATION	Schedules
36	Independent Auditor's Report on Schedule of Federal Financial Assistance	
37	Schedule of Federal Financial Assistance	1

I. FINANCIAL STATEMENTS



**INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS**

Board of Directors
Vicksburg-Tallahatchie District Airport Board
Monroe, Louisiana

We have audited the accompanying general purpose financial statements of Vicksburg-Tallahatchie District Airport Board as of and for the fiscal years ended November 30, 1996 and 1995, as listed in the table of contents. These general purpose financial statements are the responsibility of Vicksburg-Tallahatchie District Airport Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". These standards and Circular A-128 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 audits provide a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of Vicksburg-Tallahatchie District Airport Board, as of November 30, 1996 and 1995, and the results of its operations and cash flows of its proprietary fund types for the fiscal years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report, dated March 25, 1997, on our consideration of the Board's internal control structure and a report, dated March 25, 1997, on its compliance with laws and regulations.

May & Company

Vicksburg, Mississippi
March 25, 1997

Deloitte Peat Marwick Main & Company

1100 West Park • P.O. Box 100 • New Orleans, Louisiana 70116 • Telephone (504) 581-1000 • Fax (504) 581-1001

A member of the Deloitte & Touche network of member firms.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
NOVEMBER 30, 1996

ASSETS

	<u>Governmental</u>		<u>Proprietary</u>	<u>Account Group</u> <u>General Fund</u> <u>Assets</u>	<u>Totals</u> <u>(Memberships</u> <u>Only)</u>
	<u>Fund Types</u>		<u>Fund Type</u>		
	<u>General</u>	<u>Capital</u> <u>Projects</u>	<u>Enterprise</u>		
CASH	\$ 11,255	\$ -	\$ -	\$ -	\$ 11,255
RESTRICTED CASH	52,000				52,000
ACCOUNT RECEIVABLE - TRADE			1,073		1,073
PREPAID SUPPLIES	2,938				2,938
INVENTORY			6,631		6,631
DUE FROM OTHER FUNDS	58,341				58,341
PROPERTY AND PLANT:					
Land				364,958	364,958
Airport facilities			158,895	3,613,789	3,770,684
Airport equipment			199,650	272,659	463,309
Terminal building				238,679	238,679
Office furniture, equipment and vehicles				19,567	19,567
Accumulated depreciation			<u>(8,683)</u>		<u>(8,683)</u>
Total assets	\$ 124,534	\$ -	\$ 346,561	\$ 3,209,641	\$ 4,880,738

Continued...

LIABILITIES, EQUITY AND OTHER CREDITS

	Governmental Fund Types		Proprietary Fund Types	Account/Group	Total
	General	Capital Projects	Enterprise	General Fund Assets	(Memorandum Only)
LIABILITIES:					
Accounts and retainage payable	\$ 3,659	\$ -	\$ 2,889	\$ -	\$ 6,548
Accrued expenses	7,874		130		8,004
Installment purchase payable:					
Current portion			32,185		32,185
Long-term portion			32,473		32,473
Due to other funds			58,341		58,341
Total liabilities	11,533	-	126,038	-	137,571
COMMITMENTS AND CONTINGENCY					
EQUITY AND OTHER CREDITS:					
Contributed capital			59,800		59,800
Investment in general fixed assets				4,589,643	4,589,643
Fund balances-					
Undesignated	113,081				113,081
Retained earnings- unreserved			125,543		125,543
Total equity and other credits	113,081	-	205,343	4,589,643	4,808,187
Total liabilities, equity and other credits	\$ 128,534	\$ -	\$ 246,361	\$ 4,589,643	\$ 4,888,718

See accompanying notes to financial statements.

**MEANSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
NOVEMBER 30, 1995**

ASSETS

	<u>Governmental</u> <u>Fund Types</u>		<u>Proprietary</u> <u>Fund Types</u>	<u>Account Group</u>	<u>Totals</u>
	<u>Capital</u>		<u>Enterprise</u>	<u>General Fixed</u> <u>Assets</u>	<u>(Miscellaneous</u> <u>Only)</u>
	<u>General</u>	<u>Projects</u>			
CASH	\$ 448,827	\$ 2,817	\$ 11,791	\$ -	\$ 463,435
ACCOUNT RECEIVABLE - TRADE			1,353		1,353
INVENTORY			956		956
DUE FROM OTHER FUNDS		140,521			140,521
PROPERTY AND PLANT:					
Construction in progress				375,807	375,807
Land				345,476	345,476
Airport facilities				1,299,882	1,299,882
Airport equipment				206,189	206,189
Terminal building				238,670	238,670
Office furniture, equipment and vehicles				8,996	8,996
Total assets	<u>\$ 448,827</u>	<u>\$ 149,138</u>	<u>\$ 14,140</u>	<u>\$6,075,720</u>	<u>\$6,677,825</u>

Continued...

