



**Auditor of State
Betty Montgomery**

**GUERNSEY COUNTY PORT AUTHORITY
GUERNSEY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Guernsey County Port Authority
Guernsey County
806 Cochran Avenue
Cambridge, Ohio 43725

To the Board of Directors:

We have audited the accompanying financial statement of the Guernsey County Port Authority, Guernsey County, Ohio (the Port Authority), as of and for the year ended December 31, 2002. This financial statement is the responsibility of the Port Authority's management. Our responsibility is to express an opinion on this financial statement 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 Port Authority prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the fund cash balance of the Guernsey County Port Authority, Guernsey County, as of December 31, 2002, 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 October 9, 2003 on our consideration of the Port 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.

Guernsey County Port Authority
Guernsey County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the Board of Directors 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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Betty Montgomery
Auditor of State

October 9, 2003

**GUERNSEY COUNTY PORT AUTHORITY
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE**

FOR THE YEAR ENDED DECEMBER 31, 2002

Cash Receipts:	
Earnings on Investments	<u>\$236</u>
Total Cash Receipts	<u>236</u>
Cash Disbursements:	
Current:	
Stipends	13,230
Accounting & Legal Fees	2,500
Office Supplies	218
Miscellaneous	<u>50</u>
Total Cash Disbursements	<u>15,998</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(15,762)</u>
Cash Balance, January 1	<u>29,283</u>
Cash Balance, December 31	<u><u>\$13,521</u></u>

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

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**GUERNSEY COUNTY PORT AUTHORITY
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Guernsey County Port Authority, Guernsey County (the Port Authority), is a body corporate and politic established to promote, develop and advance the general welfare, commerce, and economic development of Guernsey County and its citizens, and to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority is directed by a five-member Board of Directors appointed by the Guernsey County Commissioners.

The Port Authority is a component unit of Guernsey County since the members of the Port Authority's Board are appointed by the Guernsey County Board of Commissioners and the Port Authority is economically dependent on the County for financial support.

The Port Authority's management believes this financial statement presents all activities for which the Port Authority is financially accountable. The Port Authority was formed in October 2000.

B. Basis of Accounting

This financial statement follows 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Budgetary Process

Budget

Ohio Rev. Code Section 4582.39, requires the Port Authority to prepare an annual budget. According to the by-laws, the budget for the next calendar year will be presented for approval at the January meeting.

A summary of 2002 budgetary activity appears in Note 3.

**GUERNSEY COUNTY PORT AUTHORITY
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

2. CASH

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31, 2002 follows:

Demand deposits	\$13,521
Total deposits	\$13,521

Deposits are entirely insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$400	\$236	\$164

2002 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$16,000	\$15,998	\$2

4. RISK MANAGEMENT

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

- Public Officials liability, and
- Commercial crime.



**Auditor of State
Betty Montgomery**

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

Guernsey County Port Authority
Guernsey County
806 Cochran Avenue
Cambridge, Ohio 43725

To the Board of Directors:

We have audited the accompanying financial statement of the Guernsey County Port Authority, Guernsey County, Ohio (the Port Authority), as of and for the year ended December 31, 2002, and have issued our report thereon dated October 9, 2003. 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 Port Authority's financial statement is 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 Port Authority in a separate letter dated October 9, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Port 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 matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Port Authority in a separate letter dated October 9, 2003.

Guernsey County Port Authority
Guernsey County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 9, 2003



**Auditor of State
Betty Montgomery**

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GUERNSEY COUNTY PORT AUTHORITY

GUERNSEY 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
NOVEMBER 13, 2003**