



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Port Authority of Allen County
Allen County
144 South Main Street, 2nd Floor
Lima, Ohio 45801

We have performed the procedures enumerated below on the Port Authority of Allen County's (the PAAC) receipts, disbursements and balances recorded in the cash-basis accounting records for the years ended December 31, 2022 and 2021, and certain compliance requirements related to these transactions and balances, included in the information provided to us by the management of the PAAC. The PAAC is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 and certain compliance requirements related to these transactions and balances included in the information provided to us by the PAAC.

The Members of the Board and the management of the PAAC have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the PAAC's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2022 and 2021, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balance recorded in the Financial Statements to the December 31, 2020 balances to documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2022 beginning fund balance recorded in the Financial Statements to the December 31, 2021 balances in the Financial Statements. We found no exceptions.
3. We agreed the 2022 and 2021 bank reconciliation as of December 31, 2022 and 2021 to the total fund cash balances reported in the General Ledger and the financial statements filed by the PAAC in the Hinkle System. The amounts agreed.

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Cash and Investments (Continued)

4. We confirmed the December 31, 2022 bank account balances with the PAAC's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliations. The balances agreed except for the certificate of deposit confirmation from Citizens National Bank which reported a balance of \$500,988 versus the \$500,000 reported on the bank reconciliation. The difference of \$988 represents interest earned but not recorded in the accounting records and on the bank reconciliation.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2022 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 and determined the debits were dated prior to December 31. We found no exceptions.
6. We traced interbank account transfers occurring in December of 2022 and 2021 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2022 and December 31, 2021 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

Other Confirmable Cash Receipts

1. We confirmed \$50,000 from the Department of Development for the roadwork development (629) grant to the PAAC during 2022 with the Department of Development check image and stub. We found no exceptions.

We confirmed \$159,000 from Charles River Laboratories, Inc. for the capital lease financing costs for the Charles River Project to the PAAC during 2022 with the Port Authority of Allen County proposed capital lease financing Charles River Project term sheet. We found no exceptions.

We confirmed \$200,000 from the Procter & Gamble Manufacturing Company for the deposit on the capital lease financing the Procter & Gamble Manufacturing Company Project to the PAAC during 2022 with the Port Authority of Allen County proposed capital lease financing the Procter & Gamble Manufacturing Company Project term sheet. We found no exceptions.

We confirmed \$111,658 from the Ohio Department of Transportation (ODOT) for the ODOT PID #108324 work for Jobs & Commerce to the PAAC during 2021 with the ODOT check stub and J&C invoice reimbursement form to ODOT. We found no exceptions.

We confirmed \$40,000 from Perry Protech, Inc for the deposit & capital lease financing costs for the Perry Protech, Inc. Project to the PAAC during 2021 with the Port Authority of Allen County proposed capital lease financing Perry Protech, Inc. Project term sheet. We found no exceptions.

- a. We inspected the Transaction Detail by Account Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the Transaction Detail by Account Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and:

- a. Agreed the receipt amount in the Transaction Detail by Account Report to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Transaction Detail by Account Report 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 agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2020.
2. We inquired of management and inspected the Transaction Detail by Account Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. There were no new debt issuances, nor any debt payment activity during 2022 or 2021.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Transaction Detail by Account Report for the year ended December 31, 2022 and 10 from the year ended 2021 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check/EFT number, date, payee name and amount recorded on the returned, canceled check/EFT agreed to the check/EFT number, date, payee name and amount recorded in the Transaction Detail by Account Report 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 purpose for which the fund's cash can be used. We found no exceptions.
 - d. All disbursements requiring certification were not certified and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2022 and 2021. Expenditures for 2022 and 2021 exceeded total appropriations by \$322,172 and \$1,353, respectively, contrary to Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B).
2. We inspected the General Ledger for the years ended December 31, 2022 and 2021 for negative cash fund balance. Ohio Rev. Code § 5705.10 (I) 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 negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the PAAC's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with PAAC management and determined that the PAAC did not have any completed public records requests during the engagement period.
3. We inquired whether the PAAC had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We requested written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no written evidence. **Ohio Rev. Code § 149.43(E)(2)** states, in part, the public office shall distribute the public records policy to the employee who is the records custodian or records manager or employee who otherwise has custody of the records and shall require that employee to acknowledge receipt of the copy of the public records policy.
5. We inquired with PAAC management and determined that the PAAC did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).
6. We observed that the PAAC's poster describing their Public Records Policy was not displayed conspicuously in all branches of the PAAC as required by Ohio Rev. Code § 149.43(E)(2). **Ohio Rev. Code § 149.43(E)(2)** states, in part, that the public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices." The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site.
7. We inquired with PAAC management and determined that the PAAC did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inquired with PAAC management and determined that the PAAC did not have any elected officials subject to the Public Records Training requirements during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(1) and 109.43(B).
9. We inspected the public notices for the public meetings held during the engagement period and determined the PAAC notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.

Sunshine Law Compliance (Continued)

11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 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. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the PAAC 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, 2022 and 2021 in the Hinkle system. We found no exceptions.

We were engaged by the PAAC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the PAAC'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.

We are required to be independent of the PAAC and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 19, 2023

OHIO AUDITOR OF STATE KEITH FABER



PORT AUTHORITY OF ALLEN COUNTY

ALLEN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/17/2023

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This report is a matter of public record and is available online at
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