

MOUNT VERNON AIRPORT AUTHORITY
Mount Vernon, Illinois

FINANCIAL STATEMENTS

April 30, 2007

LORI MARSHALL
MARK PAINÉ

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MOUNT VERNON AIRPORT AUTHORITY
Mount Vernon, Illinois

BOARD OF COMMISSIONERS

For the Fiscal Year Ended April 30, 2007

Board Commissioners

Alan Hale, Chair
Michael Ancona, Vice Chair
Greg Martin, Secretary
Paul Dickerson, Treasurer
Gary Chesney, Commissioner

MOUNT VERNON AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2007

As management of the Mount Vernon Airport Authority, (the 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 April 30, 2007.

Financial Highlights

- The Authority's total assets exceeded its liabilities by \$8,064,899 (net assets) for the fiscal year reported as compared to \$7,853,558 reported in the prior fiscal year.
- * The Authority's total net assets increased by \$211,341 or 2.7% over the course of the year's operations as compared to an increase of \$699,119 in the prior fiscal year.
- ** For the second consecutive year, the general fund has seen revenues exceed expenditures, resulting in some reduction in the fund balance deficit from prior years' operational losses.
- The Authority incurred a gain on disposal of capital assets of \$4,900 in the current year due to the disposal of one fire crash rescue vehicle.

Non Financial Highlights

- Mt. Vernon Outland Airport was named the 2007 Category A (runways greater than 5,500 feet) General Aviation Airport of the Year by the Illinois Department of Transportation. The selection was based on recent airfield facilities improvements, good facility maintenance, preservation and enhancement of airfield safety and good community relations.

Overview of the Financial Statements

This annual report includes this management's discussion and analysis report, the independent auditors' report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the Authority report information of the Authority 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 includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

The Authority's two kinds of funds - *governmental and proprietary* - use different accounting approaches.

- *Governmental funds* - Most of the Authority's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are

available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in the reconciliation of the governmental funds balance sheet to the Statement of Net Assets.

- **Proprietary funds** - When the Authority charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Authority's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

All of the Enterprise Funds' current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the Enterprise Funds' operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The final required financial statement for Proprietary Funds is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to Financial Statements

The accompanying notes to financial statements provide information essential to a full understanding of the financial statements. The notes to financial statements begin on page 18 of this report.

Analysis of Financial Position

One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Authority as a whole and about its activities in a way that helps answer this question.

These two statements report the net assets of the Authority and the changes in them. One can think of the Authority's net assets - the difference between assets and liabilities - as one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions and new or changed government legislation.

Summary of Net Assets

The following summarizes the net assets of the Mount Vernon Airport Authority at April 30, 2006 and April 30, 2007:

Net Assets Summary

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$1,137,964	\$1,130,205	\$97,364	\$101,204	\$1,235,328	\$1,231,409
Capital assets	<u>7,463,631</u>	<u>7,437,521</u>	<u>-0-</u>	<u>-0-</u>	<u>7,463,631</u>	<u>7,437,521</u>
Total assets	<u>8,601,595</u>	<u>8,567,726</u>	<u>97,364</u>	<u>101,204</u>	<u>8,698,959</u>	<u>8,668,930</u>
Current liabilities	254,060	243,920	-0-	1,452	254,060	245,372
Long-term liabilities	<u>380,000</u>	<u>570,000</u>	<u>-0-</u>	<u>-0-</u>	<u>380,000</u>	<u>570,000</u>
Total liabilities	<u>634,060</u>	<u>813,920</u>	<u>-0-</u>	<u>1,452</u>	<u>634,060</u>	<u>815,372</u>
Net assets:						
Invested in capital asset, net of related debt	7,439,457	7,262,430	-0-	-0-	7,439,457	7,262,430
Restricted for						
Capital projects	715,791	704,842	-0-	-0-	715,791	704,842
Debt service	281,005	278,649	-0-	-0-	281,005	278,649
Prepaid expenses	22,498	21,373	-0-	-0-	22,498	21,373
Unrestricted	<u>(491,216)</u>	<u>(513,488)</u>	<u>97,364</u>	<u>99,752</u>	<u>(393,852)</u>	<u>(413,736)</u>
Total net assets	<u>\$7,967,535</u>	<u>\$7,753,806</u>	<u>\$97,364</u>	<u>\$ 99,752</u>	<u>\$8,064,899</u>	<u>\$7,853,558</u>

Summary of Changes in Net Assets

The following summarizes the changes in net assets of the Mount Vernon Airport Authority at April 30, 2006 and April 30, 2007:

