



Dave Yost • Auditor of State

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Regional Airport Authority
Van Wert County
114 East Main Street, Suite 200
Van Wert, Ohio 45891

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Regional Airport Authority, Van Wert County, Ohio (the Airport Authority), a component unit of Van Wert County, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Airport Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Airport Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our opinion.

Basis for Qualified Opinion

We were unable to obtain sufficient evidential matter supporting the amounts recorded as Hot Air Festival revenues for the years ended December 31, 2013 and 2012. Hot Air Festival revenue consisted of \$96,691 and \$68,794, which is 20.8% and 24.6%, respectively, of total operating revenue for the years ended December 31, 2013 and 2012. We were unable to determine the validity of the Hot Air Festival revenues through alternative procedures.

Qualified Opinion

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinions* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Regional Airport Authority, Van Wert County, Ohio, as of December 31, 2013 and 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, during the year ended December 31, 2013, the Airport Authority adopted the provisions of Governmental Accounting Standard (GASB) No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statement No. 14 and No. 34*; No 65, *Items Previously Reported as Assets and Liabilities*; and No 66, *Technical Corrections-2012 –an Amendment of GASB Statements No. 10 and No 62*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2014, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 5, 2014

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**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)**

The discussion and analysis of the Van Wert County Regional Airport Authority's (Airport Authority's) financial performance provides an overall review of the financial activities for the years ended December 31, 2013 and 2012. The intent of this discussion and analysis is to look at the Airport Authority's financial performance as a whole and readers should also review the notes to the basic financial statements, and the financial statements to enhance their understanding of the Airport Authority's financial performance.

Financial Highlights

Key Financial highlights are as follows:

- Total net position decreased \$46,254 for 2013 and \$77,045 for 2012. The decrease for 2013 and 2012 was a result of depreciation of capital assets.
- During 2013 and 2012, the Airport Authority received \$17,736 and \$0, respectively, in capital contributions. The 2013 capital contributions were for taxiway design and Runway End Identifier Lights (REILs).
- During 2013 and 2012, the Airport Authority paid \$13,250 and \$12,040, respectively, on its long-term loans.

Using this Financial Report

This annual report consists of a series of financial statements. The statement of net position and the statement of revenues, expenses and changes in net position provide information about the Airport Authority and present a long-term view of the Airport Authority's finances.

A question typically asked about the Airport Authority's finances is "How did we do financially during the fiscal year?" These statements report information about the Airport Authority and its activities in a way that helps answer this question. These statements include all assets and liabilities, both financial and capital, and short-term and long-term, using the accrual basis of accounting and economic resources focus, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all revenues and expenses during the year, regardless of when the cash is received or paid.

These two statements report the Airport Authority's net position and changes in that position. This change in net position is important because it tells the reader that, for the Airport Authority as a whole, the financial position of the Airport Authority has improved or diminished. The reader will need to consider other non-financial factors (e.g. fuel prices, FAA regulations, weather, etc.) in order to assess the overall health of the Airport Authority.

The statement of cash flows provides information about how the Airport Authority finances and meets the cash flow needs of its operations.

The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)
(Continued)**

Table 1 provides a summary of the Airport Authority's net position for 2013, compared to 2012 and 2011.

Table 1			
Net Position			
	2013	2012	2011
Assets:			
Current Assets	\$149,140	\$57,440	\$48,727
Depreciable Capital Assets, Net	1,114,677	1,176,862	1,269,371
Non Depreciable Capital Assets	214,100	228,633	228,633
Total Assets	1,477,917	1,462,935	1,546,731
Liabilities:			
Current and Other Liabilities	99,556	23,253	16,934
Long-Term Liabilities	88,293	102,815	116,545
Total Liabilities	187,849	126,068	133,479
Deferred Inflows of Resources:			
Hanger Rent	365	910	250
Net Position:			
Net Investment in Capital Assets	1,225,962	1,289,430	1,369,899
Unrestricted	63,741	46,527	43,103
Total Net Position	\$1,289,703	\$1,335,957	\$1,413,002

Total assets increased \$14,982 from 2012 to 2013 and decreased \$83,796 from 2011 to 2012. Capital assets increased for 2013 as a result of intergovernmental receivables for monies to be reimbursed from the FAA.

