AKRON-CANTON REGIONAL AIRPORT AUTHORITY

AUDIT REPORT

For the year ended December 31, 2007

Charles E. Harris & Associates, Inc.
Certified Public Accountants and Government Consultants

Mary Taylor, CPA
Auditor of State

Board of Directors
Akron-Canton Regional Airport Authority
5400 Lauby Road Box 23
North Canton, Ohio 44720

We have reviewed the *Report of Independent Accountants* of the Akron-Canton Regional Airport Authority, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Akron-Canton Regional Airport Authority is responsible for compliance with these laws and regulations.

Robert R. Hinkle, CPA
Chief Deputy Auditor

July 15, 2008

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us

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Akron-Canton Regional Airport Authority
AUDIT REPORT
For the Year Ended December 31, 2007

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Charles E. Harris & Associates, Inc. Office phone - (216) 575-1630
Certified Public Accountants Fax - (216) 436-2411

REPORT OF INDEPENDENT ACCOUNTANTS

Akron-Canton Regional Airport Authority
5400 Lauby Road
North Canton, Ohio 44720

To the Board of Directors:

We have audited the financial statements of the Akron-Canton Regional Airport Authority, North Canton, Ohio (the Authority) as of and for the year ended December 31, 2007, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2007, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2008, on our consideration of the Authority' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

Our audit was made for the purpose of forming an opinion on the financial statements of the Authority, taken as a whole. The accompanying schedule of federal awards expenditures is presented for 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 the 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.

Charles E. Harris & Associates, Inc.
June 20, 2008

AKRON – CANTON REGIONAL AIRPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2007
(Unaudited)

The Airport

The Akron – Canton Regional Airport, (the "Airport") is the second busiest airport in northeast Ohio. The Airport opened its doors in 1948 with passenger traffic of 43,042 passengers. Today the Airport accommodates approximately 1,400,000 passengers annually.

The Airport offers 36 flights a day to 11 different cities from which travelers can connect to just about anywhere. The Airport recently expanded its terminal and gate area to accommodate the increase in passenger traffic.

Overview of Financial Statements

The financial statements are presented in accordance with the accounting principles generally accepted in the United States of America, including GASB Statements No. 34. The statements are:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets
- Statement of Cash Flows

The statements are prepared on the accrual basis and presented all assets and liabilities of the Airport, both financial and capital, and short and long – term. They also present revenues and expenses of the Airport during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Airport's financial condition as of December 31, 2007, and the results of its operations and cash flows for the year then ended.

Financial Highlights

As of December 31, 2007, the Airport's net assets increased $9,839,362. Operating revenues increased $71,990 due mainly due to increased parking fees, airline fees and passenger traffic. Federal and State grant activity decreased $4,236,705 from 2006. Operating expenses increased $2,776,242 principally due to and increase in contract services as well as increased marketing and depreciation costs.

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities of the Airport using the accrual basis of accounting, which is similar to the accounting used by most private – sector institutions. Condensed information from the Airport's statements of net assets, including comparative data from 2006 is as follows:

	2007	2006
ASSETS		
Current Assets	$ 1,076,933	$ 4,710,727
Restricted Assets	8,275,478	8,288,931
Noncurrent Assets	130,144,374	119,070,611
Total Assets	$ 139,496,785	$ 132,070,269
LIABILITIES		
Current Liabilities	$ 1,102,468	$ 2,405,905
Noncurrent Liabilities	27,091,068	28,200,477
Total Liabilities	28,193,536	30,606,382
NET ASSETS		
Net Assets	$ 111,303,249	$ 101,463,887

Assets

Total assets increased $7,426,516 from 2006 due to the following factors.

- New Gate Concourse Construction
- Replacement of outdated equipment with new equipment

Liabilities

Total liabilities decreased $2,412,846 principally due to the following factors:

- Decreased borrowing through loans and line of credit on construction projects.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets present the operating results of the Airport, as well as the non - operating revenues and expenses. Federal Grant and PFC income are considered non – operating revenues. Condensed information from the Airport's Statement of Revenues, Expenses, and Changes in Net Assets, including comparative data from 2006 is as follows:

	2007	2006
Operating Revenues	$ 8,871,085	$ 8,799,095
Operating Expenses (inc. Dep. Exp.)	16,044,923	13,268,681
Operating Income (Loss)	(7,173,838)	(4,469,586)
Net Non-Operating Revenues (Expenses)	17,013,200	21,527,750
Change in Net Assets	9,839,362	17,058,164
Net Assets (Deficit) Beginning of Year	101,463,887	84,405,723
Net Assets (Deficit) End of Year	$ 111,303,249	$ 101,463,887

Operating Revenues

Scheduled rate increases paired with consistent passenger traffic created an increase in revenue year over year. The steady stream of passengers and slightly higher rates generated more revenue from the concession, car rental and the parking lot. The parking lot is the greatest revenue producing area at the Airport. Scheduled rate increases included in existing contracts with Air Carriers and new air service utilizing bigger equipment caused landing fee revenues and overall air carrier revenues to increase. All other sources of revenue were consistent with last year.

