



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Erie-Ottawa Regional Airport Authority
Ottawa County
3255 East State Road
Port Clinton, Ohio 43452-8004

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees (the Board) and the management of Erie-Ottawa Regional Airport Authority, Ottawa County, Ohio (the Airport), on the receipts, disbursements and balances recorded in the Airport's cash-basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Airport. The Airport is responsible for the receipts, disbursements and balances recorded in the cash-basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Airport. 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 recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balance recorded in the General Ledger Report to the December 31, 2017 balances in the prior year documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balance recorded in the General Ledger Report to the December 31, 2018 balance in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the December 31, 2019 and December 31, 2018 fund cash balance reported in the General Ledger Report and the financial statements filed by the Airport in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balances with the Airport's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the Reconciliation Detail Report, to determine the debits were dated prior to December 31. There were no exceptions.

6. We traced interbank account transfers occurring in December of 2019 and 2018 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and the Erie County Auditor's Cross Reference Report by Vendor and the Ottawa County Auditor's Detail Expense Report for 2019 and all from 2018.
 - a. We compared the amount from the above named reports to the amount recorded in the General Ledger Report. The amounts agreed.
 - b. We inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the individual amounts paid from the Federal Aviation Administration (the Administration) to the Airport during 2018 and 2019 with the Administration. We found no exceptions. We also inspected the General Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Sale of Fuel Cash Receipts

We selected ten sale of fuel cash receipts from the year ended December 31, 2019 and ten sale of fuel cash receipts from the year ended December 31, 2018 recorded in the Daily Sales Reports and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger Report to confirm the receipt was recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

We selected ten over-the-counter cash receipts from the year ended December 31, 2019 and ten over-the-counter cash receipts from the year ended December 31, 2018 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the General Ledger Report to confirm the receipt was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following bond, loans, and lease were outstanding as of December 31, 2017. These amounts agreed to the Airport's January 1, 2018 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2017:
Airport Improvement Bond	\$151,494
State Infrastructure Bank Loan	1,232,831
Kubota Lease	23,421
Customs Project - Ottawa County Loan	138,500
Customs Project - Erie County Loan	138,500

2. We inquired of management, and inspected the General Ledger Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond, loans, and lease debt activity for 2019 and 2018 and agreed principal and interest payments from the related debt amortization schedules and Kubota Detail Report to payments reported in the General Ledger Report. We also compared the date the debt service payments were due to the date the Airport made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Summary Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Summary Report to supporting documentation (timecard or legislatively-approved rate or salary). We found no exceptions.
 - b. We inspected the account code to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the employee's personnel files. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. For any new employees selected, we inspected the employee's personnel files with the information used to compute gross and net pay related to this check:
 - i. Name,
 - ii. Authorized salary or pay rate, and
 - iii. Retirement system, Federal, State and Local income tax withholding authorization and withholding.

We found no exceptions related to procedures i. – iii. above.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2019 to confirm 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 2019. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes and Medicare	January 31, 2020	January 6, 2020	\$2,675	\$2,675
State income taxes	January 15, 2020	January 6, 2020	474	474
Local income tax	January 15, 2020	January 7, 2020	368	368
OPERS retirement	January 30, 2020	January 6, 2020	2,915	2,915

Non-Payroll Cash Disbursements

We selected ten disbursements from the General Ledger Report for the year ended December 31, 2019 and ten from the year ended December 31, 2018 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 General Ledger Report and to the names and amounts on the supporting invoices. We found no exceptions.

Sunshine Law Compliance

1. We obtained and inspected the Airport's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code § 149.43(E)(2) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with Airport management and determined that the Airport did not have any completed public records requests during the engagement period.
3. We inquired with Airport management and determined that the Airport did not have any denied public records requests during the engagement period.
4. We inquired with Airport management and determined that the Airport did not have any public records requests with redactions during the engagement period.
5. We inquired whether the Airport has a records retention schedule, and observed that it is readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inspected the Airport's policy manual and determined the Public Records Policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.

8. We observed that the Airport's poster describing its Public Records Policy was displayed conspicuously in all branches of the Airport as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
9. We inquired with Airport management and determined that the Airport did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with Airport management and determined that the Airport did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
11. We inspected the public notices for the public meetings held during the engagement period and determined the Airport notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared - a file is created following the date of the meeting.
 - b. Filed - placed with similar documents in an organized manner.
 - c. Maintained - retained, at a minimum, for the engagement period.
 - d. Open to public inspection - available for public viewing or request.

We found no exceptions.

13. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires airports to file their financial information in the Hinkle System within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Airport filed its complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2019 and 2018 in the Hinkle System. There were no exceptions.

2. For all credit card accounts we obtained:

- copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.
- a. We inspected the established policy obtained above and determined it is:
- i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the Airport.

We found no exceptions.

- b. We selected one credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and for a proper public purpose. We found no exceptions.
- c. We selected three credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
- i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.

We found no exceptions.

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

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This report is to provide assistance in the evaluation of the Airport's receipts, disbursements and balances recorded in its cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

Keith Faber
Auditor of State

Columbus, Ohio

August 13, 2020

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OHIO AUDITOR OF STATE KEITH FABER



ERIE- OTTAWA REGIONAL AIRPORT AUTHORITY

OTTAWA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/1/2020

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This report is a matter of public record and is available online at
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