Total liabilities increased \$61,781 due to contracts and retainage payable on tree topping and removal and decreased \$7,411 from 2011 to 2012 as the Airport Authority continued to pay down its long-term loans.

Table 2 shows the changes in net position for the year ended December 31, 2013, as well as revenue and expense comparisons to 2012 and 2011.

Table 2			
Changes in Net Position			
	2013	2012	2011
Operating Revenues:			
Charges for Services	\$245,007	\$200,325	\$206,949
Grants and Donations	213,561	77,648	34,195
Other Revenues	5,034	1,094	200
Total Operating Revenues	463,602	279,067	241,344
Operating Expenses:			
Personal Services	39,468	37,984	34,534
Contractual Services	346,000	165,821	47,340
Materials and Supplies	78,566	69,962	140,178
Other Operating Expenses	3,963	5,835	5,443
Depreciation	97,671	94,009	96,133
Total Operating Expenses	565,668	373,611	323,628

(Continued)

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)
(Continued)**

**Table 2
Changes in Net Position
(Continued)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Non-Operating Expenses:			
Farm Rental	40,632	20,394	20,244
Interest Expense	(2,556)	(2,895)	(3,190)
Total Non-Operating Expenses	38,076	17,499	17,054
Capital Contributions	17,736		6,048
Increase (Decrease) in Net Position	(46,254)	(77,045)	(59,182)
Net Position Beginning of Year	1,335,957	1,413,002	1,472,184
Net Position End of Year	<u>\$1,289,703</u>	<u>\$1,335,957</u>	<u>\$1,413,002</u>

Operating revenues increased \$184,535 from 2012 to 2013. The Airport Authority received grant revenue from the FAA for various airport improvement projects. Operating grants consist primarily of grant revenue provided by the FAA, Van Wert County and the City of Van Wert.

Operating revenues increased \$37,723 from 2011 to 2012. Although fuel sales decreased in 2012, hot air festivals provided revenues to offset this. Operating grants consist primarily of grant revenue provided by Van Wert County and the City of Van Wert. In addition, the FAA provided grant monies that were used to bury power lines and were therefore not considered capital contributions during 2012.

Operating expenses increased in 2013 due to tree topping and removal contract payment.

Operating expenses increased in 2012 due to expenses for the hot air festival. Fuel purchases decreased in 2012 as no Jet A fuel was purchased.

Capital Assets and Debt Administration

Capital Assets

**Table 3
Capital Assets, Net of Depreciation**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Land	\$214,100	\$214,100	\$214,100
Construction in Progress		14,533	14,533
Buildings	63,492	66,131	68,770
Vehicles			
Furniture and Fixtures	185	2	2
Equipment	12,298	14,153	14,507
Fueling System	72,592	75,496	78,400
Rental Plane	28,932	33,066	37,200
Taxiways	937,178	988,014	1,070,492
Totals	<u>\$1,328,777</u>	<u>\$1,405,495</u>	<u>\$1,498,004</u>

For 2013, additions to capital assets consisted of a new office chair. In addition, the REILs and parallel taxi extension that was part of construction in progress was completed during 2013.

See Note 5 of the notes to the basic financial statements for more detailed information.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(UNAUDITED)
(Continued)**

Debt

At December 31, 2013, the Airport Authority had three notes outstanding. The Airport Authority owes Van Wert County, as the County issued the notes on behalf of the Airport.

**Table 4
Outstanding Debt at Year End**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Airport Hanger #1	\$12,850	\$15,850	\$18,850
Fuel Tank Removal	65,500	72,500	78,500
Airport Hanger #2	24,465	27,715	30,755
Total	<u>\$102,815</u>	<u>\$116,065</u>	<u>\$128,105</u>

The Airport Authority owes \$15,440 within one year. The final payment on the debt will be in the year 2020.

See Note 6 of the notes to the basic financial statements for more detailed information.

Current Financial Issues and Concerns

The Airport Authority receives operating grants from Van Wert County and the City of Van Wert. The receipt of these operating grants has helped cover the operating expenses of the airport.

