

MOUNT VERNON AIRPORT AUTHORITY  
FINANCIAL STATEMENTS  
APRIL 30, 2010



RICHARD DAVID KIEFFER  
CERTIFIED PUBLIC ACCOUNTANT

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MOUNT VERNON AIRPORT AUTHORITY  
Mount Vernon, Illinois

BOARD OF COMMISSIONERS

For the Fiscal Year Ended April 30, 2010

Board Commissioners

Michael Ancona, Chairman  
Greg Martin, Vice Chairman  
Paul Dickerson, Secretary  
Gary Chesney, Treasurer  
Joe Bob Pierce, Commissioner

# Richard David Kieffer

Certified Public Accountant

503 S. Kitchell  
Olney, IL 62450  
618-392-3504

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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Mount Vernon Airport Authority  
Mount Vernon, Illinois

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mount Vernon Airport Authority as of and for the year ended April 30, 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express opinions on these financial statements based on my audit. The financial statements of the Mount Vernon Airport Authority as of April 30, 2009 were audited by other auditors whose report dated October 16, 2009 expressed an unqualified opinion on those statements.

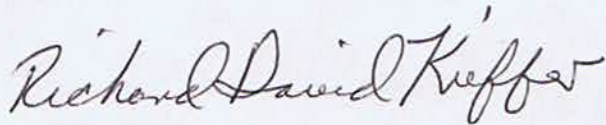
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and 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 the 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 opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mount Vernon Airport Authority as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof 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, 2010, on my consideration of the Authority's internal control over financial reporting and on 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 is important for assessing the results of my audit.

The management's discussion and analysis and other required supplementary information 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 principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplementary information found on pages 28 through 30 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on it.

A handwritten signature in cursive script that reads "Richard David Keffer".

Certified Public Accountant

November 30, 2010  
Olney, Illinois

# Richard David Kieffer

Certified Public Accountant

503 S. Kitchell

Olney, IL 62450

618-392-3504

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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 *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Mount Vernon Airport Authority  
Mount Vernon, Illinois

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Mount Vernon Airport Authority, as of and for the year ended April 30, 2010, which collectively comprise the Mount Vernon Airport Authority's basic financial statements and have issued my report thereon dated November 30, 2010. 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 the Mount Vernon Airport Authority'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 the Mount Vernon Airport Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Mount Vernon Airport Authority's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control over financial reporting that I consider to be significant deficiencies.

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 Mount Vernon Airport Authority'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 the Mount Vernon Airport Authority's financial statements that is more than inconsequential will not be prevented or detected by the Mount Vernon Airport Authority's internal control. I consider the

following deficiencies to be significant deficiencies in internal control over financial reporting.

- An inadequate segregation of duties exists with respect to the internal control of the Mount Vernon Airport Authority's accounting system. Duties should be segregated so that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The absence of segregation of duties results in weaknesses throughout the system of internal control.
- Although the Authority's Board of Commissioners and manager possess expertise regarding their business operations and industry practices, the lack of expertise in financial accounting and reporting results in weakness in internal control over financial accounting and reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Mount Vernon Airport Authority's internal control.

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 deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I consider the inadequate segregation of duties and lack of expertise in financial accounting and reporting described above to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mount Vernon Airport Authority'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 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*.

I noted certain additional matters that I reported to management and the Board of Commissioners of the Mount Vernon Airport Authority, in a separate letter dated November 30, 2010.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

November 30, 2010  
Olney, Illinois

MOUNT VERNON AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2010

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, 2010.

### Financial Highlights

The Authority's total assets exceeded its liabilities by \$8,284,868 (*net assets*) for the fiscal year reported as compared to \$8,635,690 reported in the prior fiscal year.

The Authority's total net assets decreased by \$362,486 or 4.39% over the course of the year's operations as compared to an increase of \$276,580 in the prior fiscal year.

### Non Financial Highlights

A new Airport Layout Plan was approved by the FAA - the first since 1995. The comprehensive plan depicts the following projects to come: RSA Correction, Southwest Quadrant Revitalization and Industrial Park, New Corporate Hangar/Ramp Extension, and New "T" Hangars, and the realignment of Aviation Drive.

