



OHIO AUDITOR OF STATE
KEITH FABER





INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

Van Wert County Regional Airport Authority
Van Wert County
901 Elks Drive
Van Wert, Ohio 45891

We have performed the procedures enumerated below on the Van Wert County Regional Airport Authority’s (the Airport) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Airport.

The Board of Trustees and the management of the Airport have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2021 and 2020, 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, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for the General fund recorded in the Statement of Receipts, Disbursements, and Changes in Net Position to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Reconciliation Summary to the December 31, 2020 balances in the Statement of Receipts, Disbursements, and Changes in Net Position. We found no exceptions.
3. We agreed the 2021 and 2020 bank reconciliation as of December 31, 2021 and 2020 to the total fund cash balances reported in the Balance Sheet and the financial statements filed by the Airport in the Hinkle System. The amounts agreed.

4. We confirmed the December 31, 2021 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, 2021 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2021 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 reconciliation detail and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2021 bank reconciliation:
 - a. We traced each credit to the subsequent January statement. We found no exceptions.
 - b. We agreed the credit amounts to the reconciliation detail and determined they were dated prior to December 31. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all receipts from the County Auditor's Detailed Vendor Report from 2021 and all from 2020.
 - a. We compared the amount from the above named report to the amount recorded in the Profit & Loss Detail. The amounts agreed.
 - b. We inspected the Profit & Loss Detail to determine these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Profit & Loss Detail to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the individual amounts paid from the City of Van Wert to the Airport during 2021 and 2020 with the City. We found no exceptions.
 - a. We inspected the Profit and Loss Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Profit and Loss Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
3. We confirmed the total amount paid from the Van Wert Foundation to the Airport during 2021 and 2020 with the Foundation. We found no exceptions.
 - a. We inspected the Annual Financial Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Annual Financial Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Sale of Fuel Receipts

We selected 10 sale of fuel cash receipts from the year ended December 31, 2020 recorded in the Sales by Item Detail report and:

- a. Agreed the receipt amount per the Fuel Master Report to the amount recorded in the Sales by Item Detail Report. We were not able to agree the amounts as the Fuel Master Report was not provided.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Sales by Item Detail Report to confirm the receipt was posted to the proper fund, and was recorded in the proper year. The receipts were posted to the proper fund. We were not able to determine if the receipt was recorded in the proper year as the Fuel Master Report was not provided.

Rent Receipts

We selected 10 rent cash receipts from the year ended December 31, 2020 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Profit and Loss Detail Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Profit and Loss Detail Report to confirm 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, 2019.
2. We inquired of management, and inspected the Profit and Loss Detail Report and General Ledger, and Annual Financial Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of notes and loans debt activity for 2021 and agreed principal and interest payments from the related debt amortization schedules to payments reported in the Annual Financial Report. We also compared the date the debt service payments were due to the date the Airport made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the General fund per the General Ledger. The amounts agreed.
5. For new debt issued during 2021, we inspected the debt legislation, which states the Airport must use the proceeds for capital outlay expenditures for the new airport terminal facility and new taxiway. We scanned the Foundation statements and observed the Airport had expenditures related to the debt proceeds for the new airport terminal facility and taxiway in 2021. During our scan of 2021, we also identified a disbursement that contained the purchase of alcohol described below:

- a. **Finding For Recovery Repaid Under Audit- Alcohol Purchase**

State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951), provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect. The Bulletin further states that the Auditor of State's Office does not view the expenditure of public funds for alcoholic beverages as a proper public purpose and will issue findings for recovery for such expenditures as manifestly arbitrary and incorrect.

For 2021, the Airport issued a payment in the amount of \$1,767 to Willow Bend Country Club for an event held on behalf of the Airport, of which \$636 was for the purchase of alcohol. Renee Thatcher, Van Wert County Foundation, wrote the check for the payment and Seth Baker, Van Wert County Foundation, approved the payment and signed the check.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a Finding for Recovery for public monies illegally expended is hereby issued, jointly and severally, against Renee Thatcher and Seth Baker, both of the Van Wert County Foundation, in the amount of \$636 and in favor of the Van Wert County Regional Airport Capital Improvement Fund.

On March 1, 2023, the Finding amount was repaid in full by payments from Renee Thatcher and Seth Baker, with each payment being made via check in the amount of \$318. These payments were evidenced by the Statement of Activity for the Van Wert County Regional Airport Capital Improvement Fund and images of the checks written by Ms. Thatcher and Mr. Baker. As such, this constitutes a Finding for Recovery Repaid Under Audit.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the General Ledger and:
 - a. We compared the hours and pay rate, or salary recorded in the General Ledger to supporting documentation timecard or statutorily-approved rate or salary.
 - i. We inspected the employees' personnel file for the Retirement system, Federal, State & Local income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance where an employee pay rate was not statutorily-approved in the minute record.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and minute record. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 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 2021. 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, 2022	January 20, 2022	\$924	\$924
State income taxes	January 15, 2022	January 17, 2022	\$207	\$207
Local income tax (City of Van Wert)	January 15, 2022	January 15, 2022	\$179	\$179
OPERS retirement	January 30, 2022	January 19, 2022	\$835	\$835

We found no exceptions.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Check Detail Report for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:

- a. The disbursements were for a proper public purpose. We found one exception. The Airport had one expenditure for reimbursement to an employee for purchases at Costco in the amount of \$85 in which a detailed receipt was not provided.
- 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 Check Detail 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 restricted purpose for which the fund's cash can be used. We found no exceptions.

Sunshine Law Compliance

1. We obtained and inspected the Airport'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 Airport management and determined that the Airport did not have any completed denied or redacted public records requests during the engagement period.
3. We inquired with Airport management and determined that the Airport did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We inquired 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 exceptions.
5. We inspected the Airport's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We inquired that the Airport's poster describing their Public Records Policy was displayed conspicuously in all branches of the Airport as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We did not select any applications submitted to the Records Commission for one-time disposal of obsolete records and management's review of the schedules of records retention and dispositions for the engagement period. The Airport is not subject to the Ohio Rev. Code records authority. Therefore, this step is not applicable and applications were not inspected or inquired about.
8. We inquired with Airport management and determined that the Airport 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 Airport 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:
- Prepared – a file is created following the date of the meeting
 - Filed – placed with similar documents in an organized manner
 - Maintained - retained, at a minimum, for the engagement period
 - Open to public inspection – available for public viewing or request.

We found no exceptions.

11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
- Executive sessions were only held at regular or special meetings.
 - 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).
 - Formal governing board actions were adopted in open meetings.

We found no exceptions.

Other Compliance

Ohio Rev. Code §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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Airport 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, 2021 and 2020 in the Hinkle system. We found no exceptions.

We were engaged by the Airport 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 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.

We are required to be independent of the Airport 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

March 6, 2023

OHIO AUDITOR OF STATE KEITH FABER



VAN WERT COUNTY REGIONAL AIRPORT AUTHORITY

VAN WERT 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 3/21/2023

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This report is a matter of public record and is available online at
www.ohioauditor.gov