The main source of revenue for the Airport Authority comes from fuel sales and the Airport Authority tries to continue to be competitive in its fuel pricing. A decrease in fuel sales has a significant impact on operations. The Airport Authority increased its mark-up cost for fuel from \$.35 to \$.95 per gallon during 2012 to help cover costs. The Airport Authority Board also increased hanger rents effective April 1, 2013.

The Airport Authority continues to receive support from the FAA allowing the airport to continue constructing ramp and taxiway extensions. In 2007, the Airport was awarded \$24,985 for runway design. In 2008, the Airport was awarded \$233,366 for the first phase of runway construction and \$135,358 for the second phase. A grant from the City of Van Wert in the amount \$22,145 was used for the local matching portion of the runway construction. In 2010, the Airport received \$65,694 for the REILs project. In 2011, the Airport received \$56,335 for the burying of above ground telephone lines. In 2012, the Airport was awarded \$36,822 for utility line removal. In 2013, the airport was awarded \$180,246 for tree topping/ removal and for the installation of a visual guidance system (PAPI). The Airport Authority will continue to seek support from the FAA for its improvements. The FAA Modernization and Reform Act of 2012 reduced federal funding from 95% to 90%. Future grants now need a 10% local match.

Contacting the Airport Authority

This financial report is designed to provide the citizens, taxpayers, airport users and other interested parties with a general overview of the Airport Authority's finances and to show the Airport Authority's accountability for the monies it receives. If you have any questions about this report or need additional financial information, contact Todd Wolfrum, Van Wert Count Commissioner, 114 East Main Street, Suite 200, Van Wert, Ohio 45891.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**STATEMENT OF NET POSITION
DECEMBER 31, 2013 AND 2012**

	2013	2012
Assets:		
Current Assets:		
Cash and Cash Equivalents and Investments	\$45,745	\$27,561
Accounts Receivable	12,038	9,459
Due from Other Governments	78,994	
Material and Supplies Inventory	12,363	20,420
Total Current Assets	149,140	57,440
Non-current Assets:		
Depreciable Capital Assets, Net	1,114,677	1,176,862
Non Depreciable Capital Assets	214,100	228,633
Total Non-current Assets	1,328,777	1,405,495
 Total Assets	 1,477,917	 1,462,935
 Liabilities:		
Current Liabilities:		
Accounts Payable	6,122	7,073
Contracts Payable	66,941	
Retainage Payable	7,438	
Sales Tax Payable	386	349
Payroll Taxes Payable	1,424	1,195
Accrued Wages Payable	1,300	792
Accrued Interest Payable	505	594
Current Portion of Notes Payable	15,440	13,250
Total Current Liabilities	99,556	23,253
Non-current Liabilities:		
Compensated Absences Payable	918	
Notes Payable	87,375	102,815
Total Noncurrent Liabilities	88,293	102,815
 Total Liabilities	 187,849	 126,068
 Deferred Inflows of Resources		
Hanger Rent	365	910
 Net Position:		
Net Investment in Capital Assets	1,225,962	1,289,430
Unrestricted	63,741	46,527
Total Net Position	\$1,289,703	\$1,335,957

See accompanying notes to the basic financial statements.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
Operating Revenues:		
Sales	\$81,881	\$75,910
Hot Air Festival Revenues	96,691	68,794
Grants and Donations	213,561	77,648
Rent	66,435	55,621
Other	5,034	1,094
Total Operating Revenues	463,602	279,067
Operating Expenses:		
Personal Services	39,468	37,984
Contractual Services	346,000	165,821
Materials and Supplies	78,566	69,962
Other Operating Expenses	3,963	5,835
Depreciation	97,671	94,009
Total Operating Expenses	565,668	373,611
Operating Loss	(102,066)	(94,544)
Non-operating Revenue/Expense:		
Farm Rental Income	40,632	20,394
Interest and Fiscal Charges	(2,556)	(2,895)
Total Non-operating Revenue/Expense	38,076	17,499
Loss before Capital Contributions	(63,990)	(77,045)
Capital Contributions	17,736	
Change in Net Position	(46,254)	(77,045)
Net Position Beginning of Year	1,335,957	1,413,002
Net Position End of Year	\$1,289,703	\$1,335,957

