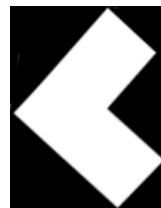


Mecklenburg -Brunswick Regional Airport Commission

Annual Comprehensive Financial Report

Years Ended June 30, 2022 and 2021



*Creedle, Jones
& Associates, P.C.
Certified Public Accountants*

Mecklenburg -Brunswick Regional Airport Commission

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Years Ended June 30, 2022 and 2021

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**Creedle
Jones
& Associates**

A Professional Corporation

Robin B. Jones, CPA, CFP
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American Institute of Certified Public Accountants
Virginia Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Mecklenburg-Brunswick Regional Airport Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Mecklenburg-Brunswick Regional Airport Commission, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Mecklenburg-Brunswick Regional Airport Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Mecklenburg-Brunswick Regional Airport Commission, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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 *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mecklenburg-Brunswick Regional Airport Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, the Commission adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mecklenburg-Brunswick Regional Airport Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Mecklenburg-Brunswick Regional Airport Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude, whether in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mecklenburg-Brunswick Regional Airport Commission's ability to continue as a going concern for a reasonable period of time.

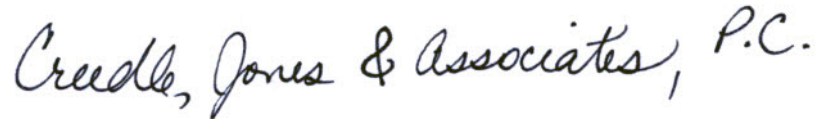
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1–2 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2023, on our consideration of the Mecklenburg-Brunswick Regional Airport Commission'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mecklenburg-Brunswick Regional Airport Commission's 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 Mecklenburg-Brunswick Regional Airport Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Creadle, Jones & Associates, P.C." in a cursive script.

Creedle, Jones & Associates, P.C.
Certified Public Accountants

South Hill, Virginia
September 11, 2023

Mecklenburg-Brunswick Regional Airport Commission

Management's Discussion and Analysis

As of June 30, 2022 and 2021

Our discussion and analysis of the Mecklenburg-Brunswick Regional Airport Commission's financial performance provides an overview of the Commission's financial activities for the fiscal years ended June 30, 2022 and 2021. Please read this information in conjunction with the Mecklenburg-Brunswick Regional Airport Commission's basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Mecklenburg-Brunswick Regional Airport Commission (the "Commission") presents three basic financial statements. These are: (1) Statements of Net Position; (2) Statements of Revenues, Expenses, and Changes in Net Position; and (3) Statements of Cash Flows.

Our financial position is measured in terms of resources (assets) we own and obligations (liabilities) we owe on a given date. This information is reported on the Statements of Net Position, which reflects the Commission's assets in relation to its debt to creditors. The excess of our assets over liabilities is our equity or net position.

Information regarding the results of our operation during the year is reported in the Statements of Revenues, Expenses, and Changes in Net Position. This statement shows how much our overall net position increased or decreased during the year as a result of our operations and for other reasons.

Our Statements of Cash Flows disclose the flow of cash resources into and out of the Commission during the year and how we applied those funds.

FINANCIAL SUMMARY

Financial Position. A summary of the Commission's Statements of Net Position for 2022 and 2021 is presented below:

	<u>2022</u>	<u>2021</u>
Total Assets	<u>\$ 12,228,038</u>	<u>\$ 12,327,721</u>
Total Liabilities	\$ 242,165	\$ 245,884
Net Position		
Net investment in capital assets	11,817,355	12,003,229
Unrestricted	<u>168,518</u>	<u>78,608</u>
Total Liabilities and Net Position	<u>\$ 12,228,038</u>	<u>\$ 12,327,721</u>

The financial position of the Commission decreased in 2022. Assets decreased by .8% while liabilities decreased by 1.5%.

