



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Geauga County Airport Authority (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 balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2017 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found that while the overall fund balance agreed, the General and Special Revenue fund balances were combined into a single fund for the year ended December 31, 2018. We also agreed the January 1, 2019 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2018 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found the fund cash balance varied by \$127, due to discrepancies in fund cash balances.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances and the financial statements filed by the Airport in the Hinkle System. The amounts at December 31, 2019 and 2018 varied by \$276 and \$760, respectively, due to the exclusion of reconciling items in each year and the Airport's cash box funds in 2019 in its fund cash balances.
4. We confirmed the December 31, 2019 bank account balances on the Ohio Pooled Collateral System. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.

### **Cash (Continued)**

5. We selected the one reconciling debit (an outstanding check) from the December 31, 2019 bank reconciliation:
  - a. We traced the debit to the subsequent May bank statement. We found no exceptions.
  - b. We traced the amount and date to the check register, to determine the debit was dated prior to December 31. There were no exceptions.
  
6. We selected the one reconciling credits (a deposit in transit) from the December 31, 2019 bank reconciliation:
  - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amount to the Income Detail Report. The credit was recorded as a December receipt for the same amount recorded in the reconciliation.

### **Intergovernmental and Other Confirmable Cash Receipts**

We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and the County Auditor's DTLs from 2019 and a total of five from 2018.

- a. We compared the amount from the above named reports to the amount recorded in the Income Detail Report. The amounts agreed.
- b. We inspected the Income Detail Report to determine these receipts were allocated to the proper fund. We found no exceptions.
- c. We inspected the Income Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Sale of Fuel Receipts**

We selected 10 sale of fuel 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 Income Detail Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Income Detail Report to confirm the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Rent Receipts**

We selected 10 rent cash receipts from the year ended December 31, 2019 and 10 rent 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 Income Detail Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Income Detail Report to confirm the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

**Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2017.
2. We inquired of management, and inspected the Income Detail Report and Expense Detail Report for evidence of debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. There were no new debt issuances, nor any debt payment activity during 2019 or 2018.

**Payroll Cash Disbursements**

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

We found no exceptions related to procedures i. – iii. Above, except the retirement system enrollment, as well as Federal, State and Local tax withholding authorization documentation was not maintained for the one employee inspected.

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:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare	January 31, 2020	January 3, 2020	\$729	\$729
State income taxes	January 31, 2020	January 3, 2020	174	174
Local income tax	January 31, 2020	January 2, 2020	97	97
OPERS retirement	January 30, 2020	January 2, 2020	586	586

### **Non-Payroll Cash Disbursements**

1. From the Expense Detail Report, we re-footed checks recorded as disbursements for *Services*, and checks recorded as *Miscellaneous* for 2019. We found the total *Services* disbursements in the Airport's Expense Detail Report varied from those reported on its Combined Statement of Receipts, Disbursements and Changes in Fund Balances by \$2,751 due to mispostings on the Statement.
2. We selected 10 disbursements from the Expense Detail Report for the year ended December 31, 2019 and 10 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 Expense Detail Report 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.

### **Sunshine Law Compliance**

1. We obtained and inspected the Airport's Public Records Policy to determine the policy 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 public records requests during the engagement period.
3. We inquired whether the Airport has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
5. We inspected the Airport's policy manual and determined the public records policy was included. We found no exceptions.
6. We observed that the Airport's poster describing their Public Records Policy was displayed conspicuously in the Airport. We found no exceptions.
7. 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.
8. We inspected the individual training certificates of the Airport's public records custodian and determined whether he successfully attended a certified three-hour Public Records Training. We found no exceptions.
9. 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.

### Sunshine Law Compliance (Continued)

10. We inspected the minutes of public meetings during the engagement period 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.

11. We inspected the minutes from the engagement period 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 their 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(s) 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 entity.

We found the following exceptions:

- No procedure exists for acquiring a credit card;
- No requirement to submit an "itemized" receipt;
- No procedures for issuance, reissuance, or cancellation;
- No description of the process for doing so nor any further follow up;
- No maximum credit limit stated; and
- No detail of the actions or omissions that qualify as misuse of the credit card.

b. We selected 1 credit card transaction from the Airport's credit card account for testing. For the selected transaction we inspected documentation to determine that:

- i. Use was by an authorized user within the guidelines established in the policy, and
- ii. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

**Other Compliance (Continued)**

- c. We selected 3 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 a late fee totaling \$39 in one of the statements selected.

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.

This report is to provide assistance in the evaluation of the Airport's receipts, disbursements and balances recorded in their 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.



Keith Faber  
Auditor of State

Columbus, Ohio

August 27, 2020



# OHIO AUDITOR OF STATE KEITH FABER



**GEAUGA COUNTY AIRPORT AUTHORITY**

**GEAUGA 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 9/10/2020**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)