



Mary Taylor, CPA  
Auditor of State



**CARROLL REGIONAL AIRPORT AUTHORITY  
CARROLL COUNTY**

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# Mary Taylor, CPA

Auditor of State

Carroll Regional Airport Authority  
Carroll County  
P.O. 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.

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**Mary Taylor, CPA**  
Auditor of State

July 19, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Carroll Regional Airport Authority  
Carroll County  
P.O. Box 266  
Carrollton, Ohio 44615

To the Board of Trustees:

We have audited the accompanying financial statements of Carroll Regional Airport Authority, Carroll County, (the Airport) as of and for the years ended December 31, 2005 and 2004. 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.

Revisions to GAAP would require the Airport to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2004 and 2005. 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, 2005 and 2004 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, 2005 and 2004, or its changes in financial position for the years then ended.

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Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Airport, as of December 31, 2005 and 2004, 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 July 19, 2007, 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 19, 2007



**CARROLL REGIONAL AIRPORT AUTHORITY  
CARROLL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Cash Receipts:**

County Contributions	\$28,024
Grants	117,967
Sale of Fuel	98,201
Rents	28,174
Interest	1,100
Miscellaneous Receipts	1,555
Total Cash Receipts	<u>275,021</u>

**Cash Disbursements:**

Current:	
Salaries and Benefits	3,933
Supplies & Materials	1,454
Fuel	103,455
Repairs & Maintenance	1,985
Contract Services	142,274
Insurance	6,020
Utilities	3,843
Debt Service	24,190
Miscellaneous	45,776
Total Cash Disbursements	<u>332,930</u>

Total Receipts Over/(Under) Disbursements (57,909)

**Other Financing Receipts and (Disbursements):**

Other Financing Sources	25,788
Total Other Financing Receipts/(Disbursements)	<u>25,788</u>

Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements (32,121)

Fund Cash Balances, January 1 75,926

**Fund Cash Balances, December 31 \$43,805**

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

**CARROLL REGIONAL AIRPORT AUTHORITY  
CARROLL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2004**

<b>Cash Receipts:</b>	
County Contributions	\$21,643
Grants	310,772
Sale of Fuel	73,995
Rents	22,476
Loan Transfer	6,020
Interest	13
Miscellaneous Receipts	79,150
Total Cash Receipts	514,069
 <b>Cash Disbursements:</b>	
Current:	
Salaries	4,567
Supplies & Materials	56,338
Repairs & Maintenance	43,551
Contract Services	396,883
Insurance	6,142
Utilities	3,767
Debt Service	27,231
Miscellaneous	54,270
Total Cash Disbursements	592,749
Total Receipts Over/(Under) Disbursements	(78,680)
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	
	(78,680)
Fund Cash Balances, January 1	154,606
<b>Fund Cash Balances, December 31</b>	<b>\$75,926</b>

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

**CARROLL REGIONAL AIRPORT AUTHORITY  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**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 safety and efficient operation and maintenance of the airport

The Airport's management believes these financial statements present all activities for which the Airport 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.

Certificates of deposit are valued at cost.

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

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand deposits	\$43,805	\$75,926

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**CARROLL REGIONAL AIRPORT AUTHORITY  
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. DEBT**

Debt outstanding at December 31, 2005 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Fuel Delivery System Loan	\$11,800	4.89%
Bank of Magnolia Loan	88,844	3.77%
Total	\$100,644	

The Airport Authority is obligated for notes payable to a bank. In 2001, the Airport issued a bank loan for installation of a new fuel delivery system. The note is payable over a period of five years at \$9,000 per year including interest charged at 4.89%.

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

The notes are 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:

	<u>Fuel Delivery System Loan</u>	<u>Bank of Magnolia Loan</u>
Year ending December 31:		
2006	\$12,377	\$20,345
2007	0	20,345
2008	0	20,345
2009	0	20,345
2010	0	15,254
Total	\$12,377	\$96,634

**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 Authority  
Carroll County  
P.O. Box 266  
Carrollton, Ohio 44615

To the Board of Trustees:

We have audited the financial statements of Carroll Regional Airport Authority, Carroll County (the Airport) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated July 19, 2007, 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 Township's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Township's management dated July 19, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Township'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*. In a separate letter to the Township's management dated July 19, 2007, we reported other matters related to noncompliance we deemed immaterial.

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

July 19, 2007



**Mary Taylor, CPA**  
Auditor of State

**CARROLL REGIONAL AIRPORT AUTHORITY**

**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  
JANUARY 3, 2008**