

SPRINGFIELD-ROBERTSON COUNTY

AIRPORT BOARD

Annual Financial Report

For the Year Ended June 30, 2012

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

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INTRODUCTORY SECTION

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Schedule of Officers

June 30, 2012

<u>Official</u>	<u>Title</u>	<u>Term expires</u>
Chris Simpkins	Chairman	2015
Marvin Smith, Jr.	Vice Charman	2013
Mel Carr	Secretary/Treasurer	2012
Bill Stewart	Member	2015
Glen Roberts	Member	2014
Tracy Langston	Member	2012
Lee Scott	Member	2013
Paul Nutting	Ex-Officio Member	N/A
Howard Bradley	Ex-Officio Member	N/A
Margot Fosnes	Ex-Officio Member	N/A

FINANCIAL SECTION

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

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(615) 822-4177

Independent Auditor's Report

Springfield-Robertson County Airport Board
Springfield, Tennessee

I have audited the accompanying financial statements of the governmental activities and the major fund of the Springfield-Robertson County Airport Board as of and for the year ended June 30, 2012, which collectively comprise the Airport's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Springfield-Robertson County Airport Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial reporting as 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 the audit provides a reasonable basis for my opinion.

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 major fund of the Springfield-Robertson County Airport Board as of June 30, 2012, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2012 on my consideration of the Springfield-Robertson County Airport Board's internal control structure 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 controls 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.

The Springfield-Robertson County Airport Board has not prepared the Management's Discussion and Analysis, which is required supplementary information that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section and the Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The Introductory Section and the Supplementary Information have 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 State of America. In our opinion, the Introductory Section and the Supplementary Information, is fairly stated in all material respects in relation to the basic financial statements as a whole.

John R. Poole, CPA

November 30, 2012

BASIC FINANCIAL STATEMENTS

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Statement of Net Assets

June 30, 2012

<u>Assets</u>	<u>Governmental Activities</u>	<u>Total</u>
Cash and cash equivalents	\$304,063	\$304,063
Grant and accounts receivables	40,693	40,693
Capital assets, not depreciated	477,737	477,737
Capital assets, net of accumulated depreciation	<u>6,397,791</u>	<u>6,397,791</u>
Total Assets	<u>\$7,220,284</u>	<u>\$7,220,284</u>
<u>Liabilities</u>		
Accounts payable	77,090	77,090
Hanger deposits	13,500	13,500
Total Liabilities	<u>90,590</u>	<u>90,590</u>
Net Assets:		
Investment in capital assets	6,875,528	6,875,528
Unrestricted	254,166	254,166
Total Net Assets	<u>\$7,129,694</u>	<u>\$7,129,694</u>

See accompanying notes to financial statements.

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Statement of Activities

For the Year Ended June 30, 2012

Function/Programs	Program Revenues		Net (Expenses) Revenue and Changes in Net Assets		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
General government - Airport operations	192,248	69,072	13,989	1,720,602	1,720,602
Total Governmental Activities	<u>192,248</u>	<u>69,072</u>	<u>13,989</u>	<u>1,720,602</u>	<u>1,720,602</u>
General Revenues:					
Miscellaneous				21,768	21,768
Interest income				2,402	2,402
Total general revenues				<u>24,170</u>	<u>24,170</u>
Changes in net assets				1,744,772	1,744,772
Net assets - beginning of year				5,384,922	5,384,922
Net assets - ending of year				<u>7,129,694</u>	<u>7,129,694</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Balance Sheet

Governmental Fund

June 30, 2012

	General Fund
<u>Assets</u>	
Cash and cash equivalents	\$304,063
Grants and accounts receivable	<u>40,693</u>
Total Assets	<u><u>\$344,756</u></u>
<u>Liabilities and Fund Equity</u>	
Liabilities:	
Accounts payable	\$77,090
Hangar deposits	<u>13,500</u>
Total Liabilities	<u>90,590</u>
Fund Equity:	
Fund balance:	
Unassigned	<u>254,166</u>
Total Fund Balance	<u>254,166</u>
Total Liabilities and Fund Equity	<u><u>\$344,756</u></u>

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

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

**Reconciliation of the Balance Sheet to the Statement of Net Assets
of Government Activities**

June 30, 2012

Amounts reported for fund balance - total governmental funds	\$ 254,166
Amounts reported for governmental activities in the statement of net assets are different because:	
Investment in capital assets	<u>6,875,528</u>
Net assets of governmental activities	\$ <u><u>7,129,694</u></u>

