

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY**  
**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORTS**  
**DECEMBER 31, 2004**





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Put-In-Bay Township Port Authority  
1494 Langram Rd.  
P. O. Box 278  
Put-In-Bay, Ohio 43456

We have reviewed the *Independent Auditor's Report* of the Put-In-Bay Township Port Authority, Ottawa County, prepared by Gilmore, Jasion & Mahler, LTD, for the audit period January 1, 2004 through December 31, 2004. 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 Auditor's 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 Auditor's 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 Put-In-Bay Township Port Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

November 30, 2005

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# GILMORE, JASION & MAHLER, LTD

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Put-in-Bay Township Port Authority  
Put-in-Bay, Ohio

We have audited the accompanying statement of cash receipts, cash disbursements, and changes in fund balance- all governmental fund types of Put-in-Bay Township Port Authority (The Authority), an Ohio body politic and corporate for the year ended December 31, 2004. 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.

Kevin M. Gilmore, CPA, CVA

As described more fully in Note 1, the Authority has prepared its 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 statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Adele M. Jasion, CPA

Andrew L. Mahler,  
CPA, CVA, CFFA

Revisions to GAAP would require the Authority to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Authority has elected not to reformat its statements. Since this 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.

J. Stephen Schult, CPA

Philip J. Newlove, CPA

Linda J. Hillstrom, CPA

In our opinion, because of the effects of the matter discussed in the preceding two paragraph, the financial statement referred to above 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, 2004, or its changes in financial position for the year then ended.

Debra S. Gossman, CPA

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the statement of cash receipts, cash disbursements, and changes in cash balance- all governmental fund types of the Authority for the year ended December 31, 2004 on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Authority to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 September 30, 2005 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. 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statement of the Authority taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Gilmore, Jason & Mahler, LTD*

September 30, 2005

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE- ALL GOVERNMENTAL FUND TYPES  
For the Year Ended December 31, 2004**

	<u>Governmental Fund Types</u>
<b>Cash receipts</b>	
Federal grant	\$ 1,559,070
Fees	197,390
Property taxes	102,312
Mooring buoy	54,853
State and local grants	44,156
Rental income	11,275
Miscellaneous	574
Total cash receipts	1,969,630
<b>Cash disbursements</b>	
General government	98,524
Port development	31,101
Capital outlay	1,826,798
Total cash disbursements	1,956,423
<b>Excess of cash receipts over cash disbursements</b>	13,207
<b>Other financing uses</b>	
Loan payments	(76,100)
Total other financing uses	(76,100)
Net deficit of cash receipts and other financing sources over cash disbursements and other financing uses	(62,893)
Fund Cash Balance, January 1, 2004	75,014
Fund Cash Balance, December 31, 2004	\$ 12,121

The accompanying notes are an integral part of these financial statements.



**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2004**

**Note 1-Summary of significant accounting and reporting policies**

**Nature of business and organization**

The Put-In-Bay Township Port Authority, Ottawa County (Authority) is a body politic and corporate established by the Put-In-Bay Township Trustees pursuant to Chapter 4582 of the Ohio Revised Code 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 Board, whose members are appointed by the Township Trustees. All appointments are for a period of four years. The Authority 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 Authority is financially accountable.

**Joint venture**

In August of 2003, the Authority entered into a joint venture agreement with MBD Holding, LLC (MBD) to complete the rehabilitation of a ferry facility at Middle Bass Island. The total estimated cost of the project is approximately \$1,750,000. The Authority's sole responsibility in this joint venture is to complete and submit applications for federal rehabilitation grants totaling approximately \$1,250,000. MBD Holding is responsible to fund the additional rehabilitation costs totaling approximately \$500,000.

The ferry facility is owned 51% by the Authority and 49% by MBD. MBD will be responsible for all cost of maintaining and operating the ferry facility and is entitled to retain all revenue collected from the operations. MBD is required to pay a grant administrative fee to the Authority equal to 1.5% of the grant amounts awarded and an annual administrative fee of \$5,000 in years one through five and \$6,500 in years six through twenty. MBD has the authority to negotiate the sale of the ferry facility and the Authority has the right of first refusal.

**Basis of accounting**

These financial statements follow a basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain disbursements are recognized when paid rather than when the liability is incurred.

**Fund accounting**

The Authority maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, and accounting entity which stands separate from the activities reported in other funds. The Authority classifies its funds into the following types:

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
December 31, 2004**

**Note 1-Summary of significant accounting and reporting policies-continued**

**Governmental funds**

**General fund** - The General fund is the general operating fund of the Authority. It is used to account for all financial resources except those required by law or contract to be restricted

**Budgetary process**

The Ohio Revised Code requires that each fund be budgeted annually.

