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**MAURY COUNTY REGIONAL
AIRPORT AUTHORITY**

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023



SMR

SHAWNA M. RIDGEWAY CPA, PLLC
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**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
ROSTER OF OFFICIALS AND COMMISSIONERS
YEAR ENDED JUNE 30, 2023**

Officials

Paul Turner, Manager

Commissioners

Tom Apker, Chairman
Justin Robinette, Vice Chairman
Greg Martin, Board Member



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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Maury County Regional Airport Authority
Mt. Pleasant, Tennessee

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of the governmental activities and the governmental funds of the Maury County Regional Airport Authority (the "Authority"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the governmental funds of the Authority, as of June 30, 2023, and the respective changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Maury County Regional Airport Authority and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Prior Period Financial Statements

The financial statements of Maury County Regional Airport Authority as of June 30, 2022 were audited by another auditor whose report dated March 24, 2023 expressed an unmodified opinion of those financial statements.

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 the 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 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

My 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 my opinion. 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 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*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 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 my judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. My opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of federal and state financial assistance is the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of federal and state financial assistance

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information found on page 19 is fairly stated in all material respects in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the roster of officials and commissioners and the budgetary comparison schedule of governmental funds but does not include the basic financial statements and my auditor's report thereon. My opinion on the basic financial statements does not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 15, 2024, on my consideration of the Maury County Regional Airport's internal control over financial reporting and my test 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 my 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 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 Authority's internal control over financial reporting and compliance.


Shawna M. Ridgeway CPA, PLLC
Lawrenceburg, Tennessee
August 15, 2024

FINANCIAL STATEMENTS

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$ 435,015
Receivables	27,750
Grant receivables	670,433
Inventory	31,582
Deposits and prepaid expenses	469,961
Capital assets, not being depreciated	2,504,547
Capital assets, being depreciated, net	<u>5,261,144</u>
 Total Assets	 <u><u>\$ 9,400,432</u></u>

LIABILITIES

Accounts payable	\$ 590,089
Contracts payable	1,900
Sales tax payable	311
Unearned revenue	<u>16,572</u>
 Total Liabilities	 <u><u>\$ 608,872</u></u>

NET POSITION

Investment in capital assets	\$ 7,180,620
Unrestricted	<u>1,610,940</u>
 Total Net Position	 <u><u>\$ 8,791,560</u></u>

The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

<u>Program Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total</u>
Governmental Activities General government and administration	<u>\$ 1,264,772</u>	<u>\$ 908,125</u>	<u>\$ 272,295</u>	<u>\$ 695,343</u>	<u>\$ 610,991</u>
		General Revenues			
		Interest income			16
		Other income			<u>10</u>
		Total General Revenues			<u>26</u>
		Change in Net Position			<u>611,016</u>
		Net Position, Beginning of Year			8,121,824
		Prior Period Adjustment			<u>58,720</u>
		Net Position, Beginning of Year, Restated			<u>8,180,544</u>
		Net Position, End of Year			<u>\$ 8,791,560</u>

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

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

ASSETS

Cash and cash equivalents	\$ 435,015
Receivables	27,750
Grant receivables	670,433
Inventory	31,582
Deposits and prepaid expenses	<u>469,961</u>
Total Assets	<u><u>\$ 1,634,741</u></u>

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable	\$ 590,089
Contracts payable	1,900
Sales tax payable	311
Unearned revenue	<u>16,572</u>
Total Liabilities	<u>608,872</u>

Fund Balances

Nonspendable	501,543
Unassigned	<u>524,326</u>
Total Fund Balances	<u>1,025,869</u>

Total Liabilities and Fund Balances	<u><u>\$ 1,634,741</u></u>
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The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Fund Balances

Total governmental funds	\$ 1,025,869
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Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	<u>7,765,691</u>
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Net Position of Governmental Activities	<u><u>\$ 8,791,560</u></u>
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The accompanying notes are an integral part of these financial statements.

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

Revenues	
Hangar rent	\$ 99,987
Fuel sales	808,138
Government appropriation and grants	967,637
Interest income	16
Other income	10
Total Revenues	1,875,788
 Expenditures	
Bookkeeping	7,500
Cable television	4,665
Capital expenditures	695,343
Contract management	107,800
Fuel purchases	619,822
Fuel selling expenditures	31,150
Grounds maintenance	31,854
Insurance	17,277
Office and operational expenses	727
Postage and delivery	186
Professional fees	17,160
Public notices	3,899
Repairs and maintenance	23,065
Taxes, licenses, and penalties	1,024
Telephone	5,934
Utilities	28,128
Total Expenditures	1,595,534
Revenues Over (Under) Expenditures	280,254
Fund Balance, Beginning of Year	686,895
Prior Period Adjustment	58,720
Fund Balance, Beginning of Year, Restated	745,615
Fund Balance, End of Year	\$ 1,025,869

The accompanying notes are an integral part of these financial statements.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net Changes in Fund Balances

Total governmental funds	\$	280,254
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Amounts reported for the governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets		695,343
Less current depreciation		(364,260)

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.

