



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



One Government Center, Suite 1420
Toledo, Ohio 43604-2246
(419) 245-2811 or (800) 443-9276
NorthwestRegion@ohioauditor.gov

Defiance County Airport Authority
Defiance County
P.O. Box 134
Defiance, Ohio 43512-0134

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, 2019 and 2018.

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, 2019 and 2018.

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 that the Airport has not adopted a public records policy. Ohio Rev. Code § 149.43 (E)(2) requires all public offices to adopt a public records policy. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under Ohio Rev. Code § 109.43. Failure to adopt a public records policy could lead to noncompliance with the Open Records Laws when handling public records requests. The Airport should adopt a public records policy that is modeled after the example published by the Ohio Attorney General.
2. We noted the Airport does not have an adopted records retention schedule policy. Ohio Rev. Code § 149.43(B)(2) states, in part, a public office also "shall have available a copy of its current records retention schedule at a location readily available to the public." Failure to have and follow a records retention schedule could result in public records being disposed of prematurely. The Airport should implement procedures to provide the appropriate policy is approved to help avoid issues with public records requests.
3. We noted the Airport has not established a method of notifying the general public and news media of when and where meetings are to be held. Ohio Rev. Code § 121.22(F) states, in part, every public body, by rule, shall establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. Failure to notify the general public and news media could result in the public not being made aware of items being considered for action by the Board. The Airport should implement procedures to provide the appropriate notification of Board meetings to the general public and news media.

Current Status of Matters Reported in our Prior Engagement

4. Our prior audit for the years ended December 31, 2017 and 2016 included a noncompliance comment for the Airport not remitting municipal income tax. We noted the 2019 and 2018 annual reports included similar errors. 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. The Airport withheld \$64.80 in municipal income tax from the one employee's earnings during 2019 and 2018, but failed to remit it to the City of Defiance by the due date. 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.
5. Our prior audit for the years ended December 31, 2017 and 2016 included a noncompliance comment for the Airport not remitting Medicare. We noted the 2019 and 2018 annual reports included similar errors. 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. The Airport withheld \$52.32 in Medicare taxes from the one employee's earnings during 2019 and 2018; but failed to remit the employee withholdings and employer share to the Internal Revenue Service by the due date. 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.

6. In a prior audit for the years ended December 31, 2017 and 2016 we noted the Airport did not file a financial report within sixty days after the close of each fiscal year as required by Ohio Rev. Code § 117.38. We have determined this matter was corrected for 2019 and 2018.



Keith Faber
Auditor of State

Columbus, Ohio

June 15, 2020

OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 30, 2020**