



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B52304

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)

March 12, 2019

Board of Directors  
Delaware County Airport Authority  
311 W Terminal Drive  
Muncie, IN 47303

This report is supplemental to the audit report of the Delaware County Airport Authority (District), for the period from January 1, 2017 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the District. It should be read in conjunction with the financial statement audit report of the District, which provides an opinion on the District's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the District and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Delaware County Airport Authority prepared by Katz, Sapper & Miller, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains two Examination Findings and Results. Management's response may be found on page 5.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

# DELAWARE COUNTY AIRPORT AUTHORITY

SUPPLEMENTAL AUDIT REPORT

DELAWARE COUNTY, INDIANA  
December 31, 2017

# DELAWARE COUNTY AIRPORT AUTHORITY

## CONTENTS

	<b>Page</b>
Schedule of Officials	1
Independent Auditors' Supplemental Audit Report	2
Audit Results and Comments:	
Lack of Capital Asset Policy	3
Lack of Bad Debt Policy	3
Exit Conference	4
Official Response	5

**SCHEDULE OF OFFICIALS**

<b>Office</b>	<b>Official</b>	<b>Term</b>
Airport Manager	Tim Baty	01-01-17 to 12-31-17
Bookkeeper (Contracted)	Cathy Cross	12-01-16 to 12-31-17
President of the Board	Dr. C. Kurt Alexander	04-01-15 to 12-31-17
Treasurer	Rhonda Small	01-01-17 to 12-31-17
Secretary	Andy Munson	01-01-17 to 12-31-17
Member	Ron Chambers	01-01-17 to 12-31-17
Attorney	James Schafer	01-01-17 to 12-31-17

*Independent Auditors' Supplemental Audit Report*

Board of Directors  
Delaware County Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Uniform Compliance Guidelines for Audit of Hospitals and State and Local Governments by Authorized Independent Public Accountants*, issued by the Indiana State Board of Accounts, the financial statements of Delaware County Airport Authority (the Airport Authority) as of and for the year ended December 31, 2017, and have issued our report thereon dated January 25, 2019.

In connection with our audits, nothing came to our attention that caused us to believe that the Airport Authority failed to comply with the conditions of the *Accounting and Uniform Compliance Guidelines Manual for Special Districts*, established by the Indiana State Board of Accounts, as it applies to airport authorities, except as stated in the Audit Results and Comments.

This report is intended solely for the information and use of the Board of Directors and management of the Airport Authority and the Indiana State Board of Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

*Katz, Sapper & Miller, LLP*

Indianapolis, Indiana  
January 25, 2019

## DELAWARE COUNTY AIRPORT AUTHORITY

### AUDIT RESULTS AND COMMENTS

Year Ended December 31, 2017

#### ***Lack of Capital Asset Policy***

The Delaware County Airport Authority (the Airport Authority) lacks a written policy regarding capital assets. The State Board of Accounts requires each unit to have a written capital asset policy in place that details the threshold at which an item is considered a capital asset (*Accounting and Uniform Compliance Guidelines Manual*, Chapter 1 – Prescribed Forms, Taxes, General Information, Local Policies, and Deposits and Investments).

Furthermore, the Airport Authority should ensure that a physical inventory is being completed every two years. Any dispositions of capital assets should meet sale requirements of IC 5-22-22-4 and IC 5-22-22-5, as required by the State Board of Accounts.

#### ***Lack of Bad Debt Policy***

The Airport Authority lacks a written policy regarding writing off of bad debt. The State Board of Accounts requires each unit to have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustment to record balance (*Accounting and Uniform Compliance Guidelines Manual*, Chapter 1 – Prescribed Forms, Taxes, General Information, Local Policies, and Deposits and Investments).

## **DELAWARE COUNTY AIRPORT AUTHORITY**

### **EXIT CONFERENCE Year Ended December 31, 2017**

The contents of this report were discussed on January 25, 2019 with Tim Baty, Airport Manager; Dr. C. Kurt Alexander, President of the Board; and James Schafer, Attorney. The officials concurred with our audit findings.

The Official Response has been included on page 5 of this report. The Official Response has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we express no opinion on the Official Response.



# Delaware County Regional Airport

Tim Baty, Manager

[tbaty@muncie-airport.com](mailto:tbaty@muncie-airport.com)

Office:765-747-5690

January 25, 2019

The Delaware County Regional Airport Authority acknowledges that during the Audit Period that there was no Capital asset Policy or Bad Debt Policy enforce by the Authority and will in 2019 work with the Airport Authority to formally adopt both a Written Capital Asset policy and Written Bad Debt Policy.

A handwritten signature in black ink, appearing to read 'T. Baty'.

Tim Baty, Manager

Delaware County Airport

[Type text]