



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HARRISON REGIONAL AIRPORT AUTHORITY
HARRISON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Harrison Regional Airport Authority
Harrison County
44225 Rumley Road
Jewett, Ohio 43986

To the Board of Trustees:

We have audited the accompanying financial statements of the Harrison Regional Airport Authority (the Authority) as of and for the years ended December 31, 2001 and 2000. 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 Harrison County Regional Airport Authority 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 April 19, 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 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.

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Jim Petro
Auditor of State

April 19, 2002

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**HARRISON REGIONAL AIRPORT AUTHORITY
HARRISON COUNTY**

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

	2001	2000
Cash Receipts:		
County Contributions	\$10,000	\$10,000
Rents	13,342	16,367
Miscellaneous	253	544
	<u>23,595</u>	<u>26,911</u>
Total Cash Receipts	<u>23,595</u>	<u>26,911</u>
Cash Disbursements:		
Salaries	1,141	1,292
Supplies and Materials	822	1,001
Repairs and Maintenance	2,740	1,287
Insurance	3,229	3,126
Utilities	3,679	3,096
Contractual Services	831	
Capital Outlay	591	16,203
Miscellaneous	789	738
	<u>13,822</u>	<u>26,743</u>
Total Cash Disbursements	<u>13,822</u>	<u>26,743</u>
Total Receipts Over/(Under) Disbursements	<u>9,773</u>	<u>168</u>
Other Financing Receipts/(Disbursements):		
Issuance of Notes	(12,276)	
Repayment of Note	7,186	
	<u>(5,090)</u>	<u></u>
Total Other Financing Receipts/(Disbursements)	<u>(5,090)</u>	<u></u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>4,683</u>	<u>168</u>
Cash Balances, January 1	<u>28,068</u>	<u>27,900</u>
Cash Balances, December 31	<u>\$32,751</u>	<u>\$28,068</u>

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

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**HARRISON REGIONAL AIRPORT AUTHORITY
HARRISON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Harrison Airport Regional Authority, Harrison 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 twelve member Board, appointed by the Authority Board. 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. 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.

2. CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$32,751</u>	<u>\$28,068</u>

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

3. 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 2001 and 2000, PERS employee members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13% effective July 1, 2000 through December 31, 2000. The Authority has paid all contributions required through December 31, 2001.

**HARRISON REGIONAL AIRPORT AUTHORITY
HARRISON COUNTY**

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

4. RISK MANAGEMENT

Commercial Insurance

The Harrison Regional Airport Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

5. REVOLVING LOAN NOTE

In fiscal year 2001, the Airport Authority agreed to make a loan to a private company for the purchase of large quantities of aviation fuel products, which are to be sold on Airport Authority property. The dollar amount of the promissory note is secured by the inventory value of the aviation fuel products. Revenue generated by the sale of the fuel products will be used to repay the loan, to pay interest charges on the loan and to provide some profit to the private company. Upon agreement of the two parties, the principal amount being repaid to the Airport Authority may be used for additional purchases of fuel as the fuel supplies are depleted.



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

Harrison Regional Airport Authority
Harrison County
44225 Rumley Road East
Jewett, Ohio 43986

To the Board of Trustees:

We have audited the accompanying financial statements of the Harrison Regional Airport Authority (the Authority) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 19, 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 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 April 19, 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 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 the audit committee, management and Board of Trustees. and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

April 19, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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HARRISON REGIONAL AIRPORT AUTHORITY

HARRISON 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
JUNE 4, 2002**