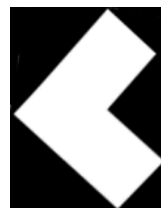


Brookneal Campbell County Airport Authority
Annual Comprehensive Financial Report
Year Ended June 30, 2024



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

Brookneal Campbell County Airport Authority

Table of Contents

Year Ended June 30, 2024

	Pages
Independent Auditor's Report	i-iii
Management's Discussion and Analysis	1-2
BASIC FINANCIAL STATEMENTS	
Exhibits	
A Statements of Net Position	3
B Statements of Revenues, Expenses, and Changes in Net Position	4
C Statements of Cash Flows	5
Notes to the Financial Statements	6-10
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>	11-12



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Brookneal Campbell County Airport Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Brookneal Campbell County Airport Authority, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority, as of June 30, 2024, 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 Brookneal Campbell County Airport Authority 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.

Prior Period Financial Statements

The financial statements of Brookneal Campbell County Airport Authority as of June 30, 2023 were audited by other auditors whose report dated February 7, 2024 expressed an unmodified opinion on those statements.

Change in Accounting Principle

As described in Note 2 to the financial statements, in 2024, the Authority adopted new accounting guidance, GASB Statement No. 99, Omnibus 2022 and No. 100, Accounting Changes and Error Corrections. 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 Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority'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 August 18, 2025, on our consideration of the Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority's internal control over financial reporting and compliance.

Creedle, Jones & Associates, P.C.

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

South Hill, Virginia
August 18, 2025

Brookneal Campbell County Airport Authority

Management's Discussion and Analysis

As of June 30, 2024

The following discussion and analysis of the Brookneal Campbell County Airport Authority's financial performance provides an overview of the Authority's financial activities for the year ended June 30, 2024. Please read this information in conjunction with the Brookneal Campbell County Airport Authority's basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Brookneal Campbell County Airport Authority (the "Authority") 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 Authority'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 discloses the flow of cash resources into and out of the Authority during the year and how we applied those funds.

FINANCIAL SUMMARY

Financial Position. A summary of the Authority's Statements of Net Position for 2024 and 2023 is presented below:

	<u>2024</u>	<u>2023</u>
Total Assets	<u>\$ 1,327,046</u>	<u>\$ 1,491,980</u>
Total Liabilities	\$ -	\$ 6,725
Net Position		
Net investment in capital assets	1,293,011	1,400,522
Unrestricted	<u>34,035</u>	<u>84,733</u>
Total Net Position	<u>1,327,046</u>	<u>1,485,255</u>
Total Liabilities and Net Position	<u>\$ 1,327,046</u>	<u>\$ 1,491,980</u>

The overall financial position of the Authority decreased in the year ended June 30, 2024. Assets decreased by \$164,934, while liabilities decreased by \$6,725.

Change in Net Position. A summary of the Authority's Statements of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2024 and 2023 is presented below:

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

	<u>2024</u>	<u>2023</u>
Operating Revenue	\$ 26,447	\$ 22,250
Capital Contribution	23,517	14,708
Operating Expenses	<u>208,173</u>	<u>125,663</u>
Net Operating Loss	<u>(158,209)</u>	<u>(88,705)</u>
Change in Net Position	<u>\$ (158,209)</u>	<u>\$ (88,705)</u>

During the year, the Authority had a net operating loss of \$158,209. Operating revenues derived primarily from contributions from localities, which amounted to \$26,447. A capital contribution from the Virginia Department of Aviation amounted to \$23,517 for various repair and maintenance items. Operating expenses of \$208,173 included utilities, insurance, repairs and maintenance, dues, and depreciation.

Net position decreased by \$158,209 in the year ending June 30, 2024.

Cash Flows. A summary of the Authority's Statements of Cash Flows for the years ended June 30, 2024 and 2023 is presented below:

Condensed Statements of Cash Flows

	<u>2024</u>	<u>2023</u>
Cash Flows Provided by (Used in)		
Operating activities	\$ (87,665)	\$ 2,378
Capital and related financing activities	<u>30,242</u>	<u>7,983</u>
Net Increase (Decrease) in Cash	<u>\$ (57,423)</u>	<u>\$ 10,361</u>

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

Cash flows from capital and related financing activities consist of construction and purchase of capital assets and capital contribution from the Virginia Department of Aviation, creating a positive cash flow.

During the year, there was a decrease of \$57,423 in cash.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all of those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Economic Development P. O. Box 100, Rustburg, Virginia 24588.

