

***PUT IN BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY, OHIO***

AUDIT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2014





Dave Yost • Auditor of State

Board of Trustees
Put-in-Bay Township Port Authority
1494 Langram Road
Put-in-Bay, Ohio 43456

We have reviewed the *Independent Auditors' Report* of the Put-in-Bay Township Port Authority, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Put-in-Bay Township Port Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

October 2, 2015

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**PUT IN BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY, OHIO
Audit Report
For the Year Ended December 31, 2014**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
Independent Auditors' Report	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - For the Year Ended December 31, 2014	3
Notes to the Financial Statements	4
Federal Awards Expenditures Schedule	9
Notes to the Federal Awards Expenditures Schedule	10
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Independent Auditors' Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by <i>OMB Circular A-133</i>	13
Schedule of Findings	15
Status of Prior Audit Findings	17

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Put-in-Bay Township Port Authority
Ottawa County
1494 Langram Road
Put-in-Bay, Ohio 43456

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the Put-in-Bay Township Port Authority, Ottawa County, (the Authority) as of and for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Authority's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Authority prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Authority does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2014, or changes in financial position thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Put-in-Bay Township Port Authority, Ottawa County as of December 31, 2014, and its cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Matters

Our audit was conducted to opine on the financial statements taken as a whole. The Federal Awards Expenditures Schedule presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CHARLES E. HARRIS & ASSOCIATES, INC.

June 19, 2015

PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
For the Year Ended December 31, 2014

	<u>2014</u>
Cash Receipts:	
Federal grant	\$ 1,419,309
Fees	59,007
Property taxes	98,856
Intergovernmental	9,727
Mooring buoy	40,000
State and local grants	119,325
Rental income	23,457
Miscellaneous	<u>4,315</u>
Total Cash Receipts	1,773,996
Cash Disbursements:	
Current:	
General government	77,243
Port development	1,713
Capital Outlay	1,719,922
Debt Service:	
Redemption of principal	55,000
Interest and other fiscal charges	<u>2,551</u>
Total Cash Disbursements	<u>1,856,429</u>
Net Change in Fund Cash Balance	(82,433)
Fund Cash Balance, January 1	<u>262,331</u>
Fund Cash Balance, December 31	
Unassigned	<u>179,898</u>
Fund Cash Balance, December 31	<u>\$ 179,898</u>

The notes to the financial statements are an integral part of this statement.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Put-in-Bay Township Port Authority, Ottawa County (The Authority) is a body politic and corporate established by the Put-in-Bay Township Trustees pursuant to Chapter 4582 of the Ohio Revised Code to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by the Board, whose members are appointed by the Township Trustees. All appointments are for a period of four years. The Authority is responsible for the safe and efficient operation and maintenance of the airport.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

B. ACCOUNTING BASIS

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. DEPOSITS AND INVESTMENTS

The Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Authority maintains cash in an interest bearing checking account.

D. FUND ACCOUNTING

The Authority maintains its accounting records in accordance with the principles of "Fund" accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the recording of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity which stands separate from the activities reported in other funds. All transactions are accounted for in a single fund, the General Fund. The General Fund is used for all financial resources except those required by law or contract to be restricted.

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations – Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Authority's Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

2. Estimated Resources – Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances – The Ohio Revised Code requires the Authority to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are cancelled and reappropriated in the subsequent year.

A summary of 2014 budgetary activities appears in Note 3.

F. FUND BALANCE

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental fund resources. The classifications are as follows:

1. Nonspendable – The Authority classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

2. Restricted – Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

3. Committed – The Board can commit amounts via formal action (resolution). The Authority must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board or an Authority official delegated that authority by resolution, or by State Statute.

5. Unassigned – Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. PROPERTY, PLANT AND EQUIPMENT

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

The Authority maintains a deposit pool for its use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	2014
Demand Deposits	\$ 179,898
Total	\$ 179,898

Deposits: Deposits are insured by the Federal Depository Insurance Company, or collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2014 follows:

2014 Budgeted vs Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,239,091	\$ 1,773,996	\$ (465,095)

2014 Budgeted vs Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 2,311,226	\$ 1,856,429	\$ 454,797

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Board adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Authority.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Authority.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

5. DEBT

Debt outstanding at December 31, 2014 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Note and Bond Payable	\$ 55,000	1.75 – 5%
Loan from PIB Township	<u>52,525</u>	0%
Total	<u>\$ 107,525</u>	

The Authority is obligated to make payments to Ottawa County, Ohio for various purpose bonds issued by Ottawa County. The bonds were issued in 2003 and have various maturity dates ranging from six months to 13 years. The bonds bear interest at various rates ranging from 1.75% to 5%. The bonds are collateralized by substantially all revenues the Authority collects except for federal funds.