Changes in Net Assets Summary

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues						
Charges for services	\$ 84,656	\$ 120,717	\$ 484	\$ 2,131	\$ 85,140	\$ 122,848
Capital grants and contributions	745,258	1,030,966	-0-	-0-	745,258	1,030,966
General revenues						
Real estate and personal property taxes levied for:						
General purposes	260,861	239,490	-0-	-0-	260,861	239,490
Debt service	205,645	204,695	-0-	-0-	205,645	204,695
Miscellaneous	459	1,648	-0-	-0-	459	1,648
Gain on asset disposal	4,900	109,234	-0-	73,228	4,900	182,462
Interest	17,951	17,470	3,162	3,725	21,113	21,195
Other revenues	<u>16,648</u>	<u>14,456</u>	<u>-0-</u>	<u>10,920</u>	<u>16,648</u>	<u>25,376</u>
Total revenues	<u>1,336,378</u>	<u>1,738,676</u>	<u>3,646</u>	<u>90,004</u>	<u>1,340,024</u>	<u>1,828,680</u>
Expenses						
General and administrative services	1,102,708	1,101,953	6,034	3,798	1,108,742	1,105,751
Interest and other fiscal charges	<u>19,941</u>	<u>23,810</u>	<u>-0-</u>	<u>-0-</u>	<u>19,941</u>	<u>23,810</u>
Total expenses	<u>1,122,649</u>	<u>1,125,763</u>	<u>6,034</u>	<u>3,798</u>	<u>1,128,683</u>	<u>1,129,561</u>
Change in net assets	213,729	612,913	(2,388)	86,206	211,341	699,119
Net assets - beginning	<u>7,753,806</u>	<u>7,140,893</u>	<u>99,752</u>	<u>13,546</u>	<u>7,853,558</u>	<u>7,154,439</u>
Net assets - ending	<u>\$7,967,535</u>	<u>\$7,753,806</u>	<u>\$97,364</u>	<u>\$99,752</u>	<u>\$8,064,899</u>	<u>\$7,853,558</u>

Capital Assets and Debt Administration

Capital Assets. The Authority's investment in capital assets as of April 30, 2007, amounted to \$7,463,631 (net of accumulated depreciation). This investment in capital assets includes property, plant, and equipment. Capital assets for the governmental funds increased by \$692,767 and for the business-type activities, capital assets remained the same. For governmental activities, total depreciation expense for this year amounts to \$714,914 with ending accumulated depreciation being \$21,866,822. For business-type activities, total depreciation expense for this year amounts to \$-0- with ending accumulated depreciation being \$208,428.

Net Capital Assets Summary

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 1,183,319	\$ 1,052,181	\$ -0-	\$ -0-	\$ 1,183,319	\$ 1,052,181
Land improvements	20,645,574	20,085,220	-0-	-0-	20,645,574	20,085,220
Buildings and improvements	5,928,035	5,895,368	-0-	-0-	5,928,035	5,895,368
Machinery and equipment	1,573,525	1,604,917	208,428	208,428	1,781,953	1,813,345
Less accumulated depreciation	(21,866,822)	(21,200,165)	(208,428)	(208,428)	(22,075,250)	(21,408,593)
Total capital assets, net	<u>\$ 7,463,631</u>	<u>\$ 7,437,521</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 7,463,631</u>	<u>\$ 7,437,521</u>

Debt Administration. Long-term debt. The Authority's general obligation bond indebtedness at April 30, 2007, totaled \$570,000, of which \$185,000 is due in less than one year. The general obligation bond indebtedness at April 30, 2006, was \$755,000.

Economic Factors and Next Year's Budget and Rates

The management of the Authority considered many factors in setting the fiscal year 2007/2008 budget. As always, the overriding factor was to keep expenses at or below the amount of revenue. Revenue has varied over the past 10 years of the Authority's existence.

The most significant expense remains employee related costs. Additional significant expenses include costs, such as utilities, maintenance, insurance, and legal and consulting fees.

Requests for Information

This financial report is designed to provide a general overview of the Mount Vernon Airport Authority finances for all those with an interest in the government's finances. If you have questions about this report or need additional financial information, contact the Airport Director, 100 Aviation Drive, Mount Vernon, Illinois 62864.

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS
For the Fiscal Year Ended April 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash	\$ 458,931	\$ 92,311	\$ 551,242
Receivables			
Accounts, net of allowance for uncollectibles of \$19,335 and \$-0-	13,376	25,599	38,975
Due from other governments	196,168	-0-	196,168
Property and replacement taxes	153,093	-0-	153,093
Property taxes restricted for debt service	272,367	-0-	272,367
Internal balances	20,546	(20,546)	-0-
Inventories	985	-0-	985
Prepaid expenses	22,498	-0-	22,498
Capital assets			
Land	1,183,319	-0-	1,183,319
Land improvements	20,645,574	-0-	20,645,574
Buildings and improvements	5,928,035	-0-	5,928,035
Machinery and equipment	1,573,525	208,428	1,781,953
Less accumulated depreciation	<u>(21,866,822)</u>	<u>(208,428)</u>	<u>(22,075,250)</u>
Total capital assets, net	<u>7,463,631</u>	<u>-0-</u>	<u>7,463,631</u>
Total assets	<u>8,601,595</u>	<u>97,364</u>	<u>8,698,959</u>
Liabilities			
Accounts payable	7,430	-0-	7,430
Accrued liabilities	18,860	-0-	18,860
Accrued interest payable	6,922	-0-	6,922
Other current liabilities	16,132	-0-	16,132
Deferred hangar rent	14,716	-0-	14,716
General obligation bonds (One year maturity \$190,000, due in more than one year \$380,000)	<u>570,000</u>	<u>-0-</u>	<u>570,000</u>
Total liabilities	<u>634,060</u>	<u>-0-</u>	<u>634,060</u>
Net assets			
Invested in capital assets, net of related debt	7,439,457	-0-	7,439,457
Restricted for			
Capital projects	715,791	-0-	715,791
Debt service	281,005	-0-	281,005
Prepaid expenses	22,498	-0-	22,498
Unrestricted	<u>(491,216)</u>	<u>97,364</u>	<u>(393,852)</u>
Total net assets	<u>\$ 7,967,535</u>	<u>\$ 97,364</u>	<u>\$ 8,064,899</u>

