

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2005

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

Release Date 7-26-06

David Q. Richardson
Certified Public Accountant
P. O. Box 891
Tallulah, LA 71284-0891
318-574-0514

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David Q. Richardson

Certified Public Accountant

P.O. Box 891

Tallulah, Louisiana 71284

(318) 574-0514

INDEPENDENT AUDITOR'S REPORT OF FINANCIAL STATEMENTS

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

I have audited the accompanying basic financial statements of the governmental activities and the major fund of the Vicksburg-Tallulah District Airport Board (a quasi governmental entity) as of and for the year ended December 31, 2005, as listed in the table of contents. These financial statements are the responsibility of the Vicksburg-Tallulah District Airport Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

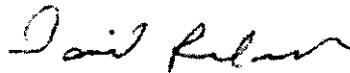
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Vicksburg-Tallulah District Airport Board, as of December 31, 2005, and the result of its operations and the cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and other required supplementary information on pages 3 through 6 and page 27, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

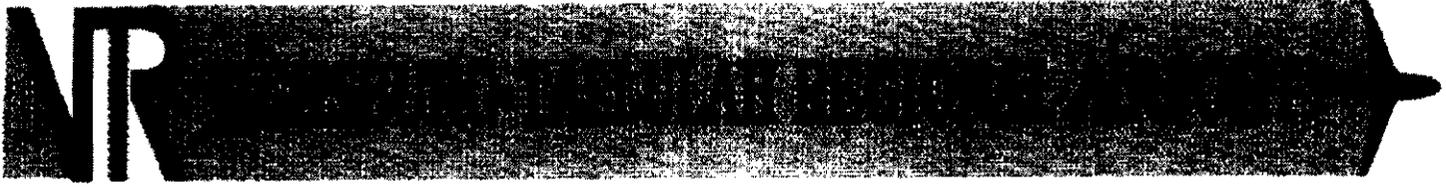
In accordance with *Government Auditing Standards*, I have also issued a report dated May 18, 2006, on my consideration of the Board's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Tallulah, Louisiana
May 18, 2006



REQUIRED SUPPLEMENTARY INFORMATION

PART I



Vicksburg, Warren County, Mississippi * Tallulah, Madison Parish, Louisiana
175 VTR Airport Road, Tallulah, LA 71282
Phone: (318) 574-5841 or (877) 720-5260
Fax (318) 574-5847 Unicom 123 0

Management's Discussion and Analysis December 31, 2005

This section of the Board's annual financial report presents management's analysis of the Board's financial performance during the year that ended December 31, 2005. Please read it in conjunction with the financial statements in this report

Financial Highlights

The Board's net assets increased by \$824,617 in the year ended December 31, 2005. This increase was comprised of a \$854,576 increase in general governmental-type assets and a \$29,959 decrease in business-type assets. During the year ended December 31, 2005 depreciation expense amounted to \$160,878; and fixed assets purchases were \$983,507. This was facilitated primarily by an FAA grant of \$926,976 and a State of Louisiana grant of \$48,788.

During the year, the Board's revenue from business-type operations increased approximately \$109,000. This increase was primarily an increase in fuel sales. While revenues increased \$109,000, operating expenses increased approximately \$125,000 (cost of fuel sold).

There were \$983,507 of additions to airport facilities and equipment during the current year. These additions consisted of \$975,746 for an overlay of the runway and taxiway, and \$7,761 for a Beacon.

Overview of the Financial Statements

This Management's Discussion and Analysis document introduces the Board's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the financial activities as a whole and illustrate a longer-term view of the Board's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business. The government-wide financial statements provide short-term and long-term information about the Board's financial statements as a whole.

The Board's government-wide financial statements include a Statement of Net Assets (page 8) and Statement of Activities (page 9), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Assets is to report all of the assets held and liabilities owed by the Board using the full accrual basis of accounting. The Board reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred.

