



**Auditor of State
Betty Montgomery**

**CARROLL REGIONAL AIRPORT AUTHORITY
CARROLL COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANT'S REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of Carroll Regional Airport Authority, Carroll County (the Authority) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Authority prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Authority as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2004 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Carroll Regional Airport Authority
Carroll County
Independent Accountant's Report
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This report is intended solely for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

December 2, 2004

**CARROLL REGIONAL AIRPORT AUTHORITY
CARROLL COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Cash Receipts:		
County Contributions	\$11,717	\$17,700
Sale of Fuel	107,360	99,786
Rents	22,269	16,318
Grants	60,028	59,991
Interest	38	37
Miscellaneous	17,575	11,078
Total Cash Receipts	218,987	204,910
Cash Disbursements:		
Salaries	3,552	2,951
Supplies and Materials	32,856	56,251
Repairs and Maintenance	26,133	25,667
Contract Services	51,056	52,705
Insurance	5,850	5,575
Utilities	3,826	3,855
Debt Service	45,397	25,560
Miscellaneous	73,514	10,779
Total Cash Disbursements	242,184	183,343
Total Receipts Over/(Under) Disbursements	(23,197)	21,567
Other Financing Receipts/(Disbursements):		
Sale of Notes	125,000	
Total Other Financing Receipts/(Disbursements)	125,000	0
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	101,803	21,567
Cash Balances, January 1	52,803	31,236
Cash Balances, December 31	\$154,606	\$52,803

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

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**CARROLL REGIONAL AIRPORT AUTHORITY
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Carroll Regional Airport Authority, Carroll County, (the Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a five member Board, appointed by the Carroll County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN CASH AND INVESTMENTS

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$29,264	\$41,812
Certificates of deposit	125,342	10,991
Total deposits	<u>\$154,606</u>	<u>\$52,803</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**CARROLL REGIONAL AIRPORT AUTHORITY
CARROLL COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Fuel Delivery System Loan	\$22,000	4.89%
Bank of Magnolia Loan	121,074	3.77%
Total	\$143,074	

In 2001, the Authority 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 for \$125,000 at an interest rate of 3.77% to invest in certificates of deposit. The note was entered into on September 16, 2003 for a period of 7 years. The note will be repaid in monthly installments of \$1,695.41, includes interest, over the 7 year period.

The notes are collateralized by all real and personal property owned by the Authority and by revenues the Authority collects.

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

	Fuel Delivery System Loan	Bank of Magnolia Loan
Year ending December 31:		
2004	\$10,320	\$20,345
2005	9,880	20,345
2006	4,440	20,345
2007		20,345
2008		20,345
2009		20,345
2010		15,254
Total	\$24,640	\$137,324

4. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Trustees:

We have audited the accompanying financial statements of Carroll Regional Airport Authority, Carroll County (the Authority) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated December 2, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated December 2, 2004.

Carroll Regional Airport Authority
Carroll County
Independent Accountant's Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

December 2, 2004



**Auditor of State
Betty Montgomery**

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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
FEBRUARY 10, 2005**