Changes in lease assets and lease liabilities		(321)
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Change in Net Position of Governmental Activities	\$	611,016
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The accompanying notes are an integral part of these financial statements.

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Maury County Regional Airport Authority (the Authority) is a Tennessee not-for-profit corporation, created among the governments of Maury County, the City of Columbia, and the City of Mt. Pleasant pursuant to *Tennessee Code Annotated*, Section 42-3-104. The Authority is under the direction of a three-member Board of Commissioners, with one commissioner appointed by each governmental body.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considered revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

Sources of Revenue

The Authority is financed by hangar rent, fuel sales, state and local governmental appropriations and governmental grants. The amount received from governmental agencies during the current year is as follows:

Maury County	\$ 251,000
City of Columbia	10,000
City of Mt. Pleasant	5,000
State of Tennessee	701,637
	<u>\$ 967,637</u>

Amounts reported as *program revenues* include 1) charges to customer or applicants for services or privileges, and 2) operating grants and contributions.

Cash and Cash Equivalents

The Authority considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Inventory

Inventory consists of air and jet fuel reported at average cost. In October 2010, the Authority assumed management duties of the facility, including the purchase and sale of fuel.

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Capital Assets

The investment in airport facilities as of July 1, 1981, is recorded at its estimated value. Additions subsequent to July 1, 1981, are recorded at cost. The land, deeded to the Authority by the City of Mt Pleasant, Tennessee, for airport use only, is recorded at its estimated market value on the date of transfer.

Subsequent capital assets, which include construction in process, land, buildings and improvements, equipment, and infrastructure assets (e.g. roads, sidewalks, traffic lights and signals, streetlights, and similar items), are reported in the applicable governmental columns in the statements. Capital assets are defined by the Authority as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. No interest was capitalized during the year ended June 30, 2023.

Capital assets of the Authority are depreciated using a straight-line method over the following estimated useful lives:

Buildings	5 to 50 years
Improvements other than buildings	5 to 50 years
Infrastructure	15 to 75 years
Machinery and equipment	5 to 30 years

Fund Equity

Generally, governmental fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. Governmental funds report fund balance classifications that comprise a hierarchy primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restriction imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Authority through the adoption of a resolution. Only the Board of Commissioners may modify or rescind the commitment.

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (Continued)

Assigned - Fund balances are reported as assigned when amounts are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned - Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The Authority reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

For unrestricted amounts of fund balance, it is the Authority's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted 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.

Use of Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Authority's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending June 30th. The Authority's commissioners and the County of Maury formally approve the annual budget at the beginning of the year and subsequently authorize budget amendments as necessary.

NOTE B - DEPOSITS AND CASH INVESTMENTS

According to Section 9-1-107, *Tennessee Code Annotated*, it is required that Tennessee banks and savings and loan associations secure a government entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105% of the entity's deposits.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE B – DEPOSITS AND CASH INVESTMENTS (CONTINUED)

The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). It is the Authority’s policy to require financial institutions holding its deposits to be members of the Tennessee Collateral Pool or if not a member of the Tennessee Collateral Pool to pledge collateral for deposits in excess of the FDIC coverage. At June 30, 2023 all bank deposits were either fully insured by the FDIC or collateralized by the Tennessee Collateral Pool.

The Authority’s investment policy follows state law which authorized investments for Tennessee counties in *Tennessee Code Annotated* Section 5-8-301. State statutes authorize the Authority to invest in obligations of the federal government, federal agencies, state government, the state investment pool, certificates of deposit, other time deposits, and repurchase agreements, which require the approval of the State Director of Local Finance.

At June 30, 2023, the Authority’s operating funds were maintained in an interest-bearing account earning interest at a rate of approximately 0.01%.