The difference between the Board's total assets and total liabilities is reported as net assets and this difference is similar to the total owner's equity presented by a commercial enterprise. Over time, increases or decreases in the Board's net assets are one indicator of whether its financial health is improving or deteriorating.

The purpose of the Statement of Activities is to present the revenues and expenses of the Board. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the Board. Thus, revenues are reported even though they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Board are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board adopts an annual appropriated budget for the entire operation of the airport facility. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Board's performance.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent year, assets of the Vicksburg-Tallah District Airport Board exceeded liabilities by \$6,243,568. Approximately 98% (\$6,121,912) of the Board's net assets reflects its investment in capital assets. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors. 1) resources expended, over time, by the Board to acquire capital assets from sources other than internally generated funds, and 2) required depreciation on assets being included in the statement of net assets for the first time.

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

The following table reflects the condensed Statement of Net Assets:

CONDENSED STATEMENT OF NET ASSETS Years Ended December 31, 2005 and 2004

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Assets | | | | | | |
| Current and other assets | \$ 80,952 | \$ 33,699 | \$ 135,574 | \$ 98,947 | \$ 186,526 | \$ 132,846 |
| Capital assets, net of accumulated depreciation | 5,918,760 | 5,068,026 | 202,152 | 231,257 | 6,121,912 | 5,299,283 |
| Total Assets | 5,970,712 | 5,101,725 | 337,726 | 330,204 | 6,308,438 | 5,431,929 |
| Liabilities | | | | | | |
| Current and other liabilities | 25,027 | 11,616 | 38,843 | 1,362 | 64,870 | 12,978 |
| Net Assets | | | | | | |
| Invested in capital assets, net of debt | 5,919,760 | 5,068,026 | 202,152 | 231,257 | 6,121,912 | 5,299,283 |
| Unrestricted | 24,925 | 22,083 | 95,731 | 97,585 | 121,656 | 119,868 |
| Total Net Assets | \$ 5,944,685 | \$ 5,090,109 | \$ 298,883 | \$ 328,842 | \$ 6,243,568 | \$ 5,418,951 |

Net assets 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 \$6,243,568 in 2005 and \$5,418,951 in 2004. Of these amounts \$6,121,912, or 98%, and \$5,299,283, or 97% of the total net assets, represents the investment of the Board in capital assets net of related debt. Net assets of \$121,656 for 2005, and \$119,868 for 2004, which are technically unrestricted, need to be viewed in light of information in the fund financial statements.

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES Years Ended December 31, 2005 and 2004

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
| | 2005 | 2004 | 2005 | 2004 | 2005 | 2004 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Sales | \$ - | \$ - | \$ 447,420 | \$ 334,792 | \$ 447,420 | \$ 334,792 |
| Rental | - | - | 59,481 | 58,549 | 59,481 | 58,549 |
| Other | - | - | 3,801 | 8,374 | 3,801 | 8,374 |
| General revenues | | | | | | |
| Intergovernmental | 1,081,033 | 79,259 | - | - | 1,081,033 | 79,259 |
| Interest earned | 225 | 105 | - | - | 225 | 105 |
| Total Revenues | 1,081,258 | 79,364 | 510,702 | 401,715 | 1,591,960 | 481,079 |
| Function/Program Expenses | | | | | | |
| Governmental activities | | | | | | |
| General and administrative | 276,882 | 267,395 | - | - | 276,882 | 267,395 |
| Business-Type Activities | | | | | | |
| Fuel Purchases | - | - | 363,460 | 247,133 | 363,460 | 247,133 |
| Depreciation | - | - | 29,105 | 29,105 | 29,105 | 29,105 |
| Other | - | - | 96,096 | 88,836 | 96,096 | 88,836 |
| Total Expenses | 276,882 | 267,395 | 460,661 | 365,074 | 767,343 | 632,469 |
| Increase (decrease) in net assets before transfer | 804,576 | (188,031) | 20,041 | 36,641 | 824,617 | (151,390) |
| Transfers | 50,000 | - | (50,000) | - | - | - |
| Increase (decrease) in net assets | 854,576 | (188,031) | (29,959) | 36,641 | 824,617 | (151,390) |
| Net assets - beginning | 5,090,109 | 5,276,140 | 328,842 | 282,201 | 5,418,951 | 5,570,341 |
| Net assets - ending | \$ 5,944,685 | \$ 5,090,109 | \$ 298,883 | \$ 328,842 | \$ 6,243,568 | \$ 5,418,951 |

