



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**REGIONAL AIRPORT AUTHORITY
MORROW COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Regional Airport Authority
Morrow County
PO Box 346
Mount Gilead, Ohio 43338

To the Board of Trustees:

We have audited the accompanying financial statements of the Regional Airport Authority, Morrow County, Ohio, (the Authority) as of and for the years ended December 31, 2001, and December 31, 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 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 provides 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 fund cash balances of the Authority as of December 31, 2001, and December 31, 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 June 19, 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 management, the 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

June 19, 2002

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**REGIONAL AIRPORT AUTHORITY
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>
Cash Receipts:	
Interest	\$ 27
	<hr/>
Total Cash Receipts	27
	<hr/>
Cash Disbursements:	
Current:	
Miscellaneous	154
	<hr/>
Total Cash Disbursements	154
	<hr/>
Total Cash Receipts (Under) Cash Disbursements	(127)
Fund Cash Balances, January 1	3,312
	<hr/>
Fund Cash Balances, December 31	\$ 3,185
	<hr/> <hr/>

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

**REGIONAL AIRPORT AUTHORITY
MORROW COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Intergovernmental	\$ -	\$ 17,628	\$ 17,628
Interest	33	-	33
Rentals	1	-	1
	<hr/>		
Total Cash Receipts	34	17,628	17,662
	<hr/>		
Cash Disbursements:			
Current:			
Capital Outlay	-	20,628	20,628
Miscellaneous	22	-	22
	<hr/>		
Total Disbursements	22	20,628	20,650
	<hr/>		
Total Cash Receipts Over/(Under) Cash Disbursements	12	(3,000)	(2,988)
	<hr/>		
Fund Cash Balances, January 1	3,300	3,000	6,300
	<hr/>		
Fund Cash Balances, December 31	\$ 3,312	\$ -	\$ 3,312
	<hr/> <hr/>		

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

**REGIONAL AIRPORT AUTHORITY
MORROW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Regional Airport Authority, Morrow County, (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 Morrow County Board of Commissioners. The Authority is responsible for the safe 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. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Fund:

State Grant Fund - This fund was established to receive state grant monies to pay for repair and improvement of the Airport taxiway.

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.

**REGIONAL AIRPORT AUTHORITY
MORROW COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND DECEMBER 31, 2000
(Continued)**

2. EQUITY IN CASH

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

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$ 3,185</u>	<u>\$ 3,312</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. COUNTY PAYMENT OF AIRPORT EXPENDITURES

Some airport expenditures were paid by Morrow County through the County's general fund. The total expenditures paid from the County's general fund during 2001 and 2000 were \$6,120 and \$8,047 respectively.



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

Regional Airport Authority
Morrow County
PO Box 346
Mount Gilead, Ohio 43338

To the Board of Trustees:

We have audited the financial statements of the Regional Airport Authority, Morrow County, Ohio (the Authority), as of and for the years ended December 31, 2001, and December 31, 2000, and have issued our report thereon dated June 19, 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 a certain immaterial instance of noncompliance that we have reported to management of the Authority in a separate letter dated June 19, 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 a certain other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated June 19, 2002.

This report is intended for the information and use of 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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

JIM PETRO
Auditor of State

June 19, 2002



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OFFICE OF THE AUDITOR

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MORROW REGIONAL AIRPORT AUTHORITY

MORROW 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 23, 2002**