



Dave Yost • Auditor of State





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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, 2017 and 2016 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, 2017 and 2016 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, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances to the December 31, 2016 balances in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Combined Statement of Receipts, Disbursements and Changes in Fund Balances. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances with the Airport's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2017 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 check register, to determine the debits were dated prior to December 31. There were no exceptions.

### **Cash (Continued)**

6. We selected the single reconciling credit (deposit in transit) from the December 31, 2017 bank reconciliation:
  - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the General Ledger. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

### **Intergovernmental Cash Receipts**

We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017. There were none for 2016. We also selected all receipts in 2017 and haphazardly selected five receipts from 2016 from the County Auditor's Accounts Payable by G/L Distribution Reports.

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

### **Sale of Fuel Receipts**

We haphazardly selected 10 sale of fuel cash receipts from the year ended December 31, 2017 and 10 sale of fuel cash receipts from the year ended December 31, 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. 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 to confirm the receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Rent Receipts**

We haphazardly selected 10 rent cash receipts from the year ended December 31, 2017 and 10 rent cash receipts from the year ended December 31, 2016 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the General Ledger. 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 to confirm the receipt was posted to the proper fund, 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, 2015.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for the Airport's only employees from 2017 and one payroll check for all employees from 2016 from the General Ledger and:
  - a. We compared the hours and pay rate, or salary recorded in the General Ledger 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 employees' personnel files. 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, 2017 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 2017. 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 (and social security, for employees not enrolled in pension system)	January 31, 2018	January 5, 2018	\$664	\$664
State income taxes	January 15, 2018	January 5, 2018	\$136	\$136
Local income tax	January 31, 2018	January 5, 2018	\$58	\$58
OPERS retirement	January 30, 2018	January 5, 2018	\$468	\$468

3. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the General Ledger:
  - a. Accumulated leave records.
  - b. The employee's pay rate in effect as of the termination date.
  - c. The Airport's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

**Non-Payroll Cash Disbursements**

- We haphazardly selected ten disbursements from the General Ledger for the year ended December 31, 2017 and ten from the year ended December 31, 2016 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

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, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed upon procedure engagements, subsequent to the Airport's deadline where the initial filing was filed on time but incomplete. 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, 2017 and 2016 in the Hinkle system. There were 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.

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, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 13, 2018



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**GEAUGA COUNTY AIRPORT AUTHORITY**

**GEAUGA 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  
MAY 10, 2018**