



Dave Yost • Auditor of State

**COLUMBIANA COUNTY AIRPORT AUTHORITY
COLUMBIANA COUNTY**

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Columbiana County Airport Authority
Columbiana County
P.O. Box 81
East Liverpool, Ohio 43920

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Columbiana County Airport Authority, Columbiana County, (the "Airport") as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Airport's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Airport prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Airport does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Airport as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Columbiana County Airport Authority, Columbiana County as of December 31, 2016 and 2015, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2017, on our consideration of the Airport'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

April 13, 2017

Columbiana County Airport Authority
Columbiana County
Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
For the Year Ended December 31, 2016

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Cash Receipts			
County Contributions	\$10,000		\$10,000
Grants		\$67,848	67,848
Sale of Fuel	22,877		22,877
Fees	150		150
Rents	52,000		52,000
Earnings on Investments	13		13
<i>Total Cash Receipts</i>	<u>85,040</u>	<u>67,848</u>	<u>152,888</u>
Cash Disbursements			
Current:			
Transportation			
Salaries	9,816		9,816
Supplies	17,478		17,478
Materials	18,717		18,717
Contracts - Repair		6,423	6,423
Contracts - Services		49,661	49,661
Miscellaneous	9,428		9,428
<i>Total Cash Disbursements</i>	<u>55,439</u>	<u>56,084</u>	<u>111,523</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>29,601</u>	<u>11,764</u>	<u>41,365</u>
Other Financing Receipts (Disbursements)			
Transfers In		3,187	3,187
Transfers Out	(3,187)		(3,187)
Advances In	5,003		5,003
Advances Out		(5,003)	(5,003)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,816</u>	<u>(1,816)</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	31,417	9,948	41,365
<i>Fund Cash Balances, January 1</i>	<u>62,326</u>	<u>5,003</u>	<u>67,329</u>
Fund Cash Balances, December 31			
Assigned		14,951	14,951
Unassigned (Deficit)	93,743		93,743
<i>Fund Cash Balances, December 31</i>	<u>\$93,743</u>	<u>\$14,951</u>	<u>\$108,694</u>

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

Columbiana County Airport Authority
Columbiana County
Statement of Receipts, Disbursements and
Changes in Fund Balances (Cash Basis)
For the Year Ended December 31, 2015

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Cash Receipts			
County Contributions	\$12,574		\$12,574
Grants		\$272,436	272,436
Sale of Fuel	26,323		26,323
Fees	180		180
Rents	49,110		49,110
Earnings on Investments	20		20
Miscellaneous	750		750
<i>Total Cash Receipts</i>	<u>88,957</u>	<u>272,436</u>	<u>361,393</u>
Cash Disbursements			
Current:			
Transportation			
Salaries	9,783		9,783
Supplies	24,825		24,825
Materials	16,181		16,181
Contracts - Services	5,800	324,845	330,645
Miscellaneous	14,211		14,211
<i>Total Cash Disbursements</i>	<u>70,800</u>	<u>324,845</u>	<u>395,645</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>18,157</u>	<u>(52,409)</u>	<u>(34,252)</u>
Other Financing Receipts (Disbursements)			
Transfers In		5,705	5,705
Transfers Out	(5,705)		(5,705)
Advances In	550		550
Advances Out		(550)	(550)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(5,155)</u>	<u>5,155</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	13,002	(47,254)	(34,252)
<i>Fund Cash Balances, January 1</i>	<u>49,324</u>	<u>52,257</u>	<u>101,581</u>
Fund Cash Balances, December 31			
Assigned		5,003	5,003
Unassigned (Deficit)	62,326		62,326
<i>Fund Cash Balances, December 31</i>	<u>\$62,326</u>	<u>\$5,003</u>	<u>\$67,329</u>

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

**COLUMBIANA COUNTY AIRPORT AUTHORITY
COLUMBIANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 1 - Reporting Entity

The Columbiana County Airport Authority (the Authority), Columbiana County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Columbiana County Commissioners appoint seven Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Columbiana County Airport Authority.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Columbiana County Airport Authority under administration of the Columbiana County Commissioners, contracts with Delta Airport Consultants, INC to promote the airport, provide sound administration (including federal and state grant applications), planning, design, and engineering projects to meet the airport's needs.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Authority's financial statements consist of a statement of receipts, disbursements and changes in fund balances (regulatory cash basis).

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Deposits and Investments

The Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

**COLUMBIANA COUNTY AIRPORT AUTHORITY
COLUMBIANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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.

Committed The Board can *commit* amounts via formal action (resolution). The 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.

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 Authority official delegated that authority by resolution, or by State Statute.

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 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.

Note 3 – Deposits and Investments

The Authority maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2016	2015
Demand deposits	\$108,694	\$67,329

Deposits

Deposits are insured by the Federal Depository Insurance Corporation.

**COLUMBIANA COUNTY AIRPORT AUTHORITY
COLUMBIANA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

Note 4 - Risk Management

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Executive Officer Liability
- Crime

Note 5 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Two employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2016 and 2015, OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2016.

Note 6 - Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

Note 7 – Construction and Contractual Commitments

The Authority has a crack seal and remark pavement project as of December 31, 2016. The Authority owes Delta Airport Consultants \$9,634.

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

Columbiana County Airport Authority
Columbiana County
P.O. Box 81
East Liverpool, Ohio 43920

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Columbiana County Airport Authority, Columbiana County, (the "Airport") as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated April 13, 2017 wherein we noted the Airport followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Airport's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Airport's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Airport's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Airport'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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Airport's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
Columbus, Ohio

April 13, 2017

**COLUMBIANA COUNTY AIRPORT AUTHORITY
COLUMBIANA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2016-001

Material Weakness – Posting of Disbursements

Sound financial reporting is the responsibility of the Fiscal Officer and Board of Trustees and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

The Fiscal Officer incorrectly posted a grant expense in the amount of \$49,661 to the General Fund which should have been posted to the 2014 Grant Special Revenue Fund. The Fiscal Officer has agreed to and made the correction to the accounting ledger. The adjustment is reflected in the accompanying financial statements.

The misposting was attributed to the Fiscal Officer not abiding by the adopted chart of accounts.

The Fiscal Officer should maintain the accounting system to enable the Airport to identify, assemble, analyze, classify, record, and report all transactions and to maintain accountability. All transactions should be properly coded and classified according to the chart of accounts and settlement sheets to help ensure that financial activity of the Airport Authority is accurately recorded and reported.

Officials' Response: No response received.

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COLUMBIANA COUNTY 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
MAY 9, 2017**