Operating Expenses

The main increases in operating expenses were due to the increase in personnel cost, contract services and marketing expenses during the course of the year. Personnel costs increased due to higher employee benefit costs such as hospitalization coverage and retirement contributions. The contracts service and marketing increases were due to promotion and retention of current air service levels. Due to the current commercial aviation environment increased spending was necessary to sustaining existing service. Gas and oil cost were also up due to the price of these items.

Non-Operating Revenues

The Airport received less federal funding in 2007 primarily due to the amount of construction that took place during the year. These federal funds refer to federal grants received by the Airport. PFC (Passenger Facility Charge) funding was down slightly compared to year-end 2006 due to emplanement levels.

Budget Summary

The annual budget is the main document used to comply with this regulation. The budget estimates revenues and expenditures for the year and helps track the actual progress. The Airport Authority is not required to follow the budgetary requirements of the Ohio Revised Code.

Capital Asset and Long-term Debt Activity

The Airport Authority's capital asset activities consist of various construction projects, including a glycol recovery system, extending and shifting runways and Gate Concourse rehabilitation. Its debt is administered via loan agreements with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $13,860,000 for the purpose of assisting in the financing of the Gate Concourse Rehabilitation Project of which $10,861,068 was outstanding as of December 31, 2007. In 2007, the Authority along with Huntington Bank created and issued Airport Revenue Bonds to convert the Authority's $16 million dollar line of credit with a variable interest into a more fixed rate long term debt. The Revenue Bonds were a much more cost effective and flexible way to pay off debt associated with the Authority's Terminal expansion project. See notes 9 and 12 in the Notes to the Financial Statements for further information related to debt and capital assets, respectively.

Contacting the Airport's Management

This financial report is designed to provide our users, investors and creditors with a general overview of the Airport Authority's finances and to show the Airport Authority's accountability for the money it receives. If you have questions about this report or need additional financial information contact James Krum, Contracts and Finance Manager at the Akron Canton Regional Airport, 5400 Lauby Road NW, North Canton, Oh. 44720.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY

STARK AND SUMMIT COUNTIES, OHIO

STATEMENT OF NET ASSETS

Proprietary Fund

As of December 31, 2007

ASSETS		
Current Assets		
Cash	$	167,979
Trade Accounts Receivable		858,856
Prepaid Expenses		21,398
Current Portion of Note Receivable		28,700
Total Current Assets		1,076,933
Assets Restricted for Airport Improvement Projects		
Cash and Cash Equivalents		3,435,434
Investments		4,389,102
Passenger Facility Charges Receivable		450,942
Total Assets Restricted for Airport Improvement Projects		8,275,478
Noncurrent Assets		
Long-term Portion of Note Receivable		171,648
Airport Improvement Projects-in-progress		9,967,229
Land and Land Improvements		34,619,578
Paving		51,118,635
Buildings		62,479,513
Vehicles and Equipment		16,723,644
Utility Systems		514,207
Less Accumulated Depreciation		(45,450,080)
Total Noncurrent Assets		130,144,374
Net Assets (Deficit) Beginning of Year		
TOTAL ASSETS	$	139,496,785

AKRON-CANTON REGIONAL AIRPORT AUTHORITY

STARK AND SUMMIT COUNTIES, OHIO

STATEMENT OF NET ASSETS (continued)

Proprietary Fund

As of December 31, 2007

LIABILITIES		
Current Liabilities		
Trade Accounts Payable	$	314,087
Projects Payable		308,544
Accrued Payroll Expenses		439,373
Accrued Real Estate Taxes		40,464
Total Current Liabilities		1,102,468
Long Term Liabilities		
Due Within One Year		2,543,116
Due In More Than One Year		24,547,952
Total Long Term Liabilities		27,091,068
TOTAL LIABILITIES	$	28,193,536
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	$	102,881,658
Restricted for Airport Improvement Projects		8,275,478
Unrestricted		146,113
TOTAL NET ASSETS		111,303,249

See accompanying notes to the basic financial statements

AKRON-CANTON REGIONAL AIRPORT AUTHORITY

Statement of Revenue, Expenses and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2007

