Perry & Associates

Certified Public Accountants, A.C.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
Single Audit
For the Years Ended December 31, 2017 and 2016

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Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Akron-Canton Regional Airport Authority, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2017 through December 31, 2017. 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.

Dave Yost

Dave Yost
Auditor of State

June 1, 2018

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AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

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INDEPENDENT AUDITOR'S REPORT

May 11, 2018

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the **Akron-Canton Regional Airport Authority** (the Airport), Stark and Summit Counties, Ohio, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement. An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Airport's internal control.

Auditor's Responsibility (Continued)

Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Akron-Canton Regional Airport Authority, Stark and Summit Counties, as of December 31, 2017 and 2016, and the respective changes in financial position and cash flows, thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and schedules of net pension liabilities and pension contributions, listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Airport's basic financial statements taken as a whole. The Federal Awards Receipts and Expenditures Schedule and the Schedule of Expenditures of Passenger Facility Charges provide additional information required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, and are not a required part of the basic financial statements.

The Federal Awards Receipts and Expenditures Schedule and the Schedule of Expenditures of Passenger Facility Charges are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements.

Supplementary and Other Information (Continued)

We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2018, on our consideration of the Airport'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

The Airport

The Akron – Canton Airport, (the "Airport") was dedicated in 1946 and commercial air service began in 1948, when the Airport served 43,042 passengers. Today the Airport is the second entry portal to Northeast Ohio for air travelers. In 2017 the Airport served over 1,250,000 passengers.

The Airport offers 28 daily flights to 13 non-stop destinations and has one stop service to virtually anywhere in the world. The Authority continually updates and improves its facilities to ensure our passengers' have a great experience. During the year the Airport completed improvements to the Airport entrance road, parking facilities, taxiways.

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 Statement No. 34. The statements are:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- 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, 2017 and 2016 and the results of its operations and cash flows for the years then ended.

Financial Highlights

As of December 31, 2017, Operating Revenues increased 11.5% from 2016 primarily due to a substantial negotiated real estate transaction. Operating Expenses in total increased minimally 0.5% from the prior year due proactive fiscal discipline by all departments.

Statement of Net Position

The Statement of Net Position 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 position, including comparative data from 2016 and 2015 is as follows:

(Table 1)
Net Position

	2017	2016	2015
Assets			
Current Assets	$ 1,507,285	$ 1,043,476	$ 1,012,886
Restricted Assets	13,078,995	12,964,699	16,866,013
Noncurrent Assets	169,717,821	174,685,991	173,727,130
Total Assets	184,304,101	188,694,166	191,606,029
Deferred Outflows of Resources			
Pension	1,767,788	1,406,891	457,581
Liabilities			
Current Liabilities	1,679,536	2,472,298	3,113,693
Noncurrent Liabilities	17,523,300	19,190,638	19,200,069
Total Liabilities	19,202,836	21,662,936	22,313,762
Deferred Inflows of Resources			
Pension	119,905	92,143	46,791
Net Position			
Net Investment in Capital Assets	156,059,909	158,089,555	155,237,011
Restricted Net Position	13,078,995	12,964,699	16,866,013
Unrestricted Net Position	(2,389,756)	(2,708,276)	(2,399,967)
Total Net Position	$ 166,749,148	$ 168,345,978	$169,703,057

An analysis of significant changes in assets, liabilities and net assets for the year ended 2017 is as follows:

Assets

Total assets decreased $4,390,065 from 2016 due to the following factor.

- Increased Accumulated Depreciation Expense associated with completed projects that were capitalized during the year.

Liabilities

Total liabilities decreased $2,460,100 due to the following factor

- Retirement of Debt Service SIB Loan IV

An analysis of significant changes in assets, liabilities and net assets for the year ended 2016 is as follows:

Assets

Total assets decreased $2,911,863 from 2015 due to the following factor.

- Increase usage of Airport Reserves to fund Projects in Progress

Liabilities

Total liabilities decreased $650,826 due to the following factor:

- Retirement of Debt Service

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position 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 Position, including comparative data from 2016 and 2015 is as follows:

(Table 2)
Change in Net Position

	2017	2016	2015
Operating Revenues	$ 11,815,386	$ 10,590,015	$ 11,629,450
Operating Expenses (Including Depreciation)	18,738,155	18,677,499	18,562,084
Operating Income (Loss)	(6,922,769)	(8,087,484)	(6,932,634)
Net Non-Operating Revenues (Expenses)	5,325,939	6,730,405	8,406,881
Change in Net Position	(1,596,830)	(1,357,079)	1,474,247
Net Position Beginning of the Year	168,345,978	169,703,057	170,456,046
Cumulative Effect of Change in Accounting Principle	-	-	(2,227,236)
Net Position End of Year	$166,749,148	$168,345,978	$169,703,057

An analysis of significant changes in revenues and expenditures for the year ended 2017 is as follows:

Operating Revenues

The Airport had a decrease in annual passenger traffic of 9.5% compared to 2016 due to continued significant air service changes. As a result the Airport experienced declines in scheduled landing fee revenue, Airport concession revenues consisting of parking, rental car and terminal restaurant concession. The Airport was able to offset these revenue reductions during the year by receiving proceeds from a negotiated real estate transaction as well as receiving increases in iterant landing fee, ground and space lease revenues.

Operating Expenses

Operating expenses increase minimally 0.3% from 2016. The Airport had higher administrative, labor and contract service expenses compared to the prior year. However the Airport was able to reduce its material and supply expenses as well as utility expenses due to conscious effort by all departments to maintain financial discipline while adapting to new air service realities.

