

**ASHLAND REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

Long, Cook & Samsa, Inc.
CERTIFIED PUBLIC ACCOUNTANTS



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Ashland Regional Airport Authority, Ashland County, prepared by Long, Cook & Samsa, Inc., for the audit period January 1, 2002 through December 31, 2003. 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 Regional Airport Authority is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

October 25, 2004

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**ASHLAND REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

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Long, Cook & Samsa, Inc.

Certified Public Accountants/Consultants

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Directors:

We have audited the accompanying financial statements of the Ashland Regional Airport Authority, Ashland County, Ohio, (the Authority) as of and for the years ended December 31, 2003 and 2002. 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 audits 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 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 fund cash balances of the Authority as of December 31, 2003 and 2002, 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 August 31, 2004, 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 the management, 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.

Long, Cook & Samsa, Inc.

August 31, 2004

ASHLAND REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
Cash Receipts:		
County contributions	\$20,000	\$25,000
Grants	103,723	233,359
Other	8,865	17,669
	132,588	276,028
Total Cash Receipts	132,588	276,028
Cash Disbursements:		
Capital outlay	58,509	227,973
Debt service	6,627	6,075
Utilities	6,310	6,088
Real estate taxes	6,737	5,229
Repairs and maintenance	3,303	9,522
Insurance	4,059	6,063
Miscellaneous	2,290	2,739
Legal and professional fees	409	1,640
	88,244	265,329
Total Cash Disbursements	88,244	265,329
Total cash receipts over cash disbursements	44,344	10,699
Cash Balances, January 1	19,212	8,513
Cash Balances, December 31	\$63,556	\$19,212

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

**ASHLAND REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ashland Regional Airport Authority, Ashland 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 Ashland County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

The Authority contracts with Johnston Aviation, Inc. (the Corporation) for the purpose of maintaining a functional airport for the citizens of Ashland County.

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 include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Authority did not have any investments during the audit period. The Authority maintains all cash in one interest bearing checking account and one interest bearing savings account.

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 statements.

2. CASH

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

	<u>2003</u>	<u>2002</u>
Checking and savings account deposits	\$ 63,556	\$ 19,212

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

**ASHLAND REGIONAL AIRPORT AUTHORITY
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. DEBT

Debt outstanding at December 31, 2003, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Present value of financing lease	\$ 4,828	6.99%

The Authority is obligated on a financing lease for the purchase of a tractor and accessories. The lease requires monthly payments of \$552.23 and the last payment occurs in September 2004.

4. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property, general liability
- Vehicles
- Equipment
- Public officials' liability

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

Long, Cook & Samsa, Inc.

Certified Public Accountants/Consultants

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

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

To the Board of Directors:

We have audited the financial statements of the Ashland Regional Airport Authority, Ashland County, Ohio, (the Authority) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 31, 2004. 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 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*. However, we noted other immaterial instances of noncompliance that we have reported to the management of the Authority in a separate letter dated August 31, 2004.

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 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 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.

Long, Cook & Samsa, Inc.

August 31, 2004



**Auditor of State
Betty Montgomery**

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**ASHLAND REGIONAL AIRPORT AUTHORITY
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
NOVEMBER 4, 2004**