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2012

	<u>General Fund</u>
Revenues:	
Intergovernmental- State of Tennessee	1,843,778
Rent income	63,961
Flowage fees	2,611
Land lease	2,500
Interest income	2,402
Miscellaneous	21,768
Total Revenues	<u>1,937,020</u>
Expenditures:	
Current:	
Utilities	14,182
Repair and maintenance	29,917
Contract services	4,638
Accounting and auditing services	12,200
Dues	1,920
Miscellaneous	115
Capital Outlay	2,111,923
Total Expenditures	<u>2,174,895</u>
Excess (deficiency) of revenues over expenditures	<u>(237,875)</u>
Fund Balance, Beginning of year	492,041
Fund Balance, End of year	<u>254,166</u>

See accompanying notes to financial statements.

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2012

Net change in fund balances - total governmental funds: \$ (237,875)

Amounts reported for governmental activities in the statement of net
assets are different because:

Governmental funds report capital outlays as expenditures. However, in the statement
of activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense.

Acquisition of capital assets	2,111,923
Depreciation expense	<u>(129,274)</u>

Change in net assets of governmental activities \$ 1,744,772

Springfield-Robertson County Airport Board

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies

The Springfield-Robertson County Airport Board, (Airport) is a joint venture between the City of Springfield and Robertson County, created in 1990 to oversee the operation, maintenance, and improvement of the Springfield-Robertson County Airport. The Airport Board of Springfield and Robertson County, Tennessee share equally in the responsibilities of the Airport. The Board is governed by a Board of Directors. As an City/County joint undertaking, the Board is exempt from Federal income tax. The Board has been delegated all the powers given by Tennessee Code Annotated 42-5-201 et seq. The Board consists of seven members, two of whom are appointed by the County; and two of whom are appointed by the City of Springfield. The other three members are appointed by both the City of Springfield and Robertson County. Each member serves a five-year term with staggered termination dates. The City of Springfield and the County assist the Board with such items as insurance coverage and bidding and contracting for various projects.

The City of Springfield and the County are presented with estimates of project costs and matching share requirements. Each is asked to contribute one-half of any costs not covered by State or Federal funds; although the Alderman of the City of Springfield and the Commissioners of Robertson County have the authority to approve contributions in whatever amount they deem appropriate. Although the assets are constructed and acquired through the City of Springfield and County funds, the Board retains the legal authority to significantly influence operations including, but not limited to, control over assets, including facilities and properties, short term borrowing and signing contracts.

All significant activities and organizations on which the Board exercises financial accountability have been included in the financial statements for the year ended. The responsibility and accountability over all funds is vested in the Board and Fixed Base Operator, who is appointed by the Board to assist in maintaining and operating the airport facility. There are no component units of the Board.

The accounting policies of the Springfield-Robertson County Airport Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

Reporting Entity:

Governmental Accounting Standards Board (GASB) Statement Number 14, "The Financial Reporting Entity" requires that financial statements present the reporting entity which consists of the primary government and any "Component Unit" organizations for which the primary government is financially accountable and any other "Component Unit" organizations for which the nature and significance of their relationship with the primary government are such that exclusion, could cause the Airport's general purpose financial statements to be misleading. There were no component units requiring blended or discrete presentation under the requirements of GASB Statement Number 14.

Government -Wide and Fund Financial Statements

The Government-wide financial statements, the statement of net assets and the statement of changes in net assets, report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (i) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Springfield-Robertson County Airport Board

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies, Continued

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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund revenues are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded generally when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The Airport reports the following major fund:

General Fund - The General Fund is the general operating fund of the Airport. It is used to account for all financial resources of the general government except those required to be accounted for in another fund.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of checking accounts and a money market account. When both restricted and unrestricted resources are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted funds are used the Airport uses committed, assigned then unassigned funds.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets consisting of certain improvements other than buildings are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Airport as assets with an individual cost of \$5,000 and an estimated useful life in excess of three years. All fixed assets are valued at historical cost or estimated useful life in excess of three years. Donated fixed assets are valued at their estimated fair value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is provided over the estimated useful lives using the straight line method.

The estimated useful lives are as follows:

Infrastructure	20-50 years
Land improvements	20 years
Buildings	40 years
Machinery and Equipment	20 years

Budget and Budgetary Accounting

The Board informally adopts an annual budget for the General Fund. The informal annual budget for the General Fund sets forth total program expenditures (not annual) with estimated grant revenues from intergovernmental sources. The Board is not legally required to adopt a budget; therefore, no budget comparison is presented in these financial statements.

