

**PORTAGE COUNTY
REGIONAL AIRPORT AUTHORITY**

YOUNGSTOWN REGION, PORTAGE COUNTY

REGULAR AUDIT

JANUARY 1, 1997 THROUGH DECEMBER 31, 1997

PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY
PORTAGE COUNTY, OHIO
JANUARY 1, 1997 THROUGH DECEMBER 31, 1997

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Report of Independent Accountants

Board of Trustees
Portage County Regional Airport Authority
Portage County
8095 State Route 44
Ravenna, Ohio 44266

We have audited the accompanying financial statements of the Portage County Regional Airport Authority, Portage County, Ohio, (the Authority) as of and for the year ended December 31, 1997. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit 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 audit provide a reasonable basis for our opinion.

As discussed in Note 1, the 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 Portage County Regional Airport Authority, Portage County, as of December 31, 1997, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 1999 on our consideration of the 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 Board of Trustees and other officials authorized to receive this report under Section 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

June 8, 1999

PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY
PORTAGE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1997

	General	Special Revenue	Total
Cash receipts:			
County contributions	\$ 12,000	\$ 0	\$ 12,000
State contributions	0	53,072	53,072
Federal contributions	0	264,538	264,538
Sale of fuel	0	56,768	56,768
Rents	31,460	0	31,460
Miscellaneous	7,108	9,244	16,352
Total cash receipts	50,568	383,622	434,190
Cash disbursements:			
Salaries	20,325	0	20,325
Supplies and materials	1,189	0	1,189
Repairs and maintenance	16,276	53,073	69,349
Utilities	5,642	0	5,642
Capital outlay	0	131,498	131,498
Miscellaneous	72,228	50,663	122,891
Total cash disbursements	115,660	235,234	350,894
Total receipts over/(under) disbursements	(65,092)	148,388	83,296
Cash balances, January 1	70,269	2,222	72,491
Cash balances, December 31	\$ 5,177	\$ 150,610	\$ 155,787

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

PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 1997

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Portage County Regional Airport Authority, (the 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 Authority is directed by a seven member Board, appointed by the Portage County Commissioners. The Authority is responsible for acquiring, establishing, constructing, operating, equipping, maintaining, improving, enlarging, and promoting the use of the Portage County Airport.

The Authority's management believes these financial statements present all activities for which the 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. Fund Accounting

The Authority maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each type of funds are as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Fund:

Airport Improvement Project Fund - This fund receives federal money for various projects for improving the Airport runway and facilities.

PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY
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AS OF DECEMBER 31, 1997

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, 1997 was \$155,787.

Deposits:

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

3. Contractual Commitments

The Authority has a contractual commitment with R.W. Armstrong over the next year to administer a federal grant which will improve the Airport.

The Airport Improvement Program will lengthen runways and taxiways and expand the services that the Authority now provides. The financing for this program has been obtained through application to the Federal Aviation Administration.

4. Retirement System

The Authority's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1997, PERS members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries. The Authority has paid all contributions required through December 31, 1997.

5. Risk Management

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

6. Subsequent Events

On March 3, 1998 the Portage County Commissioners entered into an agreement with the Authority. The county agreed to make a loan to the Authority in an amount not to exceed \$303,223. The purpose of the loan is for the administration and implementation of federal grant and matching local funds. In March, 1998 the Authority received its first installment in the amount of \$130,000.

PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
AS OF DECEMBER 31, 1997

7. Year 2000 Issue

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Portage County Regional Airport Authority's operations as early as fiscal 1999.

The Portage County Regional Airport Authority is aware of the Year 2000 issue and believes it has no internal, mission critical, computer or electronic equipment systems.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Portage County Regional Airport Authority is or will be Year 2000 ready, that the Airport's remediation efforts will be successful in whole or in part, or that parties with whom the Airport does business will be year 2000 ready.



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Report of Independent Accountants on Compliance and on Internal Control Required by *Government Auditing Standards*

Board of Trustees
Portage County Regional Airport Authority
8095 State Route 44
Ravenna, Ohio 44266

We have audited the accompanying financial statements of the Portage County Regional Airport Authority, Portage County, Ohio (the Authority), as of and for the year ended December 31, 1997, and have issued our report thereon dated June 8, 1999. We conducted our audit 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 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 audit 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 Authority in a separate letter dated June 8, 1999.

Portage County Regional Airport Authority
Portage County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the 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

June 8, 1999



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PORTAGE 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.

By: _____

Susan Babbitt

Date: _____

FEB 08 2000