

**ASHLAND COUNTY REGIONAL
AIRPORT AUTHORITY
ASHLAND COUNTY, OHIO**

**REPORT ON EXAMINATION OF FINANCIAL
STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2001 AND 2000**

J. E. Slaybaugh & Associates, Inc.
Certified Public Accountant
12 East Main Street
Lexington, Ohio 44904



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Ashland County Regional Airport Authority Board
700 Montgomery Township Road
Ashland, Ohio 44805

We have reviewed the Independent Auditor's Report of the Ashland County Regional Airport Authority, Ashland County, prepared by J.E. Slaybaugh & Associates, Inc., for the audit period January 1, 2000 through December 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashland County Regional Airport Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

December 18, 2002

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**ASHLAND COUNTY REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

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Airport Authority Board
700 Montgomery Township Road
Ashland, Ohio 44805

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Ashland County Regional Airport Authority, Ashland County, Ohio, 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 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 described 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 combined fund cash balances of Ashland County Regional Airport Authority, Ashland County, Ohio, as of December 31, 2001 and 2000, and its combined 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 26, 2002 on our consideration of the Authority's internal control over financial reporting and our tests of 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 considering the results of our audit.

This report is intended solely for the information and use of the officials authorized to receive this report under Section 117.26, Ohio Revised Code. However, this report is not intended and should not be used by anyone other than these specified parties.



J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

June 26, 2002

**ASHLAND COUNTY REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

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

	General Fund
CASH RECEIPTS:	
Intergovernmental	\$ 74,559
Grant	126,217
Charges for Services	9,343
Interest	220
Total Cash Receipts	210,339
CASH DISBURSEMENTS:	
Current:	
Utilities	6,414
Maintenance	3,527
Insurance	4,202
Real Estate Taxes	5,304
Fees	1,200
Office Expenses	1,941
Miscellaneous	1,330
Capital Outlay	185,910
Total Program Disbursements	209,828
Total receipts over/(under) program disbursements	511
NON-OPERATING EXPENSE:	
Debt Service	10,591
Excess of cash receipts over/(under) cash disbursements	(10,080)
Fund Cash Balances - January 1, 2001	18,593
Fund Cash Balances - December 31, 2001	\$ 8,513

The accompanying notes are an integral part of these financial statements

**ASHLAND COUNTY REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

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

	<u>General Fund</u>
CASH RECEIPTS:	
Intergovernmental	\$ 34,347
Charges for Services	9,870
Interest	<u>371</u>
Total Cash Receipts	<u>44,588</u>
CASH DISBURSEMENTS:	
Current:	
Utilities	6,288
Maintenance	2,742
Insurance	3,981
Real Estate Taxes	4,644
Fees	1,839
Office Expenses	3,309
Miscellaneous	843
Capital Outlay	<u>26,632</u>
Total Cash Disbursements	<u>50,278</u>
Total cash receipts over/(under) cash disbursements	(5,690)
NON-OPERATING REVENUE:	
Sale of Assets	9,000
NON-OPERATING EXPENSE:	
Debt Service	<u>6,382</u>
Excess of cash receipts over/(under) cash disbursements	(3,072)
Fund Cash Balances - January 1, 2000	<u>21,665</u>
Fund Cash Balances - December 31, 2000	<u>\$ 18,593</u>

The accompanying notes are an integral part of these financial statements

**ASHLAND COUNTY REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

Ashland County Regional Airport Authority, Ashland County, Ashland County Regional Airport 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 provides airport services to the residents of the Ashland County area.

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 make 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 and investments that are restricted as 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.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually. The Authority does not present a formal budget but presents an annual request for funding to the Ashland County Commissioners which is either approved or modified.

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.

2. Equity in Pooled Cash and Investments

The Authority maintains a cash and investment pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand Deposits	<u>\$ 8,513</u>	<u>\$ 18,593</u>

Deposits

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>
Note Payable - bank	\$ 5,300	6.375%
Note Payable - finance company	<u>16,535</u>	6.99%
total	\$ 21,835	

The Authority is obligated on an unsecured note payable to a bank. The note is payable over a period of five years at \$488 per month including interest charged at 75% of the bank's prime variable rate.

The Authority is obligated on a note payable to a finance company for the purchase of a tractor and accessories. The note is payable over a period of four years at \$552.23 per month including interest. The note is secured by the equipment.

Amortization of the above debt is scheduled as follows:

Year Ending December 31:		Bank	Finance Company
2002		\$ 5,300	\$ 5,649
2003			6,058
2004		<u> </u>	<u>4,828</u>
Total		<u>\$ 5,300</u>	<u>\$ 16,535</u>

4. Risk Management

The Authority is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets: errors and omissions: injuries to employees: and natural disasters.

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property, general liability and other risks of loss
- Equipment
- Public official's liability

The Authority also has underground fuel tank leakage coverage as required by ORC Section 3737.91.

J. E. Slaybaugh & Associates, Inc.

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*John E. Slaybaugh III
Certified Public Accountant*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ashland County Regional Airport Authority Board
700 Montgomery Authority Road
Ashland, Ohio 44805

We have audited the financial statements of Ashland County Regional Airport Authority, Ashland County, Ohio, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 26, 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 Ashland County Regional Airport 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 Ashland County Regional Airport 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.

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

J. E. Slaybaugh & Associates, Inc.

J.E. Slaybaugh & Associates, Inc.

Lexington, Ohio

June 26, 2002



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ASHLAND 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
JANUARY 2, 2003**