Springfield-Robertson County Airport Board

Notes to Financial Statements

June 30, 2012

(1) Summary of Significant Accounting Policies, Continued

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The reserved equity is earmarked for expenditures on an operations building. The construction of an operations building on the airport site is a part of the five-year plan for the Board.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Financial instruments that potentially subject the Airport to significant concentrations of credit risk consist principally of cash and cash equivalents. The Airport places its cash with federally-insured financial institutions or institutions participating in the State collateral pool.

Deferred Revenue

Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

Fund Balance

The Airport implemented GASB 54 which addresses issues related to how fund balances are reported. Fund balances are now reported in the following manner:

Nonspendable fund balances – amounts that are not in a spendable form, Restricted fund balance – amounts constrained to specific purposes by their providers, provisions, or by enabling legislation, Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint, Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority, Unassigned fund balance – amounts that are available for any purpose; these amounts are reported only in the general fund.

Only by Board approval (via formal vote) can fund balance amounts be classified as committed or assigned.

(2) Cash and Cash Equivalents

The Airport is authorized to invest funds in Federal treasury bills and notes, State of Tennessee Local Government Investment Pool and financial institution demand deposit accounts and certificates of deposit. Deposits in financial institutions are required by State Statute to be secured and collateralized by the institutions. The Airport has deposit policies to minimize custodial credit risks. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the Airport and must total a minimum 105% of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The Airport's deposits with financial institutions are fully insured or collateralized by securities held in the Airport's name.

Springfield-Robertson County Airport Board

Notes to Financial Statements

June 30, 2012

(3) Capital Assets

A summary of changes in general capital assets as presented in the governmental activities column of the government-wide financial statements is as follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Land	477,737	-	-	477,737
Furniture and fixtures	5,338	-	-	5,338
Machinery and equipment	91,897	22,338	-	114,235
Other improvements	3,250,470	2,089,585	-	5,340,055
Parallel taxiway	501,723	-	-	501,723
Runway widening	591,907	-	-	591,907
Parallel localizer	1,107,558	-	-	1,107,558
Security project	99,010	-	-	99,010
Total	<u>6,125,640</u>	<u>2,111,923</u>	<u>-</u>	<u>8,237,563</u>
Accumulated depreciation	1,232,759			1,362,035
Capital assets - net	<u>4,892,881</u>			<u>6,875,528</u>

All assets of the Airport except land of \$ 477,737 is being depreciated. Depreciation expense was \$129,274 for the fiscal year end. Accumulated depreciation was \$5,338 for furniture and fixtures, \$39,824 for machinery and equipment, \$710,341 for improvements, \$144,031 for parallel taxiway, \$151,762 for runway widening, \$275,222 for parallel localizer and \$35,517 for security project.

(4) Risk Management

The Board 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 Board has elected to obtain an insurance policy to transfer risk to a commercial insurance company. Insurance settlements have not been in excess of insurance coverage in any of the prior three years.

Environmental Issues

Fuel is stored at the airport in underground storage facilities. None of the tanks is more than seven years old; and according to the independent environmental consultant for the airport, Simons SIRVEY Corporation, their subcontractor, Hollingsworth Oil, indicates that all tanks are within the new EPA guidelines which went into effect in December of 1999.

Springfield-Robertson County Airport Board

Notes to Financial Statements

June 30, 2012

(5) Commitments and Contingencies

Economic Dependency

The Airport obtains a substantial amount of funds from state and local governments. A significant reduction in the level of such support, if this were to occur, might affect the Airport's ability to carry out its programs and activities.

Litigation:

There are no pending lawsuits in which the Airport is involved.

Grants:

Amounts received from Grantor agencies are subject to audit and adjustment by Grantor agencies, principally the Federal government. Any disallowed claims including amounts already collected, could become a liability of the applicable fund.

SUPPLEMENTAL INFORMATION

Financial schedules are used to demonstrate finance related legal and contractual compliance, provide details of data summarized in the financial statements and present other information deemed useful.

