

LAWRENCEBURG - LAWRENCE COUNTY

AIRPORT BOARD

Financial Statements

June 30, 2009

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

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Independent Auditor's Report

Board of Directors  
Lawrenceburg - Lawrence County  
Airport Board  
Lawrenceburg, Tennessee

I have audited the statement of net assets of Lawrenceburg - Lawrence County Airport Board as of June 30, 2009, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of Lawrenceburg - Lawrence County Airport Board's management. My responsibility is to express an opinion on the financial statements based on my audit.

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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawrenceburg - Lawrence County Airport Board, as of June 30, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated December 7, 2009, on my consideration of Lawrenceburg/Lawrence County Airport Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Lawrenceburg - Lawrence County

Airport Board

December 7, 2009

Page Two

The management's discussion and analysis on pages 3 through 8, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of grant activity for the year ended June 30, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements of Lawrenceburg - Lawrence County Airport Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a long horizontal line.

December 7, 2009

## LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

### Management's Discussion and Analysis

June 30, 2009

This section of the Lawrenceburg - Lawrence County Airport Board's financial statements present's management's overview and analysis of the Airport Board's financial performance for the year ended June 30, 2009. This section should be read in conjunction with the financial statements which follow this section.

#### **Financial Highlights**

Key highlights for the year ended June 30, 2009 are as follows:

The Board's net assets increased \$243,319.

At the end of the current year the Board reported total net assets of \$4,677,743.

At the end of the current year the Board reported current assets in excess of current liabilities of \$201,194.

#### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the Board's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The final required statement is the statement of Cash Flows. The primary purpose of this statement is to provide information about the Board's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non capital financing activities.

The financial statements can be found on pages 9-12 of this report.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided within the financial statements. The notes to the financial can be found on pages 13-16 of this report.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2009

**Financial Analysis**

For the year ended June 30, 2009, assets exceeded liabilities by \$4,677,743. The Airport Board is a capital intensive enterprise, and 95% of the net assets are invested in capital assets. The following is a summary of the Airport Board's net assets.

	2009	2008	2007	2006
<b>Assets</b>				
Current assets	\$ 267,333	\$ 392,770	\$ 466,199	\$ 350,982
Capital Assets	<u>4,604,762</u>	<u>4,356,245</u>	<u>4,172,180</u>	<u>4,101,988</u>
Total assets	<u>4,872,095</u>	<u>4,749,015</u>	<u>4,638,379</u>	<u>4,452,970</u>
<b>Liabilities</b>				
Current liabilities	66,139	177,566	47,132	127,732
Long-term debt	<u>128,213</u>	<u>137,025</u>	<u>150,000</u>	<u>-</u>
Total liabilities	<u>194,352</u>	<u>314,591</u>	<u>197,132</u>	<u>127,732</u>
<b>Net Assets</b>				
Invested in capital assets	4,442,253	4,065,458	3,979,932	3,998,367
Unrestricted	<u>235,490</u>	<u>368,966</u>	<u>461,315</u>	<u>326,871</u>
Total net assets	<u>\$4,677,743</u>	<u>\$4,434,424</u>	<u>\$4,441,247</u>	<u>\$4,325,238</u>

The Airport Board's net assets increased by \$243,319 in 2009. The following is a summary Statement of Statement of Revenues, Expenses, and Changes in Net Assets.

	2009	2008	2007	2006
Operating revenues	\$131,449	\$ 169,120	\$166,002	\$143,571
Operating expenses	<u>433,853</u>	<u>408,989</u>	<u>348,076</u>	<u>321,655</u>
Operating loss	(302,404)	(239,869)	(182,074)	(178,084)
Non operating revenues	150,437	173,612	110,596	111,878
Capital contributions	<u>395,286</u>	<u>59,434</u>	<u>187,487</u>	<u>696,034</u>
Change in net assets	<u>\$243,319</u>	<u>\$ (6,823)</u>	<u>\$116,009</u>	<u>\$629,828</u>

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

Management's Discussion and Analysis

June 30, 2009

**Revenues**

The major changes in the Airport Board's revenues for the year ended June 30, 2009 was a increase in capital contributions of \$335,852, an decrease of State funding in the amount of \$50,000, and a decrease in sale of aviation fuel and oil of \$41,346. Operating and capital grant contributions consist entirely of grants from Tennessee Department of Aeronautics for airport operations and capital improvements.