Non-Operating Revenues

In 2017, the Airport received less federal funding compared to the previous year. The decrease was due to the reduction in the number of eligible ongoing and new construction that took place during the year. These federal funds are authorized by federal grants received by the Airport. Federal funds received during 2017 went towards projects for entrance road reconstruction, taxiway rehabilitation and the design of a future gate concourse replacement. Passenger Facility Charge (PFC) and Car Rental Facility Charge (CFC) funds decreased compared to 2016 due to the decrease in passenger levels.

An analysis of significant changes in revenues and expenditures for the year ended 2016 is as follows:

Operating Revenues

The Airport had a decrease in annual passenger traffic of 9.6% compared to 2015 due to substantial air service changes. As a result the Airport ended the year with an 8.9% reduction in operating revenues from 2015. Scheduled landing fees were down 17.8% as a result of these air service changes. Airport Concession Revenues consisting of parking, rental cars and terminal restaurant concessions were down 12.6% in total compared to 2015. Itinerant landing fees increased 12.3% compared with 2015. All other sources of revenue were comparable with the previous year.

Operating Expenses

Operating Expenses in total decreased 1.6% from 2015. The Airport reduced expenses for salaries, material and supplies, utilities, fuel and insurance during 2016. These reductions were mainly due to much lighter winter operations compared to previous years. Contract Service expenses increased 9% due increases associated with the Airport's security contracts. Administrative expenses were nearly even compared with 2015.

Non-Operating Revenues

In 2016, the Airport received less federal funding compared to 2015. The decrease was due to the reduction in the number of eligible ongoing and new construction that took place during the year. These federal funds are authorized by federal grants received by the Airport. Federal funds received during 2016 went towards projects for parking and entrance road reconstruction, ticket wing reconstruction, taxiway rehabilitation, and towards the design of a future gate concourse replacement. Passenger Facility Charge (PFC) funds decreased compared to 2015 due to the decrease in passenger enplanement levels.

Budget Summary

The annual budget is the main document used to estimate revenues and expenses for the year and helps track the actual progress. The Airport is not required to follow the budgetary requirements of the Ohio Revised Code.

Capital Asset and Long-Term Debt Activity

The Airport's long term debt was comprised of one loan agreement with the Ohio Department of Transportation (ODOT) and revenue bonds through Huntington National Bank at the beginning of the year. The ODOT loan was issued to assist with the financing of a New Parking Lot. A total of $3,108,000 was issued to the Airport. This loan was retired during the year. The Airport Authority was issued $18,000,000 in debt via Airport Revenue Bonds with Huntington National Bank. These bonds were issued to fund a terminal concourse rehabilitation, additional parking lots, and screening checkpoint expansion projects. As of December 31, 2017 the Authority had $13,657,912 in Airport Revenue Bonds outstanding. See notes 7 and 10 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'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, Box 9, North Canton, OH. 44720.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2017 AND 2016

	2017	2016
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$ 490,068	$ 105,346
Accounts Receivable	967,956	879,549
Prepaid Expenses	49,261	58,581
Total Current Assets	1,507,285	1,043,476
Assets Restricted for Airport Improvement Projects:		
Cash and Cash Equivalents	12,821,849	12,435,538
Federal Funds Receivable	-	213,552
Passenger Facility Charges Receivable	257,146	315,609
Total Assets Restricted for Airport Improvement Projects	13,078,995	12,964,699
Noncurrent Assets:		
Capital Assets:		
Airport Improvement Projects-In-Progress	18,523,057	16,556,625
Land and Land Improvements	52,821,716	52,821,716
Paving	103,899,261	103,899,260
Buildings	89,988,237	88,013,832
Vehicles and Equipment	23,514,978	22,658,743
Utility Systems	658,361	632,407
Less Accumulated Depreciation	(119,687,789)	(109,896,592)
Total Noncurrent Assets	169,717,821	174,685,991
TOTAL ASSETS	$ 184,304,101	$ 188,694,166
DEFERRED OUTFLOW OF RESOURCES:		
Total Deferred Outflows of Resources	$ 1,767,788	$ 1,406,891
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 186,071,889**	**$ 190,101,057**
LIABILITIES AND EQUITY:		
Current Liabilities:		
Accounts Payable	$ 168,401	$ 690,979
Projects Payable	-	18,747
Accrued Payroll Expenses	687,627	610,228
Accrued Real Estate Taxes	63,215	52,614
Debt Due Within One Year	760,293	1,099,730
Total Current Liabilities	1,679,536	2,472,298
Long-Term Liabilities:		
Long-term Notes and Bonds Payable	12,897,619	15,496,706
Net Pension Liability	4,625,681	3,693,932
Total Long-Term Liabilities	17,523,300	19,190,638
TOTAL LIABILITIES	$ 19,202,836	$ 21,662,936
DEFERRED INFLOWS OF RESOURCES:		
Total Deferred Inflows of Resources	$ 119,905	$ 92,143
Net Position:		
Net Investment in Capital Assets	$ 156,059,909	$ 158,089,555
Restricted for Airport Improvement Projects	13,078,995	12,964,699
Unrestricted Net Position	(2,389,756)	(2,708,276)
TOTAL NET POSITION	166,749,148	168,345,978
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	**$ 186,071,889**	**$ 190,101,057**