Operating Revenues		
Charges for Services	$	3,752,348
Rent		1,058,734
Parking		3,615,408
Other Operating Revenues		444,595
Total Operating Revenues		8,871,085
Operating Expenses		
Salaries		2,581,275
Contract Services		2,591,640
Materials & Supplies		540,891
Utilities		759,864
Fuel		74,663
Insurance		95,760
Administrative		3,311,658
Depreciation		6,089,172
Total Operating Expenses		16,044,923
Operating Income (Loss)		(7,173,838)
Non-Operating Revenues (Expenses)		
Federal Funds		13,991,874
Passenger Facility Charge Revenue		2,778,773
Interest		242,553
Total Non-Operating Revenues		17,013,200
Change in Net Assets		9,839,362
Net Assets (Deficit) Beginning of Year		101,463,887
Net Assets (Deficit) End of Year	$	111,303,249

See accompanying notes to the basic financial statements

AKRON-CANTON REGIONAL AIRPORT AUTHORITY

COMBINED STATEMENT OF CHANGES IN CASH FLOWS
Proprietary Fund
For the Year Ended December 31, 2007

Cash flows from operating activities:		
Cash Received from Customers	$	8,844,597
Cash Paid for Goods and Services		(8,583,090)
Cash Paid to Employees		(2,612,304)
Net cash provided/(used) for operating activities	$	(2,350,797)
Cash flows from capital and related financing activities:		
Receipts from Passenger Facility Charge	$	3,537,531
Grants		13,991,874
Acquisition and Construction of Capital Assets		(17,229,502)
Proceeds From ODOT SIB Loan		215,552
Proceeds From Huntington Bank Bonds		16,230,000
Debt Payments		(17,554,961)
Net cash provided/(used) for capital and related financing activities	$	(809,506)
Cash flows from investing activities:		
Interest		242,553
Net cash provided/(used) for investing activities	$	242,553
Net increase in cash and cash equivalents		(2,917,750)
Cash and cash equivalents, January 1, 2007		6,521,163
Cash and cash equivalents, December 31, 2007	$	3,603,413

Reconciliation of Operating Income (loss) to Net Cash Provided By (Used For) Operating Activities

Net operating income/(loss)	$	(7,173,838)
Adjustments:		
Depreciation expense		6,089,172
(Increase)/decrease in assets:		
Accounts receivable		(26,488)
Note receivable		1,803
Prepaid Expenses and Other Current Assets		21,527
Increase/(decrease) in liabilities:		
Accounts Payable		(932,308)
Projects Payable		(340,100)
Accrued Payroll Expenses		(31,029)
Total Adjustments		4,823,041
Net cash provided/(used) for operating activities	$	(2,350,797)

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

Akron-Canton Regional Airport (the Airport) was founded in 1946, as a governmental entity, for the purpose of operating an airport facility serving commercial carriers and industrial concerns. The Akron-Canton Regional Airport Authority (the Authority) was created by resolution of the County Commissioners of Stark and Summit Counties of Ohio in 1964. The Authority is governed by a Board of Trustees consisting of representatives from both Stark and Summit Counties.

B. BASIS OF ACCOUNTING

The Authority uses "fund accounting" to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions or activities.

A fund is defined as a fiscal and accounting entity with a self balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For financial statement presentation purposes, the Authority has one fund which is categorized as a proprietary fund. Proprietary funds are used to account for the Authority's ongoing activities which are similar to those found in the private sector. The following is the Authority's proprietary fund type:

Enterprise Fund - A fund used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The accounting and financial reporting treatment applied to the Authority's fund is determined by their measurement focus. The Authority's fund is an enterprise fund, which uses a flow of economic resources measurement focus. This measurement focus emphasizes the determination of net income. The Authority uses the accrual basis of accounting, which records revenue when earned and measurable and expenses when the liability is incurred. Revenues subject to accrual are charges for services.

In accordance with Statement No. 20 of the Governmental Accounting Standards Board *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting"*, the Authority has elected not to apply the provisions of the statements and interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. BASIS OF ACCOUNTING - (continued)

The following information summarizes the accounting basis:

Property and Equipment – The Authority's capitalization threshold is $500. Substantially all of the Authority's grounds and runways were contributed by the U.S. Government at the time the Airport was founded. These assets were recorded at their estimated fair value as of the date the contributions were made. Property and equipment acquired subsequent to the Airport's inception is carried at cost. Renewals and betterments are capitalized. The cost of maintenance and repairs are charged to expense accounts as incurred. Depreciation is computed using the straight-line method over the following estimated useful lives:

Paving	2-30 years
Buildings	3-30 years
Vehicles and equipment	3-20 years
Utility systems	3-20 years

Compensated Absences – The Authority accounts for compensated absences in accordance with GASB Statement No. 16. Sick leave and other compensated absences with similar characteristics are accrued as a liability based on the sick leave accumulated at the Statement of Net Assets date by those employees who currently are eligible to receive termination payments. To calculate the liability, those accumulations are reduced to the maximum amount allowed as a termination payment. All employees who meet the termination policy of the Authority for years of service are included in the calculation of the compensated absences accrual amount.

