AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Single Audit
For the Year Ended December 31, 2008

Perry & Associates
Certified Public Accountants, A.C.

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

We have reviewed the *Independent Accountants'* of *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, 2008 through December 31, 2008. 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.

Robert R. Hinkle

Robert R. Hinkle, CPA
Chief Deputy Auditor

June 1, 2009

This Page is Intentionally Left Blank.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

TABLE OF CONTENTS

This Page is Intentionally Left Blank.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

INDEPENDENT ACCOUNTANTS' REPORT

May 15, 2009

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

To the Board of Directors:

We have audited the accompanying financial statements of the business-type activities of the **Akron-Canton Regional Airport Authority** (the Authority), Stark and Summit Counties, as of and for the year ended December 31, 2008 which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority, as of December 31, 2008, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2009, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Federal Awards Receipts and Expenditures Schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.

Management's Discussion and Analysis
For the Year Ended December 31, 2008
Unaudited

The Airport

The Akron – Canton Regional Airport, (the "Airport") is the second busiest airport in northeast Ohio. The Airport opened its doors in 1948 with passenger traffic of 43,042 passengers. Today the Airport accommodates approximately 1,430,000 passengers annually.

The Airport offers 35 flights a day to 11 different cities from which travelers can connect to just about anywhere. The Airport recently expanded its terminal and gate area to accommodate the increase in passenger traffic.

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 Statements No. 34. The statements are:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Fund Net Assets
- 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, 2008, and the results of its operations and cash flows for the year then ended.

Financial Highlights

As of December 31, 2008, the Airport's net assets increased $6,461,968. Operating revenues increased $720,251 due mainly to increased concession revenue consisting of parking, rental car and restaurant fees. Increased airline fees also contributed. The Airport set an all-time record in terms of passenger traffic which significantly influenced revenues. Federal and State grant activity decreased $5,470,334 from 2007 due to fewer applicable projects. Operating expenses decreased $426,105 principally due to decreases in contract services, administrative and marketing costs.

Statement of Net Assets

The Statement of Net Assets 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 assets, including comparative data from 2007 is as follows:

(Table 1)

Net Assets

	2008		2007	
Assets				
Current Assets	$	929,627	$	1,076,933
Restricted Assets		8,859,856		8,275,478
Noncurrent Assets		133,996,018		130,669,469
Total Assets		143,785,501		140,021,880
Liabilities				
Current Liabilities		3,595,100		1,102,468
Noncurrent Liabilities		21,900,089		27,091,068
Total Liabilities		25,495,189		28,193,536
Net Assets	$	118,290,312	$	111,828,344*

*See Restatement of prior balances at Note 4.

Assets

Total assets increased $3,763,621 from the 2007 restated total assets due to the following factors.

- Runway Extension Project
- Replacement of outdated equipment with new equipment

Liabilities

Total liabilities decreased $2,698,347 principally due to the following factors:

- Payments on outstanding loans, and revenue bonds associated with construction projects with no new borrowings occurring during 2008.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Fund Net Assets present the operating results of the Airport, as well as the non - operating revenues and expenses. Federal Grant and Passenger Facility Charge income are considered non – operating revenues. Condensed information from the Airport's Statement of Revenues, Expenses, and Changes in Fund Net Assets, including comparative data from 2007 is as follows:

(Table 2)

Change in Net Assets

	2008	2007
Operating Revenues	$ 9,591,336	$ 8,871,085
Operating Expenses (inc. Dep. Exp.)	15,092,014	15,518,119
Operating Income (Loss)	(5,500,678)	(6,647,034)
Net Non-Operating Revenues (Expenses)	11,962,646	17,013,200
Change in Net Assets	6,461,968	10,366,166
Net Assets (Deficit) Beginning of Year - Restated	111,828,344	101,462,178
Net Assets (Deficit) End of Year	$ 118,290,312	$ 111,828,344

Operating Revenues

An all-time record amount of passenger traffic created an increase in concession revenues year over year. The increased amount of passengers created increases in parking lot, rental car and restaurant concession revenues. The parking lot is the greatest revenue producing area at the Airport. Scheduled rate increases included in existing contracts with Air Carriers and new air service utilizing bigger equipment caused landing fee revenues and overall air carrier revenues to increase. All other sources of revenue were consistent with last year.