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Operating Revenues:		
Charges for Services	$ 4,295,978	$ 4,375,225
Rent	1,064,788	989,830
Parking	4,581,555	4,611,904
Other Operating Revenues	1,873,065	613,056
Total Operating Revenues	11,815,386	10,590,015
Operating Expenses:		
Salaries	2,680,101	2,624,420
Contract Services	1,524,063	1,460,745
Materials and Supplies	507,241	531,681
Utilities	808,094	876,950
Fuel	58,742	46,217
Insurance	78,533	76,866
Administrative	3,290,184	3,197,949
Depreciation	9,791,197	9,862,671
Total Operating Expenses	18,738,155	18,677,499
Operating Income / (Loss)	(6,922,769)	(8,087,484)
Nonoperating Revenues:		
Federal Funds	2,023,953	3,067,090
Car Rental Facility Charge Revenue	730,671	736,676
Passenger Facility Charge Revenue	2,553,239	2,906,407
Interest	18,076	20,232
Total Non-operating Revenues	5,325,939	6,730,405
Change in Net Position	(1,596,830)	(1,357,079)
Net Position - January 1	168,345,978	169,703,057
Net Position - December 31	**$ 166,749,148**	**$ 168,345,978**

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 11,726,978	$ 10,454,494
Cash Payments to Suppliers for Goods and Services	(6,798,861)	(6,035,755)
Cash Payments to Employees for Services	(1,993,487)	(2,456,674)
Net Cash Provided by (Used by) Operations	**2,934,630**	**1,962,065**
Cash Flows from Capital and Related Financing Activities:		
Receipts from Passenger Facility Charge	2,611,702	2,870,439
Receipts from Car Rental Facility Charge	730,671	736,676
Grants	2,237,505	2,853,538
Acquisition of Construction of Capital Assets	(4,346,167)	(10,276,128)
Debt Principal Paid	(2,938,524)	(1,893,683)
Interest Paid	(476,860)	(545,403)
Net Cash Provided by (Used by) Capital and Related Financing Activities	(2,181,673)	(6,254,561)
Cash Flows from Investing Activities:		
Interest Received	18,076	20,232
Net Cash Provided by (Used by) Investing Activities	18,076	20,232
Net Increase/(Decrease) in Cash and Cash Equivalents	771,033	(4,272,264)
Cash and Cash Equivalents - January 1	12,540,884	16,813,148
Cash and Cash Equivalents - December 31	**$ 13,311,917**	**$ 12,540,884**
Cash Flows from Operating Activities:		
Operating Income / (Loss)	$ (6,922,769)	$ (8,087,484)
Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities:		
Depreciation	9,791,197	9,862,671
(Increase) Decrease in Accounts Receivable	(88,408)	(135,521)
(Increase) Decrease in Prepaid Assets	9,322	(16,500)
(Increase) Decrease in Deferred Outflows Related to Pension	(360,897)	(949,310)
Increase (Decrease) in Accounts Payable	(522,579)	560,923
Increase (Decrease) in Project Payable	(18,747)	(388,720)
Increase (Decrease) in Payroll related Liabilities	77,399	(867)
Increase (Decrease) in Real Estate Tax Accrual	10,601	(18,778)
Increase (Decrease) in Net Pension Liability	931,749	1,090,299
Increase (Decrease) in Deferred Inflows Related to Pension	27,762	45,352
Total Adjustments	9,857,399	10,049,549
Net Cash Provided by (Used by) Operating Activities	**$ 2,934,630**	**$ 1,962,065**

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

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 was created by resolution of the County Commissioners of Stark and Summit Counties of Ohio in 1964. The Airport is governed by a Board of Trustees consisting of representatives from both Stark and Summit Counties.

The Airport's financial reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Reporting Entity*," as amended by GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units.*" The financial statements include all departments and operations for which the Airport is financially accountable. Financial accountability exists if a primary government/component unit appoints a majority of an organization's governing board and is able to impose its will on that organization. Financial accountability may also be deemed to exist if there is a potential for the organization to provide financial benefit to, or impose financial burdens on, the primary government/component unit. On this basis, no governmental organizations other than the Airport itself are included in the financial reporting entity.

B. BASIS OF ACCOUNTING

The Airport 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 Airport 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 Airport has one fund which is categorized as a proprietary fund. Proprietary funds are used to account for the Airport's ongoing activities which are similar to those found in the private sector. The following is the Airport'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 Airport'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 Airport 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

Property and Equipment – The Airport's capitalization threshold is $500. Substantially all of the Airport'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 Airport 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 Position 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 Airport. When both restricted and unrestricted are available for use, it is the Airport's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents –The Airport considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net positon have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Accounting and Reporting for Nonexchange Transactions – The Airport accounts for nonexchange transactions in accordance with GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Nonexchange transactions occur when the Airport 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 Airport has recognized grant funds expended for capitalizable property and equipment as revenues and the related depreciation thereon, as expenses in the accompanying financial statements.

Deferred Outflows / Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Airport, there were no deferred outflows of resources to report other than pension deferred outflows. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Airport, there were no deferred inflows of resources to report other than pension deferred inflows.

Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from primary activities. For the Airport, these revenues are charges for services, rentals, leases and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Airport. Revenues and expenses which do not meet these definitions are reported as non-operating.

Net Position – Net position represents the difference between all other elements of the statement of net position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources from federal and state grants restricted for specified purposes.

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.

2. CASH AND CASH EQUIVALENTS

The investment and deposit of Airport monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only financial institutions located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Airport 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 Airport 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 Airport 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 Airport is also prohibited from investing in reverse repurchase agreements.