BASIC FINANCIAL STATEMENTS

Brookneal Campbell County Airport Authority

Statements of Net Position

As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 25,376	\$ 82,799
Accounts receivable	6,580	6,580
Prepaid expenses	<u>2,079</u>	<u>2,079</u>
Total Current Assets	34,035	91,458
Noncurrent Assets		
<i>Capital Assets</i>		
Land	139,715	139,715
Equipment	21,643	21,643
Construction-in-progress	-	6,725
Improvements other than buildings	3,136,429	3,136,429
Buildings	4,000	4,000
Less: Accumulated depreciation	<u>(2,008,776)</u>	<u>(1,907,990)</u>
Total Noncurrent Assets	<u>1,293,011</u>	<u>1,400,522</u>
Total Assets	<u>\$ 1,327,046</u>	<u>\$ 1,491,980</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Accounts payable	\$ -	\$ 6,725
Total Current Liabilities	-	6,725
Long-Term Liabilities		
Total Liabilities	-	6,725
Net Position		
Net investment in capital assets	1,293,011	1,400,522
Unrestricted	<u>34,035</u>	<u>84,733</u>
Total Net Position	<u>1,327,046</u>	<u>1,485,255</u>
Total Liabilities and Net Position	<u>\$ 1,327,046</u>	<u>\$ 1,491,980</u>

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

Brookneal Campbell County Airport Authority

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
County of Campbell	\$ 16,000	\$ 16,000
Town of Brookneal	8,000	6,000
Miscellaneous	<u>2,447</u>	<u>250</u>
Total Operating Revenues	<u>26,447</u>	22,250
Operating Expenses		
Electricity	2,010	2,110
Repairs and maintenance	4,331	13,775
Miscellaneous	2,351	270
Professional fees	90,632	-
Insurance	6,656	6,933
Dues	1,072	719
Depreciation	100,786	100,786
Telephone	<u>335</u>	<u>1,070</u>
Total Operating Expenses	<u>208,173</u>	<u>125,663</u>
Net Loss from Operations	<u>(181,726)</u>	<u>(103,413)</u>
Operating Loss before Capital Contributions	<u>(181,726)</u>	(103,413)
Capital Contributions		
Virginia Department of Aviation	<u>23,517</u>	<u>14,708</u>
Total Capital Contributions	<u>23,517</u>	<u>14,708</u>
Change in Net Position	<u>(158,209)</u>	(88,705)
Net Position - Beginning of Year	<u>1,485,255</u>	<u>1,573,960</u>
Net Position - End of Year	<u>\$ 1,327,046</u>	<u>\$ 1,485,255</u>

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

Brookneal Campbell County Airport Authority

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 26,447	\$ 19,834
Payments to suppliers	<u>(114,112)</u>	<u>(17,456)</u>
Net Cash Provided by (Used in) Operating Activities	(87,665)	2,378
Cash Flows from Capital and Related Financing Activities		
Construction and purchase of capital assets	-	(6,725)
Virginia Department of Aviation	23,517	14,708
Loss on asset	<u>6,725</u>	<u>-</u>
Net Cash Provided by Capital and Related Financing Activities	<u>30,242</u>	<u>7,983</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(57,423)	10,361
Cash and Cash Equivalents - Beginning of Year	<u>82,799</u>	<u>72,438</u>
Cash and Cash Equivalents - End of Year	<u>\$ 25,376</u>	<u>\$ 82,799</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating loss	\$ (181,726)	\$ (103,413)
<i>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities</i>		
Depreciation	100,786	100,786
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in accounts receivable	-	(2,416)
Decrease (Increase) in prepaid expenses	-	696
Increase (Decrease) in accounts payable	<u>(6,725)</u>	<u>6,725</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (87,665)</u>	<u>\$ 2,378</u>

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

Brookneal Campbell County Airport Authority

Notes to the Financial Statements

Year Ended June 30, 2024

1 Organization and Purpose

The Brookneal Campbell County Airport Authority was created by the County of Campbell and the Town of Brookneal, Virginia to operate a general aviation airport as provided in Chapter 3, Title 5.136 of the *Code of Virginia* (1950), as amended. The Authority has determined that it is a related organization to the County of Campbell and the Town of Brookneal. However, the Authority is a legally separate organization whose board members consist of three appointed members from both the County and Town, for a total of six members. Since neither the County nor Town can impose its will on the Authority, and since there is no potential financial benefit or burden relationship, the County and Town are not financially accountable for the Authority. Accordingly, the Authority is not considered a component unit of either the County or Town.

2 Significant Accounting Policies

Financial Statement Presentation

The financial statements of the Brookneal Campbell County Airport Authority 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 Authority's accounting policies are described below:

Basis of Accounting

The Authority'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 Authority 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 Authority is that the cost of providing services to the general public be financed or recovered through user charges. In the Authority's operation, costs are represented by interest expense and financing cost, while user charges consist of interest income earned on receivables.

The Authority 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 Authority 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.