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

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended April 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) /Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
Governmental activities:					
General and administrative services	\$1,102,708	\$84,656	\$-0-	\$745,258	\$(272,794)
Interest and other fiscal charges	19,941	-0-	-0-	-0-	(19,941)
Total governmental activities	<u>1,122,649</u>	<u>84,656</u>	<u>-0-</u>	<u>745,258</u>	<u>(292,735)</u>
Business-type activities:					
Enterprise fund	6,034	484	-0-	-0-	(5,550)
Total business-type activities	<u>6,034</u>	<u>484</u>	<u>-0-</u>	<u>-0-</u>	<u>(5,550)</u>
Total primary government	<u>\$1,128,683</u>	<u>\$85,140</u>	<u>\$-0-</u>	<u>\$745,258</u>	<u>\$(298,285)</u>
		<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Change in net assets					
Net (expense)/revenue		<u>\$ (292,735)</u>	<u>\$ (5,550)</u>	<u>\$ (298,285)</u>	
General revenues					
Real estate and personal property taxes levied for:					
General purposes		260,861	-0-	260,861	
Debt service		205,645	-0-	205,645	
Miscellaneous		459	-0-	459	
Gain on asset disposal		4,900	-0-	4,900	
Interest		17,951	3,162	21,113	
Other revenues		<u>16,648</u>	<u>-0-</u>	<u>16,648</u>	
Total general revenues		<u>506,464</u>	<u>3,162</u>	<u>509,626</u>	
Change in net assets		213,729	(2,388)	211,341	
Net assets - beginning		<u>7,753,806</u>	<u>99,752</u>	<u>7,853,558</u>	
Net assets - ending		<u>\$7,967,535</u>	<u>\$97,364</u>	<u>\$8,064,899</u>	

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

MOUNT VERNON AIRPORT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
For the Fiscal Year Ended April 30, 2007

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 29,041	\$ 388,273	\$ 41,617	\$ 458,931
Receivables:				
Accounts, net of allowance for uncollectibles \$19,335	13,376	-0-	-0-	13,376
Due from other funds	26,057	679,923	-0-	705,980
Due from other governments	-0-	196,168	-0-	196,168
Property and replacement taxes	122,323	-0-	204,275	326,598
Inventories	985	-0-	-0-	985
Prepaid expenses	22,498	-0-	-0-	22,498
Total Assets	<u>\$ 214,280</u>	<u>\$ 1,264,364</u>	<u>\$ 245,892</u>	<u>\$ 1,724,536</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,683	\$ 2,747	\$ -0-	\$ 7,430
Accrued liabilities	18,860	-0-	-0-	18,860
Due to other funds	659,377	-0-	26,057	685,434
Other current liabilities	16,132	-0-	-0-	16,132
Deferred property tax revenue	92,310	-0-	204,275	296,585
Deferred hangar rental	14,716	-0-	-0-	14,716
Total liabilities	<u>806,078</u>	<u>2,747</u>	<u>230,332</u>	<u>1,039,157</u>
Fund balances:				
Reserved for:				
Capital projects	-0-	1,261,617	-0-	1,261,617
Debt service	-0-	-0-	15,560	15,560
Prepaid expenses	22,498	-0-	-0-	22,498
Unreserved, reported in				
general fund	(614,296)	-0-	-0-	(614,296)
Total fund balances	<u>(591,798)</u>	<u>1,261,617</u>	<u>15,560</u>	<u>685,379</u>
Total Liabilities and Fund Balances	<u>\$ 214,280</u>	<u>\$ 1,264,364</u>	<u>\$ 245,892</u>	<u>\$ 1,724,536</u>

*w/b FIXED ASSETS
& BONDS
NORMAL VIEW*

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

MOUNT VERNON AIRPORT AUTHORITY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 For the Fiscal Year Ended April 30, 2007

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Total governmental fund balances	\$ (591,798)	\$1,261,617	\$ 15,560	\$ 685,379
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	7,463,631	-0-	-0-	7,463,631
Interest payable on long-term debt does not require current financial resources and, therefore, is not reported as a liability in the governmental funds.	-0-	-0-	(6,922)	(6,922)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of \$570,000 of general obligation bonds, which includes \$545,826 in unspent proceeds.	(24,174)	(545,826)	-0-	(570,000)
Some of the Authority's property taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and, therefore, are reported as deferred revenue in the governmental funds.	<u>123,080</u>	-0-	<u>272,367</u>	<u>395,447</u>
Net assets of governmental activities	<u>\$6,970,739</u>	<u>\$ 715,791</u>	<u>\$281,005</u>	<u>\$7,967,535</u>

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

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Fiscal Year Ended April 30, 2007

	General Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:				
Real estate and personal property taxes levied for				
General purposes	\$ 255,149	\$ -0-	\$ -0-	\$ 255,149
Debt service	-0-	-0-	205,089	205,089
Capital grants and contributions	-0-	196,165	-0-	196,165
Charges for services	83,803	-0-	-0-	83,803
Interest	11	16,288	1,652	17,951
Miscellaneous	1,312	-0-	-0-	1,312
Farm revenue	16,648	-0-	-0-	16,648
Total revenues	<u>356,923</u>	<u>212,453</u>	<u>206,741</u>	<u>776,117</u>
Expenditures:				
Current				
General and administrative government services	339,238	48,556	-0-	387,794
Capital outlays	-0-	191,931	-0-	191,931
Debt service				
Principal retirement	-0-	-0-	185,000	185,000
Interest and other fiscal charges	-0-	-0-	21,675	21,675
Total expenditures	<u>339,238</u>	<u>240,487</u>	<u>206,675</u>	<u>786,400</u>
Excess (deficiency) of revenue over (under) expenditures	<u>17,685</u>	<u>(28,034)</u>	<u>66</u>	<u>(10,283)</u>
Other financing sources:				
Proceeds from sale of property and equipment ARFF	-0-	4,900	-0-	4,900
Total other financing sources	<u>-0-</u>	<u>4,900</u>	<u>-0-</u>	<u>4,900</u>
Net change in fund balance	17,685	(23,134)	66	(5,383)
Fund balance, beginning	<u>(609,483)</u>	<u>1,284,751</u>	<u>15,494</u>	<u>690,762</u>
Fund balance, ending	<u>\$(591,798)</u>	<u>\$1,261,617</u>	<u>\$ 15,560</u>	<u>\$ 685,379</u>

* FIVE YEARS OF LOSSES THEN \$550 BLACK THEN

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

MOUNT VERNON AIRPORT AUTHORITY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended April 30, 2007

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Net changes in fund balances - total governmental funds	\$ 17,685	\$ (23,134)	\$ 66	\$ (5,383)
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$714,914) exceeds capital purchases (\$191,931) during the current period.	(714,914)	191,931	-0-	(522,983)
Accrued interest on long-term debt reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	-0-	-0-	1,734	1,734
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	-0-	-0-	185,000	185,000
The statement of activities reports an increase in revenues due to current activity in deferred revenues which is not reported at the fund level.	5,712	-0-	556	6,268
Federal and state grant revenues reported in the statement of activities as capital contributions do not require the use of current financial resources and, therefore, are not reported as revenues in the governmental funds.	549,093	-0-	-0-	549,093
Proceeds from the sale of property and equipment are included in the governmental funds as other financing sources. However, the net book value of the property and equipment sold is removed from capital assets and offset against the sales proceeds in the statement of activities.	<u>4,900</u>	<u>(4,900)</u>	<u>-0-</u>	<u>-0-</u>
Change in net assets of governmental activities	<u>\$ (137,524)</u>	<u>\$ 163,897</u>	<u>\$187,356</u>	<u>\$ 213,729</u>

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

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended April 30, 2007

	<u>Enterprise Fund</u> <u>F.B.O.</u>
Assets	
Current assets	
Cash	\$ 92,311
Accounts receivable	25,599
Due from other funds	<u>29,060</u>
Total current assets	<u>146,970</u>
Capital assets	
Equipment	208,428
Accumulated depreciation	<u>(208,428)</u>
Net capital assets	<u>-0-</u>
Total assets	<u>146,970</u>
Liabilities	
Current liabilities	
Accounts payable	-0-
Accrued liabilities	-0-
Due to other funds	<u>49,606</u>
Total current liabilities	<u>49,606</u>
Total liabilities	<u>49,606</u>
Net assets	
Unrestricted	<u>97,364</u>
Total net assets	<u>\$ 97,364</u>

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

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the Fiscal Year Ended April 30, 2007

	<u>Enterprise Fund</u> <u>F.B.O.</u>
Operating revenues	
Charges for services	\$ 450
Equipment lease	<u>34</u>
Total operating revenues	<u>484</u>
Operating expenses	
Fuel and oil	470
Miscellaneous	220
Repairs, maintenance, and supplies	5,258
Utilities and telephone	<u>86</u>
Total operating expenses	<u>6,034</u>
Operating income	<u>(5,550)</u>
Nonoperating revenues	
Interest income	<u>3,162</u>
Total nonoperating revenues	<u>3,162</u>
Gain before transfers and capital contributions	<u>(2,388)</u>
Change in net assets	(2,388)
Total net assets - beginning	<u>99,752</u>
Total net assets - ending	<u>\$97,364</u>

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

MOUNT VERNON AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended April 30, 2007

