



Dave Yost • Auditor of State



**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

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# Dave Yost • Auditor of State

Cambridge Area Regional Airport Authority  
Guernsey County  
P.O. Box 73  
Cambridge, Ohio 43725

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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**Dave Yost**  
Auditor of State

May 16, 2012

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Cambridge Area Regional Airport Authority  
Guernsey County  
P.O. Box 73  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio (the Authority), as of and for the years ended December 31, 2011 and 2010. 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.

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 airport authorities 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, 2011 and 2010 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, 2011 and 2010, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances as of December 31, 2011 and 2010 of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As described in Note 1D, during 2011 the Authority adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2012, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

May 16, 2012

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>2011</u>
<b>Cash Receipts:</b>	
County Contributions	\$17,832
City Contributions	121,000
Township Contributions	1,000
Grants	168,511
Net Fuel Sales	111,699
Rents	32,551
Miscellaneous	<u>4,464</u>
 Total Cash Receipts	 <u>457,057</u>
<b>Cash Disbursements:</b>	
Current:	
Transportation:	
Cost of Fuel	83,306
Products for Resale	1,845
Salaries and Payroll Taxes	82,243
Professional Fees	8,387
Repairs and Maintenance	35,471
Office Supplies	1,362
Utilities	17,030
Insurance	10,594
Miscellaneous	14,317
Real Estate Taxes	1,585
Capital Outlay	<u>47,445</u>
 Total Cash Disbursements	 <u>303,585</u>
 Excess of Cash Receipts Over Cash Disbursements	 <u>153,472</u>
 Cash Balances, January 1	 <u>64,075</u>
<b>Cash Balances, December 31</b>	
Restricted	133,064
Assigned	30,552
Unassigned (Deficit)	<u>53,931</u>
 <b>Cash Balances, December 31</b>	 <b><u><u>\$217,547</u></u></b>

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

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>2010</b>
<b>Cash Receipts:</b>	
County Contributions	\$13,000
City Contributions	125,000
Township Contributions	1,000
Grants	198,954
Net Fuel Sales	78,765
Rents	32,463
Bank Reimbursement	12,831
Miscellaneous	1,192
 Total Cash Receipts	 463,205
<b>Cash Disbursements:</b>	
Current:	
Transportation:	
Cost of Fuel	74,548
Salaries and Payroll Taxes	81,676
Professional Fees	10,841
Audit Fees	9,000
Repairs and Maintenance	33,355
Office Supplies	1,616
Utilities	18,136
Insurance	14,180
Miscellaneous	26,496
Real Estate Taxes	1,575
Capital Outlay	209,240
 Total Cash Disbursements	 480,663
 Excess of Cash Receipts (Under) Cash Disbursements	 (17,458)
 Cash Balances, January 1	 81,533
 <b>Cash Balances, December 31</b>	 <b>\$64,075</b>

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

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**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 Cambridge Area Regional Airport Authority, Guernsey County (the Authority), as a body corporate and politic. The Guernsey County Board of County Commissioners and the City of Cambridge, Ohio, appoints five Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Authority.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Authority 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 Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**D. Cash Balance**

For December 31, 2011, cash balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Authority classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

Cash balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**D. Cash Balance (Continued)**

**3. Committed**

The Board can *commit* amounts via formal action (resolution). The Authority must adhere to these commitments unless the Board amends the resolution. Committed cash balance also incorporates contractual obligations to the extent that existing resources have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned cash balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by the Board or an Authority official delegated that authority by resolution, or by State Statute.

**5. Unassigned**

Unassigned cash balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted cash balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted cash balance classifications could be used.

**2. Deposits**

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

	<u>2011</u>	<u>2010</u>
Demand deposits	<u>\$217,547</u>	<u>\$64,075</u>

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

**3. Retirement System**

The Authority's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(Continued)**

**3. Retirement System (Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling and 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2011.

**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.

**5. Contingent Liabilities**

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

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# Dave Yost • Auditor of State

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

Cambridge Area Regional Airport Authority  
Guernsey County  
P.O. Box 73  
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the financial statements of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio (the Authority), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated May 16, 2012, 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, and wherein we also noted the Authority adopted Governmental Accounting Standards Board Statement No. 54 during 2011. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

### **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 a certain matter not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated May 16, 2012.

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

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**Dave Yost**  
Auditor of State

May 16, 2012

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING  
DECEMBER 31, 2011 AND 2010**

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>
2008-001	31 U.S.C. 7502(a)(1)(A) requires non-federal entities that expend \$500,000 or more in a year in Federal Awards to have an annual Single or Program-Specific audit conducted for that year and filed with the Federal Audit Clearinghouse within nine months after year end. For 2008, the Authority did not file their annual report with the Clearinghouse within 9 months of the fiscal year end.	Yes	Finding No Longer Valid.

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# Dave Yost • Auditor of State

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY**

**GUERNSEY 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  
MAY 29, 2012**