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

EXAMINATION REPORT
OF
LAPORTE MUNICIPAL AIRPORT AUTHORITY
LAPORTE COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
09/07/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Airport Authority Manager	Nikki Anderson Barry Aftowski	01-01-07 to 06-12-09 06-13-09 to 12-31-10
Airport Authority Treasurer	James Shearin	01-01-07 to 12-31-10
Mayor	Leigh Morris Kathleen Chroback	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Airport Authority Board	Edward L. Volk	01-01-07 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAPORTE MUNICIPAL
AIRPORT AUTHORITY, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the LaPorte Municipal Airport Authority (Airport Authority), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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

August 11, 2010

LAPORTE MUNICIPAL AIRPORT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 198,346	\$ 187,225	\$ 303,574	\$ 81,997
Fuel Fund	23,865	207,848	185,738	45,975
Debt Fund	19,686	24,826	123,767	(79,255)
Cumulative Building	611,096	173,252	480,751	303,597
Federal Aviation Improvement Program	<u>8,432</u>	<u>5,845</u>	<u>-</u>	<u>14,277</u>
Totals	<u>\$ 861,425</u>	<u>\$ 598,996</u>	<u>\$ 1,093,830</u>	<u>\$ 366,591</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 81,997	\$ 536,536	\$ 395,246	\$ 223,287
Fuel Fund	45,975	195,658	240,279	1,354
Debt Fund	(79,255)	164,031	125,030	(40,254)
Cumulative Building	303,597	192,824	189,864	306,557
Federal Aviation Improvement Program	<u>14,277</u>	<u>77</u>	<u>-</u>	<u>14,354</u>
Totals	<u>\$ 366,591</u>	<u>\$ 1,089,126</u>	<u>\$ 950,419</u>	<u>\$ 505,298</u>

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

LAPORTE MUNICIPAL 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 general administrative services for the operations of the airport.

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.

Note 6. Overdrawn Fund Balances

The Debt Fund was overdrawn by \$79,255 at December 31, 2007, and \$40,254 at December 31, 2008. This was due to the delay in tax distributions from the County.

LAPORTE MUNICIPAL AIRPORT AUTHORITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 7. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Airport Authority 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 Airport Authority 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.

Note 8. Subsequent Event

Federal Grant

On July 10, 2009, the U.S. Department of Transportation awarded the Airport Authority \$741,475 for reconstruction of the terminal apron.

Property Tax Assessment

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Airport Authority. It is undeterminable how much property tax collections the Airport Authority will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Airport Authority received their distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June 2010 and are due in two installments, July 9, 2010 and November 10, 2010.

LAPORTE MUNICIPAL AIRPORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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	\$ 737,589
Buildings	2,135,662
Improvements other than buildings	3,145,718
Machinery and equipment	889,542
Construction in progress	<u>126,656</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 7,035,167</u>

LAPORTE MUNICIPAL AIRPORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Major Capital Facilities	\$ 830,000	\$ 125,850

LAPORTE MUNICIPAL AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on August 11, 2010, with Edward L. Volk, President of the Airport Authority Board; Barry Aftowski, Airport Authority Manager; and James Shearin, Airport Authority Treasurer. Our audit disclosed no material items that warrant comment at this time.