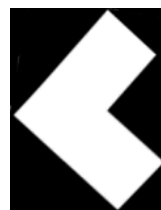


Emporia-Greenville Airport Commission
Annual Comprehensive Financial Report
Year Ended June 30, 2022



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

Emporia-Greenville Airport Commission

Table of Contents

Year Ended June 30, 2022

	Pages
Independent Auditor's Report	i-iii
Management's Discussion and Analysis	1-3
FINANCIAL STATEMENTS	
Exhibits	
A Statement of Net Position	4
B Statement of Revenues, Expenses, and Changes in Net Position	5
C Statement of Cash Flows	6
Notes to the Financial Statements	7-12
COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14



INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Emporia-Greenville 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 Emporia-Greenville Airport Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Emporia-Greenville 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 Emporia-Greenville Airport Commission, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Emporia-Greenville 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 2 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 Emporia-Greenville 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 Statement

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 Emporia-Greenville 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 Emporia-Greenville 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 1–3 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 January 9, 2023, on our consideration of the Emporia-Greenville 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 Emporia-Greenville 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 the Emporia-Greenville Airport Commission's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

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

South Hill, Virginia
January 9, 2023

Emporia-Greenville Airport Commission

Management's Discussion and Analysis

As of June 30, 2022

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

OVERVIEW OF THE FINANCIAL STATEMENTS

The Emporia-Greenville Airport Commission (the "Commission") presents three basic financial statements. These are: (1) Statement of Net Position; (2) Statement of Revenues, Expenses, and Changes in Net Position; and (3) Statement 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 Statement 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 Statement 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 Statement of Cash Flows discloses 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 Statement of Net Position for 2022 and 2021 is presented below:

	<u>2022</u>	<u>2021</u>
Total Assets	<u>\$ 7,435,507</u>	<u>\$ 7,619,223</u>
Total Liabilities	<u>\$ 6,315</u>	<u>\$ 1,668</u>
Net Position		
Net investment in capital assets	<u>7,318,689</u>	<u>7,501,515</u>
Unrestricted	<u>110,503</u>	<u>116,040</u>
Total Net Position	<u>7,429,192</u>	<u>7,617,555</u>
Total Liabilities and Net Position	<u>\$ 7,435,507</u>	<u>\$ 7,619,223</u>

Change in Net Position. A summary of the Commission's Statement 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 Income	\$ 152,288	\$ 134,853
Operating Expenses	<u>(571,974)</u>	<u>(513,756)</u>
Net Operating Loss	(419,686)	(378,903)
Non-Operating Income	<u>231,323</u>	<u>243,158</u>
Change in Net Position	<u>\$ (188,363)</u>	<u>\$ (135,745)</u>

During the year, the Commission had an operating loss of \$419,686. The Commission also had non-operating income in the form of grants and contributions from localities, which amounted to \$231,323. Operating expenses of \$571,974 included gas purchases, depreciation, insurance, payroll, and repairs and maintenance.

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	\$ (156,490)	\$ (119,324)
Non-capital financing activities	234,823	313,974
Capital and related financing activities	<u>(92,875)</u>	<u>(217,098)</u>
Net Decrease in Cash	<u>\$ (14,542)</u>	<u>\$ (22,448)</u>

Cash flows from operating activities consist of receipts from customers less payments to suppliers, creating a negative cash flow of \$156,490.

Cash flows from non-capital financing activities net to a positive \$234,823, consisting of receipts from localities and grants. Capital and related financing activities net to a negative \$92,875, resulting from purchases of fixed assets.

During fiscal year 2022, there was a decrease of \$14,542 in cash. This was a direct outcome of expenditures on projects in progress being offset by local, state, and federal funding.

Change in Capital Assets. A summary of the Commission's Statement of Change in Capital Assets for 2022 and 2021 is presented below:

Change in Capital Assets

	<u>Balance July 1, 2021</u>	<u>Net Additions and Deletions</u>	<u>Balance June 30, 2022</u>
Land	\$ 70,700	\$ -	\$ 70,700
Construction-in-progress	3,500	74,763	78,263
Land improvements	203,667	-	203,667
Airport infrastructure	9,298,672	-	9,298,672
Buildings and improvements	1,798,796	-	1,798,796
Machinery, equipment, and vehicles	203,852	17,312	221,164
Accumulated depreciation	(4,077,672)	(274,901)	(4,352,573)
Total Capital Assets, Net	<u>\$ 7,501,515</u>	<u>\$ (182,826)</u>	<u>\$ 7,318,689</u>
Right to use leased assets	\$ 800	\$ -	\$ 800
Less: Accumulated amortization	-	(533)	(533)
Total Right to Use Leased Assets, Net	<u>\$ 800</u>	<u>\$ (533)</u>	<u>\$ 267</u>

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 Executive Director, Emporia-Greenville Airport Commission, 139 Airport Drive, Emporia, Virginia 23847, telephone 434-634-3696.

FINANCIAL STATEMENTS

Emporia-Greenville Airport Commission

Statement of Net Position

June 30, 2022

Assets

Assets

Current Assets

Cash	\$	71,024
Accounts receivable		12,651
Rent receivable		3,325
Inventory		15,909
Prepaid insurance		<u>13,642</u>
Total Current Assets		116,551

Noncurrent Assets

Right to use leased assets, net of amortization		267
---	--	-----

Capital Assets

Land and construction-in-progress		148,963
Other capital assets, net		<u>7,169,726</u>

Capital Assets, Net		<u>7,318,689</u>
---------------------	--	------------------

Total Noncurrent Assets		<u>7,318,956</u>
-------------------------	--	------------------

Total Assets	\$	<u><u>7,435,507</u></u>
--------------	----	-------------------------

Liabilities and Net Position

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	\$	3,140
Unearned rent		<u>3,175</u>

Total Current Liabilities		<u>6,315</u>
---------------------------	--	--------------

Total Liabilities		6,315
-------------------	--	-------

Net Position

Net investment in capital assets		7,318,689
Unrestricted		<u>110,503</u>

Total Net Position		<u>7,429,192</u>
--------------------	--	------------------

Total Liabilities and Net Position	\$	<u><u>7,435,507</u></u>
------------------------------------	----	-------------------------

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

Emporia-Greenville Airport Commission

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022

Operating Revenues

Hangar and other rent	\$ 28,900
Jet fuel sales	<u>123,388</u>

Total Operating Revenues	152,288
--------------------------	---------

Operating Expenses

Bookkeeping, clerical, treasurer, commissions	1,050
Insurance	25,982
Utilities	15,672
Staff and contract services	31,887
Payroll taxes	2,439
Office supplies and postage	3,884
Legal and accounting	15,638
Telephone and communications	6,582
Fixed base operator	42,296
Jet fuel purchases and maintenance	116,639
Repairs and maintenance	27,323
Dues and subscriptions	579
Amortization	533
Depreciation	274,901
Miscellaneous	1,769
Obstruction removal	<u>4,800</u>

Total Operating Expenses	<u>571,974</u>
--------------------------	----------------

Operating Loss	(419,686)
----------------	-----------

Non-Operating Revenues (Expenses)

State revenues	14,560
Federal revenues	74,763
Federal revenues - CARES	22,000
Contributions from localities - operations	<u>120,000</u>

Total Non-Operating Revenues (Expenses)	<u>231,323</u>
---	----------------

Change in Net Position	(188,363)
------------------------	-----------

Net Position - Beginning of Year	<u>7,617,555</u>
----------------------------------	------------------

Net Position - End of Year	<u><u>\$ 7,429,192</u></u>
----------------------------	----------------------------

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

Emporia-Greenville Airport Commission

Statement of Cash Flows

Year Ended June 30, 2022

Cash Flows from Operating Activities

Receipts from customers	\$ 157,528
Payments to suppliers	<u>(314,018)</u>

Net Cash Used in Operating Activities (156,490)

Cash Flows from Non-Capital Financing Activities

Receipts from localities	120,000
Receipts from federal and state grants	<u>114,823</u>

Net Cash Provided by Non-Capital Financing Activities 234,823

Cash Flows from Capital and Related Financing Activities

Purchase of fixed assets	(92,075)
Principal paid on lease liabilities	<u>(800)</u>

Net Cash Used in Capital and Related Financing Activities (92,875)

Net Decrease in Cash and Cash Equivalents (14,542)

Cash and Cash Equivalents - Beginning of Year 85,566

Cash and Cash Equivalents - End of Year \$ 71,024

Reconciliation of Operating Loss to Net Cash Used in Operating Activities

Operating loss	\$ (419,686)
<i>Adjustments to reconcile operating loss to net cash used in operating activities</i>	
Depreciation	274,901
Amortization	533
<i>Changes in assets and liabilities</i>	
Decrease in accounts receivable	5,390
Increase in rent receivable	(3,325)
Increase in accounts payable and accrued liabilities	1,472
Increase in unearned rent	3,175
Increase in prepaid expenses	(13,425)
Increase in inventory	<u>(5,525)</u>

Net Cash Used in Operating Activities \$ (156,490)

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

Emporia-Greenville Airport Commission

Notes to the Financial Statements

Year Ended June 30, 2022

1 Organization, Description of the Entity and Its Activities

The Emporia-Greenville Airport Commission (the "Commission") was created by a resolution of the General Assembly of Virginia (the "Assembly") in 1976 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.