See accompanying notes to the basic financial statements.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$83,293	\$75,399
Cash Received for Hot Air Festival	96,691	68,794
Cash Received for Rent	66,074	55,122
Cash Received for Operating Grants	152,303	77,648
Cash Received for Other Operating Activities	859	1,094
Cash Payments for Employee Services and Benefits	(38,394)	(37,494)
Cash Payments to Suppliers for Goods and Services	(346,426)	(231,183)
Net Cash Received from (Used for) Operating Activities	14,400	9,380
Cash Flows from Capital and Related Financing Activities:		
Prinicipal Paid on OWDA Loan Payable	(13,250)	(12,040)
Interest Paid on OWDA Loan Payable	(2,645)	(2,982)
Capital Contributions		640
Acquisition of Capital Assets	(20,953)	(1,500)
Net Cash Used for Capital and Related Financing Activities	(36,848)	(15,882)
Cash Flows from Non-capital Financing Activities:		
Farm Rental Income	40,632	20,394
Net Increase (Decrease) in Cash and Cash Equivalents	18,184	13,892
Cash and Cash Equivalents Beginning of Year	27,561	13,669
Cash and Cash Equivalents End of Year	45,745	27,561
Reconciliation of Operating Loss to Net Cash Received for (Used for) Operating Activities:		
Operating Loss	(102,066)	(94,544)
Adjustments:		
Depreciation	97,671	94,009
(Increase)/Decrease in Assets:		
(Increase)/Decrease in Accounts Receivable	(2,579)	(1,670)
(Increase)/Decrease in Due from Other Governments	(61,258)	
(Increase)/Decrease in Material and Supplies Inventory	8,057	6,209
Increase/(Decrease) in Liabilities:		
Increase/ (Decrease) in Accounts Payable	(951)	4,159
Increase/ (Decrease) in Contracts Payable	66,941	
Increase/ (Decrease) in Retainage Payable	7,438	
Increase/(Decrease) in Sales Tax Payable	37	5
Increase/(Decrease) in Payroll Taxes Payable	229	240
Increase/(Decrease) in Accrued Wages Payable	508	792
Increase/(Decrease) in Compensated Absences Payable	918	(480)
Increase/(Decrease) in Unearned Revenues	(545)	660
Net Cash Received from (Used for) Operating Activities	\$14,400	\$9,380

See accompanying notes to the basic financial statements.

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**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

1. DESCRIPTION OF THE ENTITY

The Van Wert County Regional Airport Authority, (the Airport Authority), is organized in accordance with Chapter 308 of the Ohio Revised Code. The Airport Authority is operated by a board of six members, one named in January of the even year by the City of Van Wert, one County Commissioner named in January of the odd year and all others, currently four members, appointed by the Van Wert County Commissioners for a term of four years, one being named each year, with their term beginning in January. The Van Wert City member and the Commissioner member will each serve a two year term on the Board.

The Airport Authority was established in 1974 and is responsible for administering and maintaining the Van Wert County Airport. Services provided by the Airport Authority include rental space of hangars, display cases, and office space; they also supply aviation fuel. In addition, they act upon various inquiries made concerning the welfare of the airport.

The Airport Authority is considered a component unit of Van Wert County.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. Pursuant to GASB Statement No. 62, *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,"* the Authority follows GASB guidance as applicable to enterprise funds.

A. Basis of Presentation

The Airport Authority's basic financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

The Airport Authority uses a single enterprise fund to maintain its financial records during the year. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

B. Accounting System

The Airport Authority maintains its own set of accounting records. These financial statements were prepared from the accounts and financial records of the Airport Authority and, accordingly, these financial statements do not present the financial position or results of operations of Van Wert County.

C. Measurement Focus

The accounting and financial reporting treatment is determined by measurement focus. Proprietary accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Airport Authority finances and meets the cash flow needs of its enterprise activity.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The Airport Authority uses the accrual basis of accounting for reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled service charges are recognized as revenue at year end.