**Appropriations** - Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Directors must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**Estimated resources** - Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**Encumbrances** - The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2004 budgetary activities appears in Note 3.

**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 statements.

**Unpaid vacation and sick leave**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Authority.

**Property tax calendar**

Real property taxes become a lien on January 1 proceeding the October 1 date for which rates are adopted by Board of Directors. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State. Payments are due to Ottawa County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
December 31, 2004**

**Note 2-Cash**

The carrying amount of cash at December 31, 2004 was as follows:

Cash on hand	\$	225
Demand deposits		11,896
Total	<u>\$</u>	<u>12,121</u>

Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Note 3-Budgetary activity**

Budgetary activity for the year ending December 31, 2004 is as follows:

2004 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Original Budgeted Receipts</u>	<u>Final Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 2,835,189	\$ 2,835,189	\$ 1,969,630	\$ (865,559)

2004 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Original Appropriation Receipts</u>	<u>Final Appropriation Receipts</u>	<u>Actual Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 2,835,000	\$ 2,835,000	\$ 2,032,523	\$ (802,477)

**Note 4-Debt**

The Authority is obligated to make payments to Ottawa County, Ohio for various purpose bonds issued by Ottawa County. The bonds were issued in 2003 and have various maturity dates ranging from six months to thirteen years. The bonds bear interest at various rates ranging from 1.75% to 5%. The bonds are collateralized by substantially all revenues the Authority collects except for federal funds.

The Authority is obligated for a note payable to the State of Ohio, Ohio Department of Transportation State Infrastructure Bank for acquisition and construction of an airport on Middle Bass Island. The note bears interest at 3% and requires semi-annual payments of principal, interest and administrative fees. The last principal and interest payments were made for this bond in 2004.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
December 31, 2004**

**Note 4-Debt-continued**

The following is a summary of the notes and bonds payable activity for the year ended December 31, 2004:

	<b>Bonds Payable</b>	<b>State Infrastructure</b>
Notes and Bonds Payable at December 31, 2003	\$ 555,000	\$ 18,732
2004 Principal payments	(40,000)	(18,732)
Notes and Bonds Payable at December 31, 2004	<u>\$ 515,000</u>	<u>\$ 0</u>

The following are principal and interest payments due on the bonds payable as of December 31, 2004:

Years Ending December 31,	<u>Principal</u>	<u>Interest</u>
2005	\$ 40,000	\$ 16,262
2006	40,000	15,463
2007	45,000	14,662
2008	45,000	13,650
2009	45,000	12,525
2010-2015	300,000	44,925
Total bonds payable	<u>\$ 515,000</u>	<u>\$ 117,487</u>

**Note 5-Retirement system**

The Authority's three employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multi-employer plan. This plan provides retirement benefits, including post retirement healthcare, defined benefit pension, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio, 43215-4642.

Contribution rates are also prescribed by the Ohio Revised Code. For 2004, PERS members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries. The contribution rates are determined actuarially. The Authority's contributions to PERS for the year ended December 31, 2004 was \$11,997. The Authority has paid all contributions required through December 31, 2004.

**Note 6-Risk management**

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and liability
- Errors and omissions

The Authority also provides health insurance to full-time employees through a private carrier.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTES TO FINANCIAL STATEMENTS-CONTINUED  
December 31, 2004**

**Note 7-Significant contractual commitments**

The Authority has several outstanding commitments for construction contracts. The following amounts remain on these contracts as of December 31, 2004:

<u>Project</u>	<u>Remaining Commitment</u>
Middle Bass Dock Construction	\$ 523,737

**Note 8-Subsequent event**

During the year ended December 31, 2005, the Authority repaid questioned costs totaling \$34,706 to the Federal Aviation Administration.

**SUPPLEMENTARY INFORMATION**

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004**

<u>Federal Grantor /Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Transportation</b>		
Passed through Department of Transportation:		
Federal Highway Administration	20.205	\$ 1,225,593
Direct award:		
Federal Aviation Administration Airport Improvement Program	20.106	<u>341,986</u>
Total expenditures of federal awards		<u>\$ 1,567,579</u>

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2004**

**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards includes all federal grant activity of Put-in-Bay Township Port Authority and is prepared on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

The federal program requires that the Authority contribute non-Federal funds to support the federally funded program. The Authority has complied with the matching requirements. The expenditure of non-Federal matching funds is not included in the Schedule of Expenditures of Federal Awards.



# GILMORE, JASION & MAHLER, LTD

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees  
Put-in-Bay Township Port Authority  
Put-in-Bay, Ohio

We have audited the financial statements of Put-in-Bay Township Port Authority (the Authority) as of December 31, 2004, and have issued our report thereon, dated September 30, 2005, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses

Kevin M. Gilmore, CPA, CVA

Adele M. Jasion, CPA

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Put-in-Bay Township Port 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, 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*.