Operating Expenses

The main decreases in operating expenses were in the areas of contract services and marketing expenses during the course of the year. The Airport benefited from cost savings on current and new contracts service agreements during the year. Marketing expenditures were down considerably compared to last year. In 2007, the Airport had larger marketing expenditures that were due to promotion and retention of current air service levels. Because of the commercial aviation environment increased spending was necessary to sustain existing service.

Personnel costs increased due to higher employee benefit costs such as hospitalization coverage and retirement contributions. Gas and oil cost were also up due to the price and increased use of these items.

Non-Operating Revenues

The Airport received less federal funding in 2008 primarily due to the amount of construction that took place during the year. These federal funds refer to federal grants received by the Airport. PFC (Passenger Facility Charge) funding was up compared to year-end 2007 due to enplanement levels.

Budget Summary

The annual budget is the main document used to comply with this regulation. The budget estimates revenues and expenditures for the year and helps track the actual progress. The Airport Authority is not required to follow the budgetary requirements of the Ohio Revised Code.

Capital Asset and Long-term Debt Activity

The Airport Authority's capital asset activities consist of various construction projects, including a glycol recovery system, extending and shifting runways and Gate Concourse rehabilitation. Its debt is administered via loan agreements with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $13,860,000 for the purpose of assisting in the financing of the Gate Concourse Rehabilitation Project of which $9,110,778 was outstanding as of December 31, 2008. In 2007, the Authority along with Huntington Bank created and issued Airport Revenue Bonds to convert the Authority's $16 million dollar line of credit with a variable interest into a more fixed rate long term debt. The Revenue Bonds were a much more cost effective and flexible way to pay off debt associated with the Authority's Terminal expansion project. See notes 10 and 13 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 Authority'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, North Canton, Oh. 44720.

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2008

	2008
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	$ 84,248
Accounts Receivable	779,032
Prepaid Expenses	35,725
Current Portion of Note Receivable	30,622
Total Current Assets	929,627
Assets Restricted for Airport Improvement Projects:	
Cash and Cash Equivalents	8,412,495
Investments	195,000
Passenger Facility Charges Receivable	252,361
Total Assets Restricted for Airport Improvement Projects	8,859,856
Noncurrent Assets:	
Long-Term Portion of Note Receivable	141,176
Capital Assets:	
Airport Improvement Projects-In-Progress	8,939,841
Land and Land Improvements	43,694,354
Paving	51,118,635
Buildings	63,705,893
Vehicles and Equipment	16,755,894
Utility Systems	518,650
Less Accumulated Depreciation	(50,878,425)
Total Noncurrent Assets	133,996,018
TOTAL ASSETS	**$ 143,785,501**
LIABILITIES AND EQUITY:	
Current Liabilities:	
Accounts Payable	$ 252,936
Projects Payable	145,116
Accrued Payroll Expenses	515,896
Accrued Real Estate Taxes	40,464
Debt Due Within One Year	2,640,688
Total Current Liabilities	3,595,100
Long-Term Liabilities:	
Long-term Notes and Bonds Payable	21,900,089
Total Long-Term Liabilities	21,900,089
TOTAL LIABILITIES	**$ 25,495,189**
Net Assets:	
Invested in Capital Assets, Net of Related Debt	109,314,065
Restricted for Airport Improvement Projects	8,859,856
Unrestricted Net Assets	116,391
Total Net Assets	118,290,312
TOTAL LIABILITIES AND NET ASSETS	**$ 143,785,501**

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

		2008
Operating Revenues:		
Charges for Services	$	3,929,158
Rent		982,718
Parking		4,232,525
Other Operating Revenues		446,935
Total Operating Revenues		9,591,336
Operating Expenses:		
Salaries		2,615,705
Contract Services		2,224,979
Materials and Supplies		658,913
Utilities		868,048
Fuel		100,375
Insurance		93,963
Administrative		2,572,081
Depreciation		5,957,950
Total Operating Expenses		15,092,014
Operating Income / (Loss)		(5,500,678)
Nonoperating Revenues:		
Federal Funds		8,521,540
Passenger Facility Charge Revenue		3,172,042
Interest		269,064
Total Non-operating Revenues		11,962,646
Change in Net Assets		6,461,968
Net Assets - January 1 (Restated - See Note 4)		111,828,344
Net Assets - December 31	**$**	**118,290,312**

