



Mary Taylor, CPA  
Auditor of State



**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances - For the Years Ended December 31, 2009 and 2008 .....	5
Notes to the Financial Statement.....	7
Federal Awards Expenditures Schedule.....	9
Notes to the Federal Awards Expenditures Schedule .....	10
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and On Internal Control Over Compliance Required By OMB Circular A-133 .....	13
Schedule of Findings – OMB Circular A-133 § .505 .....	15
Corrective Action Plan – OMB Circular A-133 § .315(c).....	16

**This page intentionally left blank.**



Mary Taylor, CPA  
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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

July 21, 2010

**This page intentionally left blank.**



# Mary Taylor, CPA

## 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 statement of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio (the Authority), as of and for the years ended December 31, 2009 and 2008. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on this financial statement 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 this financial statement 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 statement 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 statement referred to above for the years ended December 31, 2009 and 2008 does 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, 2009 and 2008, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balances of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio, as of December 31, 2009 and 2008, and its 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 July 21, 2010, 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.

We conducted our audit to opine on the Authority's financial statement. The Federal Awards Expenditures Schedule is 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 statement. We subjected the Federal Awards Expenditures Schedule to the auditing procedures applied in the audit of the Authority's financial statement. In our opinion, this information is fairly stated, in all material respects, in relation to the financial statement taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

July 21, 2010



**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>Cash Receipts:</b>		
County Contributions	\$33,258	\$37,000
City Contributions	126,000	129,638
Township Contributions	1,000	
Grants	511,706	654,446
Sale of Fuel	98,088	105,295
Rents	42,197	27,073
Interest		718
Miscellaneous	7,191	1,060
	<b>819,440</b>	<b>955,230</b>
<b>Cash Disbursements:</b>		
Current:		
Transportation:		
Cost of Fuel	72,098	79,019
Salaries and Payroll Taxes	77,140	81,483
Professional Fees	7,800	8,485
Audit Fees	1,486	8,007
Repairs and Maintenance	33,735	38,573
Office Supplies	1,723	2,612
Utilities	17,557	17,318
Insurance	12,723	14,302
Miscellaneous	20,809	13,524
Capital Outlay	549,776	711,481
	<b>794,847</b>	<b>974,804</b>
Total Cash Disbursements	<b>794,847</b>	<b>974,804</b>
Total Cash Receipts Over/(Under) Cash Disbursements	<b>24,593</b>	<b>(19,574)</b>
Cash Balances, January 1	<b>56,940</b>	<b>76,514</b>
<b>Cash Balances, December 31</b>	<b>\$81,533</b>	<b>\$56,940</b>

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

**This page intentionally left blank.**

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008**

**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 this financial statement presents all activities for which the Authority is financially accountable.

**B. Accounting Basis**

This financial statement follows 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.

This statement includes 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 statement does not report these items as assets.

**2. Equity in Pooled Deposits**

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

	2009	2008
Demand deposits	<u>\$81,533</u>	<u>\$56,940</u>

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

**3. Retirement System**

The Authority's 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.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2009.

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**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.

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Grant Number</b>	<b>Federal CFDA Number</b>	<b>Disbursements</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Direct Program</i>			
Airport Improvement Program	3-39-0013-0506	20.106	\$ 27,865
	3-39-0013-0607		237,034
	3-39-0013-0708		369,502
	3-39-0013-0808		10,854
Total Airport Improvement Program			<u>645,255</u>
Total U.S. Department of Transportation			<u>645,255</u>
<b>Total Federal Awards Expenditures</b>			<b><u>\$ 645,255</u></b>

*The Notes to the Federal Awards Expenditures Schedule are an integral part of the Schedule.*

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Cambridge Area Regional Airport Authority's (the Authority's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

The federal program requires the Authority contribute non-Federal funds (matching funds) to support the Federally-funded program. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# 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*

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

To the Board of Trustees:

We have audited the financial statement of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio (the Authority), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 21, 2010, wherein we noted the Authority prepared its financial statement using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statement, 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 statement 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 Airport's financial statement is 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*.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157  
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Cambridge Area Regional Airport Authority  
Guernsey County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

**Mary Taylor, CPA**  
Auditor of State

July 21, 2010





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Trustees:

### Compliance

We have audited the compliance of the Cambridge Area Regional Airport Authority, Guernsey County, Ohio (the Authority), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2008. The Summary of Auditor's results section of the accompanying Schedule of Findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to its major federal program for the year ended December 31, 2008. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying Schedule of Findings lists this instance as Finding 2008-001.

### **Internal Control Over Compliance**

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of opining on compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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.

The Authority's response to the finding we identified is described in the accompanying Schedule of Findings. We did not audit the Authority's response and, accordingly, we express no opinion on it.

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



**Mary Taylor, CPA**  
Auditor of State

July 21, 2010

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2008**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Adverse under GAAP, unqualified under the regulatory basis.
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under Section .510(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Airport Improvement Program – CFDA # 20.106
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2009 AND 2008  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

None.

<b>3. FINDING FOR FEDERAL AWARDS</b>
--------------------------------------

<b>Finding Number</b>	<b>2008-001</b>
<b>CFDA Title and Number</b>	Airport Improvement Program, CFDA No. 20.106
<b>Federal Award Number / Year</b>	3-39-0013-0506 3-39-0013-0607 3-39-0013-0708 3-39-0013-0808
<b>Federal Agency</b>	U.S. Department of Transportation
<b>Pass-Through Agency</b>	N/A

**Noncompliance**

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.

The Authority expended more than \$500,000 in Federal Awards in 2008 and did not file their annual report with the Federal Audit Clearinghouse within the nine month period after 2008 year end.

Also, Federal OMB Circular A-133 § .300(e) requires auditees to “. . . ensure that audits required by this part are properly performed and submitted when due.”

We recommend the Authority file their annual audit with the Federal Audit Clearinghouse within nine months after year end.

**Officials’ Response:**

The Authority was told by the previous auditor they would need a single audit for 2008 and this was discussed and documented in the Board minutes. The Authority thought this requirement was the responsibility of the Auditor of State’s office to schedule the audit and within the required time frame.

**Auditor of State Conclusion:**

As documented in the Authority’s minutes, we did communicate this requirement to them. And as noted above, Federal regulation imposes the ultimate responsibility for timely audits upon the Authority. Should the Authority be subject to a single audit in the future, we request them to contact our regional office to assure an audit has been scheduled.

**CAMBRIDGE AREA REGIONAL AIRPORT AUTHORITY  
GUERNSEY COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2008**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2008-001	Authority will monitor federal funding and contact the Auditor of State's office to schedule an audit any year they expend \$500,000 or more in federal awards.	December 31, 2010	Rachel Williams, Airport Treasurer





Mary Taylor, CPA  
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**  
**AUGUST 3, 2010**