



Dave Yost • Auditor of State





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

Erie-Ottawa Regional Airport Authority  
Ottawa County  
3255 East State Road  
Port Clinton, Ohio 43452-8004

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Erie-Ottawa Regional Airport Authority, Ottawa County, Ohio (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 balance recorded in the General Ledger Report to the December 31, 2015 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balance recorded in the General Ledger Report to the December 31, 2016 balance in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and December 31, 2016 fund cash balance reported in the General Ledger Report. 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 five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the Reconciliation Detail Report, to determine the debits were dated prior to December 31. There were no exceptions.

#### **Intergovernmental Cash Receipts**

We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and all from 2016. We also selected all receipts from the Erie County Auditor's Cross Reference Report by Vendor and from the Ottawa County Auditor's Detail Expense Report from 2017 and all 2016.

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

#### **Sale of Fuel Receipts**

We haphazardly selected ten sale of fuel cash receipts from the year ended December 31, 2017 and ten sale of fuel cash receipts from the year ended December 31, 2016 recorded in the Daily Sales Reports and:

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

#### **Over-The-Counter Cash Receipts**

We haphazardly selected ten over-the-counter cash receipts from the year ended December 31, 2017 and ten over-the-counter cash receipts from the year ended December 31, 2016 recorded in the Daily Sales Reports and:

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

**Debt**

1. From the prior audit documentation, we observed the following bonds, loans, and lease were outstanding as of December 31, 2015. These amounts agreed to the Airport's January 1, 2016 balances on the summary we used in procedure 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2015:</b>
Airport Improvement Bond	\$205,000
State Infrastructure Bank Loan	734,310
Kubota Lease	41,630

2. We inquired of management, and inspected the General Ledger Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bonds, loans, and lease debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to debt payments reported in the General Ledger Report. We noted following variances:

<b>December 31, / Issue</b>	<b>Principal per Amortization Schedule</b>	<b>Principal Recorded</b>	<b>Variance</b>
2016 Airport Improvement Bond	\$30,000	\$28,681	(\$1,319)
2017 Airport Improvement Bond	25,000	24,825	(175)
2017 Kubota Lease	9,360	8,557	(803)

<b>December 31, / Issue</b>	<b>Interest per Amortization Schedule</b>	<b>Interest Recorded</b>	<b>Variance</b>
2016 Airport Improvement Bond	\$4,525	\$5,844	\$1,319
2017 Airport Improvement Bond	4,075	4,250	175
2017 Kubota Lease	1,867	2,670	803

Principal and interest payments should be recorded in accordance with approved amortization schedules.

We also compared the date the debt service payments were due to the date the Airport made the payments. We found no exceptions.

4. For new debt issued during 2017 and 2016, we inspected the debt legislation and debt agreements, which states the Airport must use the proceeds to (1) pay the project vendor before Ohio Department of Transportation project funding became available, (2) pay for the construction of the U.S. Customs Building, and/or (3) pay for the replacement of its AWOS (Automated Weather Observation System) equipment. We scanned the General Ledger report and determined the Airport spent the proceeds for the purposes outline above.

**Non-Payroll Cash Disbursements**

We haphazardly selected ten disbursements from the General Ledger report 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 Report and to the names and amounts on the supporting invoices. We found no exceptions.

### **Other 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 its 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

September 5, 2018



# Dave Yost • Auditor of State

ERIE – OTTAWA REGIONAL AIRPORT AUTHORITY

OTTAWA 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 20, 2018