Deposits with Financial Institutions

At December 31, 2017 and 2016, the carrying amount of the Airport's deposits was $13,311,801 and $12,540,745, respectively, excluding petty cash deposits of $116 and $139. The bank balance was $13,540,338 and $12,955,782 at December 31, 2017 and 2016, respectively. Deposits with financial institutions were covered by federal depository insurance and/or were collateralized by a pool of securities maintained by the Airport's financial institutions but not in the Airport's name.

Custodial Credit Risk is the risk that, in the event of a bank failure, the Airport'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.

3. INSURANCE COVERAGES

As of December 31, 2017 and 2016, the Airport 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; public officials' coverage of $5,000,000 per loss and in the aggregate and environmental impairment coverage of $1,000,000 per loss and in the aggregate. The risks of loss exposed to the Airport include theft, fire, errors and omissions, and general liability. There has been no reduction in insurance coverage during the year ending December 31, 2017. Settlement costs did not exceeded coverage in the past three years.

4. 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, 2017 and 2016, the accrual for vacation benefits totaled $303,727 and $307,968, respectively, and is included in the Accrued Payroll Expense in the accompanying Statement of Net Position.

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions-–between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the Airport's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the Airport's obligation for this liability to annually required payments. The Airport cannot control benefit terms or the manner in which pensions are financed; however, the Airport does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable*.

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS (Continued)

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – Airport employees, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting https://www.opers.org/financial/reports.shtml, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	**Group B** 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	**Group C** Members not in other Groups and members hired on or after January 7, 2013
State and Local	**State and Local**	**State and Local**
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	**Age and Service Requirements:** Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	**Formula:** 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	2017 State and Local	2016 State and Local
2017 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %
2017 Actual Contribution Rates		
Employer:		
Pension	13.0 %	12.0 %
Post-employment Health Care Benefits	1.0	2.0
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The Airport's contractually required contribution was $338,937 for 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for OPERS was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport's proportion of the net pension liability was based on the Airport's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Proportionate Share of the Net Pension Liability	$4,625,681
Proportion of the Net Pension Liability	0.020370%
Pension Expense	$937,551
Change in Proportion from Prior Year	-0.000956%

At December 31, 2016, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resource	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 688,891	$ -
Differences between expected and actual experience	6,270	27,530
Changes in assumptions	733,690	-
Changes in proportion and differences between Airport contributions and proportionate share of contributions	-	92,375
Airport's contributions subsequent to the measurement date	338,937	-
Total	**$ 1,767,788**	**$ 119,905**

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS (Continued)

$338,937 reported as deferred outflows of resources related to pension resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	
2018	$529,497
2019	558,094
2020	241,546
2021	(20,191)
Total	$1,308,946

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	7.5 percent
Actuarial Cost Method	Individual Entry Age

Mortality – The tables used in evaluating age-and-service and survivor benefit allowances to be paid were updated as a result of the experience study and are now based on the RP-2014 Healthy Annuitant mortality tables. The Healthy Annuitant mortality tables were used, adjusted for mortality improvement back to observation period base of 2006, and then established the base year as 2015 for males and 2010 for females. The mortality rates used in evaluating disability allowances were updated as a result of the experience study and are now based upon the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation period base year of 2006, and then established the base year as 2015 for males and 2010 for females. Mortality rates for particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to previously noted tables.

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS (Continued)

The most recent experience study was completed for the five year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 8.3% percent for 2016.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2016 and the long-term expected real rates of return:

Asset Class	Target Allocation	Long Term Expected Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	23.00 %	2.75 %
Domestic Equities	20.70	6.34
Real Estate	10.00	4.75
Private Equity	10.00	8.97
International Equities	18.30	7.95
Other investments	18.00	4.92
Total	100.00 %	5.66 %

Discount Rate The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

5. DEFINED BENEFIT PENSION PLAN AND POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Airport's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Airport's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.5 percent, as well as what the Airport's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Aiport's proportionate share of the net pension liability	$7,066,760	$4,625,681	$2,591,471

Defined Contribution Plan
OPERS also offers a defined contribution plan, the Member-Directed Plan. The Member-Directed Plan does not provide disability benefits, annual cost-of-living adjustments, post-retirement health care benefits or death benefits to plan members and beneficiaries. Benefits are entirely dependent on the sum of contributions and investment returns earned by each participant's choice of investment options.

Combined Plan
OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced benefit.

Employees electing the combined plan receive post-retirement health care benefits. OPERS provide retirement, disability, survivor and post-retirement health benefits to qualifying members of the combined plan.

Post-Retirement Health Care Benefits
OPERS currently provide post-employment health care benefits to retirees with ten or more years of qualifying service credit. These benefits are advance-funded on an actuarially determined basis and are financed through employer contributions and investment earnings. OPERS determines the amount, if any, of the associated health care costs that will be absorbed by OPERS. Under Ohio Revised Code (ORC), funding for medical costs paid from the funds of OPERS is included in the employer contribution rate. For calendar year 2017 and 2016, OPERS allocated 1.0 and 2.0%, respectively, of the employer contribution rate to fund the health care program for retirees as recommended by the OPERS actuary.

Funding Policy
ORC provides OPERS statutory to set employees and employer contributions. The required contribution rates (as a percentage of covered payroll) for plan members and the Airport are 10% and 14%, respectively.

