

***ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
OTTAWA COUNTY, OHIO***

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2003

Charles E. Harris and Associates, Inc.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

Board of Trustees
Erie-Ottawa Regional Airport Authority
3255 East State Road
Port Clinton, Ohio 43452-8004

We have reviewed the Independent Auditor's Report of the Erie-Ottawa Regional Airport Authority, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2003 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 Erie-Ottawa Regional Airport Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 19, 2004

This Page is Intentionally Left Blank.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
OTTAWA COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2003

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Administrative Personnel	-ii-
Report of Independent Accountants	1 – 2
Combined Statement of Cash, Investments and Fund Cash Balances - All Fund Types - As of December 31, 2003	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2003	4
Notes to the Financial Statements	5 – 8
Schedule of Federal Awards Expenditures	9
Notes to the Schedule of Federal Awards Expenditures	10
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11-12
Report on Compliance With Requirements Applicable to Each Major Program And Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	13-14
Schedule of Findings and Questioned Costs	15-16
Status of Prior Audit Findings	17

**ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
OTTAWA COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2003**

ADMINISTRATIVE PERSONNEL

<u>TITLE/NAME</u>	<u>REPRESENTING</u>	<u>3 YEAR TERM OF OFFICE ENDING</u>	<u>SURETY</u>	<u>AMOUNT</u>
BOARD OF TRUSTEES				
President:				
Ken Benjamin	Ottawa Co.	2/7/05		
Trustees:				
Richard Biro	Member At-Large	6/3/05		
Richard Johnson-VP	Ottawa Co.	7/15/05		
Steve Hudec	Ottawa Co.	3/31/05		
Dottie Patrick	Ottawa Co.	6/3/05		
Thomas Work	Erie Co.	12/31/03		
Richard Harman	Erie Co.	2/11/05		
Hugh Northup	Erie Co.	3/30/04		
Lou Zorn	Erie Co.	1/6/04		
EXECUTIVE				
DIRECTOR/TREASURER				
Jack Stables	Indefinite		(A)	\$100,000
SECRETARY				
Valerie Gregory	Indefinite		(A)	\$100,000
(A) The Cincinnati Insurance Company				

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Erie-Ottawa Regional Airport Authority
Port Clinton, Ohio

We have audited the accompanying financial statements of the Erie-Ottawa Regional Airport Authority (the Authority), as of and for the year ended December 31, 2003, as listed in the table of contents. 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 provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Authority prepares its financial statements on a 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, investments and fund cash balances of the Authority, as of December 31, 2003, and the receipts, disbursements and changes in fund cash balances for the year then ended in conformity with the basis of accounting referred to above.

Our audit was made for the purpose of forming an opinion on the financial statements of the Erie-Ottawa Regional Airport Authority taken as a whole. The accompanying schedule of federal awards expenditures is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 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 management 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.

Charles E. Harris & Associates, Inc.
April 30, 2004

ERIE - OTTAWA REGIONAL AIRPORT AUTHORITY
Combined Statement of Cash, Investments and Fund Cash Balances
All Fund Types
As of December 31, 2003

Cash	\$ <u>707,236</u>
------	-------------------

CASH BALANCES BY FUND CLASS

Governmental Fund Types:

General Fund	\$ 202,835
--------------	------------

Special Revenue Funds	<u>504,401</u>
-----------------------	----------------

Total Cash Fund Balance	\$ <u>707,236</u>
--------------------------------	--------------------------

See accompanying Notes to the Financial Statements

ERIE - OTTAWA REGIONAL AIRPORT AUTHORITY
 Combined Statement of Cash Receipts, Disbursements
 and Changes in Fund Cash Balances - All Governmental Fund Types
 For the Year Ended December 31, 2003

	Governmental Fund Types		
	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts:			
County Grants	\$ 78,516	\$ 104,154	\$ 182,670
Airport Operations	381,086	-	381,086
Federal Grants	-	1,302,953	1,302,953
Total Cash Receipts	459,602	1,407,107	1,866,709
Cash Disbursements:			
General Government	364,783	23,956	388,739
Capital Outlay - Improvements	17,209	1,000,257	1,017,466
Debt Service:			
Principal Retirement	8,839	112,174	121,013
Interest and Fiscal Charges	19,476	-	19,476
Total Cash Disbursements	410,307	1,136,387	1,546,694
Cash Receipts Over/(Under) Cash Disbursements	49,295	270,720	320,015
Other Financing Sources/(Uses):			
Proceeds of Loans	-	112,174	112,174
Total Other Financing Sources/(Uses)	-	112,174	112,174
Total Cash Receipts and Other Financing Sources Over/(Under) Cash Disbursements and Other Financing Uses	49,295	382,894	432,189
Fund Balance, January 1, 2003	153,540	121,507	275,047
Fund Balance, December 31, 2003	<u>\$ 202,835</u>	<u>\$ 504,401</u>	<u>\$ 707,236</u>

See accompanying Notes to the Financial Statements

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
Notes to the Financial Statements
For the Year Ending December 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Erie-Ottawa Regional Airport Authority (the Airport) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Airport operates under the direction of a nine-member board of trustees. Four members are appointed by each Board of County Commissioners in Ottawa and Erie Counties. The ninth member is appointed at large by the other eight. The members serve without compensation, as outlined in Section 308.04 of the Ohio Revised Code. The secretary/treasurer is appointed by the Board of Trustees. The Airport provides maintenance of runways and taxiways and other general airport operations.

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 disbursement 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved.)

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

C. FUND ACCOUNTING

The Airport maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Airport. It is used to account for all financial resources except those required by law or contract to be accounted for in another fund.

Special Revenue – Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to disbursements for specified purposes.

D. Property, Plant and Equipment

Fixed Assets are acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these fixed assets.