The airport, City of Mt. Vernon Convention & Tourism Bureau, Jefferson County Development Corporation, and the Jefferson County Chamber of Commerce teamed up to create Midwest LSA Expo, Inc. The Midwest LSA Expo is a three day event established to help manufacturers sell Light Sport Aircraft and promote Sport Pilots. The inaugural event held October 1 - 3, 2009, drew over fifty aircraft and aviation service providing exhibitors, nearly 1000 attendees, and established itself as a national aviation event. Approximately twelve aircraft deals were finalized in the months after the event tracing the point of contact to Mt. Vernon, Illinois.

The airport's Fixed Base Operator, SRT Aviation, became an FAA Certified Repair Station. Because of the stringent requirements placed on FAA Repair Station Certificate holders, most charter, cargo, and corporate flight departments only allow aircraft maintenance facilities holding an FAA Repair Station Certificate to perform work on their aircraft. A repair station certificate translates to increased maintenance business and prestige for the location. Mt. Vernon Outland Airport now has the only FAA CRS in Southern Illinois.

SRT Aviation opened the Southern Illinois LSA Training Academy. Southern Illinois Light Sport Training Academy is focused on training Light Sport Pilots from across the Midwest as well as offering technologically advanced aircraft for rental by area pilots. It is the only one of its type in Southern Illinois.

The airport worked with area veterans to create the Jefferson County Hall of Honor inside the Koziara Terminal. The Hall of Honor is a specialized display of individual tributes to local veterans located inside the Koziara Terminal.



A comprehensive remodel of the counter sales, lounges, classrooms, and offices was completed in the Fixed Base Operations building. The project was the first since the building was re-located to its present site in 1974. Mt. Vernon's front door to the world is now more modern and attractive. New flooring, with specialized tile logos, was also installed throughout the Koziara Terminal.

While based aircraft tenancy remained constant, total operations were up slightly when compared to the previous calendar year.

## 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. I 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 19 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.

See the following page for the Summary of Net Assets and Summary of Changes in Net Assets.

## Summary of Net Assets

The following summarizes the net assets of the Mount Vernon Airport Authority at April 30, 2010 and April 30, 2009:

	Net Assets Summary					
	Governmental Activities		Business-Type Activities		Total	Total
	2010	2009	2010	2009	2010	2009
Current and other assets	1,728,204	1,861,692	125,789	90,681	1,853,993	1,952,373
Capital assets	7,744,540	8,164,062	-	-	7,744,540	8,164,062
<b>Total assets</b>	<b>9,472,744</b>	<b>10,025,754</b>	<b>125,789</b>	<b>90,681</b>	<b>9,598,533</b>	<b>10,116,435</b>
Current liabilities	203,665	261,617	11,664	4,128	215,329	265,745
Long-term liabilities	1,110,000	1,215,000	-	-	1,110,000	1,215,000
<b>Total liabilities</b>	<b>1,313,665</b>	<b>1,476,617</b>	<b>11,664</b>	<b>4,128</b>	<b>1,325,329</b>	<b>1,480,745</b>
<b>Net assets</b>						
Invested in capital assets	7,744,540	8,164,062	-	-	7,744,540	8,164,062
Restricted for:						
Capital projects	(9,804)	(89,165)	-	-	(9,804)	(89,165)
Debt service	217,359	265,787	-	-	217,359	265,787
Prepaid expense	23,298	19,044	-	-	23,298	19,044
Unrestricted	183,686	189,409	114,125	86,553	297,811	275,962
<b>Total net assets</b>	<b>8,159,079</b>	<b>8,549,137</b>	<b>114,125</b>	<b>86,553</b>	<b>8,273,204</b>	<b>8,635,690</b>

## Summary of Changes in Net assets

The following summarizes the changes in net assets of the Mount Vernon Airport Authority at April 30, 2010 and April 30, 2009:

	Summary of changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	Total
	2010	2009	2010	2009	2010	2009
<b>Revenues</b>						
Program revenues						
Charges for services	131,908	120,145	270,359	30,407	402,267	150,552
Capital grants	187,044	761,872			187,044	761,872
General revenues						
Real estate and personal property taxes levied for:						
General purposes	237,417	263,788			237,417	263,788
Debt service	202,335	203,548			202,335	203,548
Gain (loss) on asset disposal		412			-	412
Miscellaneous	7,042	4,268			7,042	
Interest	16,769	10,441	413	1,955	17,182	12,396
Insurance recoveries					-	-
Other revenues	21,060	25,617			21,060	25,617
<b>Total revenues</b>	<b>803,575</b>	<b>1,390,091</b>	<b>270,772</b>	<b>32,362</b>	<b>1,074,347</b>	<b>1,418,185</b>
<b>Expenses</b>						
General and administrative services	1,145,174	1,076,305	243,200	43,801	1,388,374	1,120,106
Interest and other fiscal charges	48,459	25,767			48,459	25,767
<b>Total expenses</b>	<b>1,193,633</b>	<b>1,102,072</b>	<b>243,200</b>	<b>43,801</b>	<b>1,436,833</b>	<b>1,145,873</b>
Changes in net assets	(390,058)	288,019	27,572	(11,439)	(362,486)	272,312
Net assets - beginning	8,549,137	8,261,118	86,553	97,992	8,635,690	8,359,110
<b>Net assets - ending</b>	<b>8,159,079</b>	<b>8,549,137</b>	<b>114,125</b>	<b>86,553</b>	<b>8,273,204</b>	<b>8,631,422</b>

## Capital Assets and Debt Administration

**Capital Assets.** The Authority's investment in capital assets as of April 30, 2010, amounted to \$7,744,540 (net of accumulated depreciation). This investment in capital assets includes property, plant, and equipment. Capital assets for the governmental funds decreased by \$419,522 net of depreciation and for the business-type activities, capital assets remained the same. For governmental activities, total depreciation expense for this year amounts to \$704,435 with ending accumulated depreciation being \$23,804,028. For business-type activities, total depreciation expense for this year amounts to \$-0- with ending accumulated depreciation being \$139,641.

### Net Capital Assets Summary

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
	Land	\$ 1,298,645	\$ 1,298,645	-0-	-0-	1,298,645
Land improvements	22,290,854	22,099,885	-0-	-0-	22,290,854	22,099,885
Buildings and improvements	6,497,836	6,406,256	-0-	-0-	6,497,836	6,406,256
Machinery and equipment	1,461,233	1,458,869	139,641	139,641	1,600,874	1,598,510
Less accumulated depreciation	(23,804,028)	(23,099,593)	(139,641)	(139,641)	(23,943,669)	(23,239,234)
Total capital assets, net	<u>\$ 7,744,540</u>	<u>\$ 8,164,062</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 7,744,540</u>	<u>\$ 8,164,062</u>

**Debt Administration.** Long-term debt. The Authority's general obligation bond indebtedness at April 30, 2010, totaled \$1,215,000, of which \$105,000 is due in less than one year. The general obligation bond indebtedness at April 30, 2009, was \$1,415,000.

### Economic Factors and Next Year's Budget and Rates

The management of the Authority considered many factors in setting the fiscal year 2009/2010 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  
GOVERNMENTAL FUNDS  
April 30, 2010

