



**REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007**



**Mary Taylor, CPA**  
Auditor of State



**REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY**

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# Mary Taylor, CPA

Auditor of State

Regional Airport Authority  
Henry County  
P.O. Box 883  
Napoleon, Ohio 43545-0883

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.

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

**Mary Taylor, CPA**  
Auditor of State

June 12, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Regional Airport Authority  
Henry County  
P.O. Box 883  
Napoleon, Ohio 43545-0883

To the Board of Trustees:

We have audited the accompanying financial statements of the Regional Airport Authority, Henry County, (the Authority) as of and for the years ended December 31, 2007 and 2006. 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 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 Authority 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.

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Authority's larger (i.e. Major) funds separately. While the Authority 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 governments to reformat their statements. The Authority 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 Authority 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 combined fund cash balances of the Regional Airport Authority, Henry County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Authority 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 June 12, 2008, 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 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.



**Mary Taylor, CPA**  
Auditor of State

June 12, 2008



**REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY**

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

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
Grants	\$86,826	\$63,068
Sale of Fuel	1,360	2,244
Fees	9,118	8,915
Rents	19,980	22,428
Miscellaneous	3,005	2,409
 Total Cash Receipts	 120,289	 99,064
<b>Cash Disbursements:</b>		
Current:		
Transportation:		
Salaries	1,875	1,500
Operator Fees		5,100
Billing Fees	534	561
Building Repairs and Maintenance	2,546	857
Fuel Pump Repairs and Maintenance	5,654	2,848
Legal and Professional	77,554	19,321
Utilities	4,808	2,134
Insurance	4,107	4,107
Equipment Repairs and Maintenance	179	1,242
Property Tax	9,732	9,732
Miscellaneous	1,508	204
Capital Outlay		46,416
Debt Service:	3,081	3,280
 Total Cash Disbursements	 111,578	 97,302
 Total Cash Receipts Over Cash Disbursements	 8,711	 1,762
<b>Other Financing Receipts:</b>		
Loan Proceeds		3,553
Sale of Capital Assets		2,825
 Total Other Financing Receipts		 6,378
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	 8,711	 8,140
 Fund Cash Balance, January 1	 8,253	 113
 <b>Fund Cash Balance, December 31</b>	 <b>\$16,964</b>	 <b>\$8,253</b>

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

**REGIONAL AIRPORT AUTHORITY  
HENRY 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 Regional Airport Authority, Henry County, (the Authority) as a body corporate and politic. The Henry County Commissioners appoints five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the 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. This basis 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. Property, Plant, and Equipment**

The accounting basis recognizes acquisitions of property, plant, and equipment as disbursements when paid. These financial statements do not report these items as assets.

**2. CASH**

The revised code describes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Total deposits	<u>\$16,964</u>	<u>\$8,253</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**3. DEBT**

Debt outstanding at December 31, 2007, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan	<u>\$53,226</u>	5.80%

**REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY**

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

**3. DEBT – (CONTINUED)**

The Authority has a promissory note that it is allowed to draw money against. All loan payments are made monthly in amounts \$811. The note is guaranteed by the Henry County Commissioners.

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

<u>Year ending December 31:</u>	<u>Bank Loan</u>
2007	\$9,732
2008	9,732
2009	9,732
2010	9,732
2011	9,732
2012-2016	20,489
Total	<u><u>\$69,149</u></u>

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Regional Airport Authority has obtained commercial insurance for the following risks:

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

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# 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*

Regional Airport Authority  
Henry County  
P.O. Box 883  
Napoleon, Ohio 43545-0883

To the Board of Trustees:

We have audited the financial statements of the Regional Airport Authority, Henry County, (the Authority) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 12, 2008, wherein we noted the Authority 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 Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined 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 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 its applicable accounting basis, such that there is more than a remote likelihood that the Authority'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 Authority'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 Authority's management in a separate letter dated June 12, 2008.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Authority'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 certain noncompliance matters that we reported to the Authority's management in a separate letter dated June 12, 2008.

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



**Mary Taylor, CPA**  
Auditor of State

June 12, 2008

REGIONAL AIRPORT AUTHORITY  
HENRY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2007 AND 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2005-001	Ohio Administrative Code § 117-2-01(A)	No	Reissued as a management letter citation.







**Mary Taylor, CPA**  
Auditor of State

**REGIONAL AIRPORT AUTHORITY**

**HENRY 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 8, 2008**