

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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Independent Auditors' Report

**TO THE BOARD OF DIRECTORS
BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY
BROOKNEAL, VIRGINIA**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of Brookneal Campbell County Airport 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Brookneal Campbell County Airport Authority, as of June 30, 2023, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 the *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 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinion.

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 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.

Auditors' 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 auditors' report that includes our 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, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions* 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, *Government Auditing Standards*, and the *Specifications for Audits of Authorities, Boards, and Commissions*, 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 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 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 as listed in the table of contents 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 February 7, 2024 on our consideration of 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 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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 7, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Brookneal Campbell County Airport Authority we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHT

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,485,255 (net position). Of this amount, \$84,733 (unrestricted net position) may be used to meet the Authority's ongoing obligations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. Since the Authority is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) enterprise fund financial statements and 2) notes to the financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Authority's assets, liabilities and deferred outflows/inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an Authority's financial position. In the case of the Authority, assets exceeded liabilities by \$1,485,255 at the close of the most recent fiscal year.

Brookneal Campbell County Airport Authority, Net Position

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 91,458	\$ 79,377
Capital assets	<u>1,400,522</u>	<u>1,494,583</u>
Total assets	<u>\$ 1,491,980</u>	<u>\$ 1,573,960</u>
Current liabilities	<u>\$ 6,725</u>	<u>\$ -</u>
Total liabilities	<u>\$ 6,725</u>	<u>\$ -</u>
Net position:		
Investment in capital assets	\$ 1,400,522	\$ 1,494,583
Unrestricted	<u>84,733</u>	<u>79,377</u>
Total net position	<u>\$ 1,485,255</u>	<u>\$ 1,573,960</u>
Total liabilities and net position	<u>\$ 1,491,980</u>	<u>\$ 1,573,960</u>

A large part of the Authority's net position, \$1,400,522 reflects its investment in capital assets (e.g., land, improvements other than buildings, equipment and buildings). The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Financial Analysis: (Continued)

The Authority's net position decreased by \$88,705 during the fiscal year ending June 30, 2023. Key elements of these changes are as follows:

	<u>2023</u>	<u>2022</u>
Operating Revenues and Capital Contributions:		
County of Campbell	\$ 16,000	\$ 16,000
Town of Brookneal	6,000	6,000
Miscellaneous	250	84
Capital contributions:		
Virginia Department of Aviation	14,708	13,183
Total operating revenues and capital contributions	<u>\$ 36,958</u>	<u>\$ 35,267</u>
Operating Expenses:		
Electricity	\$ 2,110	\$ 2,223
Repairs and maintenance	13,775	14,112
Insurance	6,933	6,378
Dues	719	599
Depreciation	100,786	100,787
Miscellaneous	270	261
Telephone	1,070	1,047
Total operating expenses	<u>\$ 125,663</u>	<u>\$ 125,407</u>
Net operating income	<u>\$ (88,705)</u>	<u>\$ (90,140)</u>
Change in net position	\$ (88,705)	\$ (90,140)
Net position, July 1,	<u>1,573,960</u>	<u>1,664,100</u>
Net position, June 30	<u><u>\$ 1,485,255</u></u>	<u><u>\$ 1,573,960</u></u>

Financial Analysis of the Authority's Funds

The Authority's net position decreased primarily because depreciation exceeded capital contributions. Depreciation is the Authority's largest operating expense and it represents 80% of total operating expenses. Virginia Department of Aviation contributions for fiscal year 2023 totaled \$14,708 due to various repair and maintenance items. Other revenue and expense items remained similar in fiscal year 2023 as they were in the prior year.

Contact the Authority's Financial Management

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 -

Statement of Net Position
As of June 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 82,799
Accounts receivable	6,580
Prepaid expenses	2,079
Total Current Assets	<u>\$ 91,458</u>

Capital assets:

Land	\$ 139,715
Equipment	21,643
Construction in progress	6,725
Improvements other than buildings	3,136,429
Buildings	4,000
Total capital assets	<u>\$ 3,308,512</u>
Accumulated depreciation	<u>(1,907,990)</u>
Net capital assets	<u>\$ 1,400,522</u>

Total Assets	<u><u>\$ 1,491,980</u></u>
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LIABILITIES

Current Liabilities:

Accounts payable	<u>\$ 6,725</u>
Total Liabilities	<u>\$ 6,725</u>

NET POSITION

Investment in capital assets	\$ 1,400,522
Unrestricted	84,733
Total Net Position	<u>\$ 1,485,255</u>
Total Liabilities and Net Position	<u><u>\$ 1,491,980</u></u>

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

Statement of Revenues, Expenses and Changes in Net Position
 Year Ended June 30, 2023

Operating revenues:	
County of Campbell	\$ 16,000
Town of Brookneal	6,000
Miscellaneous	250
Total operating revenues	\$ <u>22,250</u>
Operating expenses:	
Electricity	\$ 2,110
Repairs and maintenance	13,775
Miscellaneous	270
Insurance	6,933
Dues	719
Depreciation	100,786
Telephone	1,070
Total operating expenses	\$ <u>125,663</u>
Net income (loss) from operations	\$ <u>(103,413)</u>
Income (loss) before capital contributions	\$ <u>(103,413)</u>
Capital contributions:	
Virginia Department of Aviation	\$ <u>14,708</u>
Total capital contributions	\$ <u>14,708</u>
Change in net position	\$ (88,705)
Net position, beginning of year	<u>1,573,960</u>
Net position, end of year	\$ <u><u>1,485,255</u></u>