Financial Analysis of the Government's Funds

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2005, the general fund's governmental balances of \$24,925 showed an increase of \$2,842 when compared to December 31, 2004.

Capital Asset and Debt Administration

Capital assets. The Vicksburg-Tallulah District Airport Board's investment in capital assets for its governmental activities as of December 31, 2005, amounts to \$6,121,912. This investment includes land, airport, facilities, terminal building, equipment, furniture, and automobile. This value is net of accumulated depreciation.

Long-term debt. The Vicksburg-Tallulah District Airport Board does not have any long-term debt.

General Fund Budgetary Highlights

The Board's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Vicksburg-Tallulah District Airport Board originally adopted budget compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Board considered many factors when setting the Airport's 2006 budget.

Revenues and expenditures of the Airport's funds are expected to remain fairly consistent with the 2005 fiscal year, with the exception of the runway overlay and related grant funds.

Requests for information

This financial report is designed to provide a general overview of the Vicksburg-Tallulah District Airport Board's finances for all those with an interest in the Board's finances. Questions concerning any of the information provided in this report or requests for additional financial 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 ASSETS
AS OF DECEMBER 31, 2005

| | Primary Government | | Total |
|---|---------------------|-------------------|---------------------|
| | Governmental | Business-Type | |
| Assets | | | |
| Cash and cash equivalents | \$ 37,962 | \$ 83,146 | \$ 121,108 |
| Accounts receivable | 16,477 | 10,676 | 27,153 |
| Prepaid expense | 2,627 | 1,809 | 4,436 |
| Due from/to other funds | (6,114) | 6,114 | - |
| Capital assets, net of accumulated depreciation | 5,919,760 | 202,152 | 6,121,912 |
| Inventory | - | 33,829 | 33,829 |
| Total | <u>5,970,712</u> | <u>337,726</u> | <u>6,308,438</u> |
| Liabilities and Net Assets | | | |
| Liabilities | | | |
| Accounts payable | 24,629 | 38,843 | 63,472 |
| Payroll taxes payable | 1,398 | - | 1,398 |
| Total Liabilities | <u>26,027</u> | <u>38,843</u> | <u>64,870</u> |
| Net Assets | | | |
| Invested in capital assets | 5,919,760 | 202,152 | 6,121,912 |
| Unrestricted | 24,925 | 96,731 | 121,656 |
| Total Net Assets | <u>\$ 5,944,685</u> | <u>\$ 298,883</u> | <u>\$ 6,243,568</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

| Function/Program | Program Revenue | | Net Revenue (Expenses) | Net Revenue (Expense) | | Total |
|-------------------------------|-------------------|-------------------------|------------------------------|----------------------------|-----------------------------|---------------------|
| | Expenses | Charges for Services | | Governmental Activities | Business-Type Activities | |
| Government Activities: | | | | | | |
| General government - Airport | \$ 276,682 | - | \$ (276,682) | \$ (276,682) | - | \$ (276,682) |
| Business-Type Activities: | | | | | | |
| Fuel sales and property lease | 490,861 | 510,702 | 20,041 | - | 20,041 | 20,041 |
| Total Primary Government | <u>\$ 767,343</u> | <u>\$ 510,702</u> | <u>\$ (266,641)</u> | <u>\$ (276,682)</u> | <u>\$ 20,041</u> | <u>\$ (256,641)</u> |
| General Revenues: | | | | | | |
| Intergovernmental | | | | \$ 1,081,033 | - | \$ 1,081,033 |
| Interest earned | | | | 225 | - | 225 |
| Transfers in/out | | | | 50,000 | (50,000) | - |
| Total general revenues | | | | <u>1,131,258</u> | <u>(50,000)</u> | <u>1,081,258</u> |
| Net changes in assets | | | | 854,576 | (29,959) | 824,617 |
| Net assets- beginning | | | | <u>5,090,109</u> | <u>328,842</u> | <u>5,418,951</u> |
| Net assets - ending | | | | <u>\$ 5,944,685</u> | <u>\$ 298,883</u> | <u>\$ 6,243,568</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
BALANCE SHEET
AS OF DECEMBER 31, 2005

