



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Lorain Port Authority
Lorain County
319 Black River Lane
Lorain, Ohio 44052

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Lorain Port Authority (the Authority) on the receipts, disbursements and balances recorded in the Authority's 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 management of the Authority. The Authority 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 Authority. 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 Bank Reconciliation Summary to the December 31, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the Bank Balances Report to the December 31, 2018 balances in the Bank Balances Report. We found no exceptions.
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 Bank Balances Report and the financial statements filed by the Authority in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2019 bank account balance with the Authority'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 2020 Huntington Bank Statement. 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. There were no exceptions.

Intergovernmental and Other Confirmable Receipts

1. We selected a total of five receipts from the State Distribution Transaction Lists (DTL) and the County Auditor's Check Register from 2019 and a total of five from 2018.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We inspected the Receipt Ledger to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Receipt Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Cash Receipts

1. We selected 10 over-the-counter cash receipts from the year ended December 31, 2019 and 10 over-the-counter cash receipts from the year ended 2018 and determined whether the:
 - a. Agreed the receipt amount to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. Inspected the Revenue Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Miscellaneous Revenue

1. We selected all (two) miscellaneous cash receipts from the year ended December 31, 2018 and determined whether the:
 - a. Agreed the receipt amount to the amount recorded in the Revenue Ledger. The amounts agreed.
 - b. Inspected the Revenue Ledger to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2017.
2. We inquired of management, and inspected the Receipt Detail Report and Payment Register 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 five employees from 2019 and one payroll check for five employees from 2018 from the Payment Register Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payment Register Detail Report to supporting documentation (timecard or legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' timesheet and minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.

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 observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	December 30, 2019	\$2,618	\$2,618
State income taxes	January 15, 2020	December 30, 2019	\$467	\$467
Local income tax	January 15, 2020	December 30, 2019	\$541	\$541
OPERS retirement	January 30, 2020	January 23, 2020	\$5,208	\$5,208

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2019 and 10 from the year ended 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 Payment Register 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.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code § 5705.38 and § 5705.40) plus any carryover appropriations for the years December 31, 2019 and 2018 for the General Fund, USEPA Brownfield Assessment Grant for Hazardous Waste Fund, Marine Patrol Program Fund, Fireworks Fund and Kelly's Island Ferry Boat Fund. We observed no fund for which expenditures exceeded appropriations.
2. We inspected the 2019 and 2018 Interfund Transfer Detail Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Rev. Code § § 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which § 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017).
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2019 and 2018 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. There were no funds having negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the Authority's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code § 149.43(E)(2) and § 149.43(B)(7)(C) 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 selected five public records requests from the engagement period and inspected each request to determine the Authority was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
3. We inquired with Authority management and determined that the Authority did not have any denied public records requests during the engagement period.
4. We selected one public records requests with redactions from the engagement period and inspected to determine the Authority was redacting records and making the redactions visible, and provided an explanation which included the legal authority to the requester as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
5. We inquired whether the Authority 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 Authority's policy manual and determined the public records policy was not included as required by Ohio Rev. Code § 149.43(E)(2). We confirmed this with the Authority and it was suggested that they include it in next year's policy manual.
8. We observed that the Authority's poster describing their Public Records Policy was displayed conspicuously in all branches of the Authority as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
9. We selected two applications submitted to the Records Commission for one-time disposal of obsolete records, and management's review of the schedules of records retention and dispositions for the engagement period. We inspected the approval by the Records Commission for the two selected and the review of the schedules. This was required by Ohio Rev. Code § 149.351 (Note: the records retention schedule is not the same policy as the public records policy.) We found no exceptions.
10. We inspected individual training certificates and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
11. We inspected the public notices for the public meetings held during the engagement period and determined the Authority notified the general public and news media of when and where meetings during the engagement period are to be held as required by Ohio Rev. Code § 121.22(F). 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:
- Prepared – a file is created following the date of the meeting
 - Filed – placed with similar documents in an organized manner
 - Maintained - retained, at a minimum, for the engagement period
 - 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:
- Executive sessions were only held at regular or special meetings.
 - 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).
 - Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

- Ohio Rev. Code Section 117.38 requires port authorities 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 Authority 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.
- 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.
 - We inspected the established policy obtained above and determined it is:
 - in compliance with the HB 312 statutory requirements, and
 - implemented by the entity.We found no exceptions.
 - We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - Use was by an authorized user within the guidelines established in the policy, and
 - Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.
 - We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - No unpaid beginning balance was carried forward to the current billing cycle,
 - Ending statement balance was paid in full, and
 - Statement contained no interest or late fees.We found no exceptions.
 - For cash withdraws made. We selected 1 cash withdraw and inspected supporting documentation to determine:
 - The policy explicitly allowed for cash withdraws and when related legislative or administrative action was passed.

- ii. Appropriate and specific additional controls were implemented for cash withdraw transactions.

We found no exceptions.

The Authority has responded to the issue discussed in this report. You may obtain a copy of their response from the Yvonne Smith. Her phone number is 440-204-2268.

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 Authority'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 Authority'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

December 8, 2020

OHIO AUDITOR OF STATE KEITH FABER



LORAIN PORT AUTHORITY

LORAIN 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 12/22/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov