



Mary Taylor, CPA  
Auditor of State



**CARROLL REGIONAL AIRPORT  
CARROLL COUNTY**

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Mary Taylor, CPA  
Auditor of State

Carroll Regional Airport  
Carroll County  
PO Box 266  
Carrollton, Ohio 44615

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

*Mary Taylor*

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Auditor of State

December 8, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Carroll Regional Airport  
Carroll County  
PO Box 266  
Carrollton, Ohio 44615

To the Board of Trustees:

We have audited the accompanying financial statements of Carroll Regional Airport, Carroll County, (the Airport) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Airport'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Airport has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Airport does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Airports to reformat their statements. The Airport has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Airport as of December 31, 2007 and 2006 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Carroll Regional Airport, Carroll County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Airport has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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**Mary Taylor, CPA**  
Auditor of State

December 8, 2008



**CARROLL REGIONAL AIRPORT  
CARROLL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
County Contributions	\$5,000	\$5,000
Grants	969	17,265
Sale of Fuel	91,229	109,859
Rents	24,722	24,332
Interest Income	1,043	873
Miscellaneous	104	143
Total Cash Receipts	123,067	157,472
<b>Cash Disbursements:</b>		
Current:		
Transportation:		
Salaries	3,880	3,970
Insurance	4,850	5,418
Supplies	22,526	2,749
Fuel	62,462	66,802
Repair and Maintenance	1,649	5,592
Contracts - Services	4,743	17,146
Utility Expense	4,154	4,041
Sales Tax Expense	5,308	5,997
Credit Card Processing Fees	2,402	2,500
Miscellaneous	554	1,522
Debt Service:		
Redemption of Principal	18,016	17,221
Interest and Other Fiscal Charges	2,329	3,124
Total Cash Disbursements	132,873	136,082
Total Receipts Over/(Under) Disbursements	(9,806)	21,390
Fund Cash Balances, January 1	65,195	43,805
<b>Fund Cash Balances, December 31</b>	<b>\$55,389</b>	<b>\$65,195</b>

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

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**CAROLL REGIONAL AIRPORT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Carroll Regional Airport Authority, Carroll County, (the Airport) as a body corporate and politic. The Airport is directed by a five member Board, appointed by the Carroll County Commissioners. The Airport is responsible for the safe and efficient operation and maintenance of the Carroll Regional Airport Authority.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Airport recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Airport'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.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2007	2006
Checking account	\$55,389	\$65,195

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

**3. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Bank Loan	\$52,874	3.77%

The Airport is obligated for a note payable to a bank. The Bank of Magnolia Note was issued in 2003 for \$125,000 at an interest rate of 3.77%. The note is payable over a period of seven years at \$20,344.92 per year including interest.

**CARROLL REGIONAL AIRPORT  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**3. DEBT - (Continued)**

The note is collateralized by all real and personal property owned by the Airport and by revenues the Airport collects.

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

Year ending December 31:	<u>Bank Loan</u>
2008	\$20,345
2009	20,345
2010	<u>13,563</u>
Total	<u><u>\$54,253</u></u>

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Airport has obtained commercial insurance for the following risks:

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



# Mary Taylor, CPA

Auditor of State

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

Carroll Regional Airport  
Carroll County  
PO Box 266  
Carrollton, Ohio 44615

To the Board of Trustees:

We have audited the financial statements of the Carroll Regional Airport, Carroll County, (the Airport) as of and for the years ended December 31, 2007 and 2006 and have issued our report thereon dated December 8, 2008, wherein we noted the Airport followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered the Airport's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Airport's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Airport's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Airport's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Airport's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Airport's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Airport's management in a separate letter dated December 8, 2008.

### **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, providing an opinion 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*.

We did note a certain noncompliance or other matter that we reported to the Airport's management in a separate letter dated December 8, 2008.

We intend this report solely for the information and use of the management, and the Airport Board of Trustees. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

December 8, 2008



**Mary Taylor, CPA**  
Auditor of State

**CARROLL REGIONAL AIRPORT**

**CARROLL 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  
DECEMBER 31, 2008**