The following is a summary of revenues:

	2009	2008	2007	2006
Sale of aviation fuel and oil	\$ 99,984	\$141,330	\$143,757	\$125,043
Hanger rent and tie down fees	26,900	21,817	17,818	14,189
Miscellaneous income	4,565	5,973	4,427	4,339
Operating grant revenues	41,128	10,000	8,338	10,000
Interest income	2,167	6,174	2,258	1,878
Gain on sale of equipment	-	(57)	-	-
Capital contributions	395,286	59,434	187,487	696,034
Contribution from State of Tennessee	-	50,000	-	-
Contributions from City of Lawrenceburg	100,000	40,000	40,000	40,000
Contributions from Lawrence County				
Imputed interest	7,142	7,495		
Contributions from Lawrence County	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
 Total Revenues	 <u>\$677,172</u>	 <u>\$402,166</u>	 <u>\$464,085</u>	 <u>\$951,483</u>

**Expenses**

The major changes in operating expenses for the year ended June 30, 2009 were an increase in depreciation of \$10,529, an increase in engineering fees in the amount of 43,021, and a decrease in cost of aviation fuel and oil of \$22,178. The following is a summary of operating expenses:

	2009	2008	2007	2006
Depreciation	\$167,238	\$156,709	\$135,330	\$114,869
Aviation fuel and oil	98,419	120,597	111,374	101,305
Grounds and runway maintenance	14,083	14,653	12,886	12,617
Salaries	33,987	34,992	31,215	40,083
Insurance	12,559	13,794	12,990	13,878
Utilities	16,292	12,750	10,601	10,469
Legal and professional	8,800	11,800	8,800	6,700
Engineering fees	43,021	-	-	-

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

Management's Discussion and Analysis

June 30, 2009

**Expenses - continued**

Interest expense	7,142	7,495	-	-
Travel and education	5,805	5,572	6,617	5,681
Hanger and terminal maintenance	8,872	6,722	3,369	1,467
Miscellaneous	2,315	3,418	1,832	2,104
Payroll taxes	2,662	2,889	2,587	3,125
Telephone	2,980	3,315	3,037	2,174
Credit card fees	2,359	3,428	3,444	2,152
Equipment maintenance	4,025	6,910	1,824	864
Office supplies	1,673	2,441	1,299	1,883
Courtesy car expenses	1,621	1,504	871	969
Bad debts	-	-	-	1,315
Total Expenses	<u>\$433,853</u>	<u>\$408,989</u>	<u>\$348,076</u>	<u>\$321,655</u>

**Cash Flows**

Cash increased \$47,499 for the year ended June 30, 2009.

The following is a summary of the Airport Board's cash flows:

	2009	2008	2007	2006
Cash Flows used in operations	\$(102,069)	\$(68,590)	\$(65,467)	\$(58,154)
Cash Flows from Non-Capital Financing activities	131,598	159,303	107,462	110,007
Cash Flows from Capital and Related Financing Activities	(9,212)	(243,887)	86,288	(49,186)
Cash Flows from Investing Activities	<u>27,182</u>	<u>(93,867)</u>	<u>2,258</u>	<u>1,878</u>
Change in cash	<u>\$ 47,499</u>	<u>\$(247,041)</u>	<u>\$130,541</u>	<u>\$ 4,545</u>

**Capital Assets**

The Airport Board's investment in capital assets as of June 30, 2009 amounted to \$4,442,253, net of accumulated depreciation and related liabilities. Capital assets consist of land, runways and taxiways, buildings and building improvements, airport operations and office equipment, and vehicles. Investment in capital assets increased by \$376,795 for the year. Depreciation expense was recorded in the amount of \$167,238 for the year.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2009

The following is a summary of investment in capital:

	2009	2008	2007	2006
Non-depreciable assets				
Land	\$ 759,003	\$ 650,324	\$ 650,324	\$ 650,324
Construction in progress	-	146,697	76	302,964
Depreciable assets				
Terminal building & hangers	1,379,681	1,236,788	1,102,986	1,102,986
Runways and taxiways	3,634,353	3,324,371	3,269,682	2,761,272
Equipment	242,843	242,843	241,415	241,415
Paving	21,292	21,292	21,292	21,292
Furniture and fixtures	29,014	28,116	28,116	28,116
Automobile	6,900	6,900	4,000	4,000
Total property and equipment	6,073,086	5,657,331	5,317,891	5,112,369
Accumulated depreciation	1,468,324	1,301,086	1,145,711	1,010,381
Property and equipment - net	4,604,762	4,356,245	4,172,180	4,101,988
Related liabilities	162,509	290,787	192,248	103,621
Investment in capital assets	<u>\$4,442,253</u>	<u>\$4,065,458</u>	<u>\$3,979,932</u>	<u>\$3,998,367</u>