<u>ASSETS</u>	Governmental Activities	Business-Type Activities	Total
Cash	\$ 1,257,960	\$ 46,832	\$ 1,304,792
Receivables:			
Accounts (net of \$2,995 allowance)	32,494	22,229	54,723
Property and replacement tax	156,940	-	156,940
Property taxes restricted for debt service	271,338	-	271,338
Internal balances	(15,173)	15,173	-
Inventories	1,347	41,555	42,902
Prepaid expense	23,298	-	23,298
Total current assets	<u>\$ 1,728,204</u>	<u>\$ 125,789</u>	<u>\$ 1,853,993</u>
Capital assets:			-
Land	1,298,645	-	1,298,645
Land improvements	22,290,854	-	22,290,854
Buildings and improvements	6,497,836	-	6,497,836
Machinery and equipment	1,461,233	139,641	1,600,874
Less- accumulated depreciation	(23,804,028)	(139,641)	(23,943,669)
Total capital assets	<u>7,744,540</u>	<u>-</u>	<u>7,744,540</u>
Total assets	<u>\$ 9,472,744</u>	<u>\$ 125,789</u>	<u>\$ 9,598,533</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	12,369	-	12,369
Accrued liabilities	26,323	11,664	37,987
Accrued interest payable	54,253	-	54,253
Deferred hanger rental	5,720	-	5,720
General obligation bonds (one year maturity \$105,000, due in more than one year \$1,110,000)	1,215,000	-	1,215,000
Total Liabilities:	<u>\$ 1,313,665</u>	<u>\$ 11,664</u>	<u>\$ 1,325,329</u>
Net assets			
Invested in capital assets			-
Restricted for:			
Capital projects			-
Debt service			-
Prepaid expense	23,298	-	23,298
Unrestricted	8,135,781	114,125	8,249,906
Total net assets	<u>8,159,079</u>	<u>114,125</u>	<u>8,273,204</u>
Total Liabilities and net assets	<u>\$ 9,472,744</u>	<u>\$ 125,789</u>	<u>\$ 9,598,533</u>

Notes to the financial statements are an integral part of this statement

MOUNT VERNON AIRPORT AUTHORITY  
 STATEMENT OF ACTIVITIES  
 For the Year Ended April 30, 2010

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,145,174	\$ 131,908	\$ -	\$ 187,044	\$ (826,222)	\$ -	\$ (826,222)
Interest and other fiscal charges	48,459	-	-	-	(48,459)	-	(48,459)
Total government activities	1,193,633	131,908	-	187,044	(874,681)	-	(874,681)
Business-type activities:							
Enterprise fund	243,200	270,359	-	-	-	27,159	27,159
Total business-type activities	243,200	270,359	-	-	-	27,159	27,159
Total primary government	1,436,833	402,267	-	187,044	(874,681)	27,159	(847,522)
General revenues:							
Real estate and personal property taxes levied for:							
General purposes					237,417		237,417
Debt service					202,335		202,335
Miscellaneous					7,042		7,042
Other					21,060		21,060
Interest income					16,769	413	17,182
Total General Revenues					484,623	413	485,036
Change in net assets					(390,058)	27,572	(362,486)
Net assets - beginning					8,549,137	86,553	8,635,690
Net assets- ending					\$ 8,159,079	\$ 114,125	\$ 8,273,204

MOUNT VERNON AIRPORT AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2010

<u>ASSETS</u>	General	Capital Projects	Debt Service	Total Governmental Funds
Cash	\$ 85,642	\$ 1,168,044	\$ 4,274	\$ 1,257,960
Investment - certificate of deposit		-		-
Receivables:				
Accounts (net of \$2,995 allowance)	32,494			32,494
Property and replacement tax	122,426		203,504	325,930
Other fund	13,560	48,139		61,699
Inventories	1,347			1,347
Prepaid expense	23,298	-	-	23,298
<b>Total assets</b>	<b>\$ 278,767</b>	<b>\$ 1,216,183</b>	<b>\$ 207,778</b>	<b>\$ 1,702,728</b>
 <u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	1,382	10,987		12,369
Accrued liabilities	26,323			26,323
Due to other funds	72,872		4,000	76,872
Deferred property tax revenue	103,542		203,504	307,046
Deferred hanger rental	5,720	-	-	5,720
<b>Total Liabilities:</b>	<b>\$ 209,839</b>	<b>\$ 10,987</b>	<b>\$ 207,504</b>	<b>\$ 428,330</b>
Fund Balance:				
Reserved for:				
Capital projects				-
Debt service				-
Prepaid expense	23,298			23,298
Unreserved	45,630	1,205,196	274	1,251,100
<b>Total Fund Balances</b>	<b>68,928</b>	<b>1,205,196</b>	<b>274</b>	<b>1,274,398</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 278,767</b>	<b>\$ 1,216,183</b>	<b>\$ 207,778</b>	<b>\$ 1,702,728</b>