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered and are not contingent on a specific event that is outside the control of the employer and employee.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Assets Restricted for Airport Improvement Projects – Cash and cash equivalents, and investments funded by federal grant monies, along with passenger facility charges receivable, are restricted for use in various Airport Improvement Projects. Such deposits, along with passenger facility charges receivable, are not available for use in the general operations of the Authority.

Statement of Cash Flows – The Statement of Cash Flows are presented in accordance with GASB Statement No. 9. The Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents consist of certificates of deposit as of December 31, 2007.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

B. BASIS OF ACCOUNTING - (continued)

Accounting and Reporting for Nonexchange Transactions - The Authority accounts for nonexchange transactions in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Nonexchange transactions occur when the Authority receives (or gives) something of value without giving (or receiving) equal value in return. As such, and in conformity with GASB Statement No. 33, the Authority has recognized grant funds expended for capitalizable property and equipment as revenues and the related depreciation thereon, as expenses in the accompanying financial statements.

Use of Accounting Estimates – Management uses estimates and assumptions in preparing financial statements in accordance with Generally Accepted Accounting Principles (GAAP). Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Federal Income Tax – No provision or credit has been made in the accompanying financial statements for federal or state income taxes, as the Authority is not subject to taxation.

Reclassifications – Certain amounts from the prior year have been reclassified to conform to the current year presentation. The beginning cash and cash equivalents on the combined statement of changes in cash flows on page 10 have been adjusted to exclude investments.

2. DEPOSITS AND INVESTMENTS

The investment and deposit of Authority monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Authority to invest its monies in certificates of deposit, commercial paper, savings accounts, money market accounts, the State Treasurer's Asset Reserve investment pool (STAR Ohio) and obligations of the United States government or certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible depository or any eligible dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days. The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself (commonly known as a derivative). The Authority is also prohibited from investing in reverse repurchase agreements.

2. DEPOSITS AND INVESTMENTS - (continued)

(a) Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and must mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities, subject to a repurchase agreement, must exceed the value of the principal by 2% and be marked to market daily.

At December 31, 2007, the carrying amount of the Authority's deposits was $7,797,515, excluding petty cash deposits of $100, as compared to the bank balance of $10,277,475. Of the bank balance, $201,125 was on deposit and covered by federal depository insurance and $10,076,350 was collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name.

(b) Investments

As of December 31, 2007, the Authority had the following investments and maturities:

Investment Type	Fair Value	Maturity(1)	Rating(2)
Repurchase Agreement	$ 195,000	Daily	AAA

(1) Weighted Maturity - Days
(2) Standard & Poor's

Custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's $195,000 investment in repurchase agreements are held by its custodian in the Authority's name.

Interest Rate Risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Authority's has no investment policy over what the Ohio Revised Code prescribes.

Credit Risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. The Authority has no investment policy that limits investments over what the Ohio Revised Code prescribes.

3. LOAN RECEIVABLE

In February 2002, the Authority entered into a "Concession Agreement" with a Concessionaire of food, beverage and merchandise. As part of this agreement, the Authority has agreed to loan the Concessionaire up to $300,000 for the purpose of completing concession area renovations. The term of this loan is ten years, with principal and interest at 6.5% per annum, payable monthly. As of December 31, 2007, $200,348 is outstanding with $28,700 in principal considered current receivables and the remainder considered long-term receivables.

4. INSURANCE COVERAGES

As of December 31, 2007, the Authority had general liability insurance coverage of $50,000,000 for each occurrence and in the aggregate; director and officer liability coverage of $1,000,000 per loss and in the aggregate; vehicle liability coverage with a combined single limit of $1,000,000; and public officials' coverage of $1,000,000 per loss and in the aggregate. The risks of loss exposed to the Authority includes theft, fire, errors and omissions, and general liability. There has been no reduction in insurance coverage during the year ending December 31, 2007. Settlement costs did not exceeded coverage in either of the past two years.