| | Government Fund Type | | Total |
|------------------------------------|----------------------|---------------------|------------------|
| | General | Capital Projects | |
| Assets | | | |
| Cash | \$ 34,496 | \$ 3,466 | \$ 37,962 |
| Accounts receivable | 16,477 | - | 16,477 |
| Prepaid expenses | 2,627 | - | 2,627 |
| Due from other funds | - | 30,129 | 30,129 |
| Total | \$ 53,600 | \$ 33,595 | \$ 87,195 |
| Liabilities and Fund Equity | | | |
| Liabilities | | | |
| Accounts payable | 21,181 | 3,448 | 24,629 |
| Payroll taxes payable | 1,398 | - | 1,398 |
| Due to other funds | 36,243 | - | 36,243 |
| Total Liabilities | 58,822 | 3,448 | 62,270 |
| Fund Balance (deficit) | | | |
| Fund balance - undesignated | (5,222) | 30,147 | 24,925 |
| Total | \$ 53,600 | \$ 33,595 | \$ 87,195 |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2005

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

| | |
|--|---------------------|
| Fund Balances, Total Governmental Funds (Exhibit C) | \$ 24,925 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | <u>5,919,760</u> |
| Net Assets of Governmental Activities (Exhibit A) | <u>\$ 5,944,685</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

| | General | Capital Projects | Total |
|---|-------------------|---------------------|------------------|
| Revenues | | | |
| Intergovernmental | \$ 105,269 | \$ 975,764 | \$ 1,081,033 |
| Interest | 225 | - | 225 |
| Total revenues | <u>105,494</u> | <u>975,764</u> | <u>1,081,258</u> |
| Expenditures | | | |
| General government: | | | |
| Personal service and related benefits | 68,390 | - | 68,390 |
| Insurance | 12,352 | - | 12,352 |
| Repairs | 15,970 | - | 15,970 |
| Utilities | 22,909 | - | 22,909 |
| Contract services | 18,109 | - | 18,109 |
| Materials and supplies | 9,179 | - | 9,179 |
| Capital outlay | 7,761 | 975,746 | 983,507 |
| Total expenditures | <u>152,670</u> | <u>975,746</u> | <u>1,128,416</u> |
| Excess (Deficiency) of Revenues over Expenditures | (47,176) | 18 | (47,158) |
| Other Financing Sources (Uses) | | | |
| Operating transfers in/out | <u>50,000</u> | - | <u>50,000</u> |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | 2,824 | 18 | 2,842 |
| Fund Balance - beginning of year | <u>(8,048)</u> | <u>30,129</u> | <u>22,083</u> |
| Fund Balance - end of year | <u>\$ (5,222)</u> | <u>\$ 30,147</u> | <u>\$ 24,925</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

| | |
|---|-------------------|
| Net Change in Fund Balance, Total Governmental Fund (Exhibit E) | \$ 2,842 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | <u>851,734</u> |
| Change in Net Assets of Governmental Activities (Exhibit B) | <u>\$ 854,576</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF NET ASSETS - PROPRIETARY FUND
AS OF DECEMBER 31, 2005

Assets**Current Assets**

| | | |
|-----------------------------|--------------|---------|
| Cash and cash equivalents | \$ 83,146 | |
| Accounts receivable | 10,676 | |
| Inventory | 33,829 | |
| Prepaid expenses | 1,809 | |
| Due from other funds | 6,114 | |
| Total Current Assets | <u>6,114</u> | 135,574 |