Change in Net Position. A summary of the Commission's Statements of Revenues, Expenses, and Changes in Net Position for 2022 and 2021 is presented below:

**Condensed Statements of Revenues, Expenses,
and Changes in Net Position**

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 176,599	\$ 191,144
Operating Expenses	<u>585,909</u>	<u>635,613</u>
Net Operating Loss	(409,310)	(444,469)
Non-Operating Income	<u>313,346</u>	<u>189,852</u>
Changes in Net Position	<u>\$ (95,964)</u>	<u>\$ (254,617)</u>

During the year, the Commission had a net operating loss of \$(409,310). The Commission had non-operating income in the form of interest income, federal and state income, as well as contributions from localities, which amounted to \$313,346. Operating expenses of \$585,909 included gas purchases, insurance, payroll, and repairs and maintenance.

Net position decreased \$(95,964) in 2022.

Long-Term Debt. As of June 30, 2022, the Commission's long-term obligations total \$208,084.

	<u>Balance July 1, 2021</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2022</u>
Long-term debt	\$ 239,100	\$ (31,016)	<u>\$ 208,084</u>

Cash Flows. A summary of the Commission's Statements of Cash Flows for 2022 and 2021 is presented below:

Condensed Statements of Cash Flows

	<u>2022</u>	<u>2021</u>
Cash Flows Provided by (Used in)		
Operating activities	\$ (90,145)	\$ (85,698)
Non-capital financing activities	337,494	177,457
Capital and related financing activities	(188,790)	(208,457)
Investing activities	<u>237</u>	<u>125,058</u>
Net Change in Cash	<u>\$ 58,796</u>	<u>\$ 8,360</u>

Cash flows from operating activities consist of receipts from customers less payments to suppliers, creating a negative cash flow.

Cash flows from non-capital financing activities net to a positive \$337,494, consisting of receipts from localities and federal and state grants. Capital and related financing activities net to a negative \$(188,790) due to repayment on loans on capital projects.

Investing activities consist of interest and dividend income.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the Chairman, Mecklenburg-Brunswick Regional Airport Commission, 1495 Regional Airport Road, Brodnax, Virginia 23920, telephone 434-729-2591, or visit the Commission's website at www.avcairport.com.

BASIC FINANCIAL STATEMENTS

Mecklenburg-Brunswick Regional Airport Commission

Statements of Net Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 98,854	\$ 40,058
Accounts receivable	3,960	5,891
Inventory	99,785	22,976
Due from VA DOA	<u>-</u>	<u>16,467</u>
Total Current Assets	202,599	85,392
Noncurrent Assets		
Capital Assets		
Property and equipment, net	<u>12,025,439</u>	<u>12,242,329</u>
Total Noncurrent Assets	<u>12,025,439</u>	<u>12,242,329</u>
Total Assets	<u>\$ 12,228,038</u>	<u>\$ 12,327,721</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ 33,605	\$ 6,350
Accrued payroll taxes payable	476	434
Current portion of long-term debt	<u>33,023</u>	<u>26,113</u>
Total Current Liabilities	67,104	32,897
Long-Term Liabilities		
Notes payable, less current portion	<u>175,061</u>	<u>212,987</u>
Total Liabilities	242,165	245,884
Net Position		
Net investment in capital assets	11,817,355	12,003,229
Unrestricted	<u>168,518</u>	<u>78,608</u>
Total Net Position	<u>11,985,873</u>	<u>12,081,837</u>
Total Liabilities and Net Position	<u>\$ 12,228,038</u>	<u>\$ 12,327,721</u>

