

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

DECEMBER 31, 2016

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE

I N D E X

Accountants' Compilation Report

FINANCIAL STATEMENTS

Exhibit	A	Statement of Financial Position at December 31, 2016
Exhibit	B	Statement of Activities for the Year Ended December 31, 2016
Exhibit	C	Statement of Cash Flows for the Year Ended December 31, 2016
Exhibit	D	Notes to Financial Statements

COLE, EVANS & PETERSON

CERTIFIED PUBLIC ACCOUNTANTS

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May 3, 2017

ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Ark-La-Tex Regional Air Service Alliance
Shreveport, Louisiana

Management is responsible for the accompanying financial statements of Ark-La-Tex Regional Air Service Alliance, which comprise the statement of financial position at December 31, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to Ark-La-Tex Regional Air Service Alliance.

Cole, Evans & Peterson
Cole, Evans & Peterson

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2016

ASSETS

Cash		551,628
Occupancy Tax Receivable		42,939
Prepaid Insurance		<u>1,886</u>
Total Assets		<u>596,453</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>		- 0 -
<u>Net Assets:</u>		
Permanently Restricted	- 0 -	
Temporarily Restricted	- 0 -	
Unrestricted	<u>596,453</u>	
Total Net Assets		<u>596,453</u>
Total Liabilities and Net Assets		<u>596,453</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements
See Accountants' Compilation Report

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCESTATEMENT OF ACTIVITIESFOR THE YEAR ENDED DECEMBER 31, 2016Change in Unrestricted Net Assets:

<u>Revenues:</u>		
Occupancy Tax (Note 3)	556,399	
Donations	<u>10,000</u>	
Total Revenues		566,399
<u>Expenses:</u>		
Administrative and Service Fees	5,590	
Contract Services	13,244	
Insurance	<u>1,886</u>	
Total Expenses		<u>20,720</u>
<u>Increase in Unrestricted Net Assets</u>		545,679
<u>Change in Permanently Restricted Net Assets</u>		- 0 -
<u>Change in Temporarily Restricted Net Assets</u>		<u>- 0 -</u>
<u>Increase in Net Assets</u>		545,679
<u>Net Assets at Beginning of Year</u>		<u>50,774</u>
<u>Net Assets at End of Year</u>		<u>596,453</u>

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ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCESTATEMENT OF CASH FLOWSFOR THE YEAR ENDED DECEMBER 31, 2016

<u>Cash Flows from Operating Activities:</u>	
Increase in Net Assets (Exhibit B)	545,679
Adjustment to Reconcile Increase in Net Assets to Cash Flow Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
(Increase) in Accounts Receivable	(11,746)
(Increase) in Prepaid Expenses	(<u>1,886</u>)
Net Cash Provided By Operating Activities	<u>532,047</u>
<u>Increase in Cash and Cash Equivalents</u>	532,047
<u>Cash and Cash Equivalents at Beginning of Year</u>	<u>19,581</u>
<u>Cash and Cash Equivalents at End of Year</u>	<u>551,628</u>

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ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCENOTES TO FINANCIAL STATEMENTSNote 1 - Summary of Significant Accounting PoliciesUse of Estimates

Preparation of financial statements often requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Income Recognition

The source of substantially all revenue of Ark-La-Tex Regional Air Service Alliance (RASA) is through the collection of hotel occupancy tax by the municipalities of Shreveport and Bossier City. Generally, each municipality remits occupancy tax directly to RASA in the month following collection less a one percent service fee. RASA reports occupancy tax revenues at gross and service fees as an expense in the month collected by each municipality.

Occupancy Tax Receivable

Occupancy taxes receivable are reported at their realizable value, net of service fees. Occupancy tax remittances are generally due by the end of the month following the month of collection by each municipality. Late fees are not charged. Interest on unpaid balances is not charged and RASA does not make its accounts receivables available for sale. There are no bad debts.

Income Taxes

RASA is a not-for-profit organization and is exempt from income tax under Section 501(c)(4) of the Internal Revenue Code.

Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include bank deposits and highly liquid debt instruments acquired with maturities of three months or less.

Note 2 - Organization and Operations

RASA was chartered on January 23, 2012 with the mission to increase air service through the Shreveport Regional Airport for the benefit of citizens and business travelers in the Ark-La-Tex area. RASA works toward its objective through payments of incentives to airline carriers for their expansion of services in the Shreveport market. RASA's major funding source is the Shreveport-Bossier City hotel occupancy tax which became effective November 2015 and expires June 2027.

Note 3 - Major Sources of Revenue

Approximately 98 percent of revenues for the year ended December 31, 2016 was provided through the collection of hotel occupancy taxes as follows:

<u>Source</u>	<u>Amount</u>
City of Shreveport	\$286,191
City of Bossier City	<u>270,208</u>
	<u>\$556,399</u>

See Accountants' Compilation Report

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE

NOTES TO FINANCIAL STATEMENTS

Note 4 - Concentrations of Credit Risk

At December 31, 2016, RASA has \$301,628 deposited in banks in excess of FDIC insurance limits. For purposes of this calculation, bank deposits are comprised of account balances according to the banks' records at year end.

Note 5 - Subsequent Events

Management has evaluated subsequent events through May 3, 2017 the date the financial statements were available to be issued, and determined that no other events occurred subsequent to December 31, 2016 that would require adjustment to, or disclosure in, the financial statements.