Non-Current Assets

| | | |
|---------------------------------|----------------|----------------|
| Capital assets | 466,649 | |
| Accumulated depreciation | 264,497 | |
| Total Non-Current Assets | <u>264,497</u> | <u>202,152</u> |

| | | |
|---------------------|--|----------------|
| Total Assets | | <u>337,726</u> |
|---------------------|--|----------------|

Liabilities and Net Assets

| | | |
|--------------------------------|--|---------------|
| Liabilities - Accounts Payable | | <u>38,843</u> |
|--------------------------------|--|---------------|

Net Assets

| | | |
|----------------------------|--|-------------------|
| Invested in capital assets | | 202,152 |
| Unrestricted | | 96,731 |
| Total Net Assets | | <u>\$ 298,883</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 FUND EQUITY - PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2005

| | <u>Enterprise</u> |
|---------------------------------------|-------------------------|
| OPERATING REVENUES | |
| Fuel sales | \$447,420 |
| Hangar and property leases | 59,481 |
| Miscellaneous | <u>3,801</u> |
| Total operating revenues | <u>510,702</u> |
| OPERATING EXPENSES | |
| Fuel purchases and expenses | 363,460 |
| Repairs and maintenance | 1,615 |
| Payroll and related benefits | 68,390 |
| Depreciation | 29,105 |
| Insurance | 9,423 |
| Office | 7,321 |
| Credit card processing fees | 7,989 |
| Mileage and fuel | 1,558 |
| Required security quarters | <u>1,800</u> |
| Total operating expenses | <u>490,661</u> |
| INCOME FROM OPERATIONS | 20,041 |
| Other Financing Sources (Uses) | |
| Operating transfers in/out | <u>(50,000)</u> |
| Net Change in Fund Equity | (29,959) |
| Fund Equity -beginning of year | <u>328,842</u> |
| Fund Equity - end of year | <u>\$298,883</u> |

The accompanying notes are an integral part of this financial statement.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

| | <u>Enterprise</u> |
|--|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Income from operations | \$ 20,041 |
| Adjustments to reconcile income from operations to net cash provided by operating activities: | |
| Depreciation | 29,105 |
| (Increase) decrease in: | |
| Accounts receivable | (10,227) |
| Inventory | (11,451) |
| Prepaid expenses | (1,809) |
| Increase (decrease) in: | |
| Accounts payable | 37,481 |
| Transfer to general fund | <u>(50,000)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 13,140 |
| | |
| CASH, beginning of year | <u>70,006</u> |
| CASH, end of year | <u><u>\$ 83,146</u></u> |

The accompanying notes are an integral part of this financial statement.

NOTES TO THE FINANCIAL STATEMENTS

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 1 - ORGANIZATION AND OPERATION

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

The 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A) BASIS OF PRESENTATION

The accompanying basic financial statements of the Madison Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

B) Basis of Accounting

The Board's basic financial statements consist of the government-wide statements on all activities of the government and the fund statements. The statement is prepared in accordance with principles generally accepted in the United States of America as applied to governmental units.

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities for all activities of the Board. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Board as an entity and the change in the aggregate financial position resulting from the activities of the fiscal period.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B) Basis of Accounting (cont.)

Governmental Activities represent programs which normally are supported by taxes and intergovernmental revenues.

Business-type Activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported instead as general revenues.

Financial Statements

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

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

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources. The funds presented in the accompanying basic financial statements are described as follows:

Governmental Funds

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

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

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B) Basis of Accounting (cont.)

Proprietary Fund Types

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is for the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes. Revenues generally are from fuel sales, property leases, and hanger rental. Customers are pilots, individuals, and corporations that utilize airport facilities.

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 and ten years, respectively.

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

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

Interest revenues are recorded as received.

