



**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 - 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Regional Airport Authority
Morgan County
19 East Main Street
McConnelsville, Ohio 43756

To the Board of Trustees:

We have audited the accompanying financial statement of the Regional Airport Authority, Morgan County, Ohio (the Authority), as of and for the years ended December 31, 2001 and 2000. This financial statement is the responsibility of the 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 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 cash balance of the Regional Airport Authority, Morgan County, as of December 31, 2001 and 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 January 17, 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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

January 17, 2002

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**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000	
Cash Receipts:			
County Contributions	\$ 2,375	\$ 2,375	
Intergovernmental Revenue	73,009		
Sale of Fuel	3,148	2,410	
Rents	2,275	1,725	
Fees		50	
Interest	232	318	
Royalties	423	540	
Miscellaneous	59	622	
Total Cash Receipts	81,521	8,040	
Cash Disbursements:			
Salaries	1,050	1,142	
Supplies and Materials	583	323	
Repairs and Maintenance	1,480	1,468	
Equipment	1,845	76	
Capital Outlay	73,009	3,109	
Debt Service:			
Principal Payments	3,795	3,533	
Interest Payments	408	640	
Miscellaneous	417	711	
Total Cash Disbursements	82,587	11,002	
Total Cash Receipts Over/(Under) Cash Disbursements	(1,066)	(2,962)	
Cash Balance, January 1	6,060	9,022	
Cash Balance, December 31	\$ 4,994	\$ 6,060	

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

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**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Regional Airport Authority, Morgan County (the Authority), operates pursuant to Chapter 308 of the Ohio Revised Code. The purpose of the Authority is for the acquisition, construction, operation, and maintenance of airports and airport facilities. The Authority operates under the direction of a three-member Board of Trustees. The Clerk/Treasurer is responsible for fiscal accounting of the resources of the Authority. Services provided by the Authority include the means by which to aid the safe taking off and landing of aircraft, storage and maintenance of aircraft, and the safe and efficient operation and maintenance of the airport.

The Authority's management believes the financial statement presents all activities for which the Authority is financially accountable.

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.

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

C. Cash and Investments

The Clerk/Treasurer is responsible for investment of all monies. The Authority maintained an interest-bearing checking account during both 2001 and 2000.

D. Budgetary Process

The Authority is not required to follow the budgetary requirements under Ohio Rev. Code Chapter 5705. Accordingly, no budgetary information is presented.

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 statement.

2. EQUITY IN CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand Deposits	<u>\$ 4,994</u>	<u>\$ 6,060</u>

Deposits: All deposits were insured by the Federal Deposit Insurance Corporation.

**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. DEBT OBLIGATIONS

Debt outstanding at December 31, 2001, was as follows:

	<u>Principal</u>	<u>Interest</u>
Real Estate Loan	\$ 3,050	6.25%

The Authority is obligated for a real estate loan, entered into on September 11, 1992, payable to the First National Bank of McConnelsville. This loan was made for the purpose of purchasing land adjacent to the Airport. The loan is payable over a period of ten years at a variable interest rate, not to exceed 11.5 percent or fall below 3.0 percent. This loan will mature September 11, 2002. The loan is collateralized by the real property.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Real Estate Loan</u>
2002	\$ 3,241

4. CONTINGENCIES

Grants

The Authority received financial assistance from state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Authority at December 31, 2001.



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

Regional Airport Authority
Morgan County
19 East Main Street
McConnelsville, Ohio 43756

To the Board of Trustees:

We have audited the financial statement of the Regional Airport Authority, Morgan County, Ohio (the Authority), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated January 17, 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 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 immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated January 17, 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 statement 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 statement 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Authority in a separate letter dated January 17, 2002.

Regional Airport Authority
Morgan County
Report of Independent Accountants 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 Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

January 17, 2002

**REGIONAL AIRPORT AUTHORITY
MORGAN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1999-61058-001	A reportable condition was issued in the prior audit regarding weaknesses identified with the record keeping relating to fuel sales.	No	Partially Corrected: The issue was not as significant in the current audit. All monies were accounted for; however procedures could be improved. This issue is repeated in the current audit in the Management Letter.



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REGIONAL AIRPORT AUTHORITY

MORGAN 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
MARCH 5, 2002**