



Dave Yost • Auditor of State



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October 5, 2018

Defiance County Airport Authority
Defiance County
P.O. Box 134
Defiance, Ohio 43512

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Defiance County Airport Authority, Defiance County, Ohio (the Airport) for the years ended December 31, 2017 and 2016.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Airport's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Airport's financial statements, transactions or balances for the years ended December 31, 2017 and 2016.

The Airport's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. We noted the Defiance County Airport Authority filed their 2017 and 2016 annual financial reports on March 7, 2018 and March 5, 2017, respectively, which was after the required due date of March 1, 2018 and 2017. Ohio Rev. Code § 117.38 requires the financial report to be filed with the auditor of state within sixty days following the close of the Airport's fiscal year. Failing to file annual reports by the required date can result in fines of \$25 per day up to a maximum of \$750. The Authority should file its annual report by the required due date.
2. We noted the Airport withheld \$32.40 in municipal income tax from the one employee's earnings during 2017, but failed to remit it to the City of Defiance by the due date. Ohio Rev. Code § 718.03(A)(2) provides that an employer, agent of an employer, or other payer may also deduct and withhold, on the request of an employee, taxes for the municipal corporation in which the employee is a resident. Failing to remit income tax withholdings could result in penalties for fines being assessed against the Airport. The Airport should monitor payment due dates and make payments to the City of Defiance by the due date.
3. We noted the Airport withheld \$52.20 in Medicare taxes from the one employee's earnings during 2017; however, they did not remit the employee withholdings and employer share to the Internal Revenue Service by the due date. 26 U.S.C. Sections 3401 through 3406 & Section 3102(a), requires employers to withhold employment related taxes (such as Medicare) from employees' earnings and to remit the withholdings to the U.S. Treasury in a timely manner. Failing to

properly remit Medicare could result in fines and penalties being assessed against the Airport. The Airport should monitor payment due dates and remit payments by the due date.

This matter will be referred to the Internal Revenue Service for any action they deem necessary.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

October 5, 2018



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DEFIANCE COUNTY AIRPORT AUTHORITY

DEFIANCE 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
OCTOBER 18, 2018**