	<u>Enterprise Fund</u> <u>F.B.O.</u>
Cash flows from operating activities	
Cash received from customers	\$ 484
Cash payments to suppliers for goods and services	<u>(31,975)</u>
Net cash used for operating activities	<u>(31,491)</u>
Cash flows from noncapital financing activities	
Increase in due from other funds	<u>(17,000)</u>
Net cash used for noncapital financing activities	<u>(17,000)</u>
Cash flows from investing activities	
Interest received	<u>3,162</u>
Net cash provided by investing activities	<u>3,162</u>
Net decrease in cash	(45,329)
Cash - beginning	<u>137,640</u>
Cash - ending	<u>\$ 92,311</u>
Reconciliation of operating income to net cash used for operating activities	
Operating loss	\$ (5,550)
Adjustments to reconcile operating loss to net cash used for operating activities	
Changes in assets and liabilities:	
(Increase) in accounts receivable	(24,489)
(Decrease) in accrued liabilities	<u>(1,452)</u>
Total adjustments	<u>(25,941)</u>
Net cash used for operating activities	<u>\$ (31,491)</u>

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

MOUNT VERNON AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
April 30, 2007

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Authority's reporting entity includes the Authority's governing board and all related organizations for which the Authority exercises oversight responsibility.

The Authority has developed criteria to determine whether outside agencies with activities which benefit the citizens served by the Authority should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Authority exercises oversight responsibility which includes financial interdependency, selection of governing board, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The Authority has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component unit in the Authority's financial statements. The Board of Commissioners of the Authority consists of five members of which three are appointed by the Mount Vernon City Council and two are appointed by the Jefferson County Board. The Authority, although governed by Commissioners who are directly appointed by the Mount Vernon City Council and the Jefferson County Board, is considered a separate government because it is substantially autonomous and neither the City nor the County maintains an ongoing financial interest in the Authority. Accordingly, the Authority is not considered to be a component unit of either the City of Mount Vernon or Jefferson County and its financial statements are not included in their annual reports.

B. Government-Wide and Fund Financial Statements

Financial information of the Authority and the Enterprise Funds are presented as follows:

- *Management's discussion and analysis* introduces the basic financial statements and provides an analytical overview of the Authority's financial activities.
- *Basic Financial Statements*: Government-wide financial statements consist of a statement of net assets and a statement of activities.

These statements report all of the activities of the primary government. Governmental activities are reported separately from business-type activities. Governmental activities are normally supported by taxes and intergovernmental revenues whereas business-type activities are normally supported by fees and charges from services and are usually intended by management to be financially self-sustaining.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Authority and for each function of the Authority's governmental activities. Program revenues include (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes and other items, are presented as general revenues.

- *Fund financial statements* consist of a series of statements focusing on information about the Authority's major governmental and enterprise funds. Separate financial statements are presented for the governmental and proprietary funds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Property taxes are levied during a calendar year and attached as an enforceable lien on property as of December 31. These taxes are payable in two installments during the following summer and fall on due dates to be set by the County at which time collection is made.

Property taxes (if levied), taxpayer-assessed other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Authority reports the following major governmental funds:

- The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the government, except those required to be accounted for in another fund.
- The *Debt Service Fund* of the Authority accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. Sources of funds for the servicing of the debt include property taxes restricted for debt service.
- The *Capital Projects Fund* of the Authority accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment. Financing is provided by general obligation debt and federal and state capital grants.

The Authority reports the following major enterprise funds:

- *Enterprise Funds* are used to account for any activity for which a fee is charged to external users for goods and services. The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The goods and services provided are related to a fixed base operation that sells fuel and performs repair and maintenance type services for users.

Proprietary fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. Under this basis of accounting and measurement focus, the Authority applies (a) all GASB pronouncements and (b) FASB Statements and Interpretations, APB Opinions, and Accounts Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for services and benefit fees. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash

Cash is comprised of petty cash and deposits with financial institutions in accounts which are subject to withdrawal.

The Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Refer to Note 2 for the collateralization of the Authority's cash.

Receivables

Property taxes are recorded as receivables, net of an allowance for uncollectible taxes, when they are levied. Personal property replacement taxes are recorded as receivables when in the possession of intermediary collecting governments. Sales, billed and unbilled, are recorded as receivables when due and collectible.

Inventories

Inventory items in the modified accrual basis funds are expended when purchased.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Deferred Revenue

Deferred revenue at the governmental fund financial statement level represents receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Deferred revenue, if appropriate, is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

The government-wide financial statements, like the governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at historical cost.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Property, plant, and equipment of the primary government, as well as the enterprise fund is depreciated using the straight-line method over the estimated useful lives as follows:

Governmental funds	
Buildings	20-40 years
Office and field equipment	3-15 years
Land improvements	15 years
Enterprise fund	
Office and field equipment	5-15 years

Compensated Employee Vacation

No provision has been made in the financial statements for currently earned employee vacation not yet taken since this amount is immaterial.

Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Net Assets/Fund Balances

Net Assets - Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances - The governmental fund financial statements report reservations of fund balance for amounts that are not available for appropriation or are legally reserved by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Deficit Fund Equity

The General Operating Fund had an accumulated deficit of \$591,798 at April 30, 2007, as a result of prior year's airport activity losses, including air shows and restaurant operations.

