



Dave Yost • Auditor of State

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY
DECEMBER 31, 2016 AND 2015**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - For the Year Ended December 31, 2016	3
Notes to the Financial Statements for the Year Ended December 31, 2016	5
Statement of Receipts, Disbursements, and Changes in Fund Balances (Cash Basis) - For the Year Ended December 31, 2015	9
Notes to the Financial Statements for the Year Ended December 31, 2015.....	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Schedule of Findings.....	17

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Monroe County Port Authority
Monroe County
100 Oakcrest Drive
Woodsfield, Ohio 43793

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Monroe County Port Authority, Monroe County, Ohio (the Authority), as of and for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Authority prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Authority does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2016 and 2015, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of the Monroe County Port Authority, Monroe County, Ohio as of December 31, 2016 and 2015, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

November 15, 2017

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Cash Receipts:	
Rental Income	\$127,241
Miscellaneous	234
	<hr/>
Total Cash Receipts	127,475
	<hr/>
Cash Disbursements	
Professional Services	247,641
Real Estate Taxes	1,761
Miscellaneous	2,760
Debt Payments:	
Principal Retirement	35,925
Interest and Other Fiscal Charges	59,126
	<hr/>
Total Cash Disbursements	347,213
	<hr/>
Total Cash Receipts (Under) Disbursements	(219,738)
	<hr/>
Fund Cash Balance January 1	284,595
	<hr/>
Fund Cash Balance December 31:	
Unassigned(Deficit)	64,857
Fund Cash Balance December 31	\$64,857
	<hr/> <hr/>

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

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**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016**

Note 1 – Reporting Entity

A. Description of the Entity

The Monroe County Port Authority, Monroe County, Ohio (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 operates under the direction of a five-member Board of Directors. The Board is appointed by the Monroe County Commissioners. The Authority is authorized to purchase, construct, sell, lease and operate facilities within its jurisdiction as enumerated in Ohio Revised Code Sections 4582.21 through 4582.59.

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. Budgetary presentations report budgetary expenditures when a commitment is made (ie., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Basis of Presentation

The Authority's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types.

D. Deposits and Investments

Currently, the Authority Board Chairman serves as Fiscal Agent for the Authority. The Authority's cash is held in a local financial institution.

E. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Authority for any purpose provided it is expended or transferred according to the general laws of Ohio.

F. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 1 – Reporting Entity (Continued)

F. Budgetary Process (Continued)

1. 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 must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

G. Fund Balance

Fund balance is divided into classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-funded resources. The classification applicable to the Authority is as follows:

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balances.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be use.

H. Capital Assets

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

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 2 – Budgetary Activity

Budgetary activity for the year ended 2016 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$127,475	\$127,475
	\$0	\$127,475	\$127,475

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$347,213	(\$347,213)
	\$0	\$347,213	(\$347,213)

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$347,213. This is due to the fact that the budgetary process was not followed and estimated receipts and appropriations were not set.

Note 4 – Deposits and Investments

The Authority maintains a deposit and investments pools all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments as December 31 was as follows:

	2016
Demand deposits	\$64,857

Note 5 – Commercial Insurance

The Authority maintains insurance on its current properties as provided by the Monroe County Commissioners.

Note 6 – Debt

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Promissory Note	\$1,164,074	5%

The Promissory Note relates to the purchase of land acquired by the Authority. The note is payable in monthly installments at annual percentage rate of 5.00%, with final payment due December 28, 2035. The note is supported by the full faith and credit of the Authority.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016
(Continued)**

Note 6 – Debt (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

Year ending	Promissory
December 31:	Note
2017	<u>\$95,034</u>
2018	95,034
2019	95,034
2020	95,034
2021	95,034
2022-2026	475,168
2027-2031	475,168
2032-2035	<u>380,135</u>
Total	<u><u>\$1,805,641</u></u>

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES (CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Cash Receipts:

Intergovernmental	\$150,000
Unrestricted Grants	20,000
Miscellaneous	164
	<hr/>

Total Cash Receipts

170,164

Cash Disbursements

Professional Services	32,583
Property Purchase	1,066,979
Loan Fees	11,703
	<hr/>

Total Cash Disbursements

1,111,265

Total Cash Receipts (Under) Disbursements

(941,101)

Other Financing Receipts

Proceeds from Loan Advance	1,200,000
	<hr/>

Total Other Financing Receipts

1,200,000

Excess of Cash Receipts and Other Financing
Receipts Over Cash Disbursements

258,899

Fund Cash Balance January 1

25,696

Fund Cash Balance December 31

Unassigned(Deficit)	284,595
Fund Cash Balance December 31	<hr/> <hr/> \$284,595

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

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**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 1 – Reporting Entity

A. Description of the Entity

The Monroe County Port Authority, Monroe County, Ohio (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 operates under the direction of a five-member Board of Directors. The Board is appointed by the Monroe County Commissioners. The Authority is authorized to purchase, construct, sell, lease and operate facilities within its jurisdiction as enumerated in Ohio Revised Code Sections 4582.21 through 4582.59.

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

B. Accounting Basis

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These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Basis of Presentation

The Authority's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types.

D. Deposits and Investments

Currently, the Authority Board Chairman serves as Fiscal Agent for the Authority. The Authority's cash is held in a local financial institution.

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

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F. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 1 – Reporting Entity (Continued)

F. Budgetary Process (Continued)

1. 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 must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

G. Fund Balance

Fund balance is divided into classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-funded resources. The classification applicable to the Authority is as follows:

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balances.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be use.