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

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B) Basis of Accounting (cont.)

Proprietary Fund Types (cont.)

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

Interfund Receivables/Payables

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

C) 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 their principle offices 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.

D) Inventory

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

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

E) 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. No long-term capital assets or depreciation are shown in the governmental fund 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 |

F) Bad Debts

The Board uses the allowance method for recognizing bad debts. The Board has not had any bad debts in several years and believes that all current receivables are collectible, therefore, no allowance for bad debts has been established in these financial statements.

G) Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use by external parties such as creditors, grantors, laws or regulations of other governments.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

H) 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.

NOTE 3 - 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.

At December 31, 2005, the Board had cash and cash equivalents totaling \$121,108 as follows:

| | |
|----------------------------------|-------------------|
| Petty cash | \$ 150 |
| Demand deposits | 31,167 |
| Interest bearing demand deposits | 89,791 |
| Total | <u>\$ 121,108</u> |

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

| | |
|----------------|------------------|
| General: | |
| Local entities | \$ 16,477 |
| Enterprise: | |
| Trade | 10,876 |
| Total | <u>\$ 27,153</u> |

All amounts are considered collectible by the Board.

**VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 5 - CHANGES IN CAPITAL ASSETS

The changes in capital assets are as follows:

| | Balance 01/01/05 | Addition | Deduction | Balance 12/31/05 |
|--|---------------------|--------------------|-----------|---------------------|
| Governmental Activities: | | | | |
| Land | \$ 364,958 | - | - | \$ 364,958 |
| Airport facilities | 5,336,409 | 983,507 | - | 6,319,916 |
| Airport equipment | 137,563 | - | - | 137,563 |
| Terminal building | 238,670 | - | - | 238,670 |
| Office furniture and equipment | 8,590 | - | - | 8,590 |
| Vehicles | 12,657 | - | - | 12,657 |
| Total | <u>6,098,847</u> | <u>983,507</u> | <u>-</u> | <u>7,082,354</u> |
| Less: Accumulated depreciation | <u>(1,030,821)</u> | <u>(131,773)</u> | <u>-</u> | <u>(1,162,594)</u> |
| Total governmental activities capital assets | <u>\$ 5,068,026</u> | <u>\$ 851,734</u> | <u>-</u> | <u>\$ 5,919,760</u> |
| Business-type Activities: | | | | |
| Fuel trucks | 115,450 | - | - | 115,450 |
| Fuel farm | 190,650 | - | - | 190,650 |
| T-Hangars | 160,549 | - | - | 160,549 |
| Total | <u>466,649</u> | <u>-</u> | <u>-</u> | <u>466,649</u> |
| Less: Accumulated depreciation | <u>(235,392)</u> | <u>(29,105)</u> | <u>-</u> | <u>(264,497)</u> |
| Total business-type capital assets | <u>\$ 231,257</u> | <u>\$ (29,105)</u> | <u>-</u> | <u>\$ 202,152</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.

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 rental to be collected on property leases for each of the next five years is \$39,199. The hangars have a cost of \$160,549 with related accumulated depreciation of \$75,804 at December 31, 2005. The property leased is a portion of the total airport land.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

