



**COLUMBIANA AIRPORT AUTHORITY
COLUMBIANA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Airport Authority, Columbiana County, Ohio, (the Authority) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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, 1999 and 1998, 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 May 26, 2000 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.

This report is intended solely for the information and use of the Board of Trustees, management 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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 26, 2000

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GOVERNMENTAL FUNDS -
FOR THE YEAR ENDED DECEMBER 31, 1999**

| | <u>Governmental Funds</u> | | Totals (Memorandum Only) |
|--|---------------------------|----------------------------|---|
| | <u>General</u> | <u>Special Revenue</u> | |
| Cash Receipts: | | | |
| County Contributions | \$8,778 | | \$8,778 |
| Intergovernmental | | \$6,030 | 6,030 |
| Rents | 19,950 | | 19,950 |
| Mangano Lease | 2,265 | | 2,265 |
| Donations | | 8,000 | 8,000 |
| Earnings on Investments | 535 | 41 | 576 |
| Miscellaneous | 315 | 200 | 515 |
| | | | |
| Total Cash Receipts | 31,843 | 14,271 | 46,114 |
| Cash Disbursements: | | | |
| Salaries | 2,400 | | 2,400 |
| Payroll Taxes | 405 | | 405 |
| Contract Service | 2,706 | 6,700 | 9,406 |
| Contract Repairs | 7,767 | | 7,767 |
| Equipment | 17,479 | | 17,479 |
| Debt Service | 50,038 | | 50,038 |
| Miscellaneous | 214 | 202 | 416 |
| | | | |
| Total Cash Disbursements | 81,009 | 6,902 | 87,911 |
| Total Receipts Over/(Under) Disbursements | (49,166) | 7,369 | (41,797) |
| Other Financing Receipts/(Disbursements): | | | |
| Sale of Notes | 46,967 | | 46,967 |
| | | | |
| Total Other Financing Receipts | 46,967 | | 46,967 |
| Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements | (2,199) | 7,369 | 5,170 |
| Cash Balances, January 1 | 13,595 | | 13,595 |
| Cash Balances, December 31 | \$11,396 | \$7,369 | \$18,765 |

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

| | General |
|--------------------------------------|-----------------|
| Cash Receipts: | |
| County Contributions | \$13,966 |
| Rents | 17,390 |
| Earnings on Investments | 507 |
| Miscellaneous | 7,268 |
| Total Cash Receipts | 39,131 |
| Cash Disbursements: | |
| Salaries | 2,400 |
| Payroll Taxes | 363 |
| Contract Service | 3,804 |
| Contract Repairs | 1,900 |
| Equipment | 10,663 |
| Debt Service | 17,200 |
| Miscellaneous | 4,165 |
| Total Cash Disbursements | 40,495 |
| Total Receipts (Under) Disbursements | (1,364) |
| Cash Balances, January 1 | 14,959 |
| Cash Balances, December 31 | \$13,595 |

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

**COLUMBIANA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

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 the Columbiana County Commissioners. The Authority is responsible for the safe 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

Certificates of deposit are valued at cost.

D. Fund Accounting

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

General Fund

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

Special Revenue Fund

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are 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
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN CASH AND INVESTMENTS

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

| | <u>1999</u> | <u>1998</u> |
|-------------------------|------------------|------------------|
| Demand deposits | \$ 10,550 | \$ 5,715 |
| Certificates of deposit | <u>8,215</u> | <u>7,880</u> |
| Total deposits | <u>\$ 18,765</u> | <u>\$ 13,595</u> |

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

3. DEBT

Debt outstanding at December 31, 1999 was as follows:

| | <u>Principal</u> | <u>Interest Rate</u> |
|---------------------|------------------|--------------------------|
| Hangar/Tractor Loan | <u>30,203</u> | 5.40% |
| Total | <u>\$ 30,203</u> | |

The Authority is obligated for a loan payable to a bank. The loan is payable over a period of four years at \$1,094.42 per month including interest.

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

| <u>Year ending December 31:</u> | <u>Hangar / Tractor Loan</u> |
|-------------------------------------|----------------------------------|
| 2000 | \$ 13,133 |
| 2001 | 13,133 |
| 2002 | <u>6,567</u> |
| Total | <u>\$ 32,833</u> |

4. RETIREMENT SYSTEM

The Authority's 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 1999 and 1998, PERS 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, 1999.

5. RISK MANAGEMENT

Columbiana County maintains commercial insurance for the following risks:

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



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

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana Airport Authority, Columbiana County, Ohio (the Authority), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 26, 2000. We conducted our audit in accordance with generally accepted auditing standards 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*.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated May 26, 2000.

This report is intended for the information and use of the Board of Trustees, management, 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", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 26, 2000



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OFFICE OF THE AUDITOR

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COLUMBIANA PORT 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
JULY 13, 2000**