Andrew L. Mahler,  
CPA, CVA, CFFA

J. Stephen Schult, CPA

We also noted certain additional matters that we reported to management of Put-in-Bay Township Port Authority in a separate letter dated September 30, 2005.

Philip J. Newlove, CPA

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Linda J. Hillstrom, CPA

*Gilmore, Jasion & Mahler, LTD*

Debra S. Gossman, CPA

September 30, 2005

# GILMORE, JASION & MAHLER, LTD

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

Board of Trustee  
Put-in-Bay Township Port Authority  
Put-in-Bay, Ohio

### Compliance

We have audited the compliance of Put-in-Bay Township Port Authority (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 each of its major federal programs for the year ended December 31, 2004. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal 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 OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and the OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as 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 on 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, 2004.

### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the 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 have a direct and material effect on a major federal program in order 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.

Kevin M. Gilmore, CPA, CVA

Adele M. Jasion, CPA

Andrew L. Mahler,  
CPA, CVA, CFFA

J. Stephen Schult, CPA

Philip J. Newlove, CPA

Linda J. Hillstrom, CPA

Debra S. Gossman, CPA

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Gilmore, Jason & Mahler, LTD*

September 30, 2005

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2004**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	Adverse: GAAP Unqualified: Regulatory Basis
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Reportable conditions(s) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Reportable conditions(s) identified that are not considered to be material weakness(es)?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

**Identification of major programs**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.205	<b>Federal Highway Administration</b>
Dollar threshold used to distinguish between type A and type B programs	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

None

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
SCHEDULE OF STATUS OF PRIOR YEAR (2003) AUDIT FINDINGS  
For the Year Ended December 31, 2004**

**Section III – Federal Award Findings and Questioned Costs**

Finding Number 2003-01

The Authority uses Excel spreadsheets to account for costs charged to federal grants. These Excel spreadsheets are kept separate from the accounting records and were not reconciled to the accounting records regularly. As a result, there are differences between the spreadsheets and related grant reports and the accounting records.

Resolution

The Authority has implemented a computer based program to track grant cost that was reviewed and accepted by the Federal Aviation Administration.

Finding Number 2003-02

The following administrative charges were made to the Federal Grants during the prior year but are not properly supported or substantiated:

39-0123-0703	\$ 13,500
39-0122-0902	4,500
39-0124-0902	27,927
39-0122-1003	18,000
39-0124-1003	67,500

Questioned Costs: \$131,427

Resolution

The Authority has provided documentation supporting questioned cost totaling \$96,721 which was accepted as allowable cost by the Federal Aviation Administration. The Authority returned the remaining \$34,706 of the questioned cost to the Federal Aviation Administration in September of 2005.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY  
OTTAWA COUNTY  
SCHEDULE OF STATUS OF PRIOR YEAR (2003) AUDIT FINDINGS  
For the Year Ended December 31, 2004**

**Section III – Federal Award Findings and Questioned Costs-continued**

Finding Number 2003-03

On April 17, 2003, The Authority paid the total cost of the December 31, 2001 audit, \$8,181, of which \$7,362.90 was charged to Federal Grant number 39-0124-0802. On December 31, 2003, The Authority paid the total cost of the December 31, 2002 audit, \$8,181, of which \$7,362.90 was charged to Federal Grant number 39-0124-1003. These amounts should have been allocated to all the grants based on the percentage of total funds expended during the fiscal years 2001 and 2002.

**Questioned Costs:**

\$14,726

Resolution

The Federal Aviation Administration reviewed the questioned cost and deemed that the cost were allowable under the grant agreements.

Finding Number 2003-04

A portion of voucher number 4730 from Seeley, Savage, & Ebert was charged to each of Federal Grant numbers 39-0124-0902 and 39-0124-1003. The amount allocated to Federal Grant number 39-0124-0902 was \$972.90. This amount was charged to the grant on November 13, 2002 and was reimbursed on December 4, 2003. The same amount was charged to the grant again on November 24, 2003 and was reimbursed again in February 2004. The amount allocated to Federal Grant number 39-0124-1003 was \$1,210.50. This amount was charged to the grant on November 13, 2002 and reimbursed on December 4, 2003. The same amount was charged to the grant again on November 24, 2003 and was reimbursed again in February 2004.

**Questioned Costs:**

\$2,183

Resolution

This finding was resolved by repaying the questioned cost.



**Auditor of State  
Betty Montgomery**

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**PUT-IN-BAY TOWNSHIP PORT AUTHORITY**

**OTTAWA 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 13, 2005**