

B37154

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

EXAMINATION REPORT  
OF  
STARKE COUNTY AIRPORT AUTHORITY  
STARKE COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
06/24/2010



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information: Schedule of Capital Assets.....	6
Examination Result and Comment: Annual Report.....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Airport Manager	Pamela A. Beharry	01-01-08 to 12-31-10
Treasurer	Tammy L. Bailey	01-01-08 to 12-31-10
President of the Board	Lionel Smead James R. Long	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Starke County Airport Authority (District), for the period of January 1, 2008 to December 31, 2009. The District'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, 2008 and 2009, 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

June 8, 2010

STARKE COUNTY AIRPORT AUTHORITY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUND TYPE  
As Of And For The Years Ended December 31, 2008 And 2009

	<u>Cash and Investments 01-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-08</u>
Governmental Fund: General	\$ 767,607	\$ 466,739	\$ 728,510	\$ 505,836
Totals	<u>\$ 767,607</u>	<u>\$ 466,739</u>	<u>\$ 728,510</u>	<u>\$ 505,836</u>
	<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>
Governmental Fund: General	\$ 505,836	\$ 719,204	\$ 1,036,033	\$ 189,007
Rainy Day	<u>-</u>	<u>13,235</u>	<u>-</u>	<u>13,235</u>
Totals	<u>\$ 505,836</u>	<u>\$ 732,439</u>	<u>\$ 1,036,033</u>	<u>\$ 202,242</u>

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

STARKE 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 operates under an appointed governing board.

The Airport Authority's financial reporting entity is composed of the following:

Primary Government: Starke County Airport Authority

In determining the financial reporting entity, the Airport Authority complies with the provisions of GASB Statement No. 14, *The Financial Report Entity*.

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 or highway use taxes are received 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 District 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.

STARKE COUNTY AIRPORT AUTHORITY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The District contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the District authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

STARKE COUNTY AIRPORT AUTHORITY  
EXAMINATION RESULT AND COMMENT

ANNUAL REPORT

Annual reports for 2008 and 2009 were not presented for examination. The same comment was made in Report B32055 covering 2006 and 2007.

IC 5-11-1-4(a):

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. Except as provided by subsection (b), these reports shall be prepared, verified, and filed with the state examiner no later than thirty (30) days after the close of each fiscal year."

STARKE COUNTY AIRPORT AUTHORITY  
EXIT CONFERENCE

The contents of this report were discussed on June 8, 2010, with Tammy L. Bailey, Treasurer; and Pamela A. Beharry, Airport Manager. The officials concurred with our finding.