6. 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 of service with the Airport and being eligible to receive OPERS retirement benefits.

7. LONG-TERM LIABILITIES

The changes in the Airport's long-term obligations during 2017 were as follows:

Name	Principal Outstanding 12/31/16	Additions	Deductions	Principal Outstanding 12/31/17	Due in One Year
SIB IV	2,215,020	-	2,215,020	-	-
Airport Bonds	14,381,416	-	723,504	13,657,912	760,293
TOTALS	**$ 16,596,436**	**$ -**	**$ 2,938,524**	**$ 13,657,912**	**$ 760,293**

The changes in the Airport's long-term obligations during 2016 were as follows:

Name	Principal Outstanding 12/31/15	Additions	Deductions	Principal Outstanding 12/31/16	Due in One Year
SIB III	$ 840,000	$ -	$ 840,000	$ -	$ -
SIB IV	2,580,208	-	365,188	2,215,020	376,226
Airport Bonds	15,069,911	-	688,495	14,381,416	723,504
TOTALS	**$ 18,490,119**	**$ -**	**$ 1,893,683**	**$ 16,596,436**	**$ 1,099,730**

SIB III - In 2006, the Airport entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Airport a total of $6,845,000 for the purpose of assisting in the financing of the Gate Expansion Project. The loan bears interest at a rate of 5.00% annually. The final principal payment was made during 2016.

SIB IV - In 2012, the Airport entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Airport a total of $3,108,000 for the purpose of assisting in the financing of a parking lot project. The loan bears interest at a rate between 3% and payments are due semi-annually. This loan was paid in full during 2017.

7. LONG-TERM LIABILITIES (Continued)

Airport Bonds - During 2010, the Airport along with Huntington Bank reissued the 2007 Airport Revenue Bonds. The Bonds bear interest at a variable rate and mature on January 1, 2031. Payments are due monthly. Principal payments are due as follows. Interest payments are estimated based on the current rate.

Year Ending December 31,	Principal Payment	Interest Payment
2018	$ 760,293	$ 479,132
2019	798,952	448,399
2020	839,577	416,530
2021	882,268	383,486
2022	927,129	494,798
2023-2027	5,392,592	1,116,529
2028-2031	4,057,101	136,146
Total	**$ 13,657,912**	**$ 3,338,874**

8. NONCANCELLABLE LEASES

The Airport leases space, hangars, counters, gates, etc. to various entities under noncancellable operating lease agreements. Future minimum rentals as of December 31, 2017 under such agreements are as follows:

Year Ending December 31,	Amount
2018	$ 6,021,846
2019	5,382,416
Thereafter	18,920,328
Total Payments	$ 30,324,590

9. 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, 2017:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #6115	4,558,241	577,561	5,135,802
AIP #6216	3,843,389	1,454,380	5,297,769
Various Projects	-	8,089,486	8,089,486
Total	$ 8,401,630	$ 10,121,427	$ 18,523,057

9. AIRPORT IMPROVEMENT PROJECTS-IN-PROGRESS (Continued)

Airport Improvement Projects-in-Progress consist of the following at December 31, 2016:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #5812	$ 628,366	$ 132,947	$ 761,313
AIP #6115	3,907,378	1,034,176	4,941,554
AIP #6216	1,668,785	1,097,838	2,766,623
Various Projects	-	8,087,135	8,087,135
Total	$ 6,204,529	$ 10,352,096	$ 16,556,625

10. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017:

	12/31/2016	12/31/2017		
	Balance	Additions	Deletions	Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progress	$ 16,556,625	$ 4,202,495	$ (2,236,063)	$ 18,523,057
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	69,378,341	4,202,495	(2,236,063)	71,344,773
Capital assets being depreciated:				
Buildings	88,013,832	1,974,405	-	89,988,237
Paving	103,899,260	1	-	103,899,261
Vehicles and Equipment	22,658,743	856,235	-	23,514,978
Utility Systems	632,407	25,954	-	658,361
Total capital assets being depreciated	215,204,242	2,856,595	-	218,060,837
Less accumulated depreciation				
Buildings	(45,323,006)	(4,280,138)	-	(49,603,144)
Paving	(46,290,005)	(4,607,774)	-	(50,897,779)
Vehicles and Equipment	(17,713,455)	(877,119)	-	(18,590,574)
Utility Systems	(570,126)	(26,166)	-	(596,292)
Total accumulated depreciation	(109,896,592)	(9,791,197)	-	(119,687,789)
Capital assets, net of depreciation	$174,685,991	$ (2,732,107)	$ (2,236,063)	$ 169,717,821

10. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2016:

	12/31/2015		12/31/2016	
	Balance	Additions	Deletions	Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progress	$ 9,828,486	$ 10,715,184	$(3,987,045)	$ 16,556,625
Land	12,542,983	-	-	12,542,983
Land Improvements	40,278,733	-	-	40,278,733
Total non-depreciable capital assets	62,650,202	10,715,184	(3,987,045)	69,378,341
Capital assets being depreciated:				
Buildings	84,205,154	3,808,678	-	88,013,832
Paving	103,899,260	-	-	103,899,260
Vehicles and Equipment	22,396,872	284,716	(22,845)	22,658,743
Utility Systems	632,407	-	-	632,407
Total capital assets being depreciated	211,133,693	4,093,394	(22,845)	215,204,242
Less accumulated depreciation				
Buildings	(41,197,346)	(4,125,660)	-	(45,323,006)
Paving	(41,595,909)	(4,694,096)	-	(46,290,005)
Vehicles and Equipment	(16,715,145)	(1,021,155)	22,845	(17,713,455)
Utility Systems	(548,366)	(21,760)	-	(570,126)
Total accumulated depreciation	(100,056,766)	(9,862,671)	22,845	(109,896,592)
Capital assets, net of depreciation	$173,727,129	$ 4,945,907	$(3,987,045)	$ 174,685,991

11. 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 that would have a material, if any, effect on the financial condition of the Airport.

