

MINUTES

MONROE COUNTY AIRPORT AUTHORITY

Audit Committee Meeting

November 20, 2013

Present:

John Perrone Jr.

Hank Stuart

Hon. Stephen Tucciarello

Others Present:

Michael Giardino	Administrative Director
Bob Franklin	Treasurer
Angela Veltre	Assistant Treasurer
Brett Granville	Assistant Secretary
Tom Niles	StoneBridge Business Partners
Randy Sheppard	The Bonadio Group
Jennifer Hanrahan	

Meeting was called to order by Chairman Perrone at 11:04 am.

Approval of the Minutes from September 25, 2013

A motion was made to approve by Member Stuart and seconded by Member Tucciarello. The motion passed unanimously 3-0.

Audit Entrance Presentation by Bonadio & Co, LLP

Mr. Sheppard presented to the Audit Committee the Audit Entrance Plan and discussed the services the Bonadio Group has provided and intends to provide in connection with the audit of the financial statements of the Monroe County Airport Authority for the year ending December 31, 2013. Mr. Sheppard presented the scope of services to include: financial statement audit of the Authority, investment compliance report, debt compliance report and the schedule of passenger facility charges cash receipts and disbursements. Member Stuart inquired as to whether the scope of services was consistent with previous years and if there were any others the Authority should consider. Mr. Sheppard indicated that the scope was consistent and that there were no others the Authority should consider. Mr. Sheppard continued to present the Auditor's responsibility, the role of the Audit Committee in the process, tolerable misstatement, test scope, adjustment scope and GASB considerations for future reporting years. Mr. Sheppard concluded his presentation with the preliminary audit results to date. There were no exceptions noted. Mr. Sheppard also provided a timetable for the remainder of work to be done.

Internal Audit Report

Mr. Niles presented the results of the internal audit of Normal Communications, LLC as they relate to the requirements of the agreement for advertising with the Authority. The scope of the audit period was January 1, 2012 through June 30, 2013.

Mr. Niles noted that Normal Communications is currently reporting gross revenues net an agency commission fee and production revenue. Mr. Niles explained that it is common industry practice that an agency commission is withheld on exhibitor contracts that are using an agent or agency to contract with Normal for advertising. Mr. Niles noted that incorporating the agency commission would not have impacted the calculation of rent over the course of the audit period and that the revenue related to production was not material. Mr. Niles stated that while these variances are immaterial, the Authority should clarify the reporting requirements with Normal.

Mr. Niles reported that StoneBridge also looked at the Capital Requirements Improvement requirements of the agreement with Normal Communications. The provided schedule of capital improvements over the course of

the audit period with supporting documentation included a significant portion of the expenses incurred related to routine software upgrades and maintenance.

Mr. Niles stated that StoneBridge will be conducting an internal audit on concessionaire Subway.

Mr. Niles also noted that the 2014 audit plan will be presented at the next Audit Committee meeting in January.

Financial Reporting

Assistant Treasurer Angela Veitre presented the trial balance at September 30, 2013 and the budget to actual at September 30, 2013. Payments to the Authority have been timely. Revenue from landing fees is down due to aircraft weights being down and airline trips are down as are the average number of flights per day. Revenue from terminal rentals is also down as two airlines have reduced terminal rental space. Conversation ensued regarding mid-year review and the credit to the signatory carriers and the cost of apron rental and impact of US Airways/American Eagle merger on rental rates.

Ethics Hotline Report

Assistant Secretary Granville reported that no new calls came into the Ethics Hotline for the reporting period of September and October 2013.

Other Business

No other business presented.

Meeting was adjourned @ 11:52 AM

The next Audit Committee Meeting is January 15, 2014.

Respectfully Submitted,



Brett Granville

Assistant Secretary

Dated: 12-6-13