



**REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – For the Years Ended December 31, 1999 and 1998 .....	3
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	7

**This Page Intentionally Left Blank**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Regional Airport Authority  
Henry County  
10646 County Road O  
Napoleon, Ohio 43545-6217

To the Board of Trustees,

We have audited the accompanying financial statements of Henry County Regional Airport Authority (the Airport Authority) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Airport Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with generally accepted auditing standards 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Airport Authority prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Airport Authority as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2000 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 and grants.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 7, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<b>1999</b>	<b>1998</b>
<b>Cash Receipts:</b>		
Commissioners	\$ 20,285	\$ 15,000
Hanger Rental Fees	17,173	17,736
Field Use Fees	5,495	2,251
Fuel Fees	3,225	2,633
Interest	30	150
Miscellaneous	3,692	4,496
Loan Proceeds	27,462	31,848
 Total Cash Receipts	 77,362	 74,114
<b>Cash Disbursements:</b>		
Operator	8,400	8,400
Utilities	1,215	1,431
Insurance	3,613	4,068
Building Repair and Maintenance	1,513	2,435
Equipment Repair and Maintenance	1,212	11,765
Runway and Taxiway Maintenance	21,679	951
Fuel Pump Repair and Maintenance	3,299	
Legal and Professional		1,405
Property Tax	1,962	1,698
Miscellaneous	7,640	5,203
Debt Service:		
Rental Hanger		3,106
"T" Hanger		4,973
Airport Improvements	9,732	
Capital Improvements:		
Equipment and Fixtures	14,933	427
Runway, Taxiway, and Grounds		31,848
 Total Cash Disbursements	 75,198	 77,710
 Total Receipts Over/(Under) Disbursements	 2,164	 (3,596)
 Cash Balances, January 1	 5,246	 8,842
 <b>Cash Balances, December 31</b>	 <b>\$ 7,410</b>	 <b>\$ 5,246</b>

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

**This Page Intentionally Left Blank**



**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Henry County Regional Airport Authority (the Airport Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Airport Authority is directed by a five-member Board. The Airport Authority is responsible for the safe and efficient operation and maintenance of the airport.

The Airport Authority's management believes these financial statements present all activities for which the Airport Authority is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash**

The Airport Authority utilizes a general checking account to report all financial activity.

**D. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN CASH**

The carrying amount of cash at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$ 7,410</u>	<u>\$ 5,246</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**3. DEBT**

Debt outstanding at December 31, 1999 was as follows:

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**3. DEBT (Continued)**

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan	<u>\$ 49,183</u>	5.80%

The Airport Authority has a promissory note that it is allowed to draw money against. Beginning in July 1998, the Airport Authority began an extensive improvement project on its runways/taxiways. The Henry County State Bank lent the Airport Authority \$31,848 in fiscal year 1998 and \$27,462 in fiscal year 1999. All loan payments are made monthly in the amount of \$810.96. The note is guaranteed by the Henry County Commissioners.

**4. RISK MANAGEMENT**

The Airport Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center  
Room 1420  
Toledo, Ohio 43604-2246  
Telephone 419-245-2811  
800-443-9276  
Facsimile 419-245-2484  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Regional Airport Authority  
Henry County  
10646 County Road O  
Napoleon, Ohio 43545-6217

To the Board of Trustees,

We have audited the accompanying financial statements of Henry County Regional Airport Authority (the Airport Authority) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 7, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Airport Authority in a separate letter dated March 7, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Airport Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Airport Authority in a separate letter dated March 7, 2000.

Regional Airport Authority  
Henry County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the audit committee, management, Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 7, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**REGIONAL AIRPORT AUTHORITY**

**HENRY COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 6, 2000**