5. VACATION BENEFITS

Employees hired on or before January 1, 1996 earn two weeks of vacation annually during their first five years of service plus an additional week for every five years thereafter, up to a maximum of six weeks. Employees hired after January 1, 1996 can earn a maximum of five weeks of vacation. Vacation leave may, upon approval, be carried over for up to two years. As of December 31, 2007, the accrual for vacation benefits totaled $207,213 and is included in the Accrued Payroll Expense in the accompanying Statement of Net Assets.

6. DEFINED BENEFIT PENSION PLAN

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 222-6705 or (800) 222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2007, members contributed 9.5 percent of covered payroll. The Authority's contribution rate for 2007 was 13.85 percent of covered payroll. For the period January 1 through June 30, 2007, a portion of the Authority's contribution equal to 5 percent of covered payroll was allocated to fund the postemployment health care plan; for the period July 1 through December 31, 2007, this amount was increased to 6 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the Authority of 14 percent.

6. DEFINED BENEFIT PENSION PLAN- (continued)

The Authority's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 was $312,097, $311,745, and $287,670, respectively; which equals the required contributions for those years.

7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 employer contribution rate was 13.85 percent of covered payroll; the amount of the employer contributions which was allocated to fund postemployment health care was 5 percent of covered payroll from January 1 through June 30, 2007, and 6 percent from July 1 to December 31, 2007.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006 (the latest information available), include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .5 percent and 6.00 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually.

All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

Actual employer contributions for 2007 which were used to fund postemployment benefits were $135,200. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2006 (the latest information available), was $11.1 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were $30.7 billion and $18.7 billion, respectively. The number of active contributing participants in the traditional and combined plans was 379,979.

In September 2004, the OPERS Retirement Board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

8. DEFERRED EMPLOYEE BENEFITS

Deferred employee benefits consist exclusively of accrued sick leave. Full-time employees accumulate ten hours of sick leave for each completed month in active pay status. Part-time employees accrue sick leave on a proportionate basis. Upon retirement, employees are paid for accrued sick leave, up to a maximum of 960 hours. Employees qualify for this payment upon retirement by having at least five years service with the Authority and being eligible to receive OPERS retirement benefits. As of December 31, 2007, the deferred employee benefits liability has a credit balance of $3,331. There were no eligible employee retirements in 2007, therefore the expense is $0.

9. LONG-TERM LIABILITIES

The changes in the Authority's long-term obligations during 2007 were as follows:

	Amount Outstanding 6/30/2006	Additions	Deductions	Amount Outstanding 6/30/2007	Amount Due in One Year
ODOT - series 2002	$ 3,390,696	$ -	$ (846,480)	2,544,216	$ 834,172
ODOT - series 2004	2,005,000	-	(163,356)	1,841,644	323,944
ODOT - series 2006	6,845,000	215,552	(585,344)	6,475,208	585,000
Airport Facility Rev Bonds	-	16,230,000	-	16,230,000	800,000
Total Long-Term Loans	$ 12,240,696	$ 16,445,552	$ (1,595,180)	$ 27,091,068	$ 2,543,116

In 2007, the Authority paid off its line of credit balance of $15,959,781.

In 2002, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $5,010,000 for the purpose of assisting in the financing of the Baggage Claim Expansion Project. As of December 31, 2007, $2,544,216 was outstanding under this loan agreement. The loan bears interest at a rate of 3% annually beginning in April of 2005. Principal and interest payments are due semiannually as follows:

ODOT #SIB 0301

Year Ended December 31,	Principal Payment	Interest Payment
2008	$ 834,172	$ 74,386
2009	860,529	48,029
2010	849,515	20,876
Total	$ 2,544,216	$ 143,291

9. LONG-TERM LIABILITIES (continued)

In 2004, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $2,005,000 for the purpose of assisting in the financing of the Gate Concourse Replacement Project. As of December 31, 2007, $1,841,644 was outstanding under this loan agreement. The loan bears interest at a rate of 3% annually beginning in July of 2007, $60,601 in interest will be accrued prior to the payments beginning which will bring the total balance due of $2,065,601. Principal and interest payments are due semiannually, beginning in July 2007, as follows:

ODOT#SIB 0409

Year Ending December 31,	Principal Payment	Interest Payment
2008	$ 323,944	$ 61,510
2009	333,735	54,805
2010	343,822	45,013
2011	354,214	34,927
2012	364,920	24,533
2013	121,009	16,527
Total	$ 1,841,644	$ 237,315

In 2006, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $6,845,000 for the purpose of assisting in the financing of the Gate Expansion Project. As of December 31, 2007, $6,475,208 was outstanding under this loan agreement. The loan bears interest at a rate between 4.25% and 5.00% annually beginning in May of 2007. Principal and interest payments are due semiannually, as follows:

