

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-2
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion and Analysis	3-5
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	6
Statement of Revenues, Expenses, and Changes in Net Position	7
Statement of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	
Notes to Financial Statements	9-13
SUPPLEMENTARY INFORMATION - PART II	
Budgetary Comparison - Proprietary Fund	14
OTHER FINANCIAL INFORMATION	
Schedule of Compensation, Benefits, Other Payments to Agency Head	15
SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS	
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 <i>Government Auditing Standards</i>	16-17
Schedule of Findings and Questioned Costs	18
Schedule of Prior Year Findings	19

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

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, 2016, and the related notes to the financial statements which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Vicksburg-Tallulah District Airport Board, as of December 31, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6, the budgetary comparison information on page 15, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers 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.

Other Financial 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 accompanying other financial information consisting of the schedule of compensation, benefits, and other payments to agency head on page 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 27, 2016, 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 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION

PART I

Management's Discussion and Analysis

December 31, 2016

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, 2016. 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 \$206,986 in the year ended December 31, 2016. This decrease was comprised of a \$160,442 decrease in unrestricted assets and a \$46,544 decrease in investment in capital assets. During the year ended December 31, 2016, depreciation and amortization expense amounted to \$459,598 and \$398,387 of fixed assets were purchased. The related debt was reduced by \$14,667.

During the year, the Airport's revenue from business-type operations decreased \$15,870. This was primarily due to a decrease in fuel sales. While operating revenue decreased \$15,870, operating expenses decreased \$136,482. The most significant decrease of operating expense was repairs and maintenance.

During the current year, the Airport received \$261,237 in grants from the LADOTD and FAA to be used for major additions and improvements to the Airport. The Airport added \$398,387 to fixed assets in the current year. This included airport improvements and land and aviation servitudes.

Overview of the Financial Statements

This discussion and analysis serves 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, 2016, and 2015

	2016	2015
Assets		
Current and other assets	\$ 260,857	\$ 822,946
Capital assets, net of accumulated depreciation	13,355,966	13,417,177
Total Assets	13,616,823	14,240,123
Liabilities		
Current and other liabilities	107,146	508,793
Long-term liabilities	366,665	381,332
Total Liabilities	473,811	890,125
Net Position		
Invested in capital assets, net of debt	12,974,634	13,021,178
Unrestricted	168,378	328,820
Total Net Position	\$ 13,143,012	\$ 13,349,998

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 \$13,143,012 in 2016 and \$13,349,998 in 2015. Of these amounts, \$12,974,634, or 99%, and \$13,021,178, or 98% of the total net position represent the investment of the Airport in capital assets net of related debt. Net position of \$168,378 and \$328,820 for 2016 and 2015, respectively, are technically unrestricted.

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES Years Ended December 31, 2016, and 2015

	2016	2015
Revenues		
Program revenues		
Sales	\$ 404,827	\$ 423,964
Rental	75,683	72,018
Other	16,377	16,775
Other Revenues		
Intergovernmental	392,910	1,132,553
Interest earned	88	167
Total Revenues	889,885	1,645,477
Function/Program Expenses		
Fuel purchases	304,880	351,584
Depreciation	459,017	375,180
Payroll and related benefits	186,735	189,216
Other	146,239	317,373
Total Expenses	1,096,871	1,233,353
Increase (Decrease) in Net Position	(206,986)	412,124
Net Position - Beginning	13,349,998	12,937,874
Net Position - Ending	\$ 13,143,012	\$ 13,349,998

As indicated above, net position decreased by \$206,986. This decrease is primarily due to depreciation expense.