12. SUBSEQUENT EVENTS

Management has considered all subsequent events through May 11, 2018, the date the financial statements were available to be issued. No events have occurred that would require adjustment or disclosure in the financial statement.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Required Supplementary Information on GASB 68 Pension Liabilities
For the Year Ended December 31, 2017

Schedule of the Airport's Proportionate Share of OPERS Net Pension Liability:

	2016	2015	2014	2013
Airport's proportion of the net pension liability (asset) (percentage) - Traditional Plan	0.020370%	0.021326%	0.021587%	0.021587%
Airport's proportionate share of the net pension liability (asset) - Traditional Plan	$ 4,625,681	$ 3,693,932	$ 2,603,633	$ 2,544,826
Airport's covered-employee payroll	$ 2,675,890	$ 2,669,464	$ 2,660,511	$ 2,774,597
Airport's pension liability (asset) as a percentage of its covered-employee payroll	172.87%	138.38%	97.86%	91.72%
Plan fiduciary net position as a percentage of the total pension liability (Traditional Plan)	77.25%	81.08%	86.45%	86.36%

information prior to 2013 is not available

Schedule of the Airport's Contributions to OPERS:

	2017	2016	2015	2014
Contractually required contribution	$ 338,937	$ 321,107	$ 318,659	$ 317,590
Contributions in relation to contractually required contribution	(338,937)	(321,107)	(318,659)	(317,590)
Contribution deficit (surplus)	$ -	$ -	$ -	$ -
Airport's covered-employee payroll	$ 2,607,208	$ 2,675,890	$ 2,669,464	$ 2,660,511
Contributions as a percentage of covered-employee payroll	13.00%	12.00%	11.94%	11.94%

information prior to 2014 is not available

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/ Program Title	Grant Number	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Funding:				
Airport Improvement Program:				
Airport Improvement Project No. 58	3-39-000-5812	20.106	$ 65,319	$ 9,449
Airport Improvement Project No. 61	3-39-000-6115	20.106	-	194,247
Airport Improvement Project No. 62	3-39-000-6215	20.106	1,958,634	2,531,146
Total -- U.S. Department of Transportation			2,023,953	2,734,842
Total Federal Financial Assistance			$ 2,023,953	$ 2,734,842

The accompanying notes to this schedule are an integral part of this schedule.

Akron-Canton Regional Airport Authority
Stark and Summit Counties
Schedule of Expenditures of Passenger Facility Charges
For the Year Ended December 31, 2017

