



**Mary Taylor, CPA**  
Auditor of State



**GEAUGA COUNTY AIRPORT AUTHORITY  
GEAUGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Types - For the Year Ended December 31, 2009.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Governmental Fund Types - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



**Mary Taylor, CPA**  
Auditor of State

Geauga County Airport Authority  
Geauga County  
15421 Old State Road  
P.O. Box 1308  
Middlefield, Ohio 44062

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

July 30, 2010

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Airport Authority  
Geauga County  
15421 Old State Road  
P.O. Box 1308  
Middlefield, Ohio 44062

To the Board of Trustees:

We have audited the accompanying financial statements of the Geauga County Airport Authority, Geauga County, Ohio, (the Authority) as of and for the years ended December 31, 2009 and 2008. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Authority's larger (i.e. major) funds separately. 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, 2009 and 2008 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 31, 2009 and 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 cash balances of the Geauga County Airport Authority, Geauga 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 July 30, 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.



**Mary Taylor, CPA**  
Auditor of State

July 30, 2010



**GEAUGA COUNTY AIRPORT AUTHORITY  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$0	\$293,937	\$293,937
Charges For Services	166,492	0	166,492
Interest Income	516	95	611
Other Income	731	0	731
	<u>167,739</u>	<u>294,032</u>	<u>461,771</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
General Government	96,879	0	96,879
Capital Outlay	69,495	293,937	363,432
	<u>166,374</u>	<u>293,937</u>	<u>460,311</u>
<b>Total Cash Disbursements</b>			
Total Receipts Over/(Under) Disbursements	<u>1,365</u>	<u>95</u>	<u>1,460</u>
Fund Cash Balances, January 1, 2009	<u>186,206</u>	<u>4,466</u>	<u>190,672</u>
<b>Fund Cash Balances, December 31, 2009</b>	<b><u><u>\$187,571</u></u></b>	<b><u><u>\$4,561</u></u></b>	<b><u><u>\$192,132</u></u></b>

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

**GEAUGA COUNTY AIRPORT AUTHORITY  
GEAUGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES - GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Intergovernmental	\$0	\$375,444	\$375,444
Charges For Services	199,267	0	199,267
Interest Income	3,535	106	3,641
Other Income	122	0	122
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	202,924	375,550	578,474
<b>Cash Disbursements:</b>			
General Government	178,135	0	178,135
Capital Outlay	6,031	375,444	381,475
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	184,166	375,444	559,610
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	18,758	106	18,864
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1, 2008	167,448	4,360	171,808
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31, 2008</b>	<b><u><u>\$186,206</u></u></b>	<b><u><u>\$4,466</u></u></b>	<b><u><u>\$190,672</u></u></b>

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

**GEAUGA COUNTY AIRPORT AUTHORITY  
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2009 AND DECEMBER 31, 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 Geauga County Airport Authority, Geauga County, Ohio, (the Authority) as a body corporate and politic. The Authority is directed by a seven member Board, three appointed by the Geauga County Board of Commissioners, three appointed by the Authority, and one appointed by the Middlefield Village Council. The Authority is responsible for the safe and efficient operation and maintenance of the Geauga County Airport.

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. Deposits and Investments**

The Authority did not have investments during the audit period. The Authority maintains a general checking, savings, and money market accounts.

**D. 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.

**E. Fund Accounting**

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

**1. General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted and accounted for in another fund.

**2. Special Revenue Fund**

This fund is used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Fund:

Grant Fund – This fund receives federal and state monies for Airport improvements. During the period of audit, the Airport received FFA grants for Airport Drainage Improvements and the parallel taxi-way project.

**GEAUGA COUNTY AIRPORT AUTHORITY  
GEAUGA COUNTY**

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

**2. Equity in Pooled Deposits**

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

	<u>2009</u>	<u>2008</u>
Demand deposits	\$11,255	\$20,102
Money market deposits	180,877	170,570
Total deposits	<u>\$192,132</u>	<u>\$190,672</u>

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

**4. Risk Management**

**Commercial Insurance**

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**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*

Geauga County Airport Authority  
Geauga County  
15421 Old State Road  
P.O. Box 1308  
Middlefield, Ohio 44062

To the Board of Trustees:

We have audited the financial statements of the Geauga County Airport Authority, Geauga County, Ohio, (the Authority) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 30, 2010, 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 the purpose of expressing our opinion on the financial statements, 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 internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements 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 was not designed to identify all deficiencies in internal control over financial reporting 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.

### **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 management, the audit committee, and the 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

July 30, 2010



**Mary Taylor, CPA**  
Auditor of State

**GEAUGA COUNTY AIRPORT AUTHORITY**

**GEAUGA 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  
AUGUST 17, 2010**