MOUNT VERNON AIRPORT AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
April 30, 2010

	General	Capital Projects	Debt Service	Total Governmental Funds
Total governmental fund balance	\$ 68,928	\$ 1,205,196	\$ 274	\$ 1,274,398
Amounts reported for governmental activities are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	7,744,540			7,744,540
Interest payable on long-term debt does not require current financial resources and, therefore, is not reported as a liability in the governmental funds			(54,253)	(54,253)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds		(1,215,000)		(1,215,000)
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.	138,056		271,338	409,394
Net assets of governmental activities	\$ 7,951,524	\$ (9,804)	\$ 217,359	\$ 8,159,079

Notes to financial statements are an integral part of this statement.



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

For the Year Ended April 30, 2010

*\$ 221,000*  
*DECREASE*  
*IN*  
*TOTAL REV.*

	General	Capital Projects	Debt Service	Total Governmental Funds
<b>Revenues:</b>				
Real estate and personal property taxes:				
General purposes	\$ 234,516	-	-	\$ 234,516
Debt service	-	-	202,866	202,866
Capital grants and contributions	-	-	-	-
Charges for services	131,908	-	-	131,908
Interest income	2	16,696	71	16,769
Farm revenues	21,060	-	-	21,060
Miscellaneous	4,458	2,583	-	7,041
<b>Total Revenue Received</b>	<b>\$ 391,944</b>	<b>\$ 19,279</b>	<b>\$ 202,937</b>	<b>\$ 614,160</b>
<b>Expenditures:</b>				
Current operations:				
General and administrative	\$ 406,563	\$ 31,802	\$ 2,375	\$ 440,740
Capital outlays	-	97,868	-	97,868
Debt Service:				
Principal retirement	-	-	200,000	200,000
Interest and other fiscal charges	-	-	6,794	6,794
<b>Total Expenditures</b>	<b>\$ 406,563</b>	<b>\$ 129,670</b>	<b>\$ 209,169</b>	<b>\$ 745,402</b>
Excess (deficiency) of revenue over (under) expenditures	\$ (14,619)	\$ (110,391)	\$ (6,232)	\$ (131,242)
Other financing sources				
Proceeds from sale of bonds	0	0	0	0
Proceeds from sale of equipment	0	0	0	0
Total other financing sources	0	0	0	0
<b>Net Change in Fund Balances</b>	<b>\$ (14,619)</b>	<b>\$ (110,391)</b>	<b>\$ (6,232)</b>	<b>\$ (131,242)</b>
<b>Fund Balance - Beginning</b>	<b>83,547</b>	<b>1,315,587</b>	<b>6,506</b>	<b>1,405,640</b>
<b>Fund Balance - End of Year</b>	<b>\$ 68,928</b>	<b>\$ 1,205,196</b>	<b>\$ 274</b>	<b>\$ 1,274,398</b>

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

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 Year Ended April 30, 2010

	General	Capital Projects	Debt Service	Total Governmental Funds
Net changes in fund balances- total governmental funds	\$ (14,619)	\$ (110,391)	\$ (6,232)	\$ (131,242)
Amounts reported for governmental 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 lives and reported as depreciation expense. This is the amount by which depreciation \$704,434 exceeds capital purchases of \$97,868 during the current period.	-704,434	97,868		-606,566
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 an expenditure in the governmental funds.			-41,665	-41,665
Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			200,000	200,000
The statement of activities reports an increase (decrease) in revenues due to current activity in deferred revenues which is not reported at the fund level.	2,902		-531	2,371
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.	187,044			187,044
Change in net assets of governmental activities	\$ (529,107)	\$ (12,523)	\$ 151,572	\$ (390,058)

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

MOUNT VERNON AIRPORT AUTHORITY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
April 30, 2010