Changes in investment in capital assets are as follows:

Acquisition of capital assets	
Television	898
Land	108,679
Apron expansion	309,982
Sewer system	142,893
Construction in progress	(146,697)
Total additions	415,755
Depreciation	(167,238)
Decrease in related liabilities	128,278
Change in investment in capital assets	<u>\$376,795</u>

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

**Management's Discussion and Analysis**

June 30, 2009

**Economic Factors and Future Outlook**

Utilizing funds from the City of Lawrenceburg and Lawrence County the Lawrenceburg/Lawrence County Airport budgetary plan for 2010 include:

1. Completion of obstruction removal, Runway 17.
2. Resurfacing/updating runway.

**Goals:**

The Lawrenceburg - Lawrence County Airport Board continues to expand resources while becoming more financially independent supporting and promoting economic and community development for Lawrence County through the aviation industry.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Net Assets

June 30, 2009

Assets

Current Assets

Petty Cash	\$ 100
Cash in bank	<u>129,102</u>
Total Cash and cash equivalents	129,202
Certificate of deposit	75,000
Accounts receivable - trade	1,796
Accounts receivable - grants	27,932
Inventory	30,030
Interest receivable	26
Prepaid expenses	<u>3,347</u>
Total Current Assets	267,333

Property and Equipment - Net 4,604,762

Total Assets \$4,872,095

Liabilities and Net Assets

Current Liabilities

Accounts payable - trade	\$ 23,761
Accounts payable - construction	23,496
Refundable grant receipts	7,000
Current portion long-term debt	10,800
Accrued and withheld taxes	<u>1,082</u>
Total Current Liabilities	66,139

Long Term Debt 128,213

Net Assets

Invested in capital assets, net of related debt	4,442,253
Unrestricted	<u>235,490</u>
Total Net Assets	4,677,743

Total Liabilities and Net Assets \$4,872,095

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

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

Statement of Revenues, Expenses and Changed in Net Assets

For the Year Ended June 30, 2009

<u>Operating Revenues</u>	
Sale of aviation fuel and oil	\$ 99,984
Hanger rent and tie down fees	26,900
Miscellaneous income	4,565
Total Revenues	131,449
 <u>Operating Expenses</u>	
Depreciation	167,238
Cost of sales - aviation fuel and oil	98,419
Grounds and runway maintenance	14,083
Salaries	33,987
Insurance	12,559
Utilities	16,292
Legal and professional	8,800
Engineering fees	43,021
Interest expense	7,142
Travel and education	5,805
Hanger and terminal maintenance	8,872
Miscellaneous	2,315
Payroll taxes	2,662
Telephone	2,980
Credit card fees	2,359
Equipment maintenance	4,025
Office supplies	1,673
Courtesy car expenses	1,621
Total Expenses	433,853
Loss from Operations	(302,404)
 <u>Non-operating Revenues</u>	
Contributions from City of Lawrenceburg	100,000
Contributions from Lawrence County - imputed interest	7,142
Operating grant revenues	41,128
Interest income	2,167
Total Non-operating Revenues	150,437
 <u>Capital Contributions</u>	
Capital contributions	395,286
Total Capital Contributions	395,286
Change in Net Assets	243,319
<u>Net Assets</u> - beginning of year	4,434,424
<u>Net Assets</u> - end of year	\$4,677,743

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

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

Statement of Cash Flows

For the Year Ended June 30, 2009

<u>Cash Flows from Operations</u>	
Cash received from aviation operations	\$128,729
Miscellaneous income	<u>4,565</u>
	<u>133,294</u>
Cash paid to suppliers	201,376
Cash paid to employees	<u>33,987</u>
	<u>235,363</u>
Total Cash Provided (Used) by Operations	(102,069)
<u>Cash Flows from Non-Capital Financing Activities</u>	
Contributions from State, County and City	100,000
Operating grants received	<u>31,598</u>
Cash Provided by Non-Capital Financing Activities	<u>131,598</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Repayment of long term debt	(8,812)
Purchase of property and equipment	(535,221)
Capital contributions	<u>534,821</u>
Cash Used by Capital and Related Financing Activities	<u>(9,212)</u>
<u>Cash Flows from Investing Activities</u>	
Interest income received	2,182
Decrease in certificate of deposit	<u>25,000</u>
Cash Provided from Investing Activities	<u>27,182</u>
Total Increase in Cash	47,499
<u>Cash</u> - beginning of year	<u>81,703</u>
<u>Cash</u> - end of year	<u>\$129,202</u>

