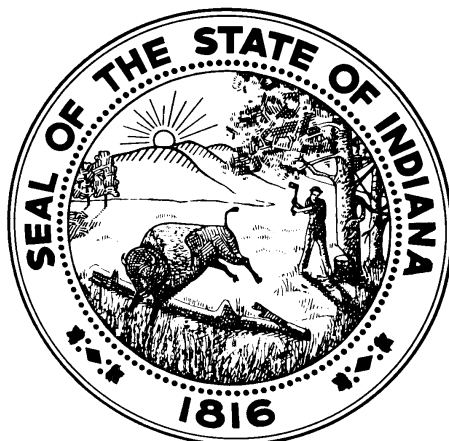


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
LOGANSPOUT-CASS COUNTY AIRPORT AUTHORITY
CASS COUNTY, INDIANA
January 1, 2005 to December 31, 2007



FILED
10/15/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Manager	Timothy M. Dalton	01-01-05 to 12-31-08
Treasurer	Patrick E. McNarny	07-01-04 to 06-30-09
President of the Board	Mark Hildebrandt	07-01-04 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LOGANSPOUT-CASS COUNTY
AIRPORT AUTHORITY, CASS COUNTY, INDIANA

We have examined the financial information presented herein of the Logansport-Cass County Airport Authority (Authority), for the period of January 1, 2005 to December 31, 2007. 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 Authority for the years ended December 31, 2005, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 9, 2008

LOGANSPOUT-CASS COUNTY AIRPORT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2005, 2006 And 2007

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General Operating	\$ -	\$ 571,275	\$ 379,930	\$ 191,345
Debt Service	-	304,428	209,260	95,168
Grant Fund	-	156,169	144,750	11,419
Capital Bond	-	1,747,679	55,129	1,692,550
Fiduciary Fund:				
Payroll	-	49,275	52,198	(2,923)
Totals	<u>\$ -</u>	<u>\$ 2,828,826</u>	<u>\$ 841,267</u>	<u>\$ 1,987,559</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General Operating	\$ 191,345	\$ 529,779	\$ 205,812	\$ 515,312
Debt Service	95,168	206,836	216,270	85,734
Grant Fund	11,419	230,263	393,966	(152,284)
Capital Bond	1,692,550	64,369	-	1,756,919
Levy Excess	-	2,073	-	2,073
Fiduciary Fund:				
Payroll	(2,923)	60,028	60,451	(3,346)
Totals	<u>\$ 1,987,559</u>	<u>\$ 1,093,348</u>	<u>\$ 876,499</u>	<u>\$ 2,204,408</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General Operating	\$ 515,312	\$ 565,835	\$ 394,703	\$ 686,444
Debt Service	85,734	163,639	167,660	81,713
Grant Fund	(152,284)	-	-	(152,284)
Capital Bond	1,756,919	33,954	482,661	1,308,212
Levy Excess	2,073	-	2,073	-
Fiduciary Fund:				
Payroll	(3,346)	84,230	79,727	1,157
Totals	<u>\$ 2,204,408</u>	<u>\$ 847,658</u>	<u>\$ 1,126,824</u>	<u>\$ 1,925,242</u>

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

LOGANSPORT-CASS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Authority was established under the laws of the State of Indiana. The Authority provides the following services: public safety, culture and recreation, and general administrative 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.

Note 6. Negative Grant Fund Balance

The deficit balance in the Grant Fund is due to the Authority securing a reimbursement type Federal Grant. The deficit balance reported was reimbursed in early 2008.

Note 7. Subsequent Event

The Airport Authority started construction on a \$1.4 million Airport Operations Office Center in 2008. Construction on a runway extension is also planned to begin in 2008. Financing for these projects will be provided by a \$1.9 million General Obligation Bond.

LOGANSPORT-CASS COUNTY AIRPORT AUTHORITY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 218,760
Infrastructure	1,220,378
Buildings	1,496,857
Improvements other than buildings	9,845
Machinery and equipment	<u>324,577</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,270,417</u>

LOGANSPORT-CASS COUNTY AIRPORT AUTHORITY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Airport Authority has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Airport improvements: Airport Operations Center and Runway extension	1,555,000	165,435
Total governmental activities debt	\$ 1,555,000	\$ 165,435

LOGANSPORT-CASS COUNTY AIRPORT AUTHORITY
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCE

The Payroll Fund was overdrawn in 2005, 2006, and 2007.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

LOGANSPORT-CASS COUNTY AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2008, with Patrick E. McNarny, Treasurer; and Timothy M. Dalton, Manager. The officials concurred with our finding.