D. Appropriation-Budget

The Authority establishes control over the operations of its funds through the use of an annual appropriation-budget. Appropriated-budgeted amounts generally represent the amounts appropriated by the Authority for the levy of property taxes. They have also been prepared for purposes of monitoring income and expenditures. The appropriation-budget for the General Fund is prepared under the modified accrual basis which is consistent with their basis of accounting. Appropriated expenditures in the General Fund represent the legal limitation on actual expenditures. Unspent appropriations lapse at the end of the fiscal year for which they were made.

Encumbrances are not used for unperformed contracts for goods or services.

The Authority follows these procedures in establishing the appropriated-budgeted amounts reflected in the financial statements:

- 1) Prior to May 1, or as soon after as possible, a proposed appropriation-budget is submitted to the Board of Commissioners for the fiscal year commencing May 1.
- 2) A tentative appropriation-budget is approved by the Board of Commissioners and is made available for public inspection.
- 3) A public hearing is held to obtain taxpayer comments.
- 4) The final appropriation-budget is enacted through passage of an ordinance.
- 5) Amending the appropriation-budget requires passage of an ordinance.

Note 2. CASH

At year end, deposits with financial institutions and the collateralization of these deposits are presented in the following table:

	Carrying Amounts	Deposit Balance		
		Total	Insured	Securities Pledged Unsecured
Total -				
All Funds	<u>\$551,242</u>	<u>\$550,156</u>	<u>\$129,312*</u>	<u>\$420,844 \$-0-</u>

*Assumes F.D.I.C. insurance coverage would be paid first in the event of failure.

Note 3. DUE FROM STATE OF ILLINOIS

Due from State of Illinois consists of the net of amounts due from and due to the State of Illinois on various projects in process at the end of the year. The projects are financed using Federal, State, and Airport Authority funds. The State of Illinois is the disbursing agent. This, therefore, often causes balances due from or due to the State. The balance as of April 30, 2007, consists of the following:

	<u>Expended Through April 30, 2007</u>			Due From
	<u>Federal Participation</u>	<u>State Participation</u>	<u>Authority's Share</u>	<u>(To) State of Illinois</u>
Project No. MVN-3428 Overlay and Groove Runway, 5/23	<u>\$ 97,291</u>	<u>\$ (210)</u>	<u>\$ (210)</u>	<u>\$ -0-</u>
Project No. MVN-3539 Construct PFC Runway, 15/33	<u>\$440,541</u>	<u>\$11,470</u>	<u>\$11,470</u>	<u>\$ 3</u>
Project No. MVN-3609 Land Acquisition End of Runway 23	<u>\$153,805</u>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$158,805</u>
Project No. MVN-3634 ARFF Station Upgrade and Obstruction Removal	<u>\$ 36,402</u>	<u>\$ 958</u>	<u>\$ 958</u>	<u>\$ 37,360</u>
Total				<u>\$196,168</u>

Note 4. INTERFUND BALANCES

Interfund balances at April 30, 2007, consist of the following:

	<u>Due From</u>	<u>Due To</u>
Capital Projects Fund	\$679,923	\$ -0-
General Operating Fund	26,057	659,377
Enterprise Fund	29,060	49,606
Debt Service Fund	-0-	26,057
	<u>\$735,040</u>	<u>\$735,040</u>

These balances originated from Capital Project Fund transfers to the General Operating Fund and Enterprise Fund for airport activities. The balance (\$26,057) due to General Operating Fund from Debt Service Fund results from retention of property tax revenue retained in Debt Service to capture higher interest rate. Management has no documented plan for repayment and does not expect all of these balances to be repaid within one year.

Note 5. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2007, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 1,052,181	\$ 131,138	\$ -0-	\$ 1,183,319
Total capital assets, not being depreciated	<u>\$ 1,052,181</u>	<u>\$ 131,138</u>	<u>\$ -0-</u>	<u>\$ 1,183,319</u>
Capital assets, being depreciated:				
Buildings	\$ 5,895,368	\$ 32,667	\$ -0-	\$ 5,928,035
Land improvements	20,085,220	560,354	-0-	20,645,574
Office and field equipment	<u>1,604,917</u>	<u>16,865</u>	<u>(48,257)</u>	<u>1,573,525</u>
Total capital assets being depreciated	<u>27,585,505</u>	<u>609,886</u>	<u>(48,257)</u>	<u>28,147,134</u>
Less accumulated depreciation				
Buildings	(3,690,591)	(182,070)	-0-	(3,872,661)
Land improvements	(16,295,760)	(470,778)	-0-	(16,766,538)
Office and field equipment	<u>(1,213,814)</u>	<u>(62,066)</u>	<u>48,257</u>	<u>(1,227,623)</u>
Total accumulated depreciation	<u>(21,200,165)</u>	<u>(714,914)</u>	<u>48,257</u>	<u>(21,866,822)</u>
Total capital assets, being depreciated, net	<u>6,385,340</u>	<u>(105,028)</u>	<u>-0-</u>	<u>6,280,312</u>
Governmental activities capital assets, net	<u>\$ 7,437,521</u>	<u>\$ 26,110</u>	<u>\$ -0-</u>	<u>\$ 7,463,631</u>
Business-type activities				
Capital assets, being depreciated				
Shop and office equipment	\$ 208,428	\$ -0-	\$ -0-	\$ 208,428
Total capital assets, being depreciated	<u>208,428</u>	<u>-0-</u>	<u>-0-</u>	<u>208,428</u>
Less accumulated depreciation				
Shop and office equipment	<u>(208,428)</u>	<u>-0-</u>	<u>-0-</u>	<u>(208,428)</u>
Total accumulated depreciation	<u>(208,428)</u>	<u>-0-</u>	<u>-0-</u>	<u>(208,428)</u>
Total capital assets, being depreciated, net	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Business-type activities capital assets, net	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additions to capital assets are recorded at invoice cost plus trade-ins, if applicable. If the addition includes a trade-in, then the amount posted is greater than the actual cash expended for these assets. Dispositions are removed at original cost less any accumulated depreciation.