Cash deposits at June 30, 2023 are summarized as follows:

Cash and cash equivalents, as reported in financial statements	\$ 435,015
Bank balance for above deposits	\$ 464,690

NOTE C – RECEIVABLES

Receivables at June 30, 2023 consist of the following:

State of Tennessee – federal and state financial assistance	\$ 636,911
State of Tennessee – return of local match	33,522
Maury County, Tennessee – Local Government Support	12,750
City of Columbia, Tennessee – Local Government Support	10,000
City of Mount Pleasant, Tennessee – Local Government Support	5,000
	\$ 698,183

NOTE D – DEPOSITS AND PREPAID EXPENSES

Deposits and prepaid expenses at June 30, 2023 consist of the following:

Prepaid 5% match for State of TN – Runway & RSA	\$ 410,361
Prepaid insurance	10,643
Other deposits and prepaids	48,957
	\$ 469,961

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE E – CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balances 7/1/2022	Additions	Retirements	Balance 6/30/2023
Capital assets, not being depreciated				
Land	\$ 1,834,113	\$ -	\$ -	\$ 1,834,113
CIP – Runway & RSA Rehab	473,352	-	(473,352)	-
CIP – Runway Reconstruction	-	585,072	-	585,072
CIP – Terminal Siting	-	85,362	-	85,362
Total capital assets, not being depreciated	<u>2,307,465</u>	<u>670,434</u>	<u>(473,352)</u>	<u>2,504,547</u>
Capital assets, being depreciated				
Land improvements	354,398	-	-	354,398
Buildings	786,595	-	-	786,595
Equipment and fixtures	869,816	-	-	869,816
Runways, taxiway, and apron	<u>10,662,960</u>	<u>478,261</u>	<u>-</u>	<u>11,141,221</u>
Total capital assets, being depreciated	<u>12,673,769</u>	<u>478,261</u>	<u>-</u>	<u>13,152,030</u>
Less accumulated depreciation				
Land improvements	(199,644)	(14,176)	-	(213,820)
Buildings	(501,882)	(24,330)	-	(526,212)
Equipment and fixtures	(842,161)	(6,785)	-	(848,946)
Runways, taxiway, and apron	<u>(5,982,939)</u>	<u>(318,969)</u>	<u>-</u>	<u>(6,301,908)</u>
Total accumulated depreciation	<u>(7,526,626)</u>	<u>(364,260)</u>	<u>-</u>	<u>(7,890,886)</u>
Total capital assets being depreciated, net	<u>5,147,143</u>	<u>114,001</u>	<u>-</u>	<u>5,261,144</u>
Total capital assets, net	<u>\$ 7,454,608</u>	<u>\$ 784,435</u>	<u>\$ (473,352)</u>	<u>\$ 7,765,691</u>

Depreciation was charged to governmental functions in the general fund for the year ended June 30, 2023 amounted to \$364,260.

NOTE F – LEASES

Lessor Activities

The Authority leases airport hanger and tie-down spaces to various individuals and entities. The lease amounts range from \$50 up to \$350 per month. The leases are month-to-month and can be terminated by either party. The Authority has no future minimum revenues from leases due to all lease contracts being short-term.

The amount of payments received during the year applied to revenue totaled \$99,987.

Lessee Activities

On March 1, 2021 the Authority entered into a financing lease for the use of a fuel truck under a noncancelable lease arrangement. Terms of the lease is two years and contain fixed payments terms of \$875 per month. The Authority used the risk free rate in effect as of the lease inception date, which was 0.13%. The lease does not contain variable payments, residual value guarantees, or commitments before the commencement of the lease term.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE F - LEASES (CONTINUED)

The amount of payments made during the year applied to the lease liabilities totaled \$10,821. The lease was not renewed during the year, as a new lease agreement on a new fuel truck was in process at June 30, 2023, therefore no lease related assets or liabilities are reflected in the financial statements.

NOTE G - FUND BALANCES

At June 30, 2023 fund balances for governmental funds are made up of the following:

	General Fund
Nonspendable	
Inventory	\$ 31,582
Deposits and prepaid expenses	469,961
Total Nonspendable	501,543
Unassigned	524,326
Total	\$ 1,025,869

NOTE H - ECONOMIC DEPENDENCE

The Authority is economically dependent on the appropriations from state and local governments. For the current year, these appropriations represent approximately 52% of total revenues of the Authority, and 91% of total non-fuel-sale revenue.

NOTE I - 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 maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE J - AIRPORT MANAGEMENT

The Authority has responsibility for the management of the airport facility and the purchase and sale of fuel. Fuel is provided by the Authority, and the Authority receives 100% of the receipts of all fuel sales. The Authority has contracts with two individuals for the daily oversight and maintenance of the facility. Total management fees incurred in the current year amounted to \$107,800.

