



**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY**

**SINGLE AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2022**



OHIO AUDITOR OF STATE  
KEITH FABER



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Members of the Board  
Allen County Regional Airport Authority  
P. O. Box 1401  
Lima, Ohio 45802

We have reviewed the *Independent Auditor's Report* of Allen County Regional Airport Authority, Allen County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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. Allen County Regional Airport Authority is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 23, 2024

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ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY

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**INDEPENDENT AUDITOR'S REPORT**

Allen County Regional Airport Authority  
Allen County  
PO Box 1401  
Lima, OH 45802

To the Members of the Board:

***Report on the Audit of the Financial Statements***

***Unmodified and Adverse Opinions***

We have audited the financial statements of the Allen County Regional Airport Authority, Allen County, Ohio (the Authority), which comprises the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statements.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental fund type as of and for the year ended December 31, 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority, as of December 31, 2022, or the changes in financial position thereof for the year then ended.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 2 of the financial statements, the financial statements are prepared by the Authority on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



***Auditor's Responsibilities for the Audit of the Financial Statements (Continued)***

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary Information***

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

December 21, 2023

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>General</u>	<u>Capital Projects</u>	<u>Combined Total</u>
<b>Cash Receipts:</b>			
Farm Income	\$ 124,812	\$ -	\$ 124,812
County Allocation	46,338	-	46,338
Federal and State Grants	32,000	1,603,355	1,635,355
Interest Earnings	207	-	207
Hanger and Tie-Down Rental	82,917	-	82,917
Aircraft Rental	30,455	-	30,455
Aircraft Flight Instruction	22,243	-	22,243
Fuel	411,722	-	411,722
Miscellaneous	39,608	-	39,608
	<u>790,302</u>	<u>1,603,355</u>	<u>2,393,657</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Transportation			
Payroll Expense	155,262	-	155,262
Contract Services	7,974	-	7,974
Supplies	14,937	-	14,937
Fuel Inventory	326,781	-	326,781
Equipment Maintenance	14,173	-	14,173
Insurance	23,227	-	23,227
Utilities	37,848	-	37,848
Building and Grounds	15,345	-	15,345
Property Taxes	45,203	-	45,203
Miscellaneous	51,465	-	51,465
Capital Outlay	109,718	1,608,401	1,718,119
	<u>801,933</u>	<u>1,608,401</u>	<u>2,410,334</u>
<b>Total Cash Disbursements</b>			
Excess of Receipts Over (Under) Disbursements	<u>(11,631)</u>	<u>(5,046)</u>	<u>(16,677)</u>
<b>Other Financing Receipts (Disbursements):</b>			
Sale of Fixed Assets	25,239	-	25,239
	<u>25,239</u>	<u>-</u>	<u>25,239</u>
<b>Total Other Financing Receipts (Disbursements)</b>			
Net Change in Fund Cash Balances	13,608	(5,046)	8,562
Fund Cash Balance, January 1	<u>185,633</u>	<u>33,552</u>	<u>219,185</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$ 199,241</u></u>	<u><u>\$ 28,506</u></u>	<u><u>\$ 227,747</u></u>

The notes to the basic financial statements are an integral part of this statement.

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Allen County Regional Airport Authority, Allen County, (the Authority) as a body corporate and politic. The County Commissioners appoint seven Board members to direct the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the airport.

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

The Authority's financial statements consist of a statement of receipts, disbursements, and charges in fund balances (regulatory cash basis).

***Basis of Accounting***

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit

***Fund Accounting***

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Authority are presented below:

***General Fund*** The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Capital Projects Fund*** This fund accounts for receipts restricted to acquiring or constructing major capital projects

***Deposits and Investments***

The Authority's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

***Capital Assets***

The Authority records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements does not report these items as assets.

***Leases***

The Authority is the lessor in various leases (as defined by GASB 87) related to farm land under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the Authority must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

***Nonspendable*** The Authority classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes, nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Authority.

***Restricted*** Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

***Committed*** The Board can *commit* amounts via formal action (resolution). The Authority must adhere to these commitments unless the Board amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

***Assigned*** Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Authority applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

**Note 3 – Deposits**

The Authority maintains a deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

Demand Deposits	2022
	\$ 227,747

***Deposits***

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Authority.

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 4 – Debt**

On August 5, 2009 the Allen County Regional Airport Authority entered into a funding agreement with the Allen County Commissioners for \$530,000. This agreement was to issue a note to 1) renew an outstanding bond note with a balance of \$377,000, 2) to secure an additional \$130,000 to fund a 5% match for an FAA grant for improvements, and 3) pay the costs of issuing the note. The Authority has pledged its revenues to the repayment of the amounts borrowed by the County on its behalf. The interest rate was fixed for five years at 4.58% and payments were amortized over fifteen years. Annual principal payments of \$35,333 were paid August 5 of the years 2010 through 2013. Interest was paid semiannually on February 5 and August 5 of each year. In 2013, the balance of the loan was refinanced