

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

FINANCIAL STATEMENT AUDIT REPORT

OF

DUBOIS COUNTY AIRPORT AUTHORITY

DUBOIS COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
02/08/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Manager	Travis McQueen	01-01-20 to 12-31-22
Treasurer	Harvey Berger	01-01-20 to 12-31-22
President of the Airport Authority Board	James M. Hunsicker	01-01-20 to 12-31-22



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Dubois County Airport Authority (Airport Authority), which comprises the financial position and results of operations for the year ended December 31, 2020, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Airport Authority's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the Airport Authority prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Airport Authority for the year ended December 31, 2020.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Airport Authority for the year ended December 31, 2020, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.


Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Airport Authority's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement, and, accordingly, we express no opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2022, on our consideration of the Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

February 1, 2022

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Airport Authority. The financial statement and notes are presented as intended by the Airport Authority.

DUBOIS COUNTY AIRPORT AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20
General Fund	\$ 389,415	\$ 653,637	\$ 430,258	\$ 612,794
Rainy Day Fund	316,991	1,553	-	318,544
Levy Excess Fund	37	-	-	37
Rotary Fuel Fund	586,207	310,055	428,530	467,732
Tax Fund (Turn Around of Sales/Fuel Tax)	3,793	20,618	21,013	3,398
Cumulative Fund	1,161,257	6,148,961	6,687,846	622,372
Payroll Withholding Fund	3,680	28,020	27,844	3,856
Totals	<u>\$ 2,461,380</u>	<u>\$ 7,162,844</u>	<u>\$ 7,595,491</u>	<u>\$ 2,028,733</u>

The notes to the financial statement are an integral part of this statement.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Airport Authority was established under the laws of the State of Indiana. The Airport Authority operates under a governing board.

The accompanying financial statement presents the financial information for the Airport Authority.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Airport Authority.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENT
(Continued)

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Airport Authority may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENT
(Continued)

G. Fund Accounting

Separate funds are established, maintained, and reported by the Airport Authority. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Airport Authority. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Airport Authority in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units, and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Airport Authority submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Airport Authority in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the Airport Authority is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the Airport Authority to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

DUBOIS COUNTY AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The Airport Authority may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Airport Authority to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

The Airport Authority contributes to a pension plan unique to the Airport Authority. Information regarding this plan may be obtained from the Airport Authority.

Note 7. Subsequent Events

An Indiana Department of Environmental Management Notice of Violation dated January 13, 2022, has been issued to the Airport Authority and to one of its tenants, Kimball International, Inc. (Kimball), regarding an underground fuel storage tank (UST) situated on the leasehold estate of Kimball. Under the terms of the Aircraft Hangar and Fuel Facility Lease, dated January 1, 2019, between the Airport Authority and Kimball, Kimball is required to maintain and repair all facilities and improvements on the leasehold estate and covenants to hold harmless, indemnify, and defend the Airport Authority from and against all claims, demands, proceedings, liabilities, costs, and expenses in any way arising out of the use or condition of the leasehold premises.

OTHER INFORMATION - UNAUDITED

The Airport Authority's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Airport Authority's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Airport Authority. It is presented as intended by the Airport Authority.

DUBOIS COUNTY AIRPORT AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	General Fund	Rainy Day Fund	Levy Excess Fund	Rotary Fuel Fund
Cash and investments - beginning	\$ 389,415	\$ 316,991	\$ 37	\$ 586,207
Receipts:				
Taxes	184,465	-	-	-
Intergovernmental receipts	13,778	-	-	-
Charges for services	224,554	-	-	-
Other receipts	<u>230,840</u>	<u>1,553</u>	<u>-</u>	<u>310,055</u>
Total receipts	<u>653,637</u>	<u>1,553</u>	<u>-</u>	<u>310,055</u>
Disbursements:				
Personal services	212,571	-	-	-
Supplies	13,862	-	-	198,636
Other services and charges	110,595	-	-	4,894
Capital outlay	93,230	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,000</u>
Total disbursements	<u>430,258</u>	<u>-</u>	<u>-</u>	<u>428,530</u>
Excess (deficiency) of receipts over disbursements	<u>223,379</u>	<u>1,553</u>	<u>-</u>	<u>(118,475)</u>
Cash and investments - ending	<u>\$ 612,794</u>	<u>\$ 318,544</u>	<u>\$ 37</u>	<u>\$ 467,732</u>

DUBOIS COUNTY AIRPORT AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2020

	Tax Fund (Turn Around of Sales/ Fuel Tax)	Cumulative Fund	Payroll Withholding Fund	Totals
Cash and investments - beginning	\$ 3,793	\$ 1,161,257	\$ 3,680	\$ 2,461,380
Receipts:				
Taxes	-	75,659	-	260,124
Intergovernmental receipts	-	6,067,934	-	6,081,712
Charges for services	-	-	-	224,554
Other receipts	20,618	5,368	28,020	596,454
Total receipts	20,618	6,148,961	28,020	7,162,844
Disbursements:				
Personal services	-	-	-	212,571
Supplies	-	-	-	212,498
Other services and charges	-	-	-	115,489
Capital outlay	-	6,687,846	-	6,781,076
Other disbursements	21,013	-	27,844	273,857
Total disbursements	21,013	6,687,846	27,844	7,595,491
Excess (deficiency) of receipts over disbursements	(395)	(538,885)	176	(432,647)
Cash and investments - ending	\$ 3,398	\$ 622,372	\$ 3,856	\$ 2,028,733

DUBOIS COUNTY AIRPORT AUTHORITY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2020

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>Ending Balance</u>
Governmental activities:	
Land	\$ 1,083,300
Buildings	4,166,701
Improvements other than buildings	4,890,756
Machinery, equipment, and vehicles	469,967
Construction in progress	<u>8,039,013</u>
Total governmental activities	<u>18,649,737</u>
Total capital assets	<u>\$ 18,649,737</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the Airport Authority. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.