



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**PICKAWAY COUNTY REGIONAL AIRPORT AUTHORITY
PICKAWAY COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Pickaway County Regional Airport Authority
Pickaway County
28181 McCrady Road
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the accompanying financial statements of the Pickaway County Regional Airport Authority, Pickaway County, Ohio, (the Authority) as of and for the year ended December 31, 2001. 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 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 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 accounting principles generally accepted in the United State of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Pickaway County Regional Airport Authority, Pickaway County, Ohio as of December 31, 2001, 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 May 28, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Pickaway County Regional Airport Authority
Pickaway County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of the 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.

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JIM PETRO
Auditor of State

May 28, 2002

**PICAWAY COUNTY REGIONAL AIRPORT AUTHORITY
PICKAWAY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES- ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	GOVERNMENTAL FUND TYPES		Total Memorandum Only
	General	Capital Projects	
Cash Receipts:			
Intergovernmental Receipts	\$0	\$227,949	\$227,949
Interest Receipts	641	-	641
Miscellaneous	582	-	582
Total Cash Receipts	1,223	227,949	229,172
Cash Disbursements:			
General Government	44,468	-	44,468
Capital Outlay	-	87,095	87,095
Total Cash Disbursements	44,468	87,095	131,563
Total Receipts Over/(Under) Disbursements	(43245)	140854	97609
Other Financing Receipts/(Disbursements):			
Other Sources	40,844	-	40,844
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(2,401)	140,854	138,453
Fund Cash Balances, January 1, 2001	49,597	6,568	56,165
Fund Cash Balances, December 31, 2001	\$47,196	\$147,422	\$194,618

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

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**PICKAWAY COUNTY REGIONAL AIRPORT AUTHORITY
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Pickaway County Regional Airport Authority, Pickaway County, Ohio (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 five member Board, appointed by the Pickaway County Commissioners (County) to serve a three year term. The Authority is responsible for the safety and efficient operation and maintenance of the airport and is financially dependent on the County. An appointed Secretary/Treasurer is responsible for fiscal control of the resources of the Authority. A fixed Based Operator leases the assets of the Authority with the approval of the County Commissioners.

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. Cash and Deposits

Certificates of deposit are valued at cost.

D. Fund Accounting

The Authority uses fund accounting to segregate cash that is restricted to use. The Authority classifies its funds into the following types:

General Fund

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

Capital Projects Fund

The Capital Projects Fund is the construction/grant fund. It is used to account for all construction receipts (Grants) and disbursements.

E. 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.

**PICKAWAY COUNTY REGIONAL AIRPORT AUTHORITY
PICKAWAY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001
(Continued)**

2. EQUITY IN POOLED CASH

The Airport maintains a cash pool used by all funds. The carrying amount of cash and deposits at December 31 follows:

	2001
Demand deposits	\$179,618
Certificates of deposit	15,000
Total deposits	\$194,618

Deposits: Deposits are insured by the Federal Depository Insurance.

3. RISK MANAGEMENT

Pickaway County carries insurance for the Authority through private carriers who assume the risk of loss up to the limits of the county's policies. The following risks are:

- Property
- Vehicles
- Liability
- Inland Marine

4. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amount which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any would not be material.

5. LEASE AGREEMENT

The Authority has entered into a lease agreement with Southern Ohio Flight Services, Inc. to operate the airport. The lease agreement stipulates monthly payments of \$300 until March 18, 2002 and \$400 thereafter. The lease also stipulates \$.04 for each gallon of fuel sold.



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Columbus, Ohio 43215
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Facsimile 614-728-7199
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Regional Airport Authority
Pickaway County
28181 McCrady Road
Circleville, Ohio 43113

To the Board of Trustees:

We have audited the accompanying financial statements of the Pickaway County Regional Airport Authority, Pickaway County, Ohio, (the Authority) as of and for the year ended December 31, 2001, and have issued our report thereon dated May 28, 2002. 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.

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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated May 28, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 May 28, 2002.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

JIM PETRO
Auditor of State

May 28, 2002



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

PICKAWAY COUNTY REGIONAL AIRPORT AUTHORITY

PICKAWAY 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
JULY 25, 2002**