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 325,842	\$ 325,353	\$ 489
Interest	-	8,694	8,694
Total revenues	<u>325,842</u>	<u>334,047</u>	<u>8,255</u>
EXPENDITURES:			
Current-			
General government	199,342	138,173	61,169
Capital outlay-			
Current expenditures	8,590	5,816	2,774
Total expenditures	<u>207,932</u>	<u>143,989</u>	<u>63,943</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>117,910</u>	<u>190,058</u>	<u>72,148</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(168,800)	(164,258)	4,542
Total other financing sources (uses)	<u>(168,800)</u>	<u>(164,258)</u>	<u>4,542</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-	95,796	95,796
FUND BALANCE, December 1, 1994	<u>183,604</u>	<u>183,604</u>	-
FUND BALANCE, November 30, 1995	<u>\$ 183,604</u>	<u>\$ 279,400</u>	<u>\$ 95,796</u>

See accompanying notes to financial statements.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1996

	<u>Governmental Fund Types</u>		Totals (Monomonitoring Only)
	<u>General</u>	<u>Capital Projects</u>	
REVENUES:			
Federal grants	\$	\$ 24,245	\$ 24,245
Intragovernmental	126,916	24,468	151,385
Interest and other	<u>2,861</u>	<u> </u>	<u>2,861</u>
Total revenues	<u>129,777</u>	<u>28,714</u>	<u>158,491</u>
EXPENDITURES:			
Current-			
General government	137,267		137,267
Capital outlay-			
Current expenditures	<u>53,810</u>	<u>42,112</u>	<u>95,923</u>
Total expenditures	<u>191,077</u>	<u>42,112</u>	<u>233,189</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(61,300)</u>	<u>26,602</u>	<u>(34,698)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	32,238	25,638	57,877
Operating transfers out	<u>(125,638)</u>	<u>(132,239)</u>	<u>(257,877)</u>
Total other financing sources (uses)	<u>(93,400)</u>	<u>(106,601)</u>	<u>(200,001)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(165,199)</u>	<u> </u>	<u>(165,199)</u>
FUND BALANCE, December 1, 1995	<u>278,208</u>	<u> </u>	<u>278,208</u>
FUND BALANCE, November 30, 1996	<u>\$ 113,009</u>	<u>\$ </u>	<u>\$ 113,009</u>

Continued.....

MEMORANDUM

Authorized Check Signers

During our audit, we requested confirmation of authorized check signers from the banks. It was noted that John Ulmer was listed as an authorized check signer at Cross Keys Bank. Mr. Ulmer is no longer a Board member. It is recommended that the bank be notified of the change.

During our audit, Pam Morris and Tom Grant began the process of notifying the bank and amending the list of authorized check signers.

Fuel Inventory

Fuel inventory has become a significant asset of the Airport. As part of our audit we compared the gallons purchased, with the gallons sold and remaining in inventory. A large variance resulted, which was explained, and mainly pertained to the start up operations of the fuel farm. During 1993, the Airport should not encounter unusual activity as the fuel farm is operational. It is recommended that an internal tracking of gallons be maintained and compared to the physical quantities. Each time a fuel truck is filled, office personnel should compare the gallons sold with the gallons put into the truck. Periodically, the gallons in the fuel farm should be compared to the internal logs. Any variances should be immediately investigated.

Policies and Procedures Manual

As the Airport is now operational, it is again recommended that a written policies and procedures manual be developed to address such items as job descriptions, human resource issues, employee work schedules, expense reimbursement, accounting procedures, computer operation and backup procedures, emergency procedures, federal compliance requirements and other policies which are critical to the operations of the Airport.

We will be glad to provide assistance in this endeavor, whether it be in the development or review process.

**YICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED NOVEMBER 30, 1996**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 213,852	\$ 126,916	\$ (86,936)
Interest and other	-----	2,861	2,861
Total revenues	213,852	129,777	(84,075)
EXPENDITURES:			
Current:			
General government	213,852	137,367	76,485
Capital outlay-			
Current expenditures	-----	53,810	(53,810)
Total expenditures	213,852	191,177	22,675
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-----	(61,400)	(61,400)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	52,239	52,239
Operating transfers out	(128,000)	(135,638)	(7,638)
Total other financing sources (uses)	(128,000)	(183,399)	(16,661)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(128,000)	(165,199)	(45,199)
FUND BALANCE, December 1, 1995	278,708	278,708	-----
FUND BALANCE, November 30, 1996	\$ 150,708	\$ 113,509	\$ (37,199)

Continued.....

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995

NOTE E. CASH - CONTINUED

As of November 30, 1996, the book balance of the board's deposits was \$63,255 and the bank balance was \$63,804. Of the bank balance, all was covered by Federal depository insurance.

As of November 30, 1995, the book balance of the Board's deposits was \$457,235 and the bank balance was \$457,235. Of the bank balance, \$100,000 was covered by Federal depository insurance and the remainder was covered by collateral held in the airport's name at the Federal Reserve Bank. Collateral pledged consisted of a Federal National Mortgage Association note with a market value at November 30, 1995, of \$455,255.

NOTE F. COMMITMENTS

During 1995, the Board entered into a contract for the construction of a T-hanger building. At November 30, 1995, approximately \$113,095 is remaining on this contract. The building was completed in 1996.

On September 12, 1995, the Board entered into an agreement with a fuel vendor for the purchase of all A/V 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.

NOTE G. LEASES

On September 12, 1995, the Board entered into an operating lease with a fuel vendor for two fuel trucks. The lease term is for twenty-four months and may be renewed on a month to month basis. The total monthly lease payment is \$1,680. Rental expenditures under this lease were \$38,160 and \$4,354 in 1996 and 1995, respectively.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - PROPRIETARY FUND
YEARS ENDED NOVEMBER 30, 1994 AND 1995

	<i>Enterprise</i>	
	<u>1994</u>	<u>1995</u>
OPERATING REVENUES:		
Fuel sales	\$ 48,188	\$ 9,775
Hangar leases	26,528	16,776
Miscellaneous	<u>1,487</u>	<u>340</u>
Total operating revenues	76,123	26,855
OPERATING EXPENSES:		
Fuel purchases and truck lease	48,836	11,955
Repairs and maintenance	6,799	40
Payroll	15,634	-
Depreciation	8,488	-
Utilities	297	-
Miscellaneous	<u>1,280</u>	<u>149</u>
Total operating expenses	82,244	12,112
LOSS FROM OPERATIONS	<u>(6,121)</u>	<u>(4,748)</u>
NONOPERATING REVENUES (EXPENSES):		
Interest expense	<u>(1,086)</u>	<u>(6)</u>
LOSS BEFORE OPERATING TRANSFERS	<u>(7,207)</u>	<u>(4,754)</u>
OPERATING TRANSFERS IN	<u>120,000</u>	<u>—</u>
NET INCOME	112,793	14,740
RETAINED EARNINGS, beginning of year	<u>(4,248)</u>	<u>—</u>
RETAINED EARNINGS, end of year	<u>125,545</u>	<u>14,740</u>
CONTRIBUTED CAPITAL, beginning of year		
Contributed of fixed assets from general fixed asset account group	62,000	-
Federal grant for construction of capital assets	<u>35,000</u>	<u>—</u>
CONTRIBUTED CAPITAL, end of year	<u>97,000</u>	<u>—</u>
FUND EQUITY AT YEAR END	<u>\$ 222,045</u>	<u>\$ 14,740</u>

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENTS OF CASH FLOWS - PROPRIETARY FUND
YEARS ENDED NOVEMBER 30, 1996 AND 1995**