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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008
Cash Flows from Operating Activities:	
Cash Received from Customers	$ 9,669,238
Cash Payments to Suppliers for Goods and Services	(6,728,503)
Cash Payments to Employees for Services	(2,539,182)
Net Cash Provided by (Used by) Operations	401,553
Cash Flows from Capital and Related Financing Activities:	
Receipts from Passenger Facility Charge	3,370,623
Grants	8,521,540
Acquisition of Construction of Capital Assets	(8,173,452)
Debt Principal Paid	(2,550,290)
Interest Paid	(1,139,810)
Net Cash Provided by (Used by) Capital and Related Financing Activities	28,611
Cash Flows from Investing Activities:	
Interest Received	269,064
Net Cash Provided by (Used by) Investing Activities	269,064
Net Increase/(Decrease) in Cash and Cash Equivalents	699,228
Cash and Cash Equivalents - January 1 *	7,992,515
Cash and Cash Equivalents - December 31	**8,691,743**
Cash Flows from Operating Activities:	
Operating Income / (Loss)	(5,500,678)
Adjustments to Reconcile Operating Income to Cash Flows from Operating Activities:	
Depreciation	5,957,950
(Increase) Decrease in Accounts Receivable	79,824
(Increase) Decrease in Note Receivable	28,550
(Increase) Decrease in Prepaid Assets	(14,327)
Increase (Decrease) in Accounts Payable	(62,861)
Increase (Decrease) in Project Payable	(163,428)
Increase (Decrease) in Payroll related Liabilities	76,523
Total Adjustments	5,902,231
Net Cash Provided by (Used by) Operating Activities	**$ 401,553**

* Includes Certificate of Deposit $4,389,102 that were previously classified as Investments

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

B. BASIS OF ACCOUNTING

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

In accordance with Statement No. 20 of the Governmental Accounting Standards Board *"Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting"*, the Authority has elected not to apply the provisions of the statements and interpretations of the Financial Accounting Standards Board issued after November 30, 1989. The Authority will continue applying all applicable pronouncements issued by the Governmental Accounting Standards Board.

The following information summarizes the accounting basis:

Property and Equipment – The Authority's capitalization threshold is $500. Substantially all of the Authority'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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. BASIS OF ACCOUNTING (Continued)

Property and Equipment (continued) – 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 Authority 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 Assets 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 Authority.

Statement of Cash Flows – The Statement of Cash Flows are presented in accordance with GASB Statement No. 9. The Authority considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents consist of certificates of deposit and as of December 31, 2008.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING (Continued)

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.

Federal Income Tax – No provision or credit has been made in the accompanying financial statements for federal or state income taxes, as the Authority is not subject to taxation.

2. DEPOSITS AND INVESTMENTS

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

(a) Deposits

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

At December 31, 2008, the carrying amount of the Authority's deposits was $4,496,201, excluding petty cash deposits of $542, as compared to the bank balance of $4,783,234. As of December 31, 2008, the Authority had a Certificate of Deposit with a carrying value of $4,000,000. Deposits with financial institutions were covered by federal depository insurance and/or were collateralized by a pool of securities maintained by the Authority's financial institutions but not in the Authority's name.

2. DEPOSITS AND INVESTMENTS (Continued)

(b) Investments

As of December 31, 2008, the Authority had the following investments and maturities:

Investment Type	Fair Value	Maturity(1)	Rating(2)
Repurchase Agreement	$ 195,000	Daily	AAA

(1) Weighted Maturity - Days
(2) Standard & Poor's

Custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's $195,000 investment in repurchase agreements are held by its custodian in the Authority's name.

Interest Rate Risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The Authority's has no investment policy over what the Ohio Revised Code prescribes.

Credit Risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. The Authority has no investment policy that limits investments over what the Ohio Revised Code prescribes.

3. LOAN RECEIVABLE

In February 2002, the Authority entered into a "Concession Agreement" with a Concessionaire of food, beverage and merchandise. As part of this agreement, the Authority has agreed to loan the Concessionaire up to $300,000 for the purpose of completing concession area renovations. The term of this loan is ten years, with principal and interest at 6.5% per annum, payable monthly. As of December 31, 2008, $171,798 is outstanding with $30,622 in principal considered current receivables and the remainder considered long-term receivables.