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

Mecklenburg-Brunswick Regional Airport Commission

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Hangar rent	\$ 67,355	\$ 75,577
Gas sales	106,066	115,147
Other income	<u>3,178</u>	<u>420</u>
Total Operating Revenues	176,599	191,144
Operating Expenses		
Gas purchases	42,274	68,955
Insurance	17,593	20,692
Contract services	11,319	13,344
Legal and accounting	5,938	5,968
Miscellaneous	5,764	4,896
Supplies	212	-
Payroll and payroll taxes	55,706	57,031
Repairs and maintenance	28,863	23,302
Telephone	5,089	5,280
Utilities	14,242	12,377
Depreciation	366,746	382,040
Office/operations	<u>32,163</u>	<u>41,728</u>
Total Operating Expenses	<u>585,909</u>	<u>635,613</u>
Operating Loss	(409,310)	(444,469)
Non-Operating Revenues (Expenses)		
Interest and dividend income	237	58
Interest expense	(7,918)	(18,363)
Federal revenues	199,856	41,170
State revenues	12,211	42,327
Gain (loss) on sale of assets	-	30,700
Contributions from localities	<u>108,960</u>	<u>93,960</u>
Total Non-Operating Revenues (Expenses)	<u>313,346</u>	<u>189,852</u>
Change in Net Position	(95,964)	(254,617)
Net Position - Beginning of Year	<u>12,081,837</u>	<u>12,336,454</u>
Net Position - End of Year	<u>\$ 11,985,873</u>	<u>\$ 12,081,837</u>

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

Mecklenburg-Brunswick Regional Airport Commission

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 178,530	\$ 173,287
Payments for personnel	(55,706)	(57,031)
Payments to suppliers	<u>(212,969)</u>	<u>(201,954)</u>
Net Cash Used in Operating Activities	(90,145)	(85,698)
Cash Flows from Non-Capital Financing Activities		
Receipts from localities	108,960	93,960
Receipts from federal and state grants	<u>228,534</u>	<u>83,497</u>
Net Cash Provided by Non-Capital Financing Activities	337,494	177,457
Cash Flows from Capital and Related Financing Activities		
Construction of infrastructure and equipment purchases	(149,856)	(39,199)
Principal paid on debt	(31,016)	(150,894)
Interest paid on debt	<u>(7,918)</u>	<u>(18,364)</u>
Net Cash Used in Capital and Related Financing Activities	(188,790)	(208,457)
Cash Flows from Investing Activities		
Proceeds from sale of assets	-	125,000
Interest and dividend income	<u>237</u>	<u>58</u>
Net Cash Provided by Investing Activities	237	125,058
Net Increase in Cash and Cash Equivalents	58,796	8,360
Cash and Cash Equivalents - Beginning of Year	<u>40,058</u>	<u>31,698</u>
Cash and Cash Equivalents - End of Year	<u>\$ 98,854</u>	<u>\$ 40,058</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	\$ (409,310)	\$ (444,469)
<i>Adjustments to reconcile operating loss to net cash used in operating activities</i>		
Depreciation	366,746	382,040
<i>Changes in assets and liabilities</i>		
<i>(Increase) Decrease in</i>		
Accounts receivable	1,931	(18,657)
Inventory	(76,809)	(6,646)
<i>Increase (Decrease) in</i>		
Accounts payable and accrued liabilities	<u>27,297</u>	<u>2,034</u>
Net Cash Used in Operating Activities	<u>\$ (90,145)</u>	<u>\$ (85,698)</u>

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

Mecklenburg-Brunswick Regional Airport Commission

Notes to the Financial Statements

Years Ended June 30, 2022 and 2021

1 Organization, Description of the Entity and Its Activities

The Mecklenburg-Brunswick Regional Airport Commission (the "Commission") was created by a resolution of the General Assembly of Virginia (the "Assembly") dated January 8, 1975 in accordance with Chapter 33, Title 15.1, of the Code of Virginia of 1950, as amended (the "Act"). The purpose of the Commission shall be to establish and operate one or more airports or landing fields for all such political subdivisions.

A ten-member board shall consist of members from the participating counties and towns, the membership being composed of four members from the County of Mecklenburg, one from the Town of LaCrosse, two from the Town of South Hill, two from the County of Brunswick, and one from the Town of Brodnax, each appointed by the governing bodies thereof, respectively. The directors are to serve terms of four years each.