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Schedule of Cash and Cash Equivalents
All Funds

June 30, 2012

	<u>Carrying Value</u>
General Fund:	
Commerce Union Bank -Demand deposits	\$304,063
Total General Fund	<u>304,063</u>
 Total - All funds	 <u><u>\$304,063</u></u>

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Schedule of Federal and State Financial Assistance

For the Year Ended June 30, 2012

CFDA Number	State Grant Number	Program Name	Grantor Agency	Receivable (Deferred) Balance July 1, 2011	Grant Receipts	Deposits	Grant Expenditures	Receivable (Deferred) Balance June 30, 2012
State Program:								
20.106	TAD 74-555-0144-04	TPM and QT Technologies	State of Tennessee Department Transportation	100	0	0	0	100
20.106	TAD 74-555-0742-04	Airport Runway Taxi	State of Tennessee Department Transportation	301,815	1,608,828	0	1,347,606	40,593
N/A	99-555-0742-04	Airport Maintenance	State of Tennessee Department Transportation	6,944	20,933	0	13,989	0
20.106	AERO 74-0742	Airport Unit Hangar	State of Tennessee Department Transportation	0	467,508	0	467,508	0
20.106	TAD 74-555-0350-00	Airport Tractor	State of Tennessee Department Transportation	0	14,675	0	14,675	0
20.106	Z-08-200834	Airport	State of Tennessee Department Transportation	8,371	8,371	0	0	0
Total State Program				317,230	2,120,315	0	1,843,778	40,693

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Schedule of Expenditures of Federal Awards

June 30, 2012

<u>Federal Financial Assistance Program</u>	<u>Grantor Agency</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Airport	Airport Improvements	20.106	<u>1,829,789</u>
	Total		<u>1,829,789</u>

**COMPLIANCE AND
INTERNAL CONTROL**

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

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

Springfield-Robertson County Airport Board
Springfield, Tennessee

I have audited the financial statements of the governmental activities and the major fund of the Springfield-Robertson County Airport Board as of and for the year ended June 30, 2012, and have issued a report thereon dated November 30, 2012. I conducted the audit in accordance with generally accepted auditing standards 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

Management of the Airport Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing the audit, I considered the Springfield-Robertson County Airport Board's internal control over financial reporting as a basis for designing the auditing procedures 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 Springfield-Robertson County Airport Board's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Airport's internal control over financial reporting.

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 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.

My consideration of the 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 over financial reporting that might be deficiencies, significant deficiencies 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 the Springfield-Robertson 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit and, accordingly, I do not express such an opinion. The results of the 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 and use of the audit committee, management, and State Comptrollers Office and is not intended to be and should not be used by anyone other than these specified parties.

John R. Poole, CPA

November 30, 2012

JOHN R. POOLE, CPA
CERTIFIED PUBLIC ACCOUNTANT

134 NORTHLAKE DRIVE
HENDERSONVILLE, TN 37075

(615) 822-4177

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Springfield-Robertson County Airport Board
Springfield, Tennessee

Compliance

I have audited the compliance of the Springfield-Robertson County Airport Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on the Springfield-Robertson County Airport Board's major federal program for the year ended June 30, 2012. The Springfield-Robertson County Airport Board's major federal program is identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to the major federal program is the responsibility of the Airport Board's management. My responsibility is to express an opinion on the Airport Board's compliance based on my audit.

I conducted the audit of compliance 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Airport Board's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. The audit does not provide a legal determination on the Airport Board's compliance with those requirements.

In my opinion, the Springfield-Robertson County Airport Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the Springfield-Robertson County Airport Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing the audit, I considered the Airport Board's internal control over compliance with the requirements that could have a direct and material effect on the major federal program in order to determine the auditing procedures for the purpose of expressing my opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Airport Board's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with the types of compliance requirements of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, the State Comptroller's Office, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

John R Poole, CPA

November 30, 2012

SPRINGFIELD-ROBERTSON COUNTY AIRPORT BOARD

Schedule of Findings and Questioned Costs

June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

The Auditor's Report on the Financial Statements was an unqualified opinion.

Internal control over financial reporting:

There were no material weaknesses identified.

There were no significant deficiencies identified.

There was no noncompliance that was material to the financial statements.

Federal Awards

Internal control over major programs:

There were no material weaknesses identified.

There were no significant deficiencies.

The auditor's report on compliance for major programs was unqualified.

There were no audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133.

The Major Program was:

Airport Improvements, CFDA 20.106

Type A programs have been distinguished as those programs with expenditures greater than \$300,000.

The Airport Improvements program met this threshold.

Springfield-Robertson County Airport Authority was not considered to be a low risk auditee.

Section II - Financial Statement Findings

There were no findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards.

Section III - Federal Award Findings and Questioned Costs

There were no findings related to Federal Awards.

The accompanying notes are an integral part of these statements.