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 15 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 2016 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, 2016**

Assets

Current Assets

Cash and cash equivalents	\$ 120,244
Accounts receivable	95,880
Inventory	27,482
Prepaid expenses	17,251
Total Current Assets	260,857

Non-Current Assets

Capital assets,	
net of accumulated depreciation	13,345,600
Prepaid lease,	
net of accumulated amortization	10,366
Total Non-Current Assets	13,355,966

Total Assets	13,616,823
--------------	------------

Liabilities and Net Position

Liabilities

Accounts payable	87,789
Payroll tax liabilities	4,690
Mortgage payable - current	14,667
Total Current Liabilities	107,146
Mortgage payable - long term	366,665
Total Liabilities	473,811

Net Position

Invested in capital assets	12,974,634
Unrestricted	168,378
Total Net Position	\$ 13,143,012

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, 2016**

	Enterprise
Operating Revenues	
Fuel sales	\$ 404,827
Hangar and property leases	75,683
Miscellaneous	16,377
Total Operating Revenues	496,887
Operating Expenses	
Fuel purchases and expenses	304,880
Repairs and maintenance	18,467
Payroll and related benefits	186,735
Depreciation	459,017
Amortization	581
Insurance	34,623
Office	24,961
Utilities	32,245
Contract services	26,782
Materials and supplies	8,580
Total Operating Expenses	1,096,871
Income (Loss) from Operations	(599,984)
Non Operating Revenue	
LADOTD	163,739
Interest income	88
FAA grants	97,498
Total Non Operating Revenue	261,325
Gain (Loss) Before Contributions from Partners	(338,659)
Capital Contributions from Other Governments (Partners)	131,673
Change in Net Position	(206,986)
Net Position at Beginning of Year	13,349,998
Net Position at End of Year	\$ 13,143,012

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, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 494,552
Cash paid for fuel purchases	(307,086)
Cash paid for employee services	(188,899)
Cash paid for other costs	(142,827)
	<hr/>
Net cash provided (used) by operating activities	(144,260)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	88
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
FAA and LADOTD grants	628,289
Capital contributions from partners	125,445
Withdrawal of funds from escrow	2,613
Purchases of capital assets	(793,285)
Reduction of note payable	(14,667)
	<hr/>
Net cash provided (Used) by capital and related financing activities	(51,605)
Net increase (decrease) in cash and cash equivalents	(195,777)
Cash and cash equivalents, beginning of year	316,021
	<hr/>
Cash and cash equivalents, end of year	<u>\$ 120,244</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Cash flows from operating activities:	
Income (loss) from operations	\$ (599,984)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation & amortization	459,598
(Increase) decrease in:	
Accounts receivable - trade	(2,335)
Inventory	(2,206)
Prepaid expenses	7,416
Increase (decrease) in:	
Trade accounts payable and payroll taxes	(6,749)
	<hr/>
Net cash provided (used) by operating activities	<u>\$ (144,260)</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, 2016**

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:

Fund Accounting

The Vicksburg-Tallulah District Board (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 is financed primarily through user charges.

Net Position

The Board 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.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES - continued

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 principle 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.

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

Bad Debts

The Airport uses the allowance method for recognizing bad debts. No provision has been made to establish an allowance for doubtful accounts because all amounts are considered collectible within the next year.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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 \$120,244 at December 31, 2016. The bank balances at December 31, 2016, were \$120,244, all of which was insured from loss by FDIC. Cash and investments are stated at cost which approximates market value. 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, 2016, the Board had cash and cash equivalents as follows:

Petty cash	\$	150
Demand deposits		61,972
Interest bearing demand deposits		58,122
		58,122
Total	\$	120,244

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

Local entities (partners)	\$	13,190
Trade		3,975
LDOTD / FAA		78,715
		78,715
Total	\$	95,880

