



Mary Taylor, CPA  
Auditor of State



**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance - For the Years Ended December 31, 2009 and 2008 .....	5
Notes to the Financial Statement.....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings .....	13

**This page intentionally left blank.**



Mary Taylor, CPA  
Auditor of State

Monroe Airport Authority  
Monroe County  
47073 State Route 26  
Woodsfield, Ohio 43793

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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

October 12, 2010

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Monroe Airport Authority  
Monroe County  
47073 State Route 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, 2009 and 2008. 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 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 this financial statement 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 statement referred to above for the years ended December 31, 2009 and 2008 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2009 and 2008 or its changes in financial position for the years then ended.

Also, 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, Ohio, as of December 31, 2009 and 2008, and its 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 October 12, 2010, 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

October 12, 2010



**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008**

	<b>2009</b>	<b>2008</b>
<b>Cash Receipts:</b>		
County Contributions	\$10,000	\$13,875
Grants	26,737	14,183
Sale of Fuel	4,409	6,760
Hanger Rent	10,595	11,830
House Rent	2,444	
Royalties	1,202	4,802
Interest	21	25
Miscellaneous	10	295
	<b>55,418</b>	<b>51,770</b>
 <b>Cash Disbursements:</b>		
Current:		
Transportation:		
Salaries	10,650	10,492
Supplies	493	2,964
Utilities	4,345	3,672
Equipment	991	836
Contracts - Repair	4,108	1,596
Contracts - Services		7,944
Insurance	3,900	3,900
Fuel for Resale	8,253	4,529
Travel and Expenses	193	341
Miscellaneous	739	1,376
Capital Outlay	28,596	36,432
	<b>62,268</b>	<b>74,082</b>
 Total Cash Disbursements	 <b>62,268</b>	 <b>74,082</b>
 Total Cash Receipts (Under) Cash Disbursements	 <b>(6,850)</b>	 <b>(22,312)</b>
 Cash Balance, January 1	 <b>12,230</b>	 <b>34,542</b>
 <b>Cash Balance, December 31</b>	 <b>\$5,380</b>	 <b>\$12,230</b>

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

**This page intentionally left blank.**

**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008**

**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 Monroe Airport Authority, Monroe County, Ohio (the Authority), as a body corporate and politic. The Monroe County Board of Commissioners appoints seven Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Monroe Airport Authority.

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

**B. Accounting Basis**

This financial statement follows 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.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Property, Plant, and Equipment**

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

**2. Deposits**

The carrying amount of deposits at December 31 was as follows:

	2008	2009
Demand deposits	<u>\$12,230</u>	<u>\$5,380</u>

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

**3. Retirement System**

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 2009 and 2008, OPERS members contributed 10% of their gross salaries and the Authority contributed an amount equaling 14% of participants' gross salaries. The Authority has paid all contributions required through December 31, 2009.

**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2009 AND 2008  
(Continued)**

**4. Risk Management**

**Commercial Insurance**

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Bonding of the Secretary/Treasurer.

**5. Contingent Liabilities**

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.



# 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*

Monroe Airport Authority  
Monroe County  
47073 State Route 26  
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the financial statement of the Monroe Airport Authority, Monroe County, Ohio, (the Authority), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated October 12, 2010, wherein we noted the Authority prepared its financial statement using accounting practices the Auditor of State prescribes or permits 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 the purpose of expressing our opinion on the financial statement, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that material financial statement misstatements will not be prevented, or detected and timely corrected.

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 deficiencies in internal control that might be deficiencies, 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. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings that we consider a significant deficiency in internal control over financial reporting. We consider finding 2009-001 to be a significant deficiency. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Authority's financial statement is 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 did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated October 12, 2010.

We intend this report solely for the information and use of management, the Board of Trustees, and others within the Authority. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

October 12, 2010

**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008**

<b>FINDING RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2009-001**

**Significant Deficiency**

When designing the public office's system of internal control and the specific control activities, management should consider the following:

- Ensuring that accounting records are properly designed.
- Verifying the existence and valuation of assets and liabilities and periodically reconciling them to the accounting records.
- Ensuring the collection and compilation of the data needed for the timely preparation of financial statements.

Cash balances recorded on the Authority's cash journal should be reconciled with the bank balances monthly. Financial reports submitted by the Authority should agree to the Authority's cash journal and be reconciled to the bank balances.

The Authority utilized Quickbooks by Intuit accounting software to generate checks and prepare their annual financial reports. While reconciliations were performed for the Authority's bank accounts, these reconciliations did not reconcile to the activity reflected on the reports generated by Quickbooks.

Also, all local public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

Accounting records that can help achieve these objectives include:

1. Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payer, purpose, receipt number, and other information required for the transactions to be recorded on this ledger.
3. Appropriation ledger, which may assemble and classify disbursements into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, and any other information required may be entered in the appropriate columns.

The Authority did not properly maintain receipt and appropriation ledgers. There were discrepancies between the transactions posted to the ledgers compared to the cashbook and the year-end annual financial reports.

We recommend that if the Authority intends to continue to use Quickbooks to prepare their financial statements, the reports generated by Quickbooks should be reconciled to bank balances and the cash journal. Any differences should be documented and investigated.

**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008  
(Continued)**

<p><b>FINDING RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b></p>
---

**FINDING NUMBER 2009-001 (Continued)**

**Significant Deficiency (Continued)**

We also recommend the Treasurer maintain a receipts ledger and an appropriation ledger in accordance with the available authoritative resources. The receipt ledger and the appropriation ledger should be balanced with the cashbook on a monthly basis and used to prepare the year-end annual financial reports.

**Officials' Response:** We did not receive a response from Officials to this finding.



**MONROE AIRPORT AUTHORITY  
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Finding for Recovery Repaid Under Audit - unsupported payments made out to "cash" were paid by the Airport.	Yes	N/A.
2007-002	Ohio Rev. Code Section 121.22, minutes were not available for some meetings. Minutes were not signed by the President or attested to by the Secretary.	Yes	N/A.
2007-003	Ohio Admin. Code Section 117-2-01A, adequate documentation regarding fuel sales was not maintained.	Yes	N/A.
2007-004	Grants administered on behalf of the Airport were not recorded on the accounting records.	Yes	N/A.
2007-005	Bank reconciliations were not reconciled to the accounting records.	No	Not Corrected: Reissued as Finding No. 2009-001.

**This Page is Intentionally Left Blank.**



**Mary Taylor, CPA**  
Auditor of State

**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  
NOVEMBER 4, 2010**