On the accrual basis, revenue is recorded on exchange transactions when the exchange takes place. Non-exchange transactions, in which the Airport Authority receives value without directly giving equal value in return, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements may include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Airport Authority must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the airport on a reimbursement basis.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Grants received before eligibility requirements are met are also recorded as deferred revenue. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

E. Cash and Cash Equivalents

The Airport Authority maintains a depository account. All funds of the Airport Authority are maintained in this account. This depository account is presented in the combined balance sheet as "Cash and Cash Equivalents". The Airport Authority has no investments. Investment procedures are restricted by the provisions of the Ohio Revised Code.

F. Receivables and Payables

Receivables and payables to be recorded on the Airport Authority's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

G. Material and Supplies Inventory

Inventory consists of two types of aviation fuel for sale to customers and is stated at cost, which is determined on a first-in, first-out basis. The cost of inventory is recorded as an expense when sold or used.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

Capital assets utilized by the Airport Authority are reported on the statement of net position. Equipment and improvements are stated at cost except for donated equipment, which is stated at fair market value at the date of receipt. Depreciation of capital assets is on a straight line basis over the estimated useful lives (four to forty years) of the respective assets. The Airport Authority maintains a capitalization threshold of \$1,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

I. Contributions of Capital

Contributions of capital arise from grants or outside contributions of resources restricted to capital acquisition and construction.

J. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the financial statements.

K. Net position

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The restricted component of net position is reported when there are limitations imposed on their use either through the enabling legislation adopted by the Airport Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Airport Authority applies restricted resources when an expense is incurred or purposes for which both restricted and unrestricted components of net position are available. The Airport Authority did not have any restrictions at December 31, 2013 or 2012.

L. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Airport Authority, these revenues are charges for services for the use of the airport and the sale of fuel. Operating expenses are the necessary costs incurred to provide the services that are the primary activity. All revenue and expenses not meeting these definitions are reported as non-operating.

M. Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Authority, deferred inflows of resources include hanger rent.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

3. EQUITY IN CASH

Deposits - At December 31, 2013, the carrying amounts of the Airport Authority's deposits were \$45,745. The bank balance was \$46,774 on December 31, 2013. The bank balance was covered by federal depository insurance.

At December 31, 2012, the carrying amounts of the Airport Authority's deposits were \$27,561. The bank balance was \$28,454 on December 31, 2012. The bank balance was covered by federal depository insurance.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Airport Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. For the years ended December 31, 2013 and 2012, the Airport Authority's bank balance was not exposed to custodial credit risk because they were covered under federal depository insurance.

4. RECEIVABLES

As of December 31, 2013 and 2012, the accounts receivable balance consisted of balances due from customers for the sale of fuel and rental of hangar space.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Governmental Assets:				
Capital Assets, not being depreciated:				
Land	\$214,100			\$214,100
Construction in Progress	14,533		(\$14,533)	
Total Capital Assets, not being depreciated	<u>228,633</u>		<u>(14,533)</u>	<u>214,100</u>
Capital Assets, being depreciated:				
Buildings	105,575			105,575
Vehicles	1,500			1,500
Furniture and Fixtures	3,035	\$213		3,248
Equipment	44,500			44,500
Fueling System	116,150			116,150
Rental Plane	62,000			62,000
Taxiways	1,494,735	35,273		1,530,008
Total Capital Assets, being depreciated	<u>1,827,495</u>	<u>35,486</u>		<u>1,862,981</u>

(Continued)

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

5. CAPITAL ASSETS (Continued)

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Less: Accumulated Depreciation:				
Buildings	(39,444)	(2,639)		(42,083)
Vehicles	(1,500)			(1,500)
Furniture and Fixtures	(3,033)	(30)		(3,063)
Equipment	(30,347)	(1,855)		(32,202)
Fueling System	(40,654)	(2,904)		(43,558)
Rental Plane	(28,934)	(4,134)		(33,068)
Taxiways	(506,721)	(86,109)		(592,830)
Total Accumulated Depreciation	<u>(650,633)</u>	<u>(97,671)</u>		<u>(748,304)</u>
Total Capital Assets, being depreciated, net	1,176,862	(62,185)		1,114,677
Governmental Activities Capital Assets, net	<u>\$1,405,495</u>	<u>(\$62,185)</u>	<u>(\$14,533)</u>	<u>\$1,328,777</u>

Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 12/31/2011	Additions	Deletions	Balance 12/31/2012
Governmental Assets:				
Capital Assets, not being depreciated:				
Land	\$214,100			\$214,100
Construction in Progress	14,533			14,533
Total Capital Assets, not being depreciated	<u>228,633</u>			<u>228,633</u>
Capital Assets, being depreciated:				
Buildings	105,575			105,575
Vehicles	1,500			1,500
Furniture and Fixtures	3,035			3,035
Equipment	43,000	\$1,500		44,500
Fueling System	116,150			116,150
Rental Plane	62,000			62,000
Taxiways	1,494,735			1,494,735
Total Capital Assets, being depreciated	<u>1,825,995</u>	<u>1,500</u>		<u>1,827,495</u>
Less: Accumulated Depreciation:				
Buildings	(36,805)	(2,639)		(39,444)
Vehicles	(1,500)			(1,500)
Furniture and Fixtures	(3,033)			(3,033)
Equipment	(28,493)	(1,854)		(30,347)
Fueling System	(37,750)	(2,904)		(40,654)
Rental Plane	(24,800)	(4,134)		(28,934)
Taxiways	(424,243)	(82,478)		(506,721)
Total Accumulated Depreciation	<u>(556,624)</u>	<u>(94,009)</u>		<u>(650,633)</u>
Total Capital Assets, being depreciated, net	1,269,371	(92,509)		1,176,862
Governmental Activities Capital Assets, net	<u>\$1,498,004</u>	<u>(\$92,509)</u>	<u>\$0</u>	<u>\$1,405,495</u>

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

6. DEBT

A summary of the notes payable transactions for the Authority for the years ended December 31, 2013 and 2012 follows:

	Interest Rate	Balance at December 31, 2012	Increases	Decreases	Balance at December 31, 2013	Due In One Year
Airport Authority						
Airport Hangar #1	4.64%	\$15,850		\$3,000	\$12,850	\$4,000
Fuel Tank Removal	1.79%	72,500		7,000	65,500	8,000
Airport Hangar #2	2.11%	27,715		3,250	24,465	3,440
Total Notes Payable		<u>\$116,065</u>	<u>\$0</u>	<u>\$13,250</u>	<u>\$102,815</u>	<u>\$15,440</u>

	Interest Rate	Balance at December 31, 2011	Increases	Decreases	Balance at December 31, 2012	Due In One Year
Airport Authority						
Airport Hangar #1	4.64%	\$18,850		\$3,000	\$15,850	\$3,000
Fuel Tank Removal	1.79%	78,500		6,000	72,500	7,000
Airport Hangar #2	2.11%	30,755		3,040	27,715	3,250
Total Notes Payable		<u>\$128,105</u>	<u>\$0</u>	<u>\$12,040</u>	<u>\$116,065</u>	<u>\$13,250</u>

The interest rates on the airport notes are adjusted annually on the date that the annual payment is due. The adjusted rate is the prime rate multiplied by 65% except for the Hanger #1 note which is adjusted annually to 85% of the lowest rate for a 1 year Treasury Strip from the Wall Street Journal. The interest rate shall never exceed the lesser of 12 % or the maximum interest rate permitted by law.

Airport Hanger Note #1 - Terms on the note due to Van Wert County call for a total of 20 annual payments starting on August 1, 1997, at varying amounts based on the interest rate and principal due at that time. The original amount of the note was \$49,850.

Fuel Tank Note - Terms on the note due to Van Wert County call for 16 annual payments starting on August 2, 2004, at varying amounts based on the interest rate and principal due at that time. The original amount of the note was \$108,000.

Airport Hanger Note #2 - Terms on the note due to Van Wert County call for a total of 20 annual payments starting on October 1, 2001, at varying amounts based on the interest rate and principal due at that time. The original amount of the note was \$55,390.

Principal and interest requirements to retire the Airport's long-term obligations outstanding at December 31, 2013, were as follows:

Year	Principal	Interest	Total
2014	\$15,440	\$2,238	\$17,678
2015	16,670	1,837	18,507
2016	18,760	1,413	20,173
2017	15,160	973	16,133
2018	16,430	688	17,118
2019-2020	20,355	382	20,737
	<u>\$102,815</u>	<u>\$7,531</u>	<u>\$110,346</u>

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

7. LEASES

The land and buildings of the Airport Authority are owned by the City of Van Wert. The Airport Authority leases three parcels of land from the City of Van Wert:

Parcel # 12-0334452.5500 containing 99.3120 acres and having nine structures, two of which have been erected by the Airport Authority and listed as assets owned by the Airport Authority, with the remaining seven being used or rented out by the Airport Authority in their operations for generating income Parcel # 12-0334452.5600 containing 40.1830 acres.