E. Total Columns on the Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in aggregation of this data.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
Notes to the Financial Statements
For the Year Ending December 31, 2003

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Airport maintains a cash and investment pool used by all funds. The balance of this pool is displayed on the "Combined Statement of Cash, Investments, and Fund Cash Balances - All Fund Types, As of December 31, 2003."

Legal Requirements

State statutes classify monies held by the Airport into three categories.

"Active deposits" are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Airport Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

"Inactive deposits" are public deposits that the Board has identified as not required for use within the current two year period of designation of depositories. Interim deposits must either be evidenced by time certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

"Interim deposits" are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. Interim monies may be invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligations or security issued by the United States treasury or any other obligations guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency services shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities, subject to the repurchase agreement, must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in the is division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio)

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
Notes to the Financial Statements
For the Year Ending December 31, 2003

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS – (continued)

Investments in stripped principal or interest obligations reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the Airport, and be purchased within the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Protection of the Airport's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

The following information classifies deposits and investments by categories of risk as defined by GASB Statement No.3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of Airport was \$707,236 and the bank balance was \$847,039. Of the bank balance, \$100,000 was covered by federal depository insurance and \$747,039 was uninsured but collateralized by U.S. Government securities pooled by the depository not in the Airport's name. As with all deposits, there is a risk of loss of resources, but management believes this collateral gives the Airport its safest deposit of money.

3. DEBT

Debt outstanding at December 31, 2003 consisted of the following:

Note Payable Ottawa County	
Issued March 1, 2001	
Matures February 1, 2023	
Principal Outstanding	\$417,416
Interest Rate	4.50%

The proceeds from the note were used to construct new hangers for the Airport. Rent from these hangers will repay the note.

In 2003, the Airport issued a zero percent, short-term loan for \$112,174 from Ottawa County in advance of a federal grant to pay for general property and airport improvements. This loan was paid off in 2003 using the proceeds of the federal grant.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY

**Notes to the Financial Statements
For the Year Ending December 31, 2003**

3. DEBT – (continued)

The annual requirements to amortize all debt outstanding as of December 31, 2003 including interest payments of \$218,383 are as follows:

Year Ending December 31	Note Payable
2004	28,920
2005	29,280
2006	29,280
2007	30,360
2008-2012	157,890
2013-2017	171,750
2018-2023	188,319
TOTAL	\$ 635,799

4. RISK MANAGEMENT

The Airport is exposed to various risks of loss related torts, theft of, damage to, destruction of assets, errors and omissions, injuries to employees and natural disasters. During 2003, the Airport contracted with one insurance company for coverage of buildings and contents.

All employees of the Airport are covered by a blanket bond, while certain individuals in policy-making roles are covered by separate, higher limit bond coverage.

The Airport pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Also, the Airport did not reduce its insurance coverages significantly during the year.

5. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State of Ohio. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time, although the Airport expects them to be immaterial.

The Airport may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Airport's legal council, the resolution of these matters will not have a material effect on the financial condition of the Airport.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2003

Federal Grantor/Pass Through Grantor Number/Program Title	Pass Through Entity Number	CFDA Number	Federal Receipts	Federal Expenditures
<u>U.S. Department of Transportation</u>				
<i>Passed through Ohio Department of Transportation</i>				
Federal Aviation Grant	AIP-3-39-0068-1700	20.106	\$ 37,353	\$ 3,706
Federal Aviation Grant	AIP-3-39-0068-1801	"	473,082	473,082
Federal Aviation Grant	AIP-3-39-0068-1902	"	842,607	842,607
Federal Aviation Grant	AIP-3-39-0068-2003		<u>62,085</u>	<u>62,085</u>
Total Federal Aviation Grant			<u>1,415,127</u>	<u>1,381,480</u>
<u>Total U.S. Department of Transportation</u>			<u>1,415,127</u>	<u>1,381,480</u>
<u>TOTAL FEDERAL ASSISTANCE</u>			<u>\$ 1,415,127</u>	<u>\$ 1,381,480</u>

See accompanying notes to the schedule of federal awards expenditures.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY

Notes to the Schedule of Federal Awards

For the year ended December 31, 2003

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Airport's federal awards programs. The schedule has been prepared on the cash basis of accounting.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Board of Trustees
Erie-Ottawa Regional Airport Authority
Port Clinton, Ohio**

We have audited the accompanying financial statements of the Erie-Ottawa Regional Airport Authority (the Airport), as of and for the year ended December 31, 2003, and have issued our report thereon dated April 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 Airport'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 certain immaterial instances of noncompliance that we have reported to management in a separate letter dated April 30, 2004.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Airport'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 for the information and use of management, members of the Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
April 30, 2004

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Erie-Ottawa Regional Airport Authority
Port Clinton, Ohio

Compliance

We have audited the compliance of Erie-Ottawa Regional Airport Authority with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended December 31, 2003. The Airport's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Airport's management. Our responsibility is to express an opinion on the Airport's compliance based on the audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and the OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Airport's compliance with those requirements.

In our opinion, the Airport complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003.

Internal Controls Over Compliance

The management of the Airport is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Airport's internal controls over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessary disclose all matters in the internal control that might be material weaknesses. A material weaknesses is a condition in which the design or operations of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, members of the Board, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
April 30, 2004

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
OTTAWA COUNTY
December 31, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Program:</i>	Federal Aviation Grant CFDA # 20.106
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
OTTAWA COUNTY
December 31, 2003

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY
For the year ended December 31, 2003

STATUS OF PRIOR AUDIT FINDINGS

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-ERA-01	Not using purchase orders for expenditures	No	In the process of correcting. See management letter.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY

OTTAWA 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 5, 2004**