Non cash capital investments amounted to \$23,496  
 Imputed interest amounted to \$7,142

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Cash Flows

For the Year Ended June 30, 2009

Reconciliation of Net Operating Loss to Net  
Cash Flows from Operating Activities

Loss from Operations	(302,404)
Adjustment to reconcile excess revenues and other sources over expenses to net cash provided by operating activities	
Depreciation	167,238
Imputed interest	7,142
(Increase) decrease in:	
Trade accounts receivable	1,845
Inventory	16,434
Prepaid expenses	(1,314)
Insurance recovery receivable	7,951
Increase (decrease) in:	
Accounts payable	1,798
Accrued and withheld taxes	<u>(759)</u>
Net Cash Used by Operations	\$ <u>(102,069)</u>

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies

Business Activity - The Lawrenceburg - Lawrence County Airport Board is a joint venture of the City of Lawrenceburg and Lawrence County, Tennessee. Lawrenceburg/Lawrence County Airport Board is the administrative authority for operating the Lawrenceburg/Lawrence County Airport.

Method of Accounting - The Airport Board recognizes income and expenses on the accrual basis of accounting, whereby Airport operating income is reported as earned, grant income is reported when the applicable grant expense is incurred, expenses are reported when incurred. The financial statements have been prepared in conformity with all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Credit Risk - The Board grants credit to customers for hanger rent and gasoline purchases, substantially all of whom are local residents.

Accounts receivable - The Board reports trade receivables at net realized value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, if a receivable is determined to be uncollectible, it is written off through a charge against an existing allowance account or against earnings. As of June 30, 2009 no allowance for doubtful accounts was deemed necessary.

Inventories - Inventories are stated at the lower of cost or market value, with cost determined by using the first-in, first-out method (FIFO).

Property and Equipment - Property and equipment are stated at cost. The Board capitalizes expenditures when an individual cost exceeds \$250 and its estimated useful life is three years or greater. Depreciation is computed by the straight-line method based on the following estimated useful lives:

	<u>Years</u>
Buildings	10 - 40
Runway and taxiways	10 - 30
Equipment	5 - 15
Paving	12
Furniture and fixtures	5 - 10
Automobile	3

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2009

Note 1 - Summary of Significant Accounting Policies

Use of Estimates - The 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.

Cash and Cash Equivalents - For purpose of reporting cash flows, cash and cash equivalents include cash and all highly liquid investments with an original maturity of three months or less.

Net Assets - Net assets comprise the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net assets are classified in the following two components:

Invested in capital assets, net of related debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition

Unrestricted net assets - This component of net assets consists on net assets that do not meet the definition of "invested in capital assets, net of related debt.

Operating and Non-operating revenues - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues not meeting this definition are reported as non-operating revenues.

Note 2 - Cash - At June 30, 2009 cash in bank consisted of the following accounts:

	<u>Balance</u>
Operating account	\$ 24,576
Savings account	86,874
Savings account	17,652
Certificate of deposit	<u>75,000</u>
Total	<u>\$204,102</u>

Custodial Credit Risk For cash deposits, this is the risk that in the event of bank failure. The above accounts are deposited in single accounts with the same bank and collectively are covered by FDIC insurance, In the event the amounts exceed FDIC insurance limits excess amounts are covered by a collateral agreement between the bank and the Board of Directors.

**LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD**

Notes to Financial Statements

June 30, 2009

Note 3 - Property and Equipment - At June 30, 2009, property and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
<u>Non-depreciable assets</u>		
Land	\$ 759,003	\$ -
<u>Depreciable assets</u>		
Buildings and improvements	1,379,681	195,192
Runways and taxiways	3,634,353	986,827
Equipment	242,843	233,352
Paving	21,292	21,292
Furniture and fixtures	29,014	27,611
Automobile	<u>6,900</u>	<u>4,050</u>
Total Equipment	6,073,086	<u>\$1,468,324</u>
Less: accumulated depreciation	<u>1,468,324</u>	
Property and equipment - net	<u>\$4,604,762</u>	

	<u>Balance June 31, 2007</u>	<u>Additions</u>	<u>Transfers &amp; Disposals</u>	<u>Balance June 30, 2009</u>
<u>Non-depreciable assets</u>				
Land	\$ 650,324	\$108,679	-	\$ 759,003
Construction in progress	146,697	-	146,697	-
<u>Depreciable assets</u>				
Buildings	1,236,788	142,893	-	1,379,681
Runways and taxiways	3,324,371	309,982	-	3,634,353
Equipment	242,843	-	-	242,843
Paving	21,292	-	-	21,292
Furniture and equipment	28,116	898	-	29,014
Automobiles	<u>6,900</u>	<u>-</u>	<u>-</u>	<u>6,900</u>
Total	<u>\$5,657,331</u>	<u>\$562,452</u>	<u>\$146,697</u>	<u>\$6,073,086</u>

Depreciation expense for the year ended June 30, 2009 amounted to \$168,238.