ODOT#SIB 0100

Year Ending December 31,	Principal Payment	Interest Payment
2008	$ 585,000	$ 284,376
2009	610,000	292,038
2010	640,000	267,176
2011	665,000	241,250
2012	695,000	214,050
2013-2017	3,280,208	586,038
Total	$ 6,475,208	$ 1,884,928

In 2007, the Authority along with Huntington Bank created and issued Airport Revenue Bonds to convert the Authority's $16 million dollar line of credit with a variable interest into a more fixed rate long term debt. The Revenue Bonds were a much more cost effective and flexible way to pay off debt associated with the Authority's Terminal expansion project. The Bonds bear interest of 4.120% annually beginning in June of 2008. Principal and interest payments are due semiannually, as follows:

9. LONG-TERM LIABILITIES (continued)

AIRPORT FACILITY REVENUE BONDS

Year Ending December 31,	Principal Payment	Interest Payment
2008	$ 800,000	$ 690,839
2009	835,000	627,232
2010	870,000	592,517
2011	905,000	556,257
2012	940,000	518,658
2013-2017	5,335,000	1,971,626
2018-2022	6,545,000	764,237
Total	$16,230,000	$ 5,721,366

10. NONCANCELLABLE LEASES

The Authority leases space, hangars, counters, gates, etc. to various entities under noncancellable operating lease agreements. Future minimum rentals as of December 31, 2007 under such agreements are as follows:

Year Ending December 31,	Amount
2008	$ 1,191,413
2009	1,105,768
Thereafter	10,954,218
Total Payments	$ 13,251,399

11. AIRPORT IMPROVEMENT PROJECTS-IN-PROGRESS

Airport Improvement Projects-in-Progress consists of expenditures for capitalized improvements or additions to the Authority's facilities. The cost of completed projects is transferred to property and equipment accounts and depreciated over the estimated useful lives of the projects as of the date of completion. Airport Improvement Projects-in-Progress consist of the following at December 31, 2007:

	Source of Funding		
Description of Project	**Federal Grants**	**State/Local**	**Total Cost of Projects-In-Progress**
AIP #39 - Runway 5/23 Improvement phase I	**$ 2,856,587**	**$ 150,347**	**$ 3,006,934**
AIP #44 - Runway 5/23 Improvement Phase II	**4,450,314**	**234,227**	**4,684,541**
AIP #46 - Runway 5/23 Improvement Phase III	**2,116,529**	**111,396**	**2,227,925**
Various Other Projects	**-**	**47,829**	**47,829**
Total	**$ 9,423,430**	**$ 543,799**	**$ 9,967,229**

12. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007:

Description	Balance 1/1/2007	Additions	Disposals	Balance 12/31/2007
Capital Assets Not Being Depreciated				
Airport Improvement Projects in Progress	$ 19,669,265	$ 15,862,245	$ (25,564,281)	$ 9,967,229
Land	12,526,133	-	-	12,526,133
Land Improvements	12,742,792	9,350,653	-	22,093,445
Total Capital Assets Not Being Depreciated	44,938,190	25,212,898	(25,564,281)	44,586,807
Capital Assets Being Depreciated:				
Building	55,344,641	7,134,872	-	62,479,513
Paving	44,005,119	7,113,516	-	51,118,635
Vehicles and Equipment	13,437,849	3,332,497	(46,702)	16,723,644
Utility Systems	514,207	-	-	514,207
Total Capital Assets Being Depreciated	113,301,816	17,580,885	(46,702)	130,835,999
Less Accumulated Depreciation:				
Building	(11,835,419)	(3,216,451)	-	(15,051,870)
Paving	(18,005,445)	(1,794,123)	-	(19,799,568)
Vehicles and Equipment	(9,216,284)	(1,060,280)	46,702	(10,229,862)
Utility Systems	(350,462)	(18,318)	-	(368,780)
Total Accumulated Depreciation	(39,407,610)	(6,089,172)	46,702	(45,450,080)
Total Capital Assets Being Depreciated, Net	73,894,206	11,491,713	-	85,385,919
Total Capital Assets, Net	$ 118,832,396	$ 36,704,611	$ (25,564,281)	$ 129,972,726

13. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, particularly the federal government. 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 such amounts, if any, to be immaterial.