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 4 CHANGES IN CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance 1/1/2016	Addition	Deduction	Balance 12/31/2016
Land	\$ 489,388	\$ -	\$ -	\$ 489,388
Aviation servitide	74,181	3,798	-	77,979
Airport facilities	13,947,331	2,082,386	-	16,029,717
Airport equipment	253,969	-	-	253,969
Terminal building	238,670	-	-	238,670
Fuel trucks	115,450	-	-	115,450
Fuel farm	190,650	-	-	190,650
T-Hangars	307,393	-	-	307,393
Office furniture and equipment	8,590	-	-	8,590
Construction in progress:	1,858,068	394,589	2,082,386	170,271
Total	<u>17,483,690</u>	<u>2,480,773</u>	<u>2,082,386</u>	<u>17,882,077</u>
Less: Accumulated depreciation	<u>4,077,460</u>	<u>(459,017)</u>	<u>-</u>	<u>4,536,477</u>
Total	<u>\$13,406,230</u>	<u>\$2,021,756</u>	<u>\$ 2,082,386</u>	<u>\$13,345,600</u>

NOTE 5 PREPAID LAND LEASE

In November 2014, the airport entered into a 20 year lease of land. The total lease for the 20 years period is \$11,925. The prepaid lease per the December 31, 2016, financial statements is as follows:

Total prepaid lease	\$ 11,625
Less accumulated amortization	<u>(1,259)</u>
	<u>\$ 10,366</u>

NOTE 6 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.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 7 HANGAR 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 cancelled with a 30-day notice. Annual rent to be collected on property leases for each of the next five years is \$46,054. The hangars have a cost of \$307,393 with related accumulated depreciation of \$202,150 at December 31, 2016. 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, 2016.

NOTE 9 DONATED ASSET

On December 28, 2013, Southall Properties (a land lease tenant) donated a building appraised for \$440,000 to the airport. In return, the airport entered into a 30-year lease for the property at a rate of \$1.00 per year. This was recorded on the airport books at the appraised value of \$440,000 and a corresponding liability of \$440,000, which will be removed over 30 years by recording the uncollected land lease income. The substance of the transaction was the airport purchased the building by foregoing the lease payments for 30 years.

NOTE 10 SUBSEQUENT EVENTS

Subsequent events were evaluated through June 27, 2017, which is the date the financial statements were available to be issued. As of June 27, 2017, there were no subsequent events noted.

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variation</u>
Revenue			
Fuel sales	\$ 429,000	\$ 404,827	\$ (24,173)
Hanger and property lease	56,300	75,683	19,383
Income from partners	186,637	131,673	(54,964)
Other	1,010	16,465	15,455
Total revenue	<u>672,947</u>	<u>628,648</u>	<u>(44,299)</u>
Expenses			
Fuel purchase and expense	319,350	304,880	14,470
Payroll and related benefits	216,022	186,735	29,287
Insurance	27,650	34,623	(6,973)
Office	24,695	24,961	(266)
Utilities	36,530	32,245	4,285
Contact services	17,250	26,782	(9,532)
Material and supplies	8,500	8,580	(80)
Repair and maintenance	22,950	18,467	4,483
Total expense	<u>672,947</u>	<u>637,273</u>	<u>35,674</u>
Net Income	<u>\$ -</u>	<u>(8,625)</u>	<u>\$ (8,625)</u>
Adjustments			
FAA and LADOTD grants		261,237	
Amortization expense		(581)	
Depreciation expense		<u>(459,017)</u>	
Change in net position (GAAP Basis)		(206,986)	
Net position at beginning of year		<u>13,349,998</u>	
Net position at end of year		<u>\$ 13,143,012</u>	

OTHER FINANCIAL INFORMATION

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SCHEDULE OF COMPENSATION, BENEFITS,
OTHER PAYMENTS TO AGENCY HEAD
DECEMBER 31, 2016

Randy Woods- Manager

Salary and expense amount	\$	58,140
Benefits - insurance		6,729
Benefits - retirement		1,620
Reimburse - mileage		1,324
Security service		<u>1,800</u>
Total	\$	<u>69,613</u>

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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, 2016, 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 27, 2017.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 27, 2017

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SUMMARY SCHEDULE OF CURRENT YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Vicksburg-Tallulah District Airport Board.
2. No instances of noncompliance material to the financial statements of the Vicksburg-Tallulah District Airport Board were disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEAR ENDED DECEMBER 31, 2016**

There were no prior audit findings and no management letter comments.