

**ASHLAND REGIONAL AIRPORT AUTHORITY  
ASHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

**Long, Cook & Samsa, Inc.**  
CERTIFIED PUBLIC ACCOUNTANTS





# Mary Taylor, CPA

Auditor of State

Members of the Board  
Ashland Regional Airport Authority  
700 Montgomery Township Road  
Ashland, Ohio 44805

We have reviewed the *Independent Auditors' Report* of the Ashland Regional Airport Authority, Ashland County, prepared by Long, Cook & Samsa, Inc., for the audit period January 1, 2004 through December 31, 2005. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Ashland Regional Airport Authority is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 10, 2007

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**ASHLAND REGIONAL AIRPORT AUTHORITY  
ASHLAND COUNTY**

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# Long, Cook & Samsa, Inc.

Certified Public Accountants/Consultants

## INDEPENDENT AUDITORS' REPORT

Ashland Regional Airport Authority  
Ashland County  
700 Montgomery Authority Road  
Ashland, Ohio 44805

To the Board of Directors:

We have audited the accompanying statements of cash receipts, cash disbursements, and changes in cash balances – of the Ashland Regional Airport Authority, Ashland County, Ohio, (the Authority) as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the Authority has prepared its financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Authority to reformat its financial statements' presentation and make other changes effective for the years ended December 31, 2005 and 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Authority has elected not to reformat its statements. Since this Authority does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the statements of cash receipts, cash disbursements, and changes in cash balances – of the Authority for the years ended December 31, 2005 and 2004, on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Authority to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. 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 May 9, 2007, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Long, Cook & Samsa, Inc.*

Long, Cook & Samsa, Inc.

May 9, 2007



**ASHLAND REGIONAL AIRPORT AUTHORITY  
ASHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<b>2005</b>	<b>2004</b>
<b>Cash Receipts:</b>		
Real estate tax income	\$ 10,920	\$ 8,046
Grants	409,404	50,844
Sale of equipment and miscellaneous	14,778	5
Total cash receipts	435,102	58,895
<b>Cash Disbursements:</b>		
Grant expenditures	373,419	80,295
Land acquisition	-	128,329
Real estate taxes	8,397	6,832
Insurance	7,160	6,421
Utilities	6,570	5,753
Equipment rental and maintenance	3,763	6,010
Interest expense	3,142	-
Repairs and maintenance	2,080	3,258
Miscellaneous	1,504	-
Office expense	1,172	1,520
Trash removal	865	895
Fuel	784	837
Advertising	266	178
Legal and professional fees	80	2,401
Total cash disbursements	409,202	242,729
Total cash receipts over/(under) cash disbursements	25,900	(183,834)
<b>Other Financing Receipts and (Disbursements):</b>		
Proceeds from Bank Loan	-	127,500
Total other financing receipts		127,500
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	25,900	(56,334)
Cash Balances, January 1	7,222	63,556
<b>Cash Balances, December 31</b>	<b>\$ 33,122</b>	<b>\$ 7,222</b>

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

**ASHLAND REGIONAL AIRPORT AUTHORITY  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

The Authority contracts with a unrelated third party for the purpose of maintaining a functional airport for the citizens of Ashland County.

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

**B. Basis of Accounting**

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

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

**C. Cash and Investments**

The Authority did not have any investments during the audit period. The Authority maintains all cash in one interest bearing checking account and one interest bearing savings account.

**D. Property, Plant and Equipment**

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

**2. CASH**

The Authority maintains a cash pool used by all funds. The Ohio Revised Code (ORC) prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Checking and savings account deposits	\$ 33,122	\$ 7,222

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

**ASHLAND REGIONAL AIRPORT AUTHORITY  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**3. DEBT**

Debt outstanding at December 31, 2005, was as follows:

	<u>Principal</u>	<u>Rate</u>
Short term unsecured bank loan, payable on demand	\$ 127,500	4.50%

The debt was paid in full in 2006.

**4. LEASES**

The Authority is obligated on a operating lease for the purchase of a tractor and accessories. The lease requires monthly payments of \$542.85 for forty-eight months and the last payment occurs in August 2009.

The total of all lease payments due at December 31, 2005, is \$23,885.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property, general liability
- Vehicles
- Equipment
- Public officials' liability

The Authority also has underground fuel tank leakage coverage as required by ORC §3737.91.

# Long, Cook & Samsa, Inc.

Certified Public Accountants/Consultants

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Ashland Regional Airport Authority  
Ashland County  
700 Montgomery Authority Road  
Ashland, Ohio 44805

To the Board of Directors:

We have audited the financial statements of the Ashland Regional Airport Authority, Ashland County, Ohio, (the Authority) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated May 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

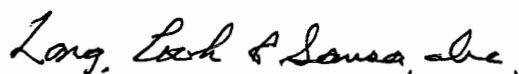
### Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted other immaterial instances of noncompliance that we have reported to the management of the Authority in a separate letter dated May 9, 2007.

### Internal Control Over Financial Reporting

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

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



Long, Cook & Samsa, Inc.

May 9, 2007



**Mary Taylor, CPA**  
Auditor of State

**REGIONAL AIRPORT AUTHORITY**

**ASHLAND 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  
SEPTEMBER 20, 2007**