4. RESTATING NET ASSETS

The Authority capitalizes interest relating to significant improvement projects. Originally, the entire anticipated interest was recorded prior to being paid. Audit adjustments were made to accurately capitalize only the interest incurred. However, depreciation expense was recorded on the asset that had been eliminated. As such, the Authority overstated depreciation expense in 2006 and 2007 by a total of $526,804. Beginning net assets were adjusted to reflect the true depreciation expense incurred in the prior years. This amount was slightly offset by an adjustment to prior period amounts of $1,709 relating to discounted payables.

5. INSURANCE COVERAGES

As of December 31, 2008, the Authority 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; and public officials' coverage of $1,000,000 per loss and in the aggregate. The risks of loss exposed to the Authority include theft, fire, errors and omissions, and general liability. There has been no reduction in insurance coverage during the year ending December 31, 2008. Settlement costs did not exceeded coverage in the past three years.

6. 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, 2008, the accrual for vacation benefits totaled $241,739 and is included in the Accrued Payroll Expense in the accompanying Statement of Net Assets.

7. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The Authority participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

For the year ended December 31, 2008, the members of all three plans, were required to contribute 10 percent of their annual covered salaries, respectively. The Authority's contribution rates for pension benefits for 2008 was 14 percent. The Ohio Revised Code provides statutory authority for member and employer contributions.

The Authority's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2008, 2007, and 2006 was $312,476, $312,097 and $311,745, respectively; which equals the required contributions for those years.

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post Employment Benefit as described in *GASB Statement No. 12*.

8. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2008 local government employer contribution rate was 14 percent of covered payroll; 7 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2007, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor of 4 percent annually for the next seven years and 4 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 363,503. Actual Authority contributions for 2008, which were used to fund postemployment benefits approximated $156,238. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2007, (the latest information available) was $12.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $29.8 billion and $17 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2008 and 2007, which will allow additional funds to be allocated to the health care plan.

9. 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 service with the Authority and being eligible to receive OPERS retirement benefits. There were no eligible employee retirements in 2008, therefore, the expense is $0.

10. LONG-TERM LIABILITIES

The changes in the Authority's long-term obligations during 2008 were as follows:

Name	Principal Outstanding 12/31/07	Additions	Deductions	Principal Outstanding 12/31/08	Total Principal Due within One Year
SIB I	$ 2,544,216	$ -	$ 846,169	$ 1,698,047	$ 871,744
SIB II	1,841,644	-	319,121	1,522,523	323,944
SIB III	6,475,208	-	585,000	5,890,208	610,000
Airport Bonds	16,230,000	-	800,000	15,430,000	835,000
Totals	$27,091,068	$ -	$ 2,550,290	$ 24,540,778	$2,640,688

In 2002, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $5,010,000 for the purpose of assisting in the financing of the Baggage Claim Expansion Project. As of December 31, 2008, $1,698,047 was outstanding under this loan agreement. The loan bears interest at a rate of 3% annually beginning in April of 2005. Principal and interest payments are due semiannually as follows:

ODOT#SIB 0301

Year Ended December 31,	Principal Payment	Interest Payment
2009	$ 871,744	$ 74,163
2010	826,303	47,814
Total	$ 1,698,047	$ 121,977

In 2004, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $2,005,000 for the purpose of assisting in the financing of the Gate Concourse Replacement Project. As of December 31, 2008, $1,522,523 was outstanding under this loan agreement. The loan bears interest at a rate of 3% annually. Principal and interest payments are due semiannually, as follows:

ODOT#SIB 0409

Year Ending December 31,	Principal Payment	Interest Payment
2009	$ 323,944	$ 45,004
2010	343,747	34,919
2011	354,137	24,529
2012	364,840	13,825
2013	135,855	2,798
Total	$ 1,522,523	$ 121,075

10. LONG-TERM LIABILITIES (Continued)

In 2006, the Authority entered into a loan agreement with the Ohio Department of Transportation (ODOT) whereby ODOT agreed to loan the Authority a total of $6,845,000 for the purpose of assisting in the financing of the Gate Expansion Project. As of December 31, 2008, $5,890,208 was outstanding under this loan agreement. The loan bears interest at a rate between 4.25% and 5.00% annually. Principal and interest payments are due semiannually, as follows:

ODOT#SIB 0100

Year Ending December 31,	Principal Payment	Interest Payment
2009	$ 610,000	$ 267,175
2010	640,000	241,250
2011	665,000	214,050
2012	695,000	185,788
2013	725,000	156,250
2014-2017	2,555,208	242,000
Total	$ 5,890,208	$ 1,306,513

In 2007, the Authority along with Huntington Bank created and issued Airport Revenue Bonds to convert the Authority's $16 million dollar line of credit with a variable interest into a more fixed rate long term debt. The Revenue Bonds were a much more cost effective and flexible way to pay off debt associated with the Authority's Terminal Expansion Project. The Bonds bear interest of 4.120% annually beginning in June of 2008. Principal and interest payments are due semiannually, as follows:

AIRPORT FACILITY REVENUE BONDS

Year Ending December 31,	Principal Payment	Interest Payment
2009	$ 835,000	$ 627,232
2010	870,000	592,517
2011	905,000	556,257
2012	940,000	518,658
2013	980,000	479,515
2014-2018	5,560,000	1,749,534
2019-2022	5,340,000	506,813
Total	$ 15,430,000	$ 5,030,526

11. NONCANCELLABLE LEASES

The Authority leases space, hangars, counters, gates, etc. to various entities under noncancellable operating lease agreements. Future minimum rentals as of December 31, 2008 under such agreements are as follows:

Year Ending December 31,	Amount
2009	$ 2,585,311
2010	2,005,358
Thereafter	9,091,157
Total Payments	$ 13,681,826

12. 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, 2008:

	Source of Funding		
Description of Project	Federal Grants	State/Local	Total Cost of Projects-In-Progress
AIP #39	$ 2,856,587	$ 150,347	$ 3,006,934
AIP #44	681,539	35,871	717,410
AIP #46	1,065,262	56,067	1,121,329
AIP #47	19,461	1,025	20,486
AIP #48	3,678,548	193,608	3,872,156
Various Projects	-	201,526	201,526
Total	$ 8,301,397	$ 638,444	$ 8,939,841

13. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008:

	Restated 12/31/2007 Balance	12/31/2008 Additions	Deletions	Balance
Capital assets non-depreciable:				
Airport Improvement Projects in Progress	$ 9,967,229	$ 8,047,388	$(9,074,776)	$ 8,939,841
Land	12,526,133	-	-	12,526,133
Land Improvements	22,093,445	9,074,776	-	31,168,221
Total non-depreciable capital assets	44,586,807	17,122,164	(9,074,776)	52,634,195
Capital assets being depreciated:				
Buildings	62,479,513	1,226,380	-	63,705,893
Paving	51,118,635	-	-	51,118,635
Vehicles and Equipment	16,723,644	35,051	(2,801)	16,755,894
Utility Systems	514,207	4,443	-	518,650
Total capital assets being depreciated	130,835,999	1,265,874	(2,801)	132,099,072
Less accumulated depreciation:				
Buildings	(14,525,067)	(2,943,951)	-	(17,469,018)
Paving	(19,799,567)	(1,960,064)	-	(21,759,631)
Vehicles and Equipment	(10,229,862)	(1,035,173)	2,801	(11,262,234)
Utility Systems	(368,780)	(18,762)	-	(387,542)
Total accumulated depreciation	(44,923,276)	(5,957,950)	2,801	(50,878,425)
Capital assets, net of depreciation	$ 130,499,530	$ 12,430,088	$(9,074,776)	$ 133,854,842

Note: The 12/31/07 Buildings Accumulated Depreciation balance was restated see Note 4.

14. 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 Authority.

Akron-Canton Regional Airport Authority
Stark and Summit Counties

Schedule of Federal Awards Receipts and Expenditures
For the Year Ended December 31, 2008

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
U.S. Department of Transportation - Direct Funding				
Airport Improvement Project 37	3-39-0001-3704	20.106	$ 22,516	$ -
Airport Improvement Project 44	3-39-0001-4406	20.106	549,686	578,617
Airport Improvement Project 46	3-39-0001-4607	20.106	3,251,329	3,422,431
Airport Improvement Project 47	3-39-0001-4708	20.106	1,019,461	20,486
Airport Improvement Project 48	3-39-0001-4808	20.106	3,678,548	3,872,156
Total U.S. Department of Transportation			8,521,540	7,893,690
Total Federal Expenditures			$ 8,521,540	$ 7,893,690

See accompanying Notes to the Schedule of Federal Awards Receipts and Expenditures

Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Year Ended December 31, 2008

Note A – Significant Accounting Policies

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the Authority's federal award programs. The schedule 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 the obligation is incurred.

