



Dave Yost • Auditor of State



FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Receipts, Disbursements, and Changes in Fund Balance (Cash Basis) - For the Year Ended December 31, 2011.....	5
Statement of Receipts, Disbursements, and Changes in Fund Balance (Cash Basis) - For the Year Ended December 31, 2010.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

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# Dave Yost • Auditor of State

Fulton County Airport Authority  
Fulton County  
P.O. Box 401  
Wauseon, Ohio 43567-0401

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Dave Yost**  
Auditor of State

September 4, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Fulton County Airport Authority  
Fulton County  
P.O. Box 401  
Wauseon, Ohio 43567-0401

To the Board of Trustees:

We have audited the accompanying financial statements of Fulton County Airport Authority, Fulton County, Ohio (the Airport Authority), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Airport 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Airport Authority has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Airport Authority does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Airport Authority has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Airport Authority as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance as of December 31, 2011 and 2010 of Fulton County Airport Authority, Fulton County, Ohio and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1D, during 2011 the Fulton County Airport Authority, Fulton County, Ohio adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2012, on our consideration of the Airport Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

September 4, 2012

**FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE (CASH BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Cash Receipts:</b>	
Sale of Fuel	\$32,742
Fees	8,448
Rents	48,113
Interest	<u>67</u>
<i>Total Cash Receipts</i>	<u>89,370</u>
<b>Cash Disbursements:</b>	
Supplies and Materials	3,802
Repairs and Maintenance	13,495
Utilities	14,045
Contracts - Services	10,157
Fuel	1,424
Miscellaneous	<u>737</u>
<i>Total Cash Disbursements</i>	<u>43,660</u>
<i>Net Change in Fund Cash Balance</i>	<u>45,710</u>
<i>Fund Cash Balance, January 1</i>	<u>45,358</u>
Unassigned	<u>91,068</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$91,068</u></u>

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

**FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCE (CASH BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<b>Cash Receipts:</b>	
County Contributions	\$10,000
Sale of Fuel	115,835
Fees	3,600
Rents	14,111
Interest	40
	143,586
 <i>Total Cash Receipts</i>	
	143,586
 <b>Cash Disbursements:</b>	
Supplies and Materials	2,186
Repairs and Maintenance	7,999
Utilities	14,993
Contracts - Services	7,338
Fuel	96,627
Miscellaneous	2,438
	131,581
 <i>Total Cash Disbursements</i>	
	131,581
 <i>Total Cash Receipts Over Cash Disbursements</i>	
	12,005
 <b>Other Financing Receipts/(Disbursements):</b>	
Other Financing Receipts	500
Other Financing Disbursements	(100)
	400
 <i>Total Other Financing Receipts (Disbursements)</i>	
	400
 <i>Net Change in Fund Cash Balance</i>	
	12,405
 <i>Fund Cash Balance, January 1</i>	
	32,953
 <i>Fund Cash Balance, December 31</i>	
	\$45,358

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

**FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Fulton County Airport Authority, Fulton County, Ohio (the Airport Authority), as a body corporate and politic. The Fulton County Commissioners appoints nine Board members to direct the Airport Authority. The Airport Authority is responsible for the safe and efficient operation and maintenance of the Fulton County Airport Authority, Fulton County.

The Airport Authority's management believes these financial statements present all activities for which the Airport Authority is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Airport Authority recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Property, Plant, and Equipment**

The Airport Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**D. Fund Balance**

In 2011, the Airport Authority has implemented GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. GASB Statement No. 54 also clarifies the definition of governmental fund types. The implementation on GASB Statement No. 54 did not have an effect on the previously reported fund balances.

For December 31, 2011, fund balance is divided into five classifications based primarily on the extent to which the Airport Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Airport Authority classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed

The Board can *commit* amounts via formal action (resolution). The Airport Authority must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or an Airport Authority official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Airport Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2. Deposits

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2011	2010
Demand deposits	<u>\$91,068</u>	<u>\$45,358</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**FULTON COUNTY AIRPORT AUTHORITY  
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Risk Management**

**Commercial Insurance**

The Airport Authority has obtained commercial insurance for Airport Authority owners and operators general liability.

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Fulton County Airport Authority  
Fulton County  
P.O. Box 401  
Wauseon, Ohio 43567-0401

To the Board of Trustees:

We have audited the financial statements of Fulton County Airport Authority, Fulton County, Ohio (the Airport Authority), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated September 4, 2012, wherein we noted the Airport Authority prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America, and we also noted the Airport Authority adopted Governmental Accounting Standards Board Statement No. 54 during 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Airport Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Airport Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Airport Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Airport Authority's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Airport Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Fulton County Airport Authority  
Fulton County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

We intend this report solely for the information and use of management, audit committee, Board of Trustees, and others within the Airport Authority. We intend it for no one other than these specified parties.

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

**Dave Yost**  
Auditor of State

September 4, 2012



# Dave Yost • Auditor of State

**FULTON COUNTY AIRPORT AUTHORITY**

**FULTON 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  
OCTOBER 04, 2012**