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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Portage County Regional Airport Authority
Portage County
4039 Nanway Blvd
Ravenna, OH 44266

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Portage County Regional Airport Authority (the Airport) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the General Fund Financial Report to the December 31, 2009 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Expenditure/Receipts Register. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement on the financial institution's website. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

Cash – (Continued)

6. We selected five reconciling credits (such as deposits in transit) haphazardly from the December 31, 2011 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement on the financial institution's website. We found no exceptions.
 - b. We agreed the credit amounts to the FAA/ODOT Account Register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2011 and 2010 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We confirmed the amounts paid from Portage County to the Airport for 2011 and 2010 with the County. We found no exceptions.
 - a. We compared the amount from the County Confirmation Report to the amount recorded in the Receipt Register. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the amounts paid from the Federal Aviation Administration to the Airport during 2011 and 2010, as documented by direct deposits into the Airport's bank account, to the Airport's FAA/ODOT Account Register. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Rent Receipts

We haphazardly selected 10 rent cash receipts from the year ended December 31, 2011 and 10 rent cash receipts from the year ended 2010 recorded in the Revenue Line Category Report and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register. The amounts agreed.
- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We haphazardly selected 10 over-the-counter cash receipts from the year ended December 31, 2010 recorded in the Revenue Line Category Report and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipt Register. The amounts agreed.

Over-The-Counter Cash Receipts - (Continued)

- b. Amount charged complied with rates in force during the period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. We inquired of management, and scanned the Register Report for evidence of debt issued during 2011 or 2010 or outstanding as of December 31, 2011 or 2010. All debt noted agreed to the summary we used in step 2.
2. We obtained a summary of debt activity for 2011 and agreed principal and interest payments from the related debt amortization schedule to payments reported in the Register Report. We also compared the date the debt service payments were due to the date the Airport made the payments. We found no exceptions.
3. We agreed the amount of debt proceeds from the debt documents to amounts recorded per the Register Report. The amounts agreed.
4. For new debt issued during 2011, we inspected the debt legislation. We scanned the Register Report and noted the Airport purchased a hangar in August of 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for one employee from 2011 and one payroll check for one employees from 2010 from the Individual Payroll Report and:
 - a. We compared the hours and pay rate recorded in the Individual Payroll Report to supporting documentation (timecard or legislatively approved rate). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We found no exceptions.
 - c. We determined whether the fund and account code to which the check was posted were reasonable based on the employees' duties as documented in minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	December 31, 2011	\$59.94	\$59.94
State income taxes	January 15, 2012	December 14, 2011	\$12.13	\$12.13
OPERS retirement	January 30, 2012	December 14, 2011	\$310.51	\$310.51

Non-Payroll Cash Disbursements

1. From the Expenditure Register, we re-footed checks recorded as General Fund disbursements for *Fuel* for 2011. We found no exceptions.
2. We haphazardly selected ten disbursements from the Expenditure Register for the year ended December 31, 2011 and ten from the year ended 2010 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Expenditure Register and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Expenditure Register for the years ended December 31, 2011 and 2010 for expenditures other than for the acquisition of real estate, the discharge of noncontractual claims, personal services, or for the product or services of public utilities, exceeding fifteen thousand dollars. (Ohio Rev. Code Section 308.13(A)).

We identified an improvement project exceeding \$15,000, subject to Ohio Rev. Code Section 308.13(A). For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest and best bidder.

2. For the improvement project described in step 1 above we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing rates.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Airport's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, those charged with governance, and others within the Airport, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

April 18, 2012



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PORTAGE COUNTY REGIONAL AIRPORT AUTHORITY

PORTAGE 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
MAY 29, 2012