Management believes there are no pending claims or lawsuits.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2007

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
U.S. Department of Transportation - Direct Funding				
Airport Improvement Project 37	3-39-0001-3704	20.106	$ 682,465	$ 682,465
Airport Improvement Project 39	3-39-0001-3905	20.106	4,415,100	4,409,020
Airport Improvement Project 41	3-39-0001-4105	20.106	192,580	43,467
Airport Improvement Project 43	3-39-0001-4306	20.106	2,704,277	3,507,054
Airport Improvement Project 44	3-39-0001-4406	20.106	3,880,924	3,880,932
Airport Improvement Project 45	3-39-0001-4507	20.106	3,655,002	-
Airport Improvement Project 46	3-39-0001-4607	20.106	2,116,528	2,116,529
Total U.S. Department of Transportation			17,646,876	14,639,467
Total Federal Expenditures			$ 17,646,876	$ 14,639,467

See accompanying Notes to the Schedule of Federal Awards Expenditures

Akron-Canton Regional Airport Authority
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2007

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than the obligation is incurred.

2. Matching Requirements

Certain federal programs require that the Authority contribute non-federal funds (matching funds) to support the federally-funded programs. The expenditure of non-federal funds is not included on this schedule.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

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

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

Akron-Canton Regional Airport Authority
5400 Lauby Road
North Canton, Ohio 44720

To the Board of Directors:

We have audited the financial statements of the Akron-Canton Regional Authority, North Canton, Ohio (the Authority) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 20, 2008. 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.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 the normal course of 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 Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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, grants agreements and other matters, 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*.

We noted matters that we have reported to management of the Authority in a separate letter dated June 20, 2008.

This report is intended for the information and use of management, the Board of Directors, 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.
June 20, 2008

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306

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

Office phone - (216) 575-1630
Fax - (216) 436-2411

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

Akron-Canton Regional Airport Authority
5400 Lauby Road
North Canton, Ohio 44720

To the Board of Directors:

Compliance

We have audited the compliance of the Akron-Canton Regional Airport Authority, North Canton, Ohio (the Authority) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The Authority'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 Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *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 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 federal program occurred. An audit includes examining, on a test basis, evidence about the Authority'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 Authority's compliance with those requirements.

In our opinion, the Authority 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, 2007.

Internal Control Over Compliance

The management of the Authority 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 Authority's internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

This report is intended for the information of the Board, management and 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.
June 20, 2008

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
Stark and Summit Counties, Ohio
December 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	*Type of Financial Statement Opinion*	Unqualified
(d)(1)(ii)	*Were there any material control weaknesses reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any other significant deficiencies reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material non-compliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weaknesses reported for major federal programs?*	No
(d)(1)(iv)	*Were there any other significant deficiencies reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Programs' Compliance Opinion*	Unqualified
(d)(1)(vi)	*Are there any reportable findings under Section .510*	No
(d)(1)(vii)	*Major Programs:*	Airport Improvement Programs CFDA# 20.106
(d)(1)(viii)	*Dollar Threshold: Type A\B Programs*	Type A: > $ 439,184 Type B: all others
(d)(1)(ix)	*Low Risk Auditee?*	Yes

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
Stark and Summit Counties, Ohio
December 31, 2007

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.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2006, reported no material citations or recommendations.

AKRON-CANTON REGIONAL
AIRPORT AUTHORITY

REPORT ON PASSENGER FACILITY CHARGES

FOR THE YEAR ENDED DECEMBER 31, 2007

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

AKRON CANTON REGIONAL AIRPORT AUTHORITY
Stark and Summit Counties, Ohio
Report on Passenger Facility Charges
For the Year Ended December 31, 2007

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Charles E. Harris & Associates, Inc.
Certified Public Accountants
Office phone - (216) 575-1630
Fax - (216) 436-2411

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Akron-Canton Regional Airport Authority
5400 Lauby Road
North Canton, Ohio 44720

To the Board of Directors:

Compliance and Other Matters

We have audited the compliance of the Akron-Canton Regional Airport Authority (the Authority) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for its passenger facility charge program for the year ended December 31, 2007. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority'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 of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2007.

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with applicable laws and regulations will not be prevented or detected by the Authority's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the Akron-Canton Regional Airport Authority as of and for the year ended December 31, 2007, and have issued our report thereon dated June 20, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Passenger Facility Charges is presented for the purposes of additional analysis as specified by the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
June 20, 2008

AKRON-CANTON REGIONAL AIRPORT
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2007

