

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

AUDIT REPORT
OF
DEPARTMENT OF AVIATION
CLAY COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
08/04/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jordan T. Brown	01-01-10 to 12-31-11
President of the Board of Aviation	Jordan H. Brown	01-01-10 to 12-31-11
President of the County Council	Michael D. McCullough	01-01-10 to 12-31-11
President of the Board of County Commissioners	Charles S. Brown	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLAY COUNTY

We have audited the records of the Department of Aviation for the period from January 1, 2010 to December 31, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Clay County for the year 2010.

STATE BOARD OF ACCOUNTS

May 12, 2011

DEPARTMENT OF AVIATION
CLAY COUNTY
AUDIT RESULT(S) AND COMMENT(S)

AVIATION ROTARY FUND

The Aviation Rotary Fund is being accounted for exclusively through the Aviation Department, and has been since its inception in 1996. During the audit period, receipts from the sale of fuel in the amount of \$12,440 and disbursements of \$27,506 for fuel purchases and the replacement of the fuel tank were made directly from the Department checking account by the Board of Aviation Commissioners (the Board). The receipts were not turned in monthly on the Report of Collections to the County Auditor for deposit into the County treasury. The expenditures were made without being appropriated by the fiscal body of the entity (County Council) and without the claims process through the Auditor's office. Additionally, the Aviation Rotary Fund is to be used only for the purchase of fuels and lubricants and the purchase of a fuel tank is an unallowable expense for this fund.

Indiana Code 8-22-2-7 (c) states in part:

"The fiscal body of the entity may appropriate a sufficient amount as a rotary fund to be used by the board for the purchase of fuels and lubricants to be sold to the general public in the operation of the airport. All funds received from the sale of fuels and lubricants purchased with funds from a rotary fund shall be turned over at least once a month to the treasurer of the entity to remain in the rotary fund to be checked against by the board as other appropriations are disbursed, for the sole purpose of purchasing fuels and lubricants for sale to the public in the operation of the airport. At the end of each fiscal year, the board shall make a detailed statement to the fiscal body showing the amount of money received and paid over to the treasurer to the credit of the rotary fund and also showing the amount of fuels and lubricants on hand. If at the end of a fiscal year the accumulated rotary fund plus value of inventory of fuels and lubricants on hand exceeds the total previous appropriation to the fund by twenty-five percent (25%), the excess shall be turned over to the aviation fund. The board may incur obligations or liability of any sort on behalf of the entity only if it falls within the appropriation specifically made for that purpose."

DEPARTMENT OF AVIATION
CLAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 12, 2011, with Mitch Whitaker, Bookkeeper; Jordan T. Brown, Treasurer; Jordan H. Brown, President of the Board of Aviation; Mary Jo Alumbaugh, County Auditor; Michael D. McCullough, President of the County Council; and Charles S. Brown, President of the Board of County Commissioners.