



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**REGIONAL AIRPORT AUTHORITY
HENRY COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Henry County Regional Airport Authority (the Authority) as of and for the years ended December 31, 2001 and 2000. 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 audits.

We conducted our audits 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 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 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 Authority as of December 31, 2001 and 2000, 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 April 22, 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.

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.

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Jim Petro
Auditor of State

April 22, 2002

**REGIONAL AIRPORT AUTHORITY
HENRY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
Cash Receipts:		
County Contributions	\$20,902	\$20,591
Sale of Fuel	2,819	3,325
Hanger Rents	15,880	18,858
Field Use Fees	7,145	7,131
Royalties		
Intergovernmental Revenue	71,568	5,400
Miscellaneous	90	2,462
Total Cash Receipts	118,404	57,767
Cash Disbursements:		
Operator	8,400	8,400
Billing Fee	618	606
Utilities	1,351	1,151
Insurance	4,275	3,613
Building Repair and Maintenance	2,984	13,355
Equipment Repair and Maintenance	3,768	1,651
Runway Maintenance	74,697	358
Fuel Pump Repair and Maintenance	567	3,416
Legal and Professional	6,971	7,438
Property Tax	1,847	1,894
Miscellaneous	4,355	129
Debt Service	9,732	23,921
Total Cash Disbursements	119,565	65,932
Total Cash Receipts (Under) Cash Disbursements	(1,161)	(8,165)
Other Financing Receipts:		
Loan Proceeds		11,740
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	(1,161)	3,575
Cash Balances, January 1	10,985	7,410
Cash Balances, December 31	\$9,824	\$10,985

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

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**REGIONAL AIRPORT AUTHORITY
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Henry 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 five member Board, appointed by the Henry County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the 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. 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 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$9,824</u>	<u>\$10,985</u>

Deposits are insured by the Federal Depository Insurance Corporation.

3. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan	<u>\$31,802</u>	5.8%

**REGIONAL AIRPORT AUTHORITY
HENRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

The Authority has a promissory note that it is allowed to draw money against. The Bank lent the Authority \$11,700 to finish a runway improvement project started in fiscal year 1998, and completed in fiscal year 2000. All loan payments are made monthly in the amount of \$811. The note is guaranteed by the Henry County Commissioners.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Bank Loan</u>
2002	\$9,732
2003	9,731
2004	9,732
2005	<u>8,194</u>
Total	<u>\$37,389</u>

5. RISK MANAGEMENT

Commercial Insurance

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

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



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

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Henry County Regional Airport Authority (the Authority) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 22, 2002. We conducted our audits 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 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 Authority in a separate letter dated April 22, 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 April 22, 2002.

Henry County Regional Airport Authority
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 audit committee, management and the 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", written in a cursive style.

Jim Petro
Auditor of State

April 22, 2002



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HENRY COUNTY 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
MAY 21, 2002**