	<u>Language</u>	
	<u>1996</u>	<u>1995</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (loss) from operations	\$ (6,111)	\$ 14,791
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,688	-
(Increase) decrease in:		
Accounts receivable	280	(1,337)
Inventory	(5,673)	(956)
Increase (decrease):		
Accounts and rentals payable	1,529	1,160
Accrued expenses	130	-
Due to other funds	38,241	-
	<u>57,182</u>	<u>13,781</u>
Net cash provided by operating activities		
	<u>57,182</u>	<u>13,781</u>
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:		
Operating transfers from other funds	<u>120,000</u>	<u>-</u>
Net cash provided by noncapital financing activities		
	<u>120,000</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES:		
Acquisition and construction of capital assets	(82,195)	-
Principal payments on installment purchase payable	(5,652)	-
Interest paid on installment purchase payable	<u>(5,080)</u>	<u>-</u>
Net cash used in capital and related financial activities		
	<u>(92,927)</u>	<u>-</u>
Net increase (decrease) in cash	(13,791)	13,791
CASH, at beginning of year	<u>13,791</u>	<u>-</u>
CASH, at end of year	<u>\$ -</u>	<u>\$ 13,791</u>

Continued.....

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENTS OF CASH FLOWS - PROPRIETARY FUND - CONTINUED
YEARS ENDED NOVEMBER 30, 1996 AND 1995**

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

During 1996 the Airport Board purchased a fuel farm, of which \$70,190 was financed. Also during 1996, \$62,000 of airport facilities were received from the General Fund Asset Account Group and \$35,000 was received from the Federal Aviation Administration for construction of the T-hangar.

See accompanying notes to financial statements.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995**

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. 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 on the State of Louisiana on behalf of the two Louisiana members. The airport is located in Maurel, 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.

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 (political subdivisions) 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.

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.

Continued.....

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995

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.

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 basis 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 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-Tallahula District Airport Board has incurred the qualifying expenditure and all other grant requirements have been met.

Participation and intergovernmental revenues are recorded when the related expenditure is incurred.

Interest revenues are recorded as received.

Continued.....

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 operations 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.

Budgetary Practices

Annually, the Board adopts budgets on its General Fund. The budget is employed as a management control device during the year. All funds are adopted on a cash basis except for expenditures paid within thirty days of fiscal year end. Budgeted amounts included in the accompanying financial statements include original adopted budget amounts and all subsequent amendments. Appropriations lapse at the end of each fiscal year. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

Continued.....

VICKSBURG-TALLAHULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS - CONTINUED
FOR THE FISCAL YEARS ENDED NOVEMBER 30, 1996 AND 1995

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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. FAA GRANTS

Vicksburg-Tallahulah District Airport Board was awarded grants for airport construction from the U. S. Department of Transportation and Development, Federal Aviation Administration. The Grant proceeds were for ninety percent of allowable eligible construction cost. The remaining ten percent is to be shared equally by the participating entities. Disbursements for federal share were \$24,245 and \$125,442 for 1996 and 1995, respectively.

Continued.....

LIABILITIES, EQUITY AND OTHER CREDITS

	Governmental Fund Types		Proprietary Fund Type	Account Group General Fixed Assets	Totals (Memorandum Only)
	General	Capital Projects	Enterprise		
LIABILITIES:					
Accounts and receivables payable	\$ 79,108	\$ 148,138	\$ 1,360	\$ -	\$ 328,606
Due to other funds	143,521	_____	_____	_____	143,521
Total liabilities	162,629	148,138	1,360	-	312,127
CONTINGENCY AND COMMITMENTS					
EQUITY AND OTHER CREDITS:					
Investment in general fixed assets	_____	_____	_____	4,475,720	4,475,720
Fund balances- Undesignated	278,200	_____	_____	_____	278,200
Retained earnings- unreserved	_____	_____	14,740	_____	14,740
Total equity and other credits	278,200	_____	14,740	4,475,720	4,768,660
Total liabilities, equity and other credits	\$ 440,829	\$ 148,138	\$ 16,100	\$ 4,475,720	\$ 5,078,787

See accompanying notes to financial statements.

RECEIVED

6610341
FORM 2077
U.S. GOVERNMENT PRINTING OFFICE
1964 O 574020
GPO : WASHINGTON, D. C. 20540
MAY 2 1964

APR 25 1964

11:50 AM '64

**YICKINSBURG-TALLULAH
DISTRICT AIRPORT BOARD**

LETTER TO MANAGEMENT

NOVEMBER 20, 1958

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the Auditor, or predecessor, 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: NOV 20 1958