Note B – Matching Requirements

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

Perry & Associates

Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

May 15, 2009

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

To the Board of Directors:

We have audited the financial statements of the business-type activities of the **Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio** (the Authority) as of and for the year ended December 31, 2008, which collectively comprise the Authority's basic financial statements as listed in the table of contents and have issued our report dated May 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Authority's internal control will not prevent or detect a material financial statement misstatement.

Internal Control over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, Board of Directors, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C.

Perry & Associates
Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

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

May 15, 2009

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

To the Board of Directors:

Compliance

We have audited the compliance of **Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio** (the Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect one of the major federal programs. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with federal programs compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to administer a federal programs such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-consequential noncompliance with a federal programs compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with federal programs' compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, Board of Directors, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C

Akron-Canton Regional Airport Authority
Stark and Summit Counties

Schedule of Findings
OMB CIRCULAR A -133 § .505
December 31, 2008

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unqualified
(d)(1)(ii)	**Were there any material control weakness conditions reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any other 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 internal control weakness conditions reported for major federal programs?**	No
(d)(1)(iv)	**Were there any other significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510?**	No
(d)(1)(vii)	**Major Programs (list):**	Airport Improvement Programs CFDA# 20.106
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	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

AKRON-CANTON REGIONAL AIRPORT AUTHORITY
STARK AND SUMMIT COUNTIES
Report on Passenger Facility Charges
For the Year Ended December 31, 2008

Akron-Canton Regional Airport Authority
Stark and Summit Counties
Report on Passenger Facility Charges
For the Year Ended December 31, 2008

TABLE OF CONTENTS

TITLE **PAGE**

Perry & Associates

Certified Public Accountants, A.C.

PARKERSBURG
1035 Murdoch Avenue
Parkersburg, WV 26101
(304) 422-2203

MARIETTA
428 Second Street
Marietta, OH 45750
(740) 373-0056

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

May 15, 2009

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

To the Board of Directors:

Compliance and Other Matters

We have audited the compliance of **Akron-Canton Regional Airport Authority, Stark and Summit Counties, Ohio** (the Authority) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for its passenger facility charge program for the year ended December 31, 2008. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially effect on 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 other procedures we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2008.

Internal Control over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to the passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect the passenger facility charge program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Guide.

Our consideration of internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with applicable laws and regulations will not be prevented or detected by the Authority's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Passenger Facility Charges

We have audited the basic financial statements of the Akron-Canton Regional Airport Authority as of and for the year ended December 31, 2008, and have issued our report thereon dated May 15, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Passenger Facility Charges is presented for the purposes of additional analysis as specified by the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the management and the Federal Aviation Administration. It is not intended for anyone other than these specified parties.

Respectfully Submitted,

Perry & Associates CPA's A.C.

Perry and Associates
Certified Public Accountants, A.C

Akron-Canton Regional Airport Authority
Stark and Summit Counties
Schedule of Expenditures of Passenger Facility Charges
For the Year Ended December 31, 2008