2 Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Mecklenburg-Brunswick Regional Airport Commission have been prepared in conformity with the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia, and the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board. The more significant of the Commission's accounting policies are described below:

Basis of Accounting

The Commission's accounting system is organized and operated on a fund basis. A fund records cash and other financial resources, together with all related liabilities, obligations, reserves, and residual equity, which is segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Proprietary Funds account for activities similar to those found in the private sector. The measurement focus is upon determination of net income. The Commission utilizes one type of Proprietary Fund with that being an Enterprise Fund.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Commission is that the cost of providing services to the general public be financed or recovered through user charges. In the Commission's operation, costs are represented by interest expense and financing cost, while user charges consist of interest income earned on receivables.

The Commission utilizes the accrual basis of accounting under which revenues are recorded in the period earned and expenses are recorded when the related liabilities are incurred.

The Commission may realize its assets and liquidate its liabilities in operating cycles, which range from very short to very long periods. The accompanying financial statements are presented in a nonclassified format because working capital concepts are not indicative of its operating cycle.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

The Commission utilizes the direct write-off method for the reporting of uncollectible receivables. Generally accepted accounting principles require the use of an allowance for doubtful accounts method which recognizes anticipated losses based on predetermined guidelines. Management has determined that all existing receivables are collectible as of June 30, 2022.

Inventory

Gasoline inventory is valued at the lower of cost or market on a first-in, first-out basis.

Adoption of New GASB Statements

The Commission adopted the following GASB statements during the year ended June 30, 2022:

Statement No. 87, Leases increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The requirements of this statement are effective for the fiscal year ending June 30, 2022 for the Commission .

GASB Statement No. 92, Omnibus 2020 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of GASB Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports. (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of GASB Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of GASB Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments. The requirements of this statement are effective for the fiscal year ending June 30, 2022 for the Commission .

Statement No. 93, Replacement of Interbank Offered Rates, establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement, except for removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate and the requirements related to lease modifications, are effective for reporting periods beginning after June 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All requirements related to lease modifications in this Statement are effective for reporting periods beginning after June 15, 2021. The requirements of this statement are effective for the fiscal year ending June 30, 2022 for the Commission .

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. This Statement provides a more consistent financial reporting of defined contribution plans, defined contribution OPEB plans and other employee benefit plans, while mitigating the costs associated with reporting those plans. Certain provisions of this Statement are effective for fiscal year 2022 for the Commission .

GASB Statement No. 98, *The Annual Comprehensive Financial Report*, This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for the fiscal year ending June 30, 2022 for the Commission.

3 Cash and Investments

The Commission considers all investments purchased with a maturity of three months or less to be cash equivalents.

Deposits

All cash of the Commission is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et seq. of the Code of Virginia or covered by Federal Depository Insurance.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes, banker’s acceptances, repurchase agreements, and the State Treasurer’s Local Government Investment Pool (LGIP).

The Commission’s main investments at June 30, 2022 were certificates of deposit which are considered cash.

4 Local Contributions

Local contributions were as follows:

	<u>2022</u>	<u>2021</u>
Town of South Hill	\$ 25,000	\$ 25,000
County of Mecklenburg	40,000	40,000
Town of LaCrosse	1,980	1,980
Town of Brodnax	1,980	1,980
County of Brunswick	<u>40,000</u>	<u>25,000</u>
Total Local Contributions	<u>\$ 108,960</u>	<u>\$ 93,960</u>

5 Capital Assets

The schedule below shows the breakdown of capital assets by category at June 30, 2022:

	<u>Balance July 1, 2021</u>	<u>Acquired (Increased)</u>	<u>Deleted (Decreased)</u>	<u>Balance June 30, 2022</u>
Capital Assets, Not Depreciated				
Construction in progress	\$ -	\$ 149,856	\$ -	\$ 149,856
Land and land improvements	<u>435,195</u>	<u>-</u>	<u>-</u>	<u>435,195</u>
Total Capital Assets, Not Depreciated	435,195	149,856	-	585,051
Capital Assets, Depreciated				
Airport construction	14,263,905	-	-	14,263,905
Buildings and hangars	1,333,446	-	-	1,333,446
Furniture and fixtures	3,251	-	-	3,251
Equipment	781,754	-	-	781,754
Fuel farm	<u>191,644</u>	<u>-</u>	<u>-</u>	<u>191,644</u>
Total Capital Assets, Depreciated	16,574,000	-	-	16,574,000
Less: Accumulated Depreciation for				
Airport construction	3,304,581	316,606	-	3,621,187
Buildings and hangars	651,405	28,998	-	680,403
Furniture and fixtures	2,554	464	-	3,018
Equipment	688,548	15,887	-	704,435
Fuel farm	<u>119,778</u>	<u>4,791</u>	<u>-</u>	<u>124,569</u>
Total Accumulated Depreciation	<u>4,766,866</u>	<u>366,746</u>	<u>-</u>	<u>5,133,612</u>
Capital Assets, Net	<u>\$ 12,242,329</u>	<u>\$ (216,890)</u>	<u>\$ -</u>	<u>\$ 12,025,439</u>

Capital assets of the Commission are stated at cost and, at the time of acquisition, are set up in a comprehensive fixed asset system. Depreciation of the cost of capital assets is provided on a straight-line basis over their estimated useful lives as follows:

Airport construction	5 - 50 years
Buildings and hangars	10 - 50 years
Furniture and fixtures	7 - 10 years
Equipment	10 - 25 years
Fuel farm	40 years

6 Long-Term Debt

A summary of long-term debt transactions for the current year is as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
General Long-Term Debt					
Lake Country Development Corporation					
Note payable with interest at the rate of 4.00%, payable in 240 monthly installments of \$1,969 beginning March 01, 2011.	\$ 171,455	\$ -	\$ 17,086	\$ 154,369	\$ 17,723
Touchstone Bank					
Note payable with interest at the rate of 4.96%, payable in 180 monthly installments of \$1,275.03 beginning July 15, 2017, with a 5 year balloon payment.	67,645	-	13,930	53,715	15,300
Total General Long-Term Debt	<u>\$ 239,100</u>	<u>\$ -</u>	<u>\$ 31,016</u>	<u>\$ 208,084</u>	<u>\$ 33,023</u>

Annual requirements to amortize long-term debt and related interest are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 33,023	\$ 8,193	\$ 41,216
2024	33,745	6,821	40,566
2025	34,497	5,419	39,916
2026	27,793	3,987	31,780
2027	20,793	2,840	23,633
2028-2032	<u>58,233</u>	<u>3,339</u>	<u>61,572</u>
Totals	<u>\$ 208,084</u>	<u>\$ 30,599</u>	<u>\$ 238,683</u>

7 Net Investment in Capital Assets

The "net investment in capital assets" amount reported on the Statement of Net Position as of June 30, 2022 is determined as follows:

Net Investment in Capital Assets	
Cost of capital assets	\$ 17,159,051
Less: Accumulated depreciation	<u>(5,133,612)</u>
Book value	12,025,439
Less: Capital related debt	<u>(208,084)</u>
Net Investment in Capital Assets	<u>\$ 11,817,355</u>

8 Upcoming Pronouncements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability of Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements. The provisions of this Statement are effective for fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription based information technology arrangements for government end users. The provisions of this Statement are effective for fiscal year 2023.

GASB Statement No. 99, *Omnibus 2022*. This Statement will enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements in paragraphs 11–25 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements in paragraphs 4–10 related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections*. An Amendment of GASB Statement No. 62 – will be effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* - requires recording compensation due to employees as a liability if not paid at the date of the financial statements. The amount due should be calculated at the employee's pay rate as of the date of financials. The Statement reduces the note disclosure and excludes certain compensated absences such as parental leave, military leave, and jury duty from the calculated liability. This Statement is effective for fiscal years beginning after December 15, 2023.

9 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2022. Management has performed their analysis through September 11, 2023.