NOTE K - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made totaling \$58,720 to adjust for grant expenses in the fiscal year ended June 30, 2022 that were inadvertently expensed. This adjustment included a reclass of \$14,930 to grant receivables and to Construction in Progress Terminal Siting as well as a \$28,860 reclass to prepaid grant expenses related to land acquisition related fees.

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE L - SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 15, 2024, which is the date the financial statements were available to be issued. The Authority is not aware of any significant events that occurred subsequent to the statement of net position date but prior to the filing of this report that would have a material impact on the financial statements.

SUPPLEMENTARY INFORMATION

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Hangar rent	\$ 102,350	\$ 103,350	\$ 99,987	\$ (3,363)
Fuel sales	674,500	806,500	808,138	1,638
Government appropriation and grants	81,000	9,892,115	967,637	(8,924,478)
Interest income	50	50	16	(34)
Other income	600	600	10	(590)
Total Revenues	<u>858,500</u>	<u>10,802,615</u>	<u>1,875,788</u>	<u>(8,926,827)</u>
Expenditures				
Bookkeeping	7,500	7,500	7,500	-
Cable television	5,500	5,500	4,665	835
Capital expenditures	-	9,811,115	695,343	9,115,772
Contract management	115,000	115,000	107,800	7,200
Fuel purchases	521,850	646,150	619,822	26,328
Fuel selling expenditures	35,000	36,000	31,150	4,850
Grounds maintenance	38,000	40,000	31,854	8,146
Insurance	26,000	26,000	17,277	8,723
Office and operational expenses	9,700	9,700	727	8,973
Postage and delivery	400	400	186	214
Professional fees	19,450	21,450	17,160	4,290
Public notices	2,500	4,500	3,899	601
Repairs and maintenance	38,700	38,700	23,065	15,635
Taxes, licenses, and penalties	1,700	1,700	1,024	676
Telephone	5,200	6,900	5,934	966
Utilities	32,000	32,000	28,128	3,872
Total Expenditures	<u>858,500</u>	<u>10,802,615</u>	<u>1,595,534</u>	<u>9,207,081</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>280,254</u>	<u>280,254</u>
Fund Balance, Beginning of Year	686,895	686,895	686,895	-
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>58,720</u>	<u>58,720</u>
Fund Balance, Beginning of Year, Restated	<u>686,895</u>	<u>686,895</u>	<u>745,615</u>	<u>58,720</u>
Fund Balance, End of Year	<u>\$ 686,895</u>	<u>\$ 686,895</u>	<u>\$ 1,025,869</u>	<u>\$ 338,974</u>

See auditor's report.

MAURY COUNTY REGIONAL AIRPORT AUTHORITY
SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-through Grantor</u>	<u>Program Name</u>	<u>Federal Assistance Listing Number</u>	<u>Contract Number</u>	<u>Expenditures</u>
Federal Awards				
US Department of Transportation TN Department of Transportation	Runway & RSA Rehab Design	20.106	60-555-0550-18	\$ 4,910
	Reconstruct Runway & Improve RSA	20.106	60-555-0161-22	465,614
	Terminal Reconstruction & Expansion - Design	20.106	60-555-0163-23	63,389
	ARPA Funding	20.106	60-555-0160-22	<u>59,000</u>
Total Federal Awards				<u>592,913</u>
State Financial Assistance				
TN Department of Transportation Division of Aeronautics	Airport Maintenance Contract	N/A	60-555-0762-23	15,000
	Reconstruct Runway & Improve RSA	N/A	60-555-0161-22	90,203
	Terminal Reconstruction & Expansion - Design	N/A	60-555-0163-23	<u>3,522</u>
Total State Financial Assistance				<u>108,725</u>
Total Federal Awards and State Financial Assistance				<u>\$ 701,638</u>

Basis of Presentation

The accompanying Schedule of Federal and State Financial Assistance (the Schedule) includes the federal and state activity of the Authority for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Titel 2 US Code of Federal Regulations Part 2022, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position, or cash flows of the Authority. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The Authority has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

See auditor's report.



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**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***

Board of Commissioners
Maury County Regional Airport Authority
Mt. Pleasant, Tennessee

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major governmental fund of the Maury County Regional Airport Authority, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Maury County Regional Airport Authority's basic financial statements, and have issued my report thereon dated August 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Maury County Regional 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, I do not express an opinion on the effectiveness the Maury County Regional 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.

My consideration of internal control over financial reporting 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 weakness or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Maury County Regional Airport Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my 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 my 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.



Shawna M. Ridgeway CPA, PLLC

Lawrenceburg, Tennessee

August 15, 2024

**MAURY COUNTY REGIONAL AIRPORT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2023**

There were no prior year findings reported.