



**Auditor of State
Betty Montgomery**

**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances - All Governmental Fund Types – For the Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Governmental Fund Types - For the Years Ended December 31, 2002	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana Airport Authority
Columbiana County
15606 County Airport Road
East Liverpool, Ohio 43920

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Airport Authority, Columbiana County (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 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 provide 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 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 June 30, 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 audit committee, management, Board of Trustees 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.

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

Betty Montgomery
Auditor of State

June 30, 2004

COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
County Contributions	\$10,636		\$10,636
Intergovernmental		31,122	31,122
Rents	36,680		36,680
Local Match - Federal Grant		1,000	1,000
Earnings on Investments	129	29	158
Other Revenue	<u>2,729</u>		<u>2,729</u>
Total Cash Receipts	<u>50,174</u>	<u>32,151</u>	<u>82,325</u>
Cash Disbursements:			
Salaries	4,037		4,037
Contract Services	10,030	34,580	44,610
Contract Repairs	2,656		2,656
Debt Service	51,544		51,544
Supplies	30		30
Miscellaneous	<u>285</u>		<u>285</u>
Total Cash Disbursements	<u>68,582</u>	<u>34,580</u>	<u>103,162</u>
Total Receipts Over/(Under) Disbursements	<u>(18,408)</u>	<u>(2,429)</u>	<u>(20,837)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(18,408)	(2,429)	(20,837)
Fund Cash Balances, January 1	<u>22,861</u>	<u>6,198</u>	<u>29,059</u>
Fund Cash Balances, December 31	<u>\$4,453</u>	<u>\$3,769</u>	<u>\$8,222</u>

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

**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
County Contributions	\$4,287		\$4,287
Intergovernmental		39,600	39,600
Rents	27,346		27,346
Earnings on Investments	319		319
Local Match		500	500
Other Revenue	1,094	57	1,151
	<u>33,046</u>	<u>40,157</u>	<u>73,203</u>
Total Cash Receipts			
Cash Disbursements:			
Salaries	2,562		2,562
Contract Service	248,537	44,000	292,537
Contract Repairs	1,195		1,195
Debt Service	24,100		24,100
Supplies	102		102
Miscellaneous	987		987
	<u>277,483</u>	<u>44,000</u>	<u>321,483</u>
Total Cash Disbursements			
Total Receipts Over/(Under) Disbursements	<u>(244,437)</u>	<u>(3,843)</u>	<u>(248,280)</u>
Other Financing Receipts and (Disbursements):			
Proceeds from Debt:			
Proceeds of Notes	250,000		250,000
	<u>250,000</u>		<u>250,000</u>
Total Other Financing Receipts/(Disbursements)			
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	5,563	(3,843)	1,720
Fund Cash Balances, January 1	<u>17,298</u>	<u>10,041</u>	<u>27,339</u>
Fund Cash Balances, December 31	<u>\$22,861</u>	<u>\$6,198</u>	<u>\$29,059</u>

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

**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Columbiana Airport Authority, Columbiana 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 seven member Board, appointed by Columbiana County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

D. Fund Accounting

The Authority uses fund accounting to segregate cash and investments that are restricted as to use. The Authority classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

This fund is used to account for proceeds from specific source (other than from trusts or for capital projects) that is restricted to expenditure for specific purposes.

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 statements.

**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

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

2. EQUITY IN CASH AND INVESTMENTS

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

	2003	2002
Demand deposits	\$6,935	\$19,860
Certificates of deposit	1,287	9,199
Total deposits	\$8,222	\$29,059

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

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Bank Loan	\$193,450	5.35%
Total	\$193,450	

The Authority is obligated for a note payable to a bank. The note is payable over a period of ten years at \$2,022 per month. The note is collateralized by substantially all real and personal property owned by the Authority and by revenues the Authority collects.

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

	Bank Loan
2004	\$29,298
2005	24,264
2006	24,264
2007	24,264
2008	24,264
2009-2013	119,762
Total	\$246,116

4. RETIREMENT SYSTEM

The Authority's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS employee members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2003.

**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

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

5. RISK MANAGEMENT

Commercial Insurance

The Columbiana Airport Authority has commercial insurance through the County for the following risks:

- Comprehensive property and general liability;
- Vehicles

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Auditor of State Betty Montgomery

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

Columbiana Airport Authority
Columbiana County
15606 County Airport Road
East Liverpool, Ohio 43920

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Airport Authority (the Authority) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 30, 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 an immaterial instance of noncompliance that we have reported to management of the Authority in a separate letter dated June 30, 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. However, we noted matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated June 30, 2004.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees 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.

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

Betty Montgomery
Auditor of State

June 30, 2004



**Auditor of State
Betty Montgomery**

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COLUMBIANA AIRPORT AUTHORITY

COLUMBIANA 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
AUGUST 24, 2004**