Note 4 - Long-term Debt

Lawrence County inter-local agreement, dated May 18, 2009, no stated interest, interest imputed at 5%, payable in quarterly installments determined by rental income produced by hangers constructed with loan proceeds. Unsecured.

	\$139,013
Less: current portion	<u>10,800</u>
Long-term debt - net	<u>\$128,213</u>

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2009

Note 4 - Long-term Debt - continued

Aggregate maturities of long-term debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest and Principal</u>
2009	10,800	6,614	17,414
2010	10,800	6,074	16,874
2011	10,800	5,549	16,349
2012	10,800	4,994	15,794
2013	10,800	4,454	15,254
2014-2018	54,000	14,179	68,179
2019-2023	<u>31,013</u>	<u>2,043</u>	<u>33,056</u>
	<u>\$139,013</u>	<u>\$43,907</u>	<u>\$182,920</u>

Summary of changes in indebtedness is as follows:

	<u>Balance June 30, 2007</u>	<u>Payment</u>	<u>Balance June 30, 2009</u>
Inter-local agreement	<u>\$147,825</u>	<u>\$8,812</u>	<u>\$139,013</u>

Interest was imputed for the year ended June 30, 2009 in the amount of \$7,142.

Note 5 - Insurance Risk

It is the policy of the Board to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, and workman's compensation. Settled claims have not exceeded this commercial coverage in the last three years.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Schedule of Grant Activity

For the Year Ended June 30, 2009

<u>Grant Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Deferred (Due from) Balance June 30, 2008</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Deferred (Due From) Balance June 30 2009</u>
<u>Operating grants</u>						
TOA Project #99-555-1167-04	Airport Maintenance	Tennessee Department of Transportation	\$ 4,240	\$ 4,029	\$ (211)	\$ -
TOA Project #99-555-1199-04	Airport Maintenance	Tennessee Department of Transportation	-	4,136	10,560	6,424
TOA Project #50-555-0741-04	Approach survey	Tennessee Department of Transportation	6,242	3,182	3,758	6,818
TOA Project #50-555-0742-04	ALP survey	Tennessee Department of Transportation	-	24,010	27,021	3,011
TOA Project #50-555-0744-04	Tree clearing	Tennessee Department of Transportation	-	(1,200)	-	1,200
<u>Capital grants</u>						
TOA Project #50-555-0440-04	Sewer system	Tennessee Department of Transportation	93,771	140,328	47,228	671
TOA Project #50-555-0739-04	Apron expansion	Tennessee Department of Transportation	46,684	310,181	263,254	6,757 (7,000)
TOA Project #50-555-0743-04	Land purchase	Tennessee Department of Transportation	-	81,755	84,805	3,050
Total			\$150,937	\$566,421	\$436,415	\$20,931

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Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed  
In Accordance with Governmental Auditing Standards

Board of Directors  
Lawrenceburg - Lawrence County  
Airport Board  
Lawrenceburg, Tennessee

I have audited the financial statements of Lawrenceburg - Lawrence County Airport Board as of and for the year ended June 30, 2009, and have issued my report thereon dated December 7, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lawrenceburg - Lawrence County Airport Board's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrenceburg - Lawrence County Airport Board internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Lawrenceburg - Lawrence County Airport Board's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Lawrenceburg - Lawrence County Airport Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Lawrenceburg - Lawrence County Airport Board's financial statements that is more than inconsequential will not be prevented or detected by Lawrenceburg - Lawrence County Airport Board's internal control.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement will not be prevented or detected by the Lawrenceburg - Lawrence County Airport's Board's internal control.

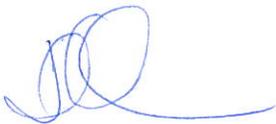
Lawrenceburg - Lawrence County  
Airport Board  
December 7, 2009  
Page Two

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiency or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawrenceburg - Lawrence County Airport Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

This report is intended solely for the information of the management of the Lawrenceburg - Lawrence County Airport Board, the City of Lawrenceburg, the County of Lawrence, and the State of Tennessee, Comptroller's office and is not intended to be and should not be used by anyone other than these specified parties.



December 7, 2009