



**Auditor of State
Betty Montgomery**

**MONROE AIRPORT AUTHORITY
MONROE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Monroe Airport Authority
Monroe County
47073 S.R. 26
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the accompanying financial statement of the Monroe Airport Authority, Monroe County, Ohio (the Authority), as of and for the years ended December 31, 2003 and 2002. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Authority prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Monroe Airport Authority, Monroe County, as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2004, 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 grants. 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.

Monroe Airport Authority
Monroe County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be, and should not be used by anyone other than these specified parties.

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Betty Montgomery
Auditor of State

October 18, 2004

**MONROE AIRPORT AUTHORITY
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Cash Receipts:		
County Contributions	\$23,196	\$38,931
Intergovernmental	182,065	84,495
Sale of Fuel	3,859	4,330
Rents	7,990	7,000
Interest	250	58
Miscellaneous	145	73
Total Cash Receipts	217,505	134,887
Cash Disbursements:		
Salaries	9,325	8,444
Supplies and Materials	4,982	1,945
Repairs and Maintenance	12,868	3,992
Utilities	3,070	3,139
Equipment	460	1,076
Capital Outlay	182,065	84,495
Debt Service	3,348	828
Miscellaneous	11,962	8,211
Total Cash Disbursements	228,080	112,130
Total Cash Receipts Over/(Under) Cash Disbursements	(10,575)	22,757
Cash Balance, January 1	28,812	6,055
Cash Balance, December 31	\$18,237	\$28,812

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

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**MONROE AIRPORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Monroe Airport Authority, Monroe 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 seven member Board, appointed by Monroe County Board of Commissioners and the Secretary/Treasurer is appointed by the Board. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

The Authority's management believes this financial statement presents all activities for which the Authority is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Property, Plant and Equipment

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

2. CASH

The carrying amount of cash at December 31 follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	<u>\$18,237</u>	<u>\$28,812</u>

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

3. DEBT

The Monroe County Commissioners obtained a loan, in the County's name, on behalf of the Authority for the purchase of a tractor/mower to be used for maintenance at the Airport in the amount of \$15,000 at a rate of 4.4%. The loan is payable over a period of five years at \$279 per month including interest. The Authority makes monthly payments to the County for repayment of this loan. As of December 31, 2003, \$11,789 remains outstanding on the bank loan.

**MONROE AIRPORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003 AND 2002
(Continued)**

4. RETIREMENT SYSTEM

The Authority's Secretary/Treasurer belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS employee members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained general liability insurance. Monroe County provides commercial insurance for comprehensive property of the Authority.

6. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Monroe Airport Authority
Monroe County
47073 S.R. 26
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the accompanying financial statement of the Monroe Airport Authority, Monroe County, Ohio (the Authority), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 18, 2004. 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 statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance that we must report under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Authority's ability to record, process, summarize and report financial data consistent with management's assertions in the financial statement. A reportable condition is described in the accompanying Schedule of Findings as item 2003-001.

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 statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

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

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

Betty Montgomery
Auditor of State

October 18, 2004

**MONROE AIRPORT AUTHORITY
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2003-001

Reportable Condition

The Authority was the beneficiary of state and federal grants administered by Monroe County on their behalf.

The Authority did not record receipts and expenditures on their accounting records for these grants. Grant receipts and expenditures were \$182,065 in 2003 and \$84,495 in 2002. The Auditor of State provided, through Auditor of State Bulletin 2000-008, the recommended accounting treatment for on-behalf-of grants or loans. Adjustments were made to properly reflect this activity on the accompanying financial statement.

We recommend the Authority refer to Auditor of State Bulletin 2000-008 and follow the recommended accounting treatment for all monies expended on-behalf-of the Authority. We also recommend the Authority retain copies of all grant applications, award letters and close-out reports, to support such grant activity.



**Auditor of State
Betty Montgomery**

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MONROE AIRPORT AUTHORITY

MONROE 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
DECEMBER 7, 2004**