During 2010 the Port Authority borrowed \$57,525 from Put-In-Bay Township. This debt is interest free and does not have a due date.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 55,000	\$ 2,750	\$ 57,750
Payable to Ottawa County	55,000	2,750	57,750
Payable to PIB Township	52,525	-	52,525
Total	<u>\$ 107,525</u>	<u>\$ 2,750</u>	<u>\$ 110,275</u>

6. RISK MANAGEMENT

The Authority has obtained commercial insurance for the following risks:

- o Comprehensive property and general liability;
- o Vehicles; and
- o Errors and omissions.

Settled claims have not exceeded this commercial coverage in any of the last three years. The Authority has not reduced coverages from last year.

7. CONTINGENT LIABILITIES

Management claims there are no pending claims or lawsuits.

Amounts grantor agencies pay to the Authority are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2014**

8. JOINT VENTURES

In August of 2003, the Authority entered into a joint venture agreement with MBD Holding, LLC (MBD) to complete the rehabilitation of a ferry facility at Middle Bass Island. The total estimated cost of the project is approximately \$1,300,000. The Authority's sole responsibility in this joint venture is to complete and submit applications for federal rehabilitation grants. In 2010, the Authority received \$800,000 in stimulus monies. MBD Holding is responsible for funding the additional rehabilitation costs totaling approximately \$500,000.

The ferry facility is owned 51% by the Authority and 49% by MBD. MBD will be responsible for all costs of maintaining and operating the ferry facility and is entitled to retain all revenue collected from the operations. MBD is required to pay a grant administrative fee to the Authority equal to 1.5% of the grant amounts awarded and an annual administrative fee of \$5,000 in years one through five, \$6,500 in years six through 20, and then \$7,500 in years 21 to 25. MBD has the authority to negotiate the sale of the ferry facility and the Authority has the right of first refusal.

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass Through Grantor/Program Title	CFDA Number	Federal Expenditures
<u>U.S. Department of Transportation:</u>		
Direct Programs:		
<i>Federal Aviation Administration:</i>		
Put-in-Bay Taxiway Design	20.106	\$ 58,498
Put-in-Bay Taxiway	20.106	453,753
Put-in-Bay Apron	20.106	927,364
Put-in-Bay Edge Drain	20.106	2,524
Put-in-Bay Runway Rehabilitation	20.106	<u>6,336</u>
Total Federal Aviation Administration		<u>1,448,475</u>
TOTAL FEDERAL EXPENDITURES		<u><u>\$ 1,448,475</u></u>

See accompanying Notes to the Federal Awards Expenditures Schedule

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Put-in-Bay Township Port Authority's (the Authority) federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – MATCHING REQUIREMENTS

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Put-in-Bay Township Port Authority
Ottawa County
1494 Langram Road
Put-in-Bay, Ohio 43456

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Put-in-Bay Township Port Authority, Ottawa County, (the Authority) as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2015, wherein we noted the Authority followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Authority's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Authority's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

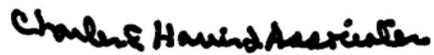
Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated June 19, 2015.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CHARLES E. HARRIS & ASSOCIATES, INC.

June 19, 2015

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
ITS MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Put-in-Bay Township Port Authority
Ottawa County
1494 Langram Road
Put-in-Bay, Ohio 43456

To the Board of Trustees:

Report on Compliance for Its Major Federal Program

We have audited the Put-in-Bay Township Port Authority's (the Authority) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Authority's major federal program for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Authority's major federal program.

Management's Responsibility

The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Authority's compliance for the Authority's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Authority's major program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on its Major Federal Program

In our opinion, the Authority complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2014.

Report on Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Authority's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
June 19, 2015

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 SECTION .505**

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
DECEMBER 31, 2014**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unmodified under the regulatory basis.
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs	No
(d)(1)(iv)	Were there any significant deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under Section .510 (a)	No
(d)(1)(vii)	Major Programs:	Airport Improvement Program – 20.106
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000
(d)(1)(ix)	Low Risk Auditee?	No

**SCHEDULE OF FINDINGS – (continued)
OMB CIRCULAR A-133 SECTION .505**

***PUT-IN-BAY TOWNSHIP PORT AUTHORITY*
OTTAWA COUNTY
YEAR ENDED DECEMBER 31, 2014**

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None

**PUT-IN-BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY**

**STATUS OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2014**

The prior audit report, for the year ended December 31, 2013, reported no material citations or recommendations.