Cash and Cash Equivalents

The Authority's cash and cash equivalents consist of cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. In cases where historical cost is not known, estimates and other information available to support historical cost are used. Donated capital assets are recorded at acquisition value at the date of donation. The Authority has a capitalization policy of \$500. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation is computed on the straight-line method over the following estimated lives:

Improvements other than buildings	20 to 25 years
Buildings	10 to 20 years
Equipment	10 years

Depreciation expense is generally not computed on assets in their year of acquisition, and a full year is charged to operations in the year the asset is disposed or removed from service.

Allowance for Uncollectible Accounts

The Authority calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. There is no allowance for uncollectible accounts at June 30, 2024.

Revenue Recognition

Contributions from localities are recognized when appropriated by the respective governing bodies of the participant localities. Federal and state grants are recorded on the basis of allowable reimbursable grant expenditures.

Use of Estimates

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

Net Position

Net position is the difference between a) assets and deferred outflows of resources and b) liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Net Position Flow Assumptions

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Prepaid Expenses

Certain payments to vendors represent costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

Adoption of New GASB Statements

The Authority adopted the following GASB statements during the year ended June 30, 2024:

In April 2022, GASB Issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to 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. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements 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. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Authority.

In June 2022, GASB Issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement are effective for the fiscal year ending June 30, 2024 for the Authority.

3 Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts of 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

4 Contributions from Local Government

Local government contributions were as follows:

County of Campbell, Virginia	\$	16,000
Town of Brookneal, Virginia		8,000

5 Litigation

At June 30, 2024, there were no matters of litigation involving the Authority which would materially affect the Authority's financial position should any court decisions on pending matters not be favorable to the Authority.

6 Capital Assets

The following is a summary of changes to capital assets for the year ending June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>
Capital Assets Not Being Depreciated				
Land	\$ 139,715	\$ -	\$ -	\$ 139,715
Construction-in-progress	<u>6,725</u>	<u>-</u>	<u>6,725</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	146,440	-	6,725	139,715
Capital Assets Being Depreciated				
Equipment	21,643	-	-	21,643
Improvements other than buildings	3,136,429	-	-	3,136,429
Buildings	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Total Capital Assets Being Depreciated	3,162,072	-	-	3,162,072
Less: Accumulated depreciation for				
Equipment	19,053	996	-	20,049
Improvements other than buildings	1,884,937	99,790	-	1,984,727
Buildings	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Total Accumulated Depreciation	<u>1,907,990</u>	<u>100,786</u>	<u>-</u>	<u>2,008,776</u>
Total Capital Assets Being Depreciated, Net	<u>1,254,082</u>	<u>(100,786)</u>	<u>-</u>	<u>1,153,296</u>
Net Capital Assets	<u>\$ 1,400,522</u>	<u>\$ (100,786)</u>	<u>\$ 6,725</u>	<u>\$ 1,293,011</u>

Depreciation expense for the year ended June 30, 2024 totaled \$100,786.

7 Construction Commitment

The Authority has no construction commitments outstanding at June 30, 2024.

8 Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority contracts with commercial insurance carriers for property and liability coverage. The Authority also participates in the VaRisk2, a group liability self-insurance plan, administered by the Commonwealth of Virginia, Department of General Services, Division of Risk Management. The Authority pays an annual premium for its public officials' general liability insurance to the public entity risk pool currently operating as a common risk management and insurance program for participating governments. Settled claims have not exceeded pool coverage in any of the past three fiscal years.

9 Net Investment in Capital Assets

The "net investment in capital assets" amount reported on the Statement of Net Position as of June 30, 2024 is determined as follows:

Net Investment in Capital Assets	
Cost of capital assets	\$ 3,301,787
Less: Accumulated depreciation	<u>(2,008,776)</u>
Book value	1,293,011
Less: Capital related debt	<u>-</u>
Net Investment in Capital Assets	<u><u>\$ 1,293,011</u></u>

10 Upcoming Pronouncements

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

11 Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2024 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis through August 18, 2025.

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 Board of Directors
Brookneal Campbell County Airport Authority

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 Brookneal Campbell County Airport Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Brookneal Campbell County Airport Authority's basic financial statements, and have issued our report thereon dated August 18, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brookneal Campbell County Airport Authority'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 Brookneal Campbell County Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Brookneal Campbell County Airport Authority'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.

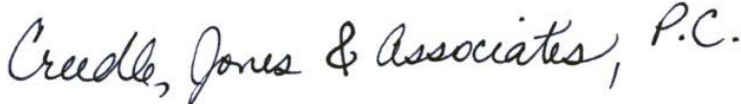
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Brookneal Campbell County Airport Authority'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.



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

South Hill, Virginia
August 18, 2025