



Dave Yost • Auditor of State





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

Port Authority of Allen County  
Allen County  
144 S. Main Street, 2<sup>nd</sup> Floor  
Lima, Ohio 45801

We have performed the procedures enumerated below, with which the Board of Directors and the management of the Port Authority of Allen County, Allen County (the PAAC) 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, 2014 and 2013, 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 attempted to test the mathematical accuracy of the December 31, 2014 and December 31, 2013 bank reconciliations. We found no exceptions for the December 31, 2014 reconciliations which were completed separately for each bank account. A bank reconciliation was not prepared at December 31, 2013. The failure to prepare bank reconciliations for each month increases the risk of errors and/or irregularities which may not be detected in a timely manner. Bank reconciliations should be prepared at the end of each month and then be submitted to the Board for review and approval.
2. We agreed the January 1, 2013 beginning fund balances recorded in the General Ledger to the December 31, 2012 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2014 beginning fund balances recorded in the General Ledger to the December 31, 2013 balances in the General Ledger. We found no exceptions.
3. We attempted to agree the totals per the bank reconciliations to the totals of the December 31, 2014 and 2013 fund cash balances reported in the General Ledger. The amounts agreed for December 31, 2014. A bank reconciliation was not prepared at December 31, 2013. The failure to prepare bank reconciliations for each month increases the risk of errors and/or irregularities which may not be detected in a timely manner. Bank reconciliations should be prepared at the end of each month and then be submitted to the Board for review and approval.
4. We confirmed the December 31, 2014 bank account balances with the PAAC's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2014 bank reconciliation without exception.

### **Other Confirmable Cash Receipts**

1. We confirmed the amounts paid from the First Lima Title Agency, Inc. and the Ohio Department of Transportation to the PAAC during 2014. 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.

### **Lease Income Receipts**

We haphazardly selected 10 lease cash receipts from the year ended December 31, 2014 and 10 lease cash receipts from the year ended 2013 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the General Ledger. 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.

### **Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2012.
2. We inquired of management, and scanned the General Ledger for evidence of debt issued during 2014 or 2013 or debt payment activity during 2014 or 2013. We noted no new debt issuances, nor any debt payment activity during 2014 or 2013.

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

1. We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2014 and ten from the year ended 2013 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 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. We attempted to compare the total estimated receipts from the Operating Budget, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the General Ledger for the General Fund for the years ended December 31, 2014 and 2013. Estimated receipts were not recorded in the General Ledger for 2014 or 2013. The failure to record estimated receipts in the General Ledger system inhibits the PAACs ability to monitor budget versus actual receipts. By not monitoring such activity the PAAC cannot timely detect changes in estimated receipts which could result in deficit spending. The PAAC should record estimated receipts in the General Ledger.

**Compliance – Budgetary (Continued)**

2. We scanned the appropriation measures adopted for 2014 and 2013 to determine whether, for the General funds, the Board appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We attempted to compare total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the General Ledger for 2014 and 2013 for the General Fund. Appropriations were not recorded in the General Ledger. The failure to record appropriations in the General Ledger inhibits the PAACs ability to monitor budget versus actual disbursements. By not monitoring such activity the PAAC cannot timely detect disbursements and obligations in excess of appropriations which could result in deficit spending. The PAAC should record appropriations in the General Ledger.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the General Fund for the years ended December 31, 2014 and 2013. We noted no appropriations which exceeded estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2014 and 2013 for the General Fund, as recorded in the Operating Budget. We noted no expenditures that exceeded appropriations.
6. We scanned the General Ledger for the years ended December 31, 2014 and 2013 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. We noted no negative cash fund balances.

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 Port Authority, and is not intended to be, and should not be used by anyone other than these specified parties.



**Dave Yost**  
Auditor of State

Columbus, Ohio

July 13, 2015

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**PORT AUTHORITY OF ALLEN COUNTY**

**ALLEN 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  
SEPTEMBER 10, 2015**