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

Statement of Cash Flows
Year Ended June 30, 2023

Cash flows from operating activities:	
Receipts from customers and users	\$ 19,834
Payments for operating activities	<u>(17,456)</u>
Net cash provided by (used for) operating activities	<u>\$ 2,378</u>
Cash flows from capital and related financing activities:	
Construction and purchase of capital assets	\$ (6,725)
Virginia Department of Aviation	<u>14,708</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ 7,983</u>
Net increase (decrease) in cash and cash equivalents	\$ 10,361
Cash and cash equivalents at beginning of year	<u>72,438</u>
Cash and cash equivalents at end of year	<u><u>\$ 82,799</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (103,413)
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	100,786
Changes in operating assets and liabilities:	
Decrease (Increase) in Accounts Receivable	(2,416)
Decrease (Increase) in prepaid expenses	696
Increase (Decrease) in accounts payable	<u>6,725</u>
Net cash provided by (used for) operating activities	<u><u>\$ 2,378</u></u>

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

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

Notes to Financial Statements As of June 30, 2023

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. 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.

B. Basic Financial Statements

Since the Authority is only engaged in business-type activities, it is required to present only the financial statements required for enterprise funds. For the Authority, the basic financial statements and required supplementary information consist of:

Management's discussion and analysis

Enterprise fund financial statements

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Financial Statements

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the Authority. Governments will report all capital assets in the Statement of Net Position and will report depreciation expense (the cost of "using up" capital assets) in the Statement of Revenues, Expenses and Changes in Net Position. The net position of a government will be broken down into three categories: 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

C. Basis of Accounting

The Authority operates as an enterprise fund and its accounts are maintained on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded as liabilities when incurred, without regard to receipt or payment of cash. The Authority accrues revenue for services rendered but not yet billed at the end of the fiscal year.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. The Authority also recognizes as operating revenue the portion of availability charges intended to recover the cost of connecting new customers to the system. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

**Notes to Financial Statements
As of June 30, 2023 (Continued)**

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. 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.

E. 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.

Depreciation expense for the year ended June 30, 2023 was \$100,786.

F. 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, 2023.

G. 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.

H. 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.

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

Notes to Financial Statements As of June 30, 2023 (Continued)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

I. 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.

J. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond and 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.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent 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. The Authority does not have any deferred outflows of resources as of June 30, 2023.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent 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. The Authority does not have any deferred inflows of resources as of June 30, 2023.

L. 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.

NOTE 2 - DEPOSITS:

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.

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

**Notes to Financial Statements
As of June 30, 2023 (Continued)**

NOTE 3 - CAPITAL ASSETS:

The following is a summary of changes to capital assets for the year ending June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets not being depreciated:				
Land	\$ 139,715	\$ -	\$ -	\$ 139,715
Construction in progress	-	6,725	-	6,725
Total capital assets not being depreciated	<u>\$ 139,715</u>	<u>\$ 6,725</u>	<u>\$ -</u>	<u>\$ 146,440</u>
Capital assets being depreciated:				
Equipment	\$ 21,643	\$ -	\$ -	\$ 21,643
Improvements other than buildings	3,136,429	-	-	3,136,429
Buildings	4,000	-	-	4,000
Total capital assets being depreciated	<u>\$ 3,162,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,162,072</u>
Accumulated depreciation:				
Equipment	\$ 18,057	\$ 996	\$ -	\$ 19,053
Improvements other than buildings	1,785,147	99,790	-	1,884,937
Buildings	4,000	-	-	4,000
Total accumulated depreciation	<u>\$ 1,807,204</u>	<u>\$ 100,786</u>	<u>\$ -</u>	<u>\$ 1,907,990</u>
Total capital assets being depreciated, net	<u>\$ 1,354,868</u>	<u>\$ (100,786)</u>	<u>\$ -</u>	<u>\$ 1,254,082</u>
Net capital assets	<u>\$ 1,494,583</u>	<u>\$ (94,061)</u>	<u>\$ -</u>	<u>\$ 1,400,522</u>

Depreciation expense for the year ended June 30, 2023 totaled \$100,786.

The following is a summary of construction in progress for the year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>
T-Hangar Construction	\$ -	\$ 6,725	\$ -	\$ 6,725
Total	<u>\$ -</u>	<u>\$ 6,725</u>	<u>\$ -</u>	<u>\$ 6,725</u>

NOTE 4 - CONSTRUCTION COMMITMENT:

The Authority has no construction commitments outstanding at June 30, 2023.

BROOKNEAL CAMPBELL COUNTY AIRPORT AUTHORITY

Notes to Financial Statements As of June 30, 2023 (Continued)

NOTE 5 - LITIGATION:

At June 30, 2023 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.

NOTE 6 - 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.

- Compliance -



**Independent Auditors' 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
BROOKNEAL, VIRGINIA**

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 the *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, 2023, 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 February 7, 2024.

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 an opinion 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 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 the Brookneal Campbell County Airport Authority's financial statements are free of 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.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia
February 7, 2024