

NOBLE REGIONAL AIRPORT AUTHORITY

AUDIT REPORT

JANUARY 1, 2007 - DECEMBER 31, 2008

**Wolfe, Wilson, & Phillips, Inc.
37 South Seventh Street
Zanesville, Ohio 43701**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Noble Regional Airport Authority
301 Lincoln Drive
Caldwell, Ohio 43724

We have reviewed the *Independent Auditors' Report* of the Noble Regional Airport Authority, Noble County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 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.

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

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Noble Regional Airport Authority is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 9, 2009

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**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY
JANUARY 1, 2007 - DECEMBER 31, 2008**

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

Noble Regional Airport Authority
Noble County
301 Lincoln Drive
Caldwell, Ohio 43724

We have audited the accompanying financial statements of the Noble Regional Airport Authority, Noble County, as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Noble Regional Airport 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 *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 described more fully in Note 1, the Noble Regional Airport 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. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Airport Authority does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Airport Authority has elected not to reformat its statements. Since this Airport Authority does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Noble Regional Airport Authority's combined funds as of December 31, 2008 and 2007, and their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Noble Regional Airport Authority, Noble County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also require the Airport Authority to include Management's Discussion and Analysis for the year ended December 31, 2008 and 2007. The Airport 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 a report dated November 12, 2009, on our consideration of the Noble Regional Airport Authority's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
November 12, 2009

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
Cash Receipts:		
Sale of Fuel	\$ 9,433	\$ 6,132
Rents	1,870	3,215
Interest	11	9
Total Cash Receipts	11,314	9,356
Cash Disbursements:		
Supplies and Materials	485	54
Fuel Purchases	9,483	3,305
Audit	-	1,196
Fees	800	900
Total Cash Disbursements	10,768	5,455
Total Cash Receipts Over/(Under) Cash Disbursements	546	3,901
Cash Balance, January 1	10,038	6,137
Cash Balance, December 31	\$ 10,584	\$ 10,038

See notes to financial statements.

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

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

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

Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when they are earned. Disbursements are recognized when they are 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.

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 was as follows:

	<u>2008</u>	<u>2007</u>
Demand deposits	<u>\$ 10,584</u>	<u>\$ 10,038</u>

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

3. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

Noble Regional Airport Authority
Noble County
301 Lincoln Drive
Caldwell, Ohio 43724

We have audited the financial statements of The Noble Regional Airport Authority as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated November 12, 2009, wherein we noted the Airport 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financing Reporting

In planning and performing our audit, we considered Noble Regional Airport 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 Airport Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Airport Authority's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 Airport 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 Airport Authority's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. We consider the following deficiencies to be significant deficiencies in internal control.

Finding numbers 2008-01 in the Schedule of Findings is considered to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that a material misstatement of the financial statements will not be prevented by the Airport Authority's internal control. We believe that Finding 2008-01 is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Noble Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we also noted certain immaterial instances of noncompliance that we have reported to the management of the Noble Regional Airport Authority in a separate letter dated November 12, 2009.

Nobel Regional Airport Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit Nobel Regional Airport Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information of management and the Board of Trustees and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
November 12, 2009

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2008**

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

FINDING NUMBER 2008-01

Bank Reconciliations

The monthly Regional Airport Authority general account reconciliations have not been performed for 2008 and 2007. The Regional Airport prepared bank reconciliations at year- end only.

The Regional Airport Authority monthly bank reconciliations should be prepared immediately after receiving so evidence exists that the Regional Airport Authority accounting records agree with the depository account and any errors can be detected in a timely manner.

We recommend the secretary/treasurer perform the bank reconciliation immediately upon receiving the applicable monthly bank statement. This should be reviewed by someone other than the preparer and this review should be evidenced by a signature or appropriate initials.

Client Response: We received no response from client.

**NOBLE REGIONAL AIRPORT AUTHORITY
NOBLE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-1	Bank Reconciliations	No	Not Corrected: Reported as Finding 2008-1 in current report.



Mary Taylor, CPA
Auditor of State

NOBLE REGIONAL AIRPORT AUTHORITY

NOBLE 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 22, 2009**