	Enterprise Fund F.B.O.
<b>ASSETS</b>	
<u>Current assets</u>	
Cash	\$ 46,832
Accounts receivable	22,229
Inventory	41,555
Due from other funds	28,733
<u>Total current assets</u>	\$ 139,349
<u>Capital assets</u>	
Equipment	139,641
Accumulated depreciation	(139,641)
<u>Net capital assets</u>	-
<u>Total assets</u>	\$ 139,349
 <b>LIABILITIES</b>	
<u>Current liabilities:</u>	
Accrued liabilities	11,664
Due to other funds	13,560
<u>Total current liabilities</u>	\$ 25,224
Net assets - unrestricted	114,125
<u>Total net assets</u>	\$ 139,349

MOUNT VERNON AIRPORT AUTHORITY  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 For the Fiscal Year Ended April 30, 2010

	Enterprise Fund F.B.O.	
<u>Operating revenues</u>		
Fuel sales	\$ 266,391	
Equipment lease	2,404	
Miscellaneous	1,564	
<u>Total operating revenues</u>	\$ 270,359	
<u>Operating expenses</u>		
Fuel cost	188,887	<i>- Fuel Cost</i>
FBO operator	30,863	<i>- SRT</i>
Professional services	17,557	
Maintenance & repairs	2,908	
Supplies & miscellaneous	2,985	
<u>Total Operating expenses</u>	\$ 243,200	
<u>Operating income (loss)</u>	27,159	<i>- Profit</i>
<u>Non operating revenue</u>		
Interest income	413	
Change in net assets	27,572	
Total net assets - beginning	86,553	
<u>Total net assets - ending</u>	\$ 114,125	

MOUNT VERNON AIRPORT AUTHORITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended April 30, 2010

	Enterprise Fund F.B.O.
<u>Cash Flows from operating activities</u>	
Cash received from customers	\$ 253,881
Cash payment to suppliers	(254,561)
<u>Net cash provided by operating activities</u>	\$ (680)
<u>Cash flows from non capital financing activities</u>	
Increase in due to other funds	-
<u>Net cash flows from non capital financing activities</u>	-
<u>Cash flows from investing activities</u>	
Interest income	\$ 413
<u>Net cash provided by investing activities</u>	413
Net increase (decrease) in cash	(267)
Cash - beginning	47,099
Cash - ending	\$ 46,832
 <u>Reconciliation of operating income to net cash used for operating activities.</u>	
Operating income	\$ 27,572
Increase in accounts receivable	(16,478)
Increase in inventory	(18,897)
Increase in accrued liabilities	7,536
<u>Net cash provided by operating activities</u>	\$ (267)



MOUNT VERNON AIRPORT AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2010

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 non-operating 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 non-operating 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 date 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 expensed 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.

### 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:

	<u>Carrying Amounts</u>	<u>Deposit Balance</u>			
		<u>Total</u>	<u>Insured</u>	<u>Securities Pledged</u>	<u>Unsecured</u>
Total - All Funds	<u>\$1,304,792</u>	<u>\$1,308,095</u>	<u>\$338,705*</u>	<u>\$1,100,000</u>	<u>\$-0-</u>

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

Note 3. INTERFUND BALANCES

Interfund balances at April 30, 2010, consist of the following:

General Operating Fund due to Enterprise Fund	\$28,732
Enterprise Fund due to General Operating Fund	<u>\$13,560</u>
Net - Owed to Enterprise Fund	\$15,173
General fund owes Capital Projects Fund	\$44,139
Debt Fund owes Capital Projects Fund	\$ 4,000

Note 4. CAPITAL ASSETS

Capital assets activity for the year ended April 30, 2010 is summarized below.

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 \$704,435 and \$-0-, respectively.

Capital asset activity for the year ended April 30, 2010 was as follows:

Capital Asset	Balance 05/01/09	Additions	Deletions	Balance 04/30/10
<i>Governmental Activities</i>				
Assets Not Being Depreciated:				
Land	1,298,645			1,298,645
Assets Being Depreciated:				
Land Improvements	22,099,886	190,968		22,290,854
Buildings	6,406,256	91,580		6,497,836
Office and field equipment	1,458,869	2,364		1,461,233
Total assets being depreciated	29,965,011	284,912	-	30,249,923
Less: Accumulated Depreciation	(23,099,594)	(704,434)		(23,804,028)
Assets being depreciated, net	6,865,417	(419,522)	-	6,445,895
Governmental activities				
assets, net	8,164,062	(419,522)	-	7,744,540
<i>Business-type Activities</i>				
Assets Being Depreciated:				
Shop and Office equipment	139,641			139,641
Total assets being depreciated	139,641	-	-	139,641
Less: Accumulated Depreciation	(139,641)			(139,641)
Assets being depreciated, net	-	-	-	-