The Board consists of members from the City of Emporia, Virginia and the County of Greenville, Virginia.

2 Significant Accounting Policies

Financial Statement Presentation

The accompanying financial statements conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Governmental Accounting Standards Board (GASB).

The Commission applies all GASB pronouncements as well as the Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions and Accounts Research Bulletins issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

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.

Inventory

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

Capital Assets

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:

Land improvements	10 - 40 years
Airport infrastructure	10 - 65 years
Buildings and improvements	10 - 50 years
Machinery, equipment, and vehicles	5 - 10 years

Right to Use Assets

The Commission has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Cash Equivalents

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

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

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).

4 Local Contributions

Local contributions were as follows:

City of Emporia, Virginia	
Operations	\$ 60,000
County of Greensville, Virginia	
Operations	<u>60,000</u>
Total Local Contributions	<u>\$ 120,000</u>

5 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	\$ 11,671,262
Less: Accumulated depreciation	<u>(4,352,573)</u>
Book value	7,318,689
Less: Capital related debt	<u>-</u>
Net Investment in Capital Assets	<u>\$ 7,318,689</u>

6 Capital Assets

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

Enterprise Fund

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Capital Assets Not Being Depreciated				
Land	\$ 70,700	\$ -	\$ -	\$ 70,700
Construction-in-progress	<u>3,500</u>	<u>74,763</u>	<u>-</u>	<u>78,263</u>
Total Capital Assets Not Being Depreciated	74,200	74,763	-	148,963
Other Capital Assets				
Land improvements	203,667	-	-	203,667
Airport infrastructure	9,298,672	-	-	9,298,672
Buildings and improvements	1,798,796	-	-	1,798,796
Machinery, equipment, and vehicles	<u>203,852</u>	<u>17,312</u>	<u>-</u>	<u>221,164</u>
Total Other Capital Assets	11,504,987	17,312	-	11,522,299
Less: Accumulated depreciation for				
Land improvements	151,595	5,521	-	157,116
Airport infrastructure	3,405,778	192,034	-	3,597,812
Buildings and improvements	353,221	67,318	-	420,539
Machinery, equipment, and vehicles	<u>167,078</u>	<u>10,028</u>	<u>-</u>	<u>177,106</u>
Total Accumulated Depreciation	<u>4,077,672</u>	<u>274,901</u>	<u>-</u>	<u>4,352,573</u>
Other Capital Assets, Net	<u>7,427,315</u>	<u>(257,589)</u>	<u>-</u>	<u>7,169,726</u>
Net Capital Assets	<u>\$ 7,501,515</u>	<u>\$ (182,826)</u>	<u>\$ -</u>	<u>\$ 7,318,689</u>

7 Right to Use Leased Assets

The Commission has recorded the right to use leased assets. The assets are right to use for leased land. The related leases are discussed in the Leases note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the year ended June 30, 2022 was as follows:

Business-Type Activities

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022
Right to use assets				
Land	\$ 800	\$ -	\$ -	\$ 800
Less: accumulated amortization for				
Land	-	533	-	533
Right to use assets. Net	\$ 800	\$ (533)	\$ -	\$ 267

8 Leases

Lessee Arrangements

Lease agreements resulting in lease liabilities for the Commission are summarized as follows:

[illegible]

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ -	\$ -
Totals	\$ -	\$ -

		Year Ending June 30, 2022
<u>Lease Expense</u>		
Amortization expense by class of underlying asset		
Land	\$	533
Total amortization expense		533
Interest on lease liabilities		-
Total	\$	533

9 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.

10 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 January 9, 2023.

COMPLIANCE



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Commissioners
Emporia-Greensville Airport Commission

We have audited, in accordance with the 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, the financial statements of the business-type activities of Emporia-Greensville Airport Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Emporia-Greensville Airport Commission's basic financial statements, and have issued our report thereon dated January 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Emporia-Greensville Airport Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Emporia-Greensville Airport Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Emporia-Greensville Airport Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Emporia-Greenville Airport Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

South Hill, Virginia
January 9, 2023