

NOBLE REGIONAL AIRPORT AUTHORITY

AUDIT REPORT

JANUARY 1, 2001 - DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Noble Regional Airport Authority
301 Lincoln Drive
Caldwell, Ohio 43724

We have reviewed the Independent Auditor's Report of the Noble Regional Airport Authority, Noble County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2001 to December 31, 2002. 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 Noble Regional Airport Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 9, 2004

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**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY
JANUARY 1, 2001 - DECEMBER 31, 2002**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Noble Regional Airport Authority
Noble County
301 Lincoln Drive
Caldwell, Ohio 43724

We have audited the accompanying financial statements of the Noble regional Airport Authority, Noble County, as of and for the years ended December 31, 2002 and 2001. 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 Noble Regional Airport Authority prepares its financial statements on the cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Noble Regional Airport Authority, Noble county, as of December 31, 2002 and 2001, 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 a report dated December 10, 2003, on our consideration of the Noble Regional Airport Authority's internal control structure 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 officials authorized to receive this report under Section 117.26, Ohio Revised Code and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 10, 2003

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002	2001
Cash Receipts:		
County Contributions	\$ -	\$ -
Sale of Fuel	3,925	4,804
Rents	5,700	6,300
Office Rent	-	-
Intergovernmental	-	-
Interest	259	245
Miscellaneous	800	5,390
Total Cash Receipts	10,684	16,739
Cash Disbursements:		
Supplies and Materials	1,091	32
Fuel Purchases	1,924	5,077
Repairs and Maintenance	-	5,389
Audit	-	788
Fees	600	650
Capital Outlay	-	1,340
Miscellaneous	546	150
Total Cash Disbursements	4,161	13,426
Total Cash Receipts Over/(Under) Cash Disbursements	6,523	3,313
Cash Balance, January 1	17,409	14,096
Cash Balance, December 31	\$ 23,932	\$ 17,409

See notes to financial statements.

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Noble Regional Airport Authority, Noble 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 Noble County Commissioners. The Authority's 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 District is financially accountable.

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 they are earned. Disbursements are recognized when they are paid rather than when a liability is incurred.

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

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 statement.

2. CASH

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

	<u>2002</u>	<u>2001</u>
Demand deposits	<u>\$ 23,932</u>	<u>\$ 17,409</u>

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

3. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

Noble Regional Airport Authority
Noble County
301 Lincoln Drive
Caldwell, Ohio 43724

We have audited the financial statements of the Noble Regional Airport Authority as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated December 10, 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 Noble 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 test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We have noted certain immaterial instances of noncompliance that we have reported to the management of the Noble Regional Airport Authority in a separate letter dated December 10, 2003.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered the Noble 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 combined financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operations of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2002-1.

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 of 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. 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 a material weakness. 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, which we have reported to the management of the Noble Regional Airport Authority in a separate letter dated December 10, 2003.

Noble Regional Airport Authority
Noble County
Report of Independent Accountants on Compliance and on
Internal Control in accordance with Government Auditing Standards
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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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
December 10, 2003

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING 2002-1

Bank Reconciliations

The monthly Regional Airport Authority general account reconciliations have not been performed for 2002 and 2001. The Regional Airport prepared bank reconciliations at year- end only.

The Regional Airport Authority monthly bank reconciliations should be prepared immediately after receiving so evidence exists that the Regional Airport Authority accounting records agree with the depository account and any errors can be detected in a timely manner.

We recommend the secretary/treasurer perform the bank reconciliation immediately upon receiving the applicable monthly bank statement. This should be reviewed by someone other than the preparer and this review should be evidenced by a signature or appropriate initials.

This comment has been included in the prior two audits.



**Auditor of State
Betty Montgomery**

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NOBLE REGIONAL AIRPORT AUTHORITY

NOBLE 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 27, 2004**