Note 5. GENERAL OBLIGATION BONDS

Bonded indebtedness at April 30, 2010, consists of the following:

<u>Maturity Date</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Amount</u>
December 1, 2010	February 1, 2009	5.65%	105,000
December 1, 2011	February 1, 2009	5.70%	170,000
December 1, 2012	February 1, 2009	2.60%	180,000
December 1, 2013	February 1, 2009	2.80%	185,000
December 1, 2014	February 1, 2009	3.00%	190,000
December 1, 2015	February 1, 2009	3.10%	195,000
December 1, 2016	February 1, 2009	3.25%	190,000
			<u>\$1,215,000</u>

General Obligation Bond transactions for the year ended April 30, 2010, were as follows:

	<u>Outstanding</u> <u>4/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>4/30/10</u>
G.O Bonds (2/04)	\$ 185,000	\$ -0-	\$185,000	\$ -0-
G.O Bonds (2/09)	\$1,230,000		\$ 15,000	\$1,215,000

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>Interest</u>
2011	\$184,571	\$105,000	\$79,571
2012	\$207,470	\$170,000	\$37,470
2013	\$207,780	\$180,000	\$27,780
2014	\$208,100	\$185,000	\$23,100
2015	\$207,920	\$190,000	\$17,920
2016	\$207,220	\$195,000	\$12,220
2017	\$196,175	\$190,000	\$ 6,175
	<u>\$1,419,236</u>	<u>\$1,215,000</u>	<u>\$204,236</u>

The Authority is not obligated for any special assessment debt at April 30, 2010.

Note 6. RESERVED FUND BALANCE

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

<u>General Fund</u>	<u>Reserved Fund Balance 4/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Reserved Fund Balance 4/30/10</u>
Prepaid insurance and expenses	\$19,044	\$42,067	\$37,813	\$23,298

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

Note 7. LEGAL DEBT MARGIN

The Authority's legal debt margin is as follows:

	<u>2009 Tax Year</u>
Gross equalized assessed valuation	<u>\$239,528,780</u>
Statutory debt limitation (2.3% of equalized assessed valuation)	\$ 5,509,162
Total debt: General obligation bonds payable	<u>1,215,000</u>
Legal debt margin	<u>\$ 4,294,162</u>

Bonds outstanding of the Authority may not exceed three-fourths of one-percent of the equalized assessed valuation (\$1,796,466) 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).

MOUNT VERNON AIRPORT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
RETIREMENT PLAN - TREND INFORMATION  
AND SCHEDULE OF FUNDING PROGRESS  
For the Fiscal Year Ended April 30, 2010

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](http://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 2009 was 6.50% 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, 2009 was 28 years.

For December 31, 2009, the Authority's annual pension cost of \$9,878 was equal to the Authority's required and actual contributions. The required contribution was determined as part of the December 31, 2007 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 10.0% 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 2009 actuarial valuation were based on the 2006-2008 experience study.

TREND INFORMATION

MOUNT VERNON AIRPORT AUTHORITY  
EMPLOYER NUMBER: 06313R

MOUNT VERNON AIRPORT AUTHORITY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 RETIREMENT PLAN - TREND INFORMATION  
 AND SCHEDULE OF FUNDING PROGRESS  
 For the Fiscal Year Ended April 30, 2010

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$9,878	100%	-0-
12/31/08	\$9,917	100%	-0-
12/31/07	8,696	100%	-0-
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-

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued 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)
12/31/09	\$185,522	\$192,421	\$ ( 6,899)	96.41%	\$151,975	4.54%
12/31/08	160,747	155,735	( 5,012)	103.22%	141,473	0.00%
12/31/07	171,057	132,123	(38,934)	129.47%	123,526	0.00%
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%

On a market value basis, the actuarial value of assets as of December 31, 2009, is \$181,122. On a market basis, the funded ratio would be 94.13%.

