

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SOUTH CENTRAL REGIONAL AIRPORT AUTHORITY

CLARK COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
08/27/2020



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SCHEDULE OF OFFICIALS

| <u>Office</u>                               | <u>Official</u>                 | <u>Term</u>                                  |
|---|---------------------------------|--|
| Airport Manager                             | John Secor                      | 01-01-19 to 12-31-20                         |
| Secretary/Treasurer                         | J. Greg Dietz<br>Benjamin Riggs | 01-01-19 to 12-31-19<br>01-01-20 to 12-31-20 |
| President of the Airport<br>Authority Board | James E. Baker                  | 01-01-19 to 12-31-20                         |



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE SOUTH CENTRAL REGIONAL  
AIRPORT AUTHORITY, CLARK COUNTY, INDIANA

This report is supplemental to our audit report of the South Central Regional Airport Authority (Authority), for the period from January 1, 2019 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Authority. It should be read in conjunction with our Financial Statement Audit Report of the Authority, which provides our opinions on the Authority's financial statement. This report may be found at [www.in.gov/sboa](http://www.in.gov/sboa).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

August 19, 2020

SOUTH CENTRAL REGIONAL AIRPORT AUTHORITY  
AUDIT RESULTS AND COMMENTS

**ADOPTION OF INTERNAL CONTROL STANDARDS**

*Condition and Context*

A similar comment also appeared in prior Reports B51209 and B53212, entitled *ADOPTION OF INTERNAL CONTROL STANDARDS AND TRAINING*.

The Authority did not adopt internal control standards and procedures until January 2020.

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; . . ."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B53212.

*Condition and Context*

The Authority's management incorrectly certified in the Indiana Gateway for Government Units financial reporting system that the Authority had adopted internal control standards.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"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. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

**CAPITAL ASSETS**

*Condition and Context*

This same comment appeared in a Management Letter addressed to the officials of the Authority for the audit period ending December 31, 2018.

SOUTH CENTRAL REGIONAL AIRPORT AUTHORITY  
AUDIT RESULTS AND COMMENTS  
(Continued)

The Authority had not properly maintained a complete inventory of capital assets owned. The listing of capital assets provided to the entity by the County, at its inception in 2014, when it became an Authority, had not been verified or updated.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

**MONTHLY ENGAGEMENT UPLOADS**

*Condition and Context*

As of June 24, 2020, the Authority had not uploaded any of the files required for the monthly engagement uploads to the Indiana Gateway for Government Units financial reporting system for the calendar years 2019 and 2020.

*Criteria*

Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. Counties and school corporations will upload January 2019 files beginning in March 2019.

The following files and governmental unit information are required to be uploaded monthly:

- Bank reconcilements
- Approved board minutes
- Funds ledger, summarizing total receipts, disbursements, and balances by fund

In order to improve planning for the next engagement, a unit is encouraged to upload prior months' files beginning with the January 2018 files. Thereafter, monthly files must be uploaded no later than the 15th day of the second succeeding month, i.e., August monthly files are due on October 15. (State Examiner Directive 2018-1)

SOUTH CENTRAL REGIONAL AIRPORT AUTHORITY  
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2020, with John Secor, Airport Manager; Barbara McCulloch, Office Manager; James E. Baker, President of the Airport Authority Board; Dan Gregory, Airport Authority Board member; Benjamin Riggs, Secretary/Treasurer; and Jack Coffman, Clark County Commissioner.