Depreciation charged to occupancy and equipment expense for the general government and the enterprise fund was \$714,914 and \$-0-, respectively.

Note 6. GENERAL OBLIGATION BONDS

Bonded indebtedness at April 30, 2007, consists of the following:

<u>Maturity Date</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Amount</u>
December 1, 2007	February 1, 2004	2.50%	\$190,000
December 1, 2008	February 1, 2004	3.00%	195,000
December 1, 2009	February 1, 2004	3.25%	185,000
			<u>\$570,000</u>

General Obligation Bond transactions for the year ended April 30, 2007, were as follows:

	<u>Outstanding</u> <u>4/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>4/30/07</u>
General Obligation Bonds	<u>\$755,000</u>	<u>\$-0-</u>	<u>\$185,000</u>	<u>\$570,000</u>

Annual requirements to retire all outstanding long-term debt of the Authority is summarized in the following table:

<u>Year Ending April 30</u>	<u>Total</u>	<u>Principal</u>	<u>Scheduled Interest</u>
2008	\$206,613	\$190,000	\$16,613
2009	206,862	195,000	11,862
2010	<u>191,013</u>	<u>185,000</u>	<u>6,013</u>
	<u>\$604,488</u>	<u>\$570,000</u>	<u>\$34,488</u>

The Authority is not obligated for any special assessment debt at April 30, 2007.

Note 7. RESERVED FUND BALANCE

Changes in reserved fund balance in the General Fund are as follows:

	<u>Reserved Fund Balance</u> <u>4/30/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Reserved Fund Balance</u> <u>4/30/07</u>
<u>General Fund</u> Prepaid insurance and expenses	<u>\$21,373</u>	<u>\$49,253</u>	<u>\$48,128</u>	<u>\$22,498</u>

The reserve for prepaid insurance is necessary since this amount is not available for expenditure.

Note 8. LEGAL DEBT MARGIN

The Authority's legal debt margin is as follows:

	<u>2006 Tax Year</u>
Gross equalized assessed valuation	<u>\$209,427,003</u>
Statutory debt limitation (2.3% of equalized assessed valuation)	\$ 4,816,821
Total debt: General obligation bonds payable	<u>570,000</u>
Legal debt margin	<u>\$ 4,246,821</u>

Bonds outstanding of the Authority may not exceed three-fourths of one-percent of the equalized assessed valuation (\$1,570,703) until the question of whether the bonds shall be issued is approved by the legal voters of the Authority. The bonds issued may also be further limited by the Property Tax Extension Limitation Law (PTELL).

*COULD BOND FOR
\$1,000,000 RIGHT NOW
AND SO OK W/ STATUTE*

MOUNT VERNON AIRPORT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREMENT PLAN - TREND INFORMATION
 AND SCHEDULE OF FUNDING PROGRESS
 For the Fiscal Year Ended April 30, 2007

RETIREMENT PLAN - ILLINOIS MUNICIPAL RETIREMENT FUND

The Authority's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Authority is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 7.75% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006, was 31 years.

For December 31, 2006, the Authority's annual pension cost of \$9,818 was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

TREND INFORMATION

MOUNT VERNON AIRPORT AUTHORITY
 EMPLOYER NUMBER: 06313R

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 9,818	100%	\$-0-
12/31/05	9,243	100%	-0-
12/31/04	10,434	100%	-0-
12/31/03	23,909	100%	-0-
12/31/02	14,135	100%	-0-
12/31/01	16,445	100%	-0-
12/31/00	30,861	100%	-0-
12/31/99	27,945	100%	-0-

(Continued)

VERY SOUND!