Project Number	Project Name	Approved Project Budget	Cumulative Expenditures at 12/31/16	1st Qtr. 2017 Expenditures	2nd Qtr. 2017 Expenditures	3rd Qtr. 2017 Expenditures	4th Qtr. 2017 Expenditures	Total 2017 Expenditures	Cumulative Expenditures at 12/31/17
PFC4-01	SRE: Spreader Truck(A)	$ 25,838.00	$ 25,838.10	$ -	$ -	$ -	$ (0.10)	$ (0.10)	$ 25,838.00
PFC4-02	Ground Runup Noise Study	2,722.00	2,721.89	-	-	-	0.11	0.11	2,722.00
PFC4-03	Storm Water Drainage Improvements	21,380.00	21,380.05	-	-	-	(0.05)	(0.05)	21,380.00
PFC4-04	Passenger Loading Bridge	25,531.00	25,531.15	-	-	-	(0.15)	(0.15)	25,531.00
PFC4-05	Storm Water Pollution Prevention Plan	2,212.00	2,211.55	-	-	-	0.45	0.45	2,212.00
PFC4-06	SRE: Spreader Truck(B)	25,703.00	25,703.30	-	-	-	(0.30)	(0.30)	25,703.00
PFC4-07	E/A:R/W 1 Extension Phase II	83,036.00	83,035.80	-	-	-	0.20	0.20	83,036.00
PFC4-08	Benefit Cost Analysis R/W 1 Extension	9,385.00	9,384.65	-	-	-	0.35	0.35	9,385.00
PFC4-09	Part 107 Access control System Upgrade	8,799.00	8,798.56	-	-	-	0.44	0.44	8,799.00
PFC4-10	Terminal Master Plan	276,060.00	276,060.00	-	-	-	-	-	276,060.00
PFC4-11	Airport Entrance Road Signage Design	44,500.00	44,500.00	-	-	-	-	-	44,500.00
PFC4-12	Property Acquisiton - Dailey	208,353.00	208,353.44	-	-	-	(0.44)	(0.44)	208,353.00
PFC4-14	Property Acquisiton - Kuhar	961,201.00	961,201.20	-	-	-	(0.20)	(0.20)	961,201.00
PFC4-15	Airport Entrance Road Signage Build	39,095.00	39,094.57	-	-	-	0.43	0.43	39,095.00
PFC4-16	Storm Water Drainage Control	15,774.00	15,774.19	-	-	-	(0.19)	(0.19)	15,774.00
PFC5-01	Property Acquisition- Nickison	12,911.00	12,911.25	-	-	-	(0.25)	(0.25)	12,911.00
PFC5-02	Property Acquisition- Lockhart	456,000.00	456,000.00	-	-	-	-	-	456,000.00
PFC5-03	Property Acquisition- Tucker	346,000.00	346,000.00	-	-	-	-	-	346,000.00
PFC5-04	SRE - Snow Blower	33,477.00	33,476.60	-	-	-	0.40	0.40	33,477.00
PFC5-05	Passenger Loading Bridge - Commuter Aircraft	23,930.00	23,929.60	-	-	-	0.40	0.40	23,930.00
PFC5-06	Engine Generator - Backup Power	121,472.00	121,471.57	-	-	-	0.43	0.43	121,472.00
PFC5-07	Runway 5/23 Overlay	290,913.00	290,912.65	-	-	-	0.35	0.35	290,913.00
PFC5-08	Entrance Road Overlay	25,111.00	25,110.96	-	-	-	0.04	0.04	25,111.00
PFC5-09	SRE - High Speed Rotary Broom	32,059.00	32,059.40	-	-	-	(0.40)	(0.40)	32,059.00
PFC5-10	Terminal Baggage Claim Expansion	6,363,000.00	6,363,000.00	-	-	-	-	-	6,363,000.00
PFC5-14	Terminal Expansion - 1990 (AIP 9 & 12)	1,496,000.00	1,496,043.19	-	-	-	(43.19)	(43.19)	1,496,000.00
PFC5-15	Shift Extension Runway 1/19 Phase II- Fill 19 End	49,290.00	49,290.42	-	-	-	(0.42)	(0.42)	49,290.00
PFC5-16	Property Acquisition - Peters	98,172.00	98,171.90	-	-	-	0.10	0.10	98,172.00
PFC5-18	Passenger Loading Bridge II	317,519.00	317,519.00	-	-	-	-	-	317,519.00
PFC5-11	Relocate Mt Pleasant & Frank Rds	307,005.00	324,930.92	-	-	-	(17,925.92)	(17,925.92)	307,005.00
PFC5-12	Runway 1 Extension	1,318,646.00	682,348.90	-	-	-	636,297.10	636,297.10	1,318,646.00
PFC5-13	Runway 19 Threshold Relocation	147,750.00	342,651.10	-	-	-	(194,901.10)	(194,901.10)	147,750.00
PFC6-01	Property Acquisition- Ketron	128,169.00	128,169.00	-	-	-	-	-	128,169.00
PFC6-02	Property Acquisition- Goodyear	246,802.00	246,802.00	-	-	-	-	-	246,802.00
PFC6-03	Property Acquisition- Fouts	163,810.00	163,810.00	-	-	-	-	-	163,810.00
PFC6-04	Property Acquisition- Frayer	97,567.00	97,567.00	-	-	-	-	-	97,567.00
PFC6-05	Property Acquisition- Salmons	120,831.00	120,831.00	-	-	-	-	-	120,831.00
PFC6-08	Glycol Recovery Study	134,689.00	134,689.00	-	-	-	-	-	134,689.00
PFC6-09	Glycol Recovery Design	1,457,092.00	1,457,092.00	-	-	-	-	-	1,457,092.00
PFC6-10	SRE - High Speed Rotary Broom	335,681.00	335,681.00	-	-	-	-	-	335,681.00
PFC6-11	SRE - High Speed Rotary Broom	395,000.00	395,000.00	-	-	-	-	-	395,000.00
PFC6-12	SRE - Runway De-Icing Truck	201,172.00	201,172.00	-	-	-	-	-	201,172.00
PFC6-14	Terminal Rehabilitation	24,419,714.00	18,171,138.47	236,955.14	238,905.93	238,890.58	240,759.04	955,510.69	19,126,649.16
PFC6-15	RNWY 14/32 Closure Converstion to Taxiway K	36,558.00	36,558.00	-	-	-	-	-	36,558.00
PFC7-01	De-Icing North Pad Construction	92,431.00	92,431.00	-	-	-	-	-	92,431.00
PFC7-02	De-Icing South Pad Construction	262,807.00	262,807.00	-	-	-	-	-	262,807.00
PFC7-03	De-Icing Treatment Plant	897,792.00	897,792.00	-	-	-	-	-	897,792.00
PFC7-04	Domestic Water Service	568,116.00	568,116.00	-	-	-	-	-	568,116.00
PFC7-06	Landside Planning Effort Study	94,856.00	94,856.00	-	-	-	-	-	94,856.00
PFC7-07	Runway 5 and 23 Environmental Assessment Study	41,474.00	41,474.00	-	-	-	-	-	41,474.00
PFC7-08	Runway 5 and 23 Runway Safety Area Fix	3,000,000.00	2,780,938.00	-	-	-	-	-	2,780,938.00
PFC7-09	Wildlife Habitat Removal	133,264.00	133,264.00	-	-	-	-	-	133,264.00
PFC7-10	ARFF, Snow Removal Equipment Storage Facility Design	30,391.00	30,391.00	-	-	-	-	-	30,391.00
PFC7-11	ARFF, Snow Removal Equipment Storage Facility Constr.	395,000.00	395,000.00	-	-	-	-	-	395,000.00
PFC7-12	Aircraft Rescue and Firefighting Vehicle A	34,659.00	34,659.00	-	-	-	-	-	34,659.00
PFC7-13	Aircraft Rescue and Firefighting Vehicle B	34,659.00	34,659.00	-	-	-	-	-	34,659.00
PFC7-14	Federal Inspection Facility Study	57,308.00	57,308.00	-	-	-	-	-	57,308.00
PFC8-01	Security Checkpoint Expansion	82,456.00	-	-	-	-	82,456.00	82,456.00	82,456.00
PFC8-02	SRE: High Speed Runway Brooms, Front End Loader, Tractor	517,890.00	-	-	-	-	67,890.00	67,890.00	67,890.00
PFC8-03	Taxiway D, E, K Reconstruction	404,412.00	-	-	-	-	404,412.00	404,412.00	404,412.00
PFC8-04	West General Aviation Ramp Reconstruction	46,996.00	-	-	-	-	46,996.00	46,996.00	46,996.00
PFC8-05	Airport Master Plan Study	113,527.00	-	-	-	-	110,799.00	110,799.00	110,799.00
PFC8-06	Part 150 Noise Study	77,076.00	-	-	-	-	77,076.00	77,076.00	77,076.00
PFC8-07	General Aviation Customs & Border Patrol Facility	490,161.00	-	-	-	-	490,161.00	490,161.00	490,161.00
PFC8-08	South De-Icing Pad Expansion	540,607.00	-	-	-	-	540,607.00	540,607.00	540,607.00
PFC8-09	Airport Entrance Road Reconfiguration	522,228.00	-	-	-	-	522,228.00	522,228.00	522,228.00
PFC8-10	Ticket Wing Reconstruction	627,398.00	-	-	-	-	627,398.00	627,398.00	627,398.00
PFC8-11	Sand/Chemical Storage Building	108,835.00	-	-	-	-	104,460.00	104,460.00	104,460.00
PFC8-12	Enclosed Baggage Make Up Area	1,500,000.00	-	-	-	-	1,413,529.00	1,413,529.00	1,413,529.00
PFC8-13	Taxiway B Rehabilitation	196,575.00	-	-	-	-	132,953.00	132,953.00	132,953.00
PFC8-14	Preparation of PFC Application	43,681.00	-	-	-	-	43,681.00	43,681.00	43,681.00
	Grand Totals	$53,419,385.00	$39,677,620.38	$236,955.14	$ 238,905.93	$238,890.58	$5,328,833.13	$6,043,584.78	$45,721,205.16