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, 2005

REQUIRED SUPPLEMENTAL INFORMATION

PART II

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

| | Budget | Actual | Various Favorable (Unfavorable) |
|---|-----------------------|-----------------------|---------------------------------------|
| Revenues | | | |
| Intergovernmental | \$ 108,901 | \$ 105,269 | \$ (3,632) |
| Interest | - | 225 | 225 |
| Total Revenues | <u>108,901</u> | <u>105,494</u> | <u>(3,407)</u> |
| Expenditures | | | |
| General government: | | | |
| Personal service and related benefits | 64,044 | 68,390 | (4,346) |
| Insurance | 13,880 | 12,352 | 1,308 |
| Repairs | 19,500 | 15,970 | 3,530 |
| Utilities | 28,384 | 22,909 | 3,455 |
| Contract services | 19,730 | 16,109 | 3,621 |
| Material & supplies | 24,554 | 9,179 | 15,375 |
| Capital outlay | - | 7,761 | (7,761) |
| Total Expenditures | <u>167,852</u> | <u>152,670</u> | <u>15,182</u> |
| Excess (Deficiency) of Revenues over Expenditures | (58,951) | (47,176) | 11,775 |
| Other Financing Sources (Uses) Operating transfers in | 58,951 | 50,000 | (8,951) |
| Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses | - | 2,824 | 2,824 |
| Fund Balance - beginning of year | (8,046) | (8,046) | - |
| Fund Balance - end of year | <u>\$ (8,046)</u> | <u>\$ (5,222)</u> | <u>\$ 2,824</u> |

The accompanying notes are an integral part of this financial statement.

SINGLE AUDIT INFORMATION

David Q. Richardson

Certified Public Accountant

P.O. Box 891

Tallulah, Louisiana 71284

(318) 574-0514

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

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

I have audited the basic financial statements of the Vicksburg-Tallulah District Airport Board as of and for the year ended December 31, 2005, and have issued my report thereon dated May 18, 2006. I conducted my 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.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Vicksburg-Tallulah District Airport Board's internal control over financial reporting in order to determine my auditing procedure for the purpose of expressing my opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance

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

Board of Directors
Vicksburg-Tallulah District Airport Board

Page Two

This report is intended solely for the information of the Board, management, Federal Aviation Administration and applicable State Auditors and is not intended to be and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
May 18, 2006

A handwritten signature in cursive script, appearing to read "David R. Lee".

David Q. Richardson

Certified Public Accountant

P.O. Box 891

Tallulah, Louisiana 71284

(318) 574-0514

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

I have audited the compliance of Vicksburg-Tallulah District Airport Board, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2005. The Vicksburg-Tallulah District Airport Board's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Vicksburg-Tallulah District Airport Board's management. My responsibility is to express an opinion on Vicksburg-Tallulah District Airport Board's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Vicksburg-Tallulah District Airport Board's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit proves a reasonable basis for my opinion. My audit does not provide a legal determination on Vicksburg-Tallulah District Airport Board's compliance with those requirements.

In my opinion, the Vicksburg-Tallulah District Airport Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

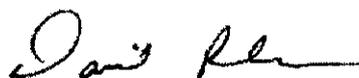
Internal Control Over Compliance

The management of Vicksburg-Tallulah District Airport Board, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Vicksburg-Tallulah District Airport Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information of the Board, management, Federal Aviation Administration and applicable State Auditors and is not intended to be and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Tallulah, Louisiana
May 18, 2008



VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2005

| Cash Federal Awards | <u>Federal CFDA Number</u> | <u>Pass-Through Grantor No.</u> | <u>Grant Number</u> | <u>Expenditures</u> |
|---|------------------------------------|-------------------------------------|-------------------------|---------------------|
| United States Department of Transportation - Federal Aviation Administration | 20.106 | n/a | 3-22-0084-007-2005 | <u>\$ 926,976</u> |
| Total Federal Awards | | | | <u>\$ 926,976</u> |

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Vicksburg-Tallulah District Airport Board. The Board's reporting entity is defined in Note 1 to the Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 3 - Relationship to Basic Financial Statements

Federal awards revenues are reported in the Board's financial statements as follows:

| | |
|------------------|-------------------|
| Capital Projects | <u>\$ 926,976</u> |
| Total | <u>\$ 926,976</u> |

Note 4 - Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2005

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statement Audit

1. The type of audit report issued was unqualified
2. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
3. There was no instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

B. AUDIT OF FEDERAL AWARDS

4. There were no reportable conditions required to be disclosed by OMB Circular A-133.
5. The type of report the auditor issued on compliance for major programs was unqualified.
6. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
7. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$500,000.
8. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

OTHER INFORMATION

VICKSBURG-TALLULAH DISTRICT AIRPORT BOARD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

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