



**Mary Taylor, CPA**  
Auditor of State



**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

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**Mary Taylor, CPA**  
Auditor of State

Columbiana County Airport Authority  
Columbiana County  
P. O. Box 81  
East Liverpool, Ohio 43920

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

December 12, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Airport Authority  
Columbiana County  
P. O. Box 81  
East Liverpool, Ohio 43920

To the Board of Trustees:

We have audited the accompanying financial statements of Columbiana County Airport Authority, Columbiana County, (the Authority) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

While the Authority does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Authorities to reformat their statements. The Authority has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 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 12, 2008 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 combined cash balances of Columbiana County Airport Authority, Columbiana County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Authority has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2008, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Mary Taylor, CPA**  
Auditor of State

December 12, 2008



**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPES  
FOR THE YEARS ENDED DECEMBER 31, 2007**

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<b>Cash Receipts:</b>			
County Contributions	\$7,686		\$7,686
Grants	197,192		197,192
Rents	39,930		39,930
Earnings on Investments	358	\$48	406
Miscellaneous	560	8,000	8,560
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	245,726	8,048	253,774
<b>Cash Disbursements:</b>			
Current:			
Transportation:			
Salaries	7,686		7,686
Supplies	81		81
Contracts - Services	2,954	25,324	28,278
Advertising and Printing	454	360	814
Miscellaneous	1,640		1,640
Capital Outlay		110,942	110,942
Debt Service:			
Redemption of Principal	16,689		16,689
Interest and Other Fiscal Charges	7,575		7,575
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	37,079	136,626	173,705
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	208,647	(128,578)	80,069
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	315	130,251	130,566
Transfers Out	(130,251)	(315)	(130,566)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(129,936)	129,936	0
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	78,711	1,358	80,069
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	99,526	5,921	105,447
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$178,237</b>	<b>\$7,279</b>	<b>\$185,516</b>
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The notes to the financial statements are an integral part of this statement.

**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPES  
FOR THE YEARS ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<b>Cash Receipts:</b>			
County Contributions	\$2,697		\$2,697
Grants	168,740	\$22,545	191,285
Rents	31,720		31,720
Earnings on Investments	99	42	141
Miscellaneous		8,000	8,000
			<hr/>
Total Cash Receipts	<u>203,256</u>	<u>30,587</u>	<u>233,843</u>
<b>Cash Disbursements:</b>			
Current:			
Transportation:			
Salaries	2,671		2,671
Fringe Benefits	27		27
Supplies	111		111
Equipment		30,271	30,271
Contracts - Services	4,016	57,230	61,246
Advertising and Printing	26	395	421
Miscellaneous	1,501		1,501
Capital Outlay	3,802	28,023	31,825
Debt Service:			
Redemption of Principal	5,751		5,751
Interest and Other Fiscal Charges	8,403		8,403
			<hr/>
Total Cash Disbursements	<u>26,308</u>	<u>115,919</u>	<u>142,227</u>
Total Receipts Over/(Under) Disbursements	<u>176,948</u>	<u>(85,332)</u>	<u>91,616</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers In	305	103,575	103,880
Transfers Out	(84,592)	(19,288)	(103,880)
			<hr/>
Total Other Financing Receipts/(Disbursements)	<u>(84,287)</u>	<u>84,287</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	92,661	(1,045)	91,616
Fund Cash Balances, January 1	<u>6,865</u>	<u>6,966</u>	<u>13,831</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$99,526</u></b>	<b><u>\$5,921</u></b>	<b><u>\$105,447</u></b>

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

**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Columbiana County Airport Authority, Columbiana County, (the Authority) as a body corporate and politic. The Columbiana County Commissioners appoints seven Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Columbiana County Airport Authority.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Authority recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

The Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Authority values certificates of deposit at cost.

**D. Fund Accounting**

The Authority uses fund accounting to segregate cash and investments that are restricted as to use. The Authority classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Funds:

Federal Grant Fund - This fund receives grant money for constructing, maintaining, and repairing Airport infrastructure.

**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Property, Plant, and Equipment**

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

The carrying amount of cash and investments at December 31 was as follows:

	2007	2006
Demand deposits	\$173,901	\$104,086
Certificates of deposit	11,615	1,361
Total deposits	\$185,516	\$105,447

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

**3. DEBT**

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Bank Loan	\$133,815	5.35%
Total	\$133,815	

The Authority is obligated for a note payable to a bank. The note is payable over a period of ten years at \$2,022 per month. The note is collateralized by all the Authority's real and personal property owned by the Authority and by revenues the Authority collects.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Bank Loan
2008	\$24,264
2009	24,264
2010	24,264
2011	24,264
2012	24,264
2013	22,707
Total	\$144,027

**COLUMBIANA COUNTY AIRPORT AUTHORITY  
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006  
(Continued)**

**4. RETIREMENT SYSTEMS**

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

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2006, OPERS members contributed 9.5 and 9.0%, respectively, of their gross salaries and the Authority contributed an amount equaling 13.85 and 13.7%, respectively, of participants' gross salaries. The Authority has paid all contributions required through December 31, 2007.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Authority has obtained commercial insurance through the County for the following risks:

- Comprehensive property and general liability; and
- Vehicles.

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# Mary Taylor, CPA

Auditor of State

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

Columbiana County Airport Authority  
Columbiana County  
P. O. Box 81  
East Liverpool, Ohio 43920

To the Board of Trustees:

We have audited the financial statements of the Columbiana County Airport Authority, Columbiana County, (the Authority) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated December 12, 2008, wherein we noted the Authority followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 opinion 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 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.

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 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 management and Board of Trustees. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

December 12, 2008





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Auditor of State

**COLUMBIANA COUNTY AIRPORT AUTHORITY**  
**COLUMBIANA 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**  
**JANUARY 22, 2009**