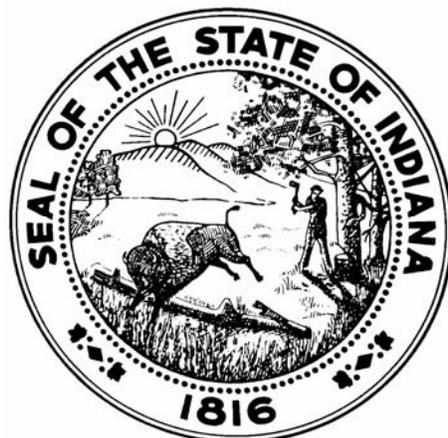


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
PERRY COUNTY AIRPORT AUTHORITY
PERRY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
10/10/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bill H. Bradley	01-01-05 to 12-31-07
President of the Board	K. Eugene Borders	01-01-05 to 12-31-05
	Gary O. Gebhard	01-01-06 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PERRY COUNTY AIRPORT AUTHORITY, PERRY COUNTY, INDIANA

We have examined the financial information presented herein of the Perry County Airport Authority (Authority), for the period of January 1, 2005 to December 31, 2006. The Authority's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 14, 2007

PERRY COUNTY AIRPORT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 151,468	\$ 288,785	\$ 248,226	\$ 192,027
Cumulative Building	<u>136,751</u>	<u>167,076</u>	<u>153,853</u>	<u>149,974</u>
Totals	<u>\$ 288,219</u>	<u>\$ 455,861</u>	<u>\$ 402,079</u>	<u>\$ 342,001</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 192,027	\$ 508,101	\$ 463,337	\$ 236,791
Cumulative Building	<u>149,974</u>	<u>433,403</u>	<u>422,347</u>	<u>161,030</u>
Totals	<u>\$ 342,001</u>	<u>\$ 941,504</u>	<u>\$ 885,684</u>	<u>\$ 397,821</u>

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

PERRY COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Authority was established under the laws of the State of Indiana. The Authority operates under a Board of Directors form of government and provides aviation services.

Note 2. Fund Accounting

The Authority uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Authority in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

PERRY COUNTY AIRPORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Perry County Airport Authority</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 258,251
Infrastructure	3,121,989
Buildings	160,000
Machinery and equipment	76,026
Transportation equipment	4,900
Construction in progress	<u>571,230</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 4,192,396</u>

PERRY COUNTY AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2007, with Bill H. Bradley, Treasurer; and Gary O. Gebhard, President of the Board. Our examination disclosed no material items that warrant comment at this time.