

**ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE**

**SHREVEPORT, LOUISIANA**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE

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Accountants' Compilation Report

FINANCIAL STATEMENTS

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March 23, 2021

## 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 statements of financial position at December 31, 2020 and December 31, 2019 and the related statements of activities and cash flows for the years 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  
STATEMENTS OF FINANCIAL POSITION  
AT DECEMBER 31, 2020 AND DECEMBER 31, 2019

<u>ASSETS</u>	<u>2020</u>	<u>December 31</u> <u>2019</u>
Cash	2,652,594	2,118,048
Occupancy Tax Receivable	35,586	64,968
Prepaid Insurance	<u>                    </u>	<u>1,962</u>
Total Assets	<u>2,688,180</u>	<u>2,184,978</u>
 <u>LIABILITIES AND</u> <u>SHAREHOLDERS' EQUITY</u>  		
<u>Liabilities:</u>		
Accounts Payable	- 0 -	- 0 -
 <u>Net Assets:</u>		
With Donor Restrictions	- 0 -	- 0 -
Without Donor Restrictions	<u>2,688,180</u>	<u>2,184,978</u>
Total Net Assets	<u>2,688,180</u>	<u>2,184,978</u>
 Total Liabilities and Net Assets	 <u>2,688,180</u>	 <u>2,184,978</u>

The Accompanying Notes Are An Integral Part Of These Financial Statements

See Accountants' Compilation Report

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

	Year Ended December 31	
	2020	2019
<u>Change in Net Assets without Donor Restrictions:</u>		
<u>Revenues:</u>		
Occupancy Tax (Note 3)	509,079	650,442
Interest Income	5,905	14,363
Total Revenues	514,984	664,805
<u>Expenses:</u>		
Administrative and Service Fees	4,370	6,795
Air Service Incentives		114,995
Professional Fees	5,450	4,945
Insurance	1,962	1,962
Total Expenses	11,782	128,697
<u>Increase in Net Assets without Donor Restrictions</u>	503,202	536,108
<u>Change in Net Assets with Donor Restrictions</u>	- 0 -	- 0 -
<u>Increase in Net Assets</u>	503,202	536,108
<u>Net Assets at Beginning of Year</u>	2,184,978	1,648,870
<u>Net Assets at End of Year</u>	2,688,180	2,184,978

The Accompanying Notes Are An Integral Part Of These Financial Statements

See Accountants' Compilation Report

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND DECEMBER 31, 2019

	Year Ended December 31	
	2020	2019
<u>Cash Flows from Operating Activities:</u>		
Increase in Net Assets (Exhibit B)	503,202	536,108
Adjustment to Reconcile Increase in Net Assets to Cash Flow Provided by Operating Activities:		
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	29,958	( 19,330)
Decrease in Prepaid Expenses	1,962	
(Decrease) in Accounts Payable	( 576)	
Net Cash Provided By Operating Activities	534,546	516,778
<u>Increase in Cash and Cash Equivalents</u>	534,546	516,778
<u>Cash and Cash Equivalents at Beginning of Year</u>	2,118,048	1,601,270
<u>Cash and Cash Equivalents at End of Year</u>	2,652,594	2,118,048

The Accompanying Notes Are An Integral Part Of These Financial Statements

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ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE  
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Use 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. Annual information returns are filed with the Internal Revenue Service (IRS) and subject to examination by the IRS generally for three years after the dates filed.

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.

ARK-LA-TEX REGIONAL AIR SERVICE ALLIANCE

NOTES TO FINANCIAL STATEMENTS

Note 3 - Major Sources of Revenue

Occupancy tax revenues include collections from the following sources:

<u>Source</u>	<u>Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>
City of Shreveport	\$ 268,300	\$ 329,960
City of Bossier City	<u>240,779</u>	<u>320,482</u>
	<u>\$ 509,079</u>	<u>\$ 650,442</u>

Note 4 - Liquidity

RASA invests cash in excess of estimated one-year operating requirements in certificates of deposit with short-term maturities. The availability of RASA's financial assets to meet cash needs is as follows:

	<u>At December 31</u>	
	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$2,652,594	\$2,118,048
Occupancy Tax Receivable	<u>35,586</u>	<u>64,968</u>
	2,688,180	2,183,016
<u>Less-Donor Imposed Restrictions Making Financial Assets Unavailable for General Expenditures</u>	<u>- 0 -</u>	<u>- 0 -</u>
Financial Assets Available within One Year to Meet Cash Needs for General Expenditures	<u>\$2,688,180</u>	<u>\$2,183,016</u>

Note 5 - Subsequent Events

Management has evaluated subsequent events through March 23, 2021, the date the financial statements were available to be issued, and determined that no events occurred subsequent to December 31, 2020 that would require adjustment to, or disclosure in, the financial statements.