MOUNT VERNON AIRPORT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 RETIREMENT PLAN - TREND INFORMATION
 AND SCHEDULE OF FUNDING PROGRESS
 For the Fiscal Year Ended April 30, 2007

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$188,186	\$143,000	\$ (45,186)	131.60%	\$126,681	0.00%
12/31/05	161,926	124,722	(37,204)	129.83%	104,792	0.00%
12/31/04	142,921	117,840	(25,081)	121.28%	114,408	0.00%
12/31/03	133,097	131,762	(1,335)	101.01%	268,042	0.00%
12/31/02	99,049	94,301	(4,748)	105.03%	163,222	0.00%
12/31/01	88,167	85,191	(2,976)	103.49%	175,137	0.00%
12/31/00	65,532	61,966	(3,566)	105.75%	328,310	0.00%
12/31/99	35,933	84,087	48,154	42.73%	297,290	16.20%

On a market value basis, the actuarial value of assets as of December 31, 2006, is \$198,188. On a market basis, the funded ratio would be 138.59%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 experience study.

The principal changes were:

- The 1994 group annuity mortality implemented.
- For Regular members, fewer normal and more early retirements are expected to occur.

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

MOUNT VERNON AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
RISKS MANAGEMENT (UNAUDITED)
For the Fiscal Year Ended April 30, 2007

The operations by the Authority, as described in Note 1, put the entity at risk for possible claims. Some of the areas that have this potential include, but are not limited to, employee life, health, property and liability, worker's compensation, disability, unemployment, and employee dishonesty.

Significant losses are covered by commercial insurance for all major areas for which the Authority retains risk of loss. For insured programs, there have been no significant reductions in insurance coverage. No settlements have been made in the current or prior three years that exceeded insurance coverage.

MOUNT VERNON AIRPORT AUTHORITY
 GOVERNMENTAL FUNDS - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended April 30, 2007

	Original and Final Budget	Total Actual	Variance Positive (Negative)
Revenues			
Real estate and personal property taxes levied for general purposes	\$ 409,059	\$ 255,149	\$(153,910)
Charges for services	90,250	83,803	(6,447)
Interest	100	11	(89)
Miscellaneous	18,089	1,312	(16,777)
Farm revenue	<u>14,500</u>	<u>16,648</u>	<u>2,148</u>
Total revenues	<u>531,998</u>	<u>356,923</u>	<u>(175,075)</u>
Expenditures			
Current			
General and administrative government services	<u>552,698</u>	<u>339,238</u>	<u>213,460</u>
Total expenditures	<u>552,698</u>	<u>339,238</u>	<u>213,460</u>
Excess (deficiency) of revenues over (under) expenditures	(20,700)	17,685	38,385
Fund balance - beginning	<u>(609,483)</u>	<u>(609,483)</u>	<u>-0-</u>
Fund balance - ending	<u><u>\$ (630,183)</u></u>	<u><u>\$ (591,798)</u></u>	<u><u>\$ 38,385</u></u>

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

MOUNT VERNON AIRPORT AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE BY SOURCE - CAPITAL PROJECTS FUND
 For the Fiscal Year Ended April 30, 2007

	Source		Total
	Federal and State Grants	General Obligation Bonds	
Revenues			
Federal and State grants	\$196,165	\$ -0-	\$ 196,165
Interest earnings	-0-	16,288	16,288
Proceeds from sales of property and equipment	-0-	4,900	4,900
Total revenues	<u>196,165</u>	<u>21,188</u>	<u>217,353</u>
Expenditures			
Capital expenditures			
Equipment purchases	-0-	16,865	16,865
Overlay and Groove Runway 5/23 (Project No. MVN-3428)	-0-	(210)	(210)
Construct PFC Runway 15/33 (Project No. MVN-3539)	-0-	11,470	11,470
Land Acquisition, End of Runway 23 (Project No. MVN-3609)	158,805	5,000	163,805
ARFF Station Upgrade and Obstruction Removal (Project No. MVN-3634)	37,360	958	38,318
General expenditures			
General and administrative government services	-0-	10,239	10,239
Total expenditures	<u>196,165</u>	<u>44,322</u>	<u>240,487</u>
Deficiency of revenues under expenditures	-0-	(23,134)	(23,134)
Fund balance - beginning of year	-0-	1,284,751	1,284,751
Fund balance - end of year	<u>\$ -0-</u>	<u>\$1,261,617</u>	<u>\$1,261,617</u>

MOUNT VERNON AIRPORT AUTHORITY
 PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS,
 AND ANALYSIS OF SETTLEMENT
 For Tax Years 2006, 2005, and 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed valuations:	<u>\$175,494,278</u>	<u>\$164,534,539</u>	<u>\$162,123,860</u>
Tax rates:			
General Fund	.0526%	.0535%	.0517%
Bond and Interest Fund	<u>.1164%</u>	<u>.1239%</u>	<u>.1250%</u>
	<u>.1690%</u>	<u>.1774%</u>	<u>.1767%</u>
Tax extensions:			
General Fund	\$ 92,310	\$ 88,026	\$ 83,818
Bond and Interest Fund	<u>204,275</u>	<u>203,858</u>	<u>202,655</u>
	<u>\$296,585</u>	<u>\$291,884</u>	<u>\$286,473</u>
Tax collections:			
General Fund	N/A	\$ 88,557	\$ 83,998
Bond and Interest Fund	N/A	<u>205,089</u>	<u>203,090</u>
		<u>\$293,646</u>	<u>\$287,088</u>
Percentage of extensions collected	N/A	<u>100.6%</u>	<u>100.2%</u>