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2009 are based on the 2006-2008 experience study.



MOUNT VERNON AIRPORT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS - GENERAL FUND  
BUDGET AND ACTUAL  
For the Year Ended April 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Real estate and personal property taxes:			
General purposes	\$ 271,172	\$ 234,516	\$ (36,656)
Charges for services	112,786	131,908	19,122
Interest income	100	2	(98)
Farm revenues	19,460	21,060	1,600
Miscellaneous	2,500	4,458	1,958
Total Revenue Received	\$ 406,018	\$ 391,944	\$ (14,074)
Expenditures:			
Current operations:			
General and administrative	443,000	406,563	-36,437
Total Expenditures	\$ 443,000	\$ 406,563	\$ (36,437)
Excess (deficiency) of revenue over (under) expenditures	-36,982	-14,619	22,363
Other financing sources			
Total other financing sources	0	0	0
Net Change in Fund Balances	-36,982	-14,619	22,363
Fund Balance - Beginning	63,549	83,547	19,998
Fund Balance - End of Year	\$ 26,567	\$ 68,928	\$ 42,361

MOUNT VERNON AIRPORT AUTHORITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Fiscal Year Ended April 30, 2010

BUDGETARY ACCOUNTING

The Airport prepares its budget for all major funds on the modified accrual basis of accounting. This basis is consistent with the basis of accounting used in presenting the major funds in the basic financial statements.

RISKS MANAGEMENT (UNAUDITED)

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  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE BY SOURCE - CAPITAL PROJECTS FUND  
For the Year Ended April 30, 2010

	Source		Total
	Federal and State Grants	General Obligation Bonds	
Revenues:			
Federal and state grants	\$ -	\$ -	\$ -
Interest income	-	16,696	16,696
Miscellaneous		2,583	2,583
Total Revenue Received	<u>\$ -</u>	<u>\$ 19,279</u>	<u>\$ 19,279</u>
Expenditures:			
Terminal building renovation		44,955	44,955
FBO building renovation		17,574	17,574
Auxillary generator		2,364	2,364
Airfield lighting		3,232	3,232
Building improvement - Loss		14,980	14,980
Land improvements		3,924	3,924
Various improvements		10,839	10,839
Current operations:			
General and administrative		31,802	31,802
Total Expenditures	<u>\$ -</u>	<u>\$ 129,670</u>	<u>\$ 129,670</u>
Excess (deficiency) of revenue over (under) expenditures	-	(110,391)	(110,391)
Other financing sources			
Proceeds from sale of bonds	-	-	-
Total other financing sources	-	-	-
Net Change in Fund Balances	-	(110,391)	(110,391)
Fund Balance - Beginning	-	1,315,587	1,315,587
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 1,205,196</u>	<u>\$ 1,205,196</u>

MOUNT VERNON AIRPORT AUTHORITY  
PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS,  
AND ANALYSIS OF SETTLEMENT  
For Tax Years 2009, 2008, and 2007

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed valuations:	<u>\$198,734,505</u>	<u>\$195,308,338</u>	<u>\$183,881,035</u>
Tax rates:			
General Fund	.0521%	.0519%	.0524%
Bond and Interest Fund	<u>.1024%</u>	<u>.1044%</u>	<u>.1110%</u>
	<u>.1563%</u>	<u>.1563%</u>	<u>.1634%</u>
Tax extensions:			
General Fund	\$103,542	\$101,366	\$ 96,355
Bond and Interest Fund	<u>203,504</u>	<u>203,902</u>	<u>204,108</u>
	<u>\$305,268</u>	<u>\$305,268</u>	<u>\$300,463</u>
Tax collections:			
General Fund	N/A	\$100,850	\$ 96,125
Bond and Interest Fund	N/A	<u>202,898</u>	<u>203,823</u>
		<u>\$303,748</u>	<u>\$299,948</u>
Percentage of extensions collected	N/A	<u>99.5%</u>	<u>99.9%</u>