Project Name	Approved Project Budget	Cumulative Expenditures at 12/31/07	1st Qtr. 2008 Expenditures	2nd Qtr. 2008 Expenditures	3rd Qtr. 2008 Expenditures	4th Qtr. 2008 Expenditures	Total 2008 Expenditures	Cumulative Expenditures at 12/31/08
SRE: Spreader Truck(A)	$ 25,838	$ 25,838	$ -	$ -	$ -	$ -	$ -	$ 25,838
Ground Runup Noise Study	2,722	2,722	-	-	-	-	-	2,722
Storm Water Drainage Improvements	21,380	21,380	-	-	-	-	-	21,380
Passenger Loading Bridge	25,531	25,531	-	-	-	-	-	25,531
Storm Water Pollution Prevention Plan	2,212	2,212	-	-	-	-	-	2,212
SRE: Spreader Truck(B)	25,703	25,703	-	-	-	-	-	25,703
E/A:R/W 1 Extension Phase II	83,036	83,036	-	-	-	-	-	83,036
Benefit Cost Analysis R/W 1 Extension	9,385	9,385	-	-	-	-	-	9,385
Part 107 Access control System Upgrade	8,799	8,799	-	-	-	-	-	8,799
Terminal Master Plan	276,060	276,060	-	-	-	-	-	276,060
Airport Entrance Road Signage Design	44,500	44,500	-	-	-	-	-	44,500
Property Acquisiton - Dailey	208,353	208,353	-	-	-	-	-	208,353
Airport Layout Plan Update	-	-	-	-	-	-	-	-
Property Acquisiton - Kuhar	961,201	961,201	-	-	-	-	-	961,201
Airport Entrance Road Signage Build	39,095	39,095	-	-	-	-	-	39,095
Storm Water Drainage Control	15,774	15,774	-	-	-	-	-	15,774
Property Acquisition- Nickison	12,911	12,911	-	-	-	-	-	12,911
Property Acquisition- Lockhart	456,000	456,000	-	-	-	-	-	456,000
Property Acquisition- Tucker	346,000	346,000	-	-	-	-	-	346,000
SRE - Snow Blower	33,477	33,477	-	-	-	-	-	33,477
Passenger Loading Bridge - Commuter Aircraft	23,930	23,930	-	-	-	-	-	23,930
Engine Generator - Backup Power	121,472	121,472	-	-	-	-	-	121,472
Runway 5/23 Overlay	290,913	290,913	-	-	-	-	-	290,913
Entrance Road Overlay	25,111	25,111	-	-	-	-	-	25,111
SRE - High Speed Rotary Broom	32,059	32,059	-	-	-	-	-	32,059
Terminal Baggage Claim Expansion	6,363,000	3,539,019	-	472,953	-	472,953	945,907	4,484,925
Terminal Expansion - 1990 (AIP 9 & 12)	1,496,000	1,496,043	-	-	-	-	-	1,496,043
Shift Extension Runway 1/19 Phase II- Fill 19 End	49,290	49,290	-	-	-	-	-	49,290
Property Acquisition - Peters	98,172	98,172	-	-	-	-	-	98,172
Passenger Loading Bridge II	317,519	317,519	-	-	-	-	-	317,519
Relocate Mt Pleasant & Frank Rds	306,625	324,931	-	-	-	-	-	324,931
Runway 1 Extension	1,060,000	682,349	-	-	-	-	-	682,349
Runway 19 Threshold Relocation	400,000	342,651	-	-	-	-	-	342,651
Property Acquisition- Ketron	129,000	-	-	-	-	-	-	-
Property Acquisition- Goodyear	255,000	-	-	-	-	246,803	246,803	246,803
Property Acquisition- Fouts	145,000	-	-	-	-	163,811	163,811	163,811
Property Acquisition- Frayer	100,000	-	-	-	-	97,567	97,567	97,567
Property Acquisition- Salmons	130,000	-	-	-	-	-	-	-
Property Acquisition- Maynley	105,000	-	-	-	-	-	-	-
Security Enhancements (AIP 32)	20,000	-	-	-	-	-	-	-
Glycol Recovery Study	150,000	56,663	-	-	-	-	-	56,663
Glycol Recovery Design	500,000	482,842	-	-	-	-	-	482,842
SRE - High Speed Rotary Broom	375,000	335,681	-	-	-	-	-	335,681
SRE - High Speed Rotary Broom	375,000	395,000	-	-	-	-	-	395,000
SRE - Runway De-Icing Truck	300,000	201,172	-	-	-	-	-	201,172
Aircraft Apron Rehabilitation	200,000	-	-	-	-	-	-	-
Terminal Rehabilitation	18,500,000	6,556,702	189,333	134,594	189,333	733,212	1,246,471	7,803,173
RNWY 14/32 Closure Converstion to Taxiway K	85,000	-	-	-	-	-	-	-
Grand Totals	$ 34,551,068	$ 17,969,495	$ 189,333	$ 607,547	$ 189,333	$ 1,714,346	$ 2,700,559	$ 20,670,053

Note: Amounts are presented on the cash basis of accounting.

Mary Taylor, CPA
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 11, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us