H. Capital Assets

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

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 2 – Budgetary Activity

Budgetary activity for the year ended 2015 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$1,370,164	\$1,370,164

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$1,111,265	(\$1,111,265)

Note 3 – Compliance

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$1,111,265. This is due to the fact that the budgetary process was not followed and estimated receipts and appropriations were not set.

Note 4 – Deposits and Investments

The Authority maintains a deposit and investments pools all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments as December 31 was as follows:

	2015
Demand deposits	\$284,595

Note 5 – Commercial Insurance

The Authority maintains insurance on its current properties as provided by the Monroe County Commissioners.

Note 6 – Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Promissory Note	\$1,200,000	5%

The Promissory Note relates to the purchase of land acquired by the Authority. The note is payable in monthly installments at annual percentage rate of 5.00%, with final payment due December 28, 2035. The note is supported by the full faith and credit of the Authority.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015
(Continued)**

Note 6 – Debt (Continued)

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year ending	Promissory
December 31:	<u>Note</u>
2016	\$95,034
2017	95,034
2018	95,034
2019	95,034
2020	95,034
2021-2025	475,168
2026-2030	475,168
2031-2035	<u>475,168</u>
Total	<u><u>\$1,900,674</u></u>



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Monroe County Port Authority
Monroe County
100 Oakcrest Drive
Woodsfield, Ohio 43793

To the Board of Directors:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Monroe County Port Authority, Monroe County, Ohio (the Authority), as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements and have issued our report thereon dated November 15, 2017, wherein we noted the Authority followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider Finding 2016-003 to be a material weakness.

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, opining 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2016-001 and 2016-002.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

November 15, 2017

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2016-001

Noncompliance

Ohio Rev. Code § 5705.28(B)(2)(a) states that the taxing authority of a taxing unit that does not levy a tax is not required to adopt a tax budget pursuant to division (A) of this section. Instead, on or before the fifteenth day of July each year, such taxing authority shall adopt an operating budget for the taxing unit for the ensuing fiscal year. The operating budget shall include an estimate of receipts from all sources, a statement of all taxing unit expenses that are anticipated to occur, and the amount required for debt charges during the fiscal year. The operating budget is not required to be filed with the county auditor or the county budget commission.

According to Ohio Rev. Code § 5705.28(B)(2)(b), although a taxing unit that does not levy a tax is not a taxing unit for purposes for Ohio Rev. Code Chapter 5705, a Port Authority is still required to follow Ohio Rev. Code §§ 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44 and 5705.45. These sections separately require the Port Authority to, in part: certify beginning balances on or about the first day of each fiscal year, certify revenue available for appropriation, adopt appropriations within available resources, certify the availability of funds prior to incurring obligations, and limit expenditures to appropriations for each fund. However, documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission.

In addition, Ohio Rev. Code § 5705.41(D)(1) states that no taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation or, in the case of a continuing contract to be performed in whole or in part in an ensuing fiscal year, the amount required to meet the obligation in the fiscal year in which the contract is made, has been lawfully appropriated for such purpose and is in the treasury or in process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every such contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

The Port Authority did not comply with the aforementioned budgetary laws for the periods ended December 31, 2016 and 2015. The Port Authority did not appropriate expenditures; therefore, the Port Authority was unable to monitor operations via the control that budgeting provides.

The Port Authority's accounting system did not allow for integration of budget information or encumbrances.

Budgeted amounts of receipts and disbursements integrated into the Port Authority's accounting system would allow for meaningful comparisons between the budgeted and actual figures.

The Port Authority should comply with applicable budgetary laws as noted in the Ohio Revised Code.

**MONROE COUNTY PORT AUTHORITY
MONROE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2016 AND 2015
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2016-002

Noncompliance

Ohio Rev. Code Chapter 133 allows various methods for subdivisions to incur debt. Ohio Rev. Code § 133.22 allows a subdivision to issue anticipatory-securities; Ohio Rev. Code § 133.10 allows anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision. Ohio Rev. Code § 133.14 allows the issuance of securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct and Ohio Rev. Code § 133.18 allows the taxing authority of a subdivision by legislation to submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

In 2015, the Port Authority issued commercial promissory notes with a local banking institution for the purchase of property in the amount of \$1,200,000. This type of debt does not meet the criteria for any of the debt allowed in Ohio Rev. Code Chapter 133.

The Ohio Revised Code contains various methods of incurring debt for Port Authorities. Installment loans and promissory notes with banking institutions are not legal methods of incurring debt by Port Authorities.

The Port Authority should consult with legal counsel when the Board anticipates incurring debt to help ensure it is an allowable type of debt.

FINDING NUMBER 2016-003

Material Weakness

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.

The Authority did not have control procedures in place to ensure the accuracy of the Fiscal Officer's expenditure line item account postings. During 2016, debt payments were not split into principal and interest on the financial statements in the amount of \$35,925 and \$59,126, respectively.

The adjustment noted above was agreed to by management and is reflected in the accompanying financial statements.

The Fiscal Officer should develop internal control procedures and utilize available authoritative resources to ensure the financial statements of the Authority accurately classify and record all expenditure transactions.

Officials' Response: We did not receive a response from Officials to the Findings reported above.



Dave Yost • Auditor of State

MONROE COUNTY PORT 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 28, 2017**