Parcel # 12-030892.0000 containing 3.4 acres and is located in the landing clear zone.

These assets are the property of the City of Van Wert and are not the property of the Airport Authority. The Airport Authority leases these assets for the sum of \$1.00 per year.

8. DEFINED BENEFIT PENSION PLAN

Plan Description – The Airport Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. 1.) The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. 2.) The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions, plus any investment earnings. 3.) The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the Traditional Plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional and Combined Plans. Members of the Member Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting www.opers.org/investments/cafr.shtml, writing to OPERS, 277 E. Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2013, members contributed 10%. A portion of the employer's contribution to OPERS is set aside to fund post retirement health care benefits. The Airport Authority's contribution rate for 2013 was 14 percent, of which 13 percent was used to fund pension benefits and 1 percent was used to fund health care for the Traditional Plan. For the Combined Plan, 13 percent was used to fund pension benefits and 1 percent was used to fund health care. Employer contribution rates are actuarially determined for the Traditional Plan. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent.

The Airport Authority's required contributions for pension obligations to the traditional plan for the years ended December 31, 2013, 2012, and 2011, were \$4,833, \$4,920, and \$3,681, respectively; 89 percent has been contributed for 2013 and 100 percent for 2012 and 2011.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

9. POST-EMPLOYMENT BENEFITS

Plan Description - In addition to the pension benefits described in Note 8, the Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage, commonly referred to as OPEB (other postemployment benefits). OPERS administers three separate pension plans, the Traditional Pension Plan (TP), the Member-Directed Plan (MD) and the Combined Plan (CP), all of which are described in Note 8.

Plan Description - OPERS maintains a cost-sharing multiple employer defined benefit post-employment health care plan, which includes a medical plan, prescription drug program and Medicare Part B premium reimbursement, to qualifying members of both the Tradition Pension and the Combined Plans. Members of the member-directed plan do not qualify for ancillary benefits.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefits is available.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code requires that public employers fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of post-employment health care. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. The Ohio Revised Code provides statutory authority for employer contributions.

The Airport Authority's contribution rate for 2013 was 14 percent, of which 13 percent was used to fund pension benefits and 1 percent was used to fund health care for the Traditional Plan. For the Combined Plan, 13 percent was used to fund pension benefits and 1 percent was used to fund health care. Effective January 1, 2014, the portion of employer contributions allocated to health care was increased to 2 percent for both plans, as recommended by the OPERS Actuary. The OPERS Board of Trustees is also authorized to establish rules for the retiree or their surviving beneficiaries of covered dependents and the coverage selected.

The Airport Authority's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011, were \$372, \$1,406, and \$1,472, respectively; 89 percent has been contributed for 2013 and 100 percent for 2012 and 2011.

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 19, 2012, with a transition plan commencing January 1, 2014. With the recent passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)**

10. OTHER EMPLOYEE BENEFIT

Full time employees of the Airport Authority earn vacation, after completion of one full year of service. Employees earn eighty hours of vacation leave pro rata over twenty-six bi-weekly pays at 3.1 hours. An employee with at least one year of service is entitled to payment for any earned but unused vacation up to but not more than two years accumulated hours. Accumulated, unused vacation is paid upon separation if the employee has at least one year of service with the Airport Authority.

11. RISK MANAGEMENT

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

- Hangar keeper's liability
- General liability on the premises
- Inland marine coverage
- Vehicles

Van Wert County Commissioners provide property coverage for the buildings and structures of the Airport Authority by including these in the County's property coverage policy.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance coverage from the last fiscal year.

12. CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement Number 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*. The statement was issued to amend the previously issued statements to better meet user needs and to address reporting entity issues that have arisen since the issuance of those statements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2012, and have been implemented by the Airport Authority.

GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement are effective for financial statement beginning after December 15, 2012, and have been implemented by the Airport Authority.

GASB Statement Number 66, *Technical Corrections-2012-an Amendment of GASB Statements No. 10 and No. 62*. The Statement was issued to improve accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two previous pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012, and have been implemented by the Airport Authority.

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Regional Airport Authority
Van Wert County
114 East Main Street, Suite 200
Van Wert, Ohio 45891

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Van Wert County Regional Airport Authority, Van Wert County, (the Airport Authority) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements and have issued our report thereon dated September 5, 2014, wherein we qualified our opinion because we were unable to obtain sufficient evidential matter supporting the amounts reported as hot air festival revenue for the years ended December 31, 2013 and 2012. We also noted the Airport Authority adopted the provisions of Government Accounting Standards Board Statement (GASB) No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statement No. 14 and No. 34*; No 65, *Item Previously Reported as Assets and Liabilities*; and No 66, *Technical Corrections-2012 –an Amendment of GASB Statements No. 10 and No 62*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Airport Authority's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings, we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Airport Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2013-001 described in the accompanying schedule of findings to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Airport Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The Airport Authority's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Airport Authority's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Airport Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State

Columbus, Ohio

September 5, 2014

**REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2013 AND 2012**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2013-001

Hot Air Festival Activities – Material Weakness

The Van Wert County Airport Authority hosted a Hot Air Festival in 2013 and 2012. The Hot Air Festival Revenue was reported at \$96,691 and \$68,794 for the years 2013 and 2012, respectively. It is important that the Airport Authority Board adopt policies and implement procedures for the proper recording and monitoring of the Hot Air Festival. The following problems were noted in the recording of the Hot Air Festival activities:

- The Quickbooks account activity recorded by the Airport did not agree to the summary of festival activity that was kept by the volunteer that ran the Hot Air Festival for 2013 and 2012, nor was there any evidence that the Board monitored the activity of the Festival;
- There was no documentation for \$85,572 of the revenue collected in 2013. The revenues consisted of \$2,440 balloon rides, \$3,575 vendors, \$620 camping, \$39,033 gate admissions, \$952 tethered balloon & helicopter rides, and \$38,952 miscellaneous revenue. The Quickbook's ledgers for 2013 did not have a detailed breakdown of revenue collected either. Also there was no documentation or breakdown for \$40,744 of the revenue collected in 2012; and
- The Airport paid \$17,417 and \$5,239 in 2013 and 2012, respectively, to vendors and balloonists in cash versus issuing a check supporting the invoice received from the vendor and balloonists.

The lack of required detailed documentation for the Hot Air Festival, and the lack of monitoring could result in the possibility of diversion of cash to personal use without detection. The lack of adequate records has resulted in an opinion qualification for the years 2013 and 2012 due to the inability to determine the fair presentation of the Hot Air Festival revenue.

The Board should consider the following to establish appropriate controls over the Hot Air Festival and to help ensure the accuracy of the financial statements:

- Formal policies regarding special event hosting and the method in which they are booked should be established by the Board.
- The revenue should be collected and maintained per the Board approved policy and at a minimum, gate sales and balloon and helicopter rides should be tracked either by ticket sales or another Board approved method. A written contract also should be required for each camper, vendor/entertainer detailing the agreement for amount or percentage of revenue due to the Airport. The form of the contracts should be reviewed by Legal Counsel and approved by the Board. Also, the Board should implement monitoring procedures to determine that the procedures are being followed.
- All expenditures should be paid by check and all revenue should include a receipt and support for the revenues. Also, a detailed listing of transactions should be maintained;
- The Board should periodically review the event and contracts during the year and compare the recorded receipts to the activity to determine if they are in agreement and if not, determine why.

Official's Response:

The airport board will create a policy for all future events. Included in the policy will be accountability for all funds. In the future all funds collected or expended will be through the airport. The airport will maintain copies of all contracts.

REGIONAL AIRPORT AUTHORITY
VAN WERT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-01	Significant Deficiency – Hanger Rental	No	Not fully corrected – repeated as a management letter comment



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VAN WERT COUNTY REGIONAL AIRPORT AUTHORITY

VAN WERT 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
OCTOBER 14, 2014**