

PUT-IN-BAY TOWNSHIP PORT AUTHORITY

OTTAWA COUNTY, OHIO

AGREED UPON PROCEDURES

For the Year Ended December 31, 2018





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

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Put-in-Bay Township Port Authority, Ottawa County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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.

Keith Faber
Auditor of State
Columbus, Ohio

July 19, 2019

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**PUT-IN -BAY TOWNSHIP PORT AUTHORITY
OTTAWA COUNTY
Agreed Upon Procedures
For the Year Ended December 31, 2018**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Put-in-Bay Township Port Authority (the Authority) and the Auditor of State on the receipts, disbursements and balances recorded in the Authority's cash-basis accounting records for the year ended December 31, 2018, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the year ended December 31, 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority. 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, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the General Ledger to the December 31, 2017 balances in the prior year audited statements. We noted that the January 1, 2018 balance was properly \$500 higher than the December 31, 2017 balance due to a check written in 2017 being voided in 2018. This is not an exception.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 fund cash balances reported in the General Ledger. We noted no exceptions.
4. We confirmed one December 31, 2018 bank account balance with the Authority's financial institution, and we observed the year-end bank balances of the other accounts on the financial institution's website. The balances agreed. We also agreed the confirmed/observed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 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.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a sample (agreed upon) of five receipts from the State Distribution Transaction Lists (DTL) from 2018. We also selected a sample (agreed upon) of four receipts (all) from the County Auditor's DTLs from 2018.
 - 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.
2. We confirmed the amounts paid from the Federal Aviation Administration to the Authority during 2018 with the FAA. We found no exceptions.
 - a. We inspected the General Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the General Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Rent Receipts

We selected a sample (agreed upon) of 10 rent cash receipts from the year ended December 31, 2018 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. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- b. Inspected the General Ledger to determine the 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, 2017.
2. We inquired of management, and inspected the General Ledger for evidence of debt issued during 2018 or debt payment activity during 2018. There were no new debt issuances, nor any debt payment activity during 2018.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2018 from the Employee Earnings Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Earnings Report to supporting documentation (timecard or legislatively approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the minute records. We also confirmed the payment was posted to the proper year. We found no exceptions.

2. For any new employees selected in procedure 1 we inspected the employees' personnel files and minute records for the following information and compared it with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. We observed the following:

| Withholding (plus employer share, where applicable) | Date Due | Date Paid | Amount Due | Amount Paid |
|---|---------------------|----------------------|-----------------------|------------------------|
| Federal income taxes & Medicare (and social security, for employees not enrolled in pension system) | January 31, 2019 | December 21, 2018 | \$357.28 | \$357.28 |
| State income taxes | January 15, 2019 | December 21, 2018 | \$86.11 | \$86.11 |
| OPERS retirement | January 30, 2019 | January 3, 2019 | \$1,168.80 | \$1,168.80 |

Non-Payroll Cash Disbursements

1. We selected a sample (agreed upon) of 10 disbursements from the General Ledger for the year ended December 31, 2018 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 *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the General Ledger for the General fund for the year ended December 31, 2018. Estimated receipts were not recorded in the General Ledger for 2018. The failure to record estimated receipts in the General Ledger system inhibits the Authority's ability to monitor budget versus actual receipts. This could result in overspending by the Authority.

2. We inspected the appropriation measures adopted for 2018 to determine whether, for the General fund, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We attempted to compare total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the General Ledger for 2018 for the General Fund. However, appropriations were not recorded in the General Ledger. The Authority should record appropriations in the General Ledger so management and the Trustees can monitor disbursements versus appropriations.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General fund for the year ended December 31, 2018. We observed no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the year ended December 31, 2018 for the General fund, as noted in the appropriation resolution. We observed no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the General Ledger for evidence of new restricted receipts requiring a new fund during the year ended December 31, 2018. We also inquired of management regarding whether the Authority received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Authority to establish a new fund.
7. For funds existing in prior years, we inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. We observed all the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
8. We inquired of management and inspected the General Ledger to determine whether the Authority elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The Authority did not establish these reserves.
9. We inspected the General Ledger for the year ended December 31, 2018 for negative cash fund balance. Ohio Rev. Code Section 5705.10 (l) 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. There were no funds having negative cash fund balances.

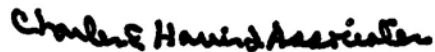
Other Compliance

1. Ohio Rev. Code Section 117.38 requires port authorities 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. The Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. Financial information was filed on March 4, 2019 which was not within the allotted timeframe.

2. We selected 3 credit card transactions for testing. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and for a proper public purpose. We found 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 Authority'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 Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the year ended December 31, 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



CHARLES E. HARRIS & ASSOCIATES, INC.

May 23, 2019

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OHIO AUDITOR OF STATE KEITH FABER



PUT-IN-BAY TOWNSHIP PORT 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
AUGUST 1, 2019**