PROJECT NAME	Approved Project Budget	Cumulative Expenditures at 12/31/06	1st Quarter 2007 Expenditures	2nd Quarter 2007 Expenditures	3rd Quarter 2007 Expenditures	4th Quarter 2007 Expenditures	Total 2007 Expenditures	Cumulative Expenditures at 12/31/07
Property Acquisition- Nickison	$ 12,911	$ 12,911	-	-	-	-	-	$ 12,911
Property Acquisition- Lockhart	456,000	456,000	-	-	-	-	-	456,000
Property Acquisition- Tucker	346,000	346,000	-	-	-	-	-	346,000
SRE - Snow Blower	33,477	33,477	-	-	-	-	-	33,477
Passenger Loading Bridge - Commuter Aircraft	23,930	23,930	-	-	-	-	-	23,930
Engine Generator - Backup Power	121,472	121,472	-	-	-	-	-	121,472
Runay 5/23 Overlay	290,913	290,912	-	-	-	-	-	290,912
Entrance Road Overlay	25,111	25,111	-	-	-	-	-	25,111
SRE - High Speed Rotary Broom	32,059	32,059	-	-	-	-	-	32,059
Terminal Baggage Claim Expansion	6,363,000	2,592,680	-	$ 473,170	-	$ 473,170	$ 946,340	3,539,020
Terminal Expansion - 1990 (AIP 9 & 12)	1,496,000	1,496,043	-	-	-	-	-	1,496,043
Shift Extension Runway 1/19 Phase II- Fill 19 End	49,290	49,290	-	-	-	-	-	49,290
Property Acquisition - Peters	98,172	98,172	-	-	-	-	-	98,172
Passenger Loading Bridge II	317,519	317,519	-	-	-	-	-	317,519
Relocate Mt Pleasant & Frank Rds	306,625	324,931	-	-	-	-	-	324,931
Runway 1 Extension	1,060,000	682,349	-	-	-	-	-	682,349
Runway 19 Threshold Relocation	400,000	342,651	-	-	-	-	-	342,651
Property Acquisition- Ketron	129,000	-	-	-	-	-	-	-
Property Acquisition- Goodyear	255,000	-	-	-	-	-	-	-
Property Acquisition- Fouts	145,000	-	-	-	-	-	-	-
Property Acquisition- Frayer	100,000	-	-	-	-	-	-	-
Property Acquisition- Salmons	130,000	-	-	-	-	-	-	-
Property Acquisition- Maynley	105,000	-	-	-	-	-	-	-
Security Enhancements (AIP)	20,000	-	-	-	-	-	-	-
Glycol Recovery Study	150,000	-	-	-	-	56,663	56,663	56,663
Glycol Recovery Design	500,000	-	-	-	$ 85,887	396,956	482,843	482,843
SRE - High Speed Rotary Broom	375,000	335,681	-	-	-	-	-	335,681
SRE - High Speed Rotary Broom	375,000	-	-	-	-	395,000	395,000	395,000
SRE - Runway De - Icing Truck	300,000	-	-	-	-	201,172	201,172	201,172
Aircraft Apron Rehabilitation	200,000	-	-	-	-	-	-	-
Terminal Rehabilitation	18,500,000	4,961,225	$ 395,038	267,199	333,085	600,155	1,595,477	6,556,702
RNWY 14/32 Closure Conversion to Taxiway K	85,000	-	-	-	-	-	-	-
SRE - Spreader Truck (A)	25,838	25,838	-	-	-	-	-	25,838
Ground Runup Noise Study	2,722	2,722	-	-	-	-	-	2,722
Storm Water Drainage Improvements	21,380	21,380	-	-	-	-	-	21,380
Passenger Loading Bridge	25,531	25,531	-	-	-	-	-	25,531
Storm Water Polution Prevention Plan	2,212	2,212	-	-	-	-	-	2,212
SRE - Spreader Truck (B)	25,703	25,703	-	-	-	-	-	25,703
E/A: R/W 1 Extension Phase II	83,036	83,036	-	-	-	-	-	83,036
Benefit Cost Analysis R/W 1 Extension	9,385	9,385	-	-	-	-	-	9,385
Part 107 Access Control System Upgrade	8,799	8,799	-	-	-	-	-	8,799
Terminal Master Plan	276,060	276,060	-	-	-	-	-	276,060
Airport Entrance Road Signage Design	44,500	44,500	-	-	-	-	-	44,500
Property Acquisition - Dailey	208,353	208,353	-	-	-	-	-	208,353
Property Acquisition - Kuhar	961,201	961,201	-	-	-	-	-	961,201
Airport Entrance Road Signage Build	39,095	39,095	-	-	-	-	-	39,095
Storm Water Drainage Control	15,774	15,774	-	-	-	-	-	15,774
Grand Totals	$ 34,551,068	$ 14,292,002	$ 395,038	$ 740,369	$ 418,972	$ 2,123,116	$ 3,677,495	$ 17,969,497

Note: Amounts are presented on the cash basis of accounting.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY

SUMMIT 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 29, 2008

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
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