PFC # 4 and 5 were officially closed out with FAA as of October 18, 2017

See accompanying notes to the federal awards receipts and expenditures schedule and schedule of expenditures of passenger facility charges.

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Receipts and Expenditures Schedule and the Schedule of Expenditures of Passenger Facility Charges include the federal award activity of Akron-Canton Regional Airport Authority (the Airport) under programs of the federal government for the year ended December 31, 2017. The information on the Federal Awards Receipts and Expenditures Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information on the Schedule of Expenditures of Passenger Facility Charges is prepared in accordance with the requirements of the *Audit Requirements for Federal Awards*, and the *Passenger Facility Charge Audit Guide for Public Agencies* (the “Guide”). Because the Schedules present only a selected portion of the operations of the Airport, they are not intended to and do not present the financial position, changes in net position, or cash flows of the Airport.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Federal Awards Receipts and Expenditures Schedule has been prepared on the accrual basis of accounting. The Schedule of Expenditures of Passenger Facility Charges 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 when the obligation is incurred.

The Airport has not elected to use the 10-percent de minimus indirect cost rate allowed under Uniform Guidance.

NOTE C – MATHCHING REQUIREMENTS

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

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

May 11, 2018

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

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the **Akron-Canton Regional Airport Authority** (the Airport), Stark and Summit Counties, Ohio, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report dated May 11, 2018.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Airport's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Airport's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Airport's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Airport'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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Airport's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Perry & Associates CPA's A.C.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

May 11, 2018

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

To the Board of Trustees:

Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program

We have audited the **Akron-Canton Regional Airport Authority's** (the Airport), Stark and Summit Counties, Ohio, compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could directly and materially affect the Authority's major federal program and the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for the Authority's Passenger Facility Charge ("PFC") Program for the year ended December 31, 2017. The Summary of Audit Results section of the accompanying Schedule of Audit Findings identifies the Airport's major federal program.

Management's Responsibility

The Airport's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program and PFC program.

Auditor's Responsibility

Our responsibility is to opine on the Airport's compliance for the Airport's major federal program and the Passenger Facility Charge Program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

These standards, the Uniform Guidance and the Guide require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program or 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.

Auditor's Responsibility (continued)

We believe our audit provides a reasonable basis for our compliance opinion on the Airport's major federal program and the Passenger Facility Charge Program. However, our audit does not provide a legal determination of the Airport's compliance.

Opinion on the Major Federal Program and the Passenger Facility Charge Program

In our opinion, the Airport complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program and the Passenger Facility Charge Program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Airport's internal control over compliance with the applicable requirements that could directly and materially affect the major federal program or the Passenger Facility Charge Program, to determine our auditing procedures appropriate for opining on the major federal program's and the Passenger Facility Charge Program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not to the extent needed to opine 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's applicable 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on the Uniform Guidance and the Guide's requirements. Accordingly, this report is not suitable for any other purpose.

Perry & Associates CPA's A.C.

Marietta, Ohio
Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

1. SUMMARY OF AUDIT RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR Section 200.596(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Airport Improvement Program CFDA# 20.106
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR Section 200.520?**	Yes

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

Dave Yost · Auditor of State

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
JUNE 14, 2018

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