

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

EXAMINATION REPORT
OF
FULTON COUNTY AIRPORT AUTHORITY
FULTON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/17/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	James R. Ewen	01-01-06 to 12-31-08
Treasurer	Jerry Lee Daniel Funk	01-01-06 to 12-31-06 01-01-07 to 12-31-08
Deputy Director	Sharon Rogers	01-01-06 to 12-31-08
President of the Board	James Heyde	01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

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

STATE BOARD OF ACCOUNTS

August 27, 2008

FULTON COUNTY AIRPORT AUTHORITY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 GOVERNMENTAL FUND TYPES
 As Of And For The Years Ended December 31, 2006 And 2007

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Fund: General	\$ 27,931	\$ 544,238	\$ 434,328	\$ 137,841
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Funds: General	\$ 137,841	\$ 819,297	\$ 464,412	\$ 492,726
Grant	-	87,767	48,800	38,967
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 137,841</u>	<u>\$ 907,064</u>	<u>\$ 513,212</u>	<u>\$ 531,693</u>

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

FULTON COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The Airport 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 Airport 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 Airport 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.

FULTON COUNTY AIRPORT AUTHORITY
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

In some instances, receipts were not issued when money was received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

CAPITAL ASSET RECORDS

Information presented for audit did not indicate an inventory or record of Capital Assets being maintained.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 16)

FULTON COUNTY AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2008, with Daniel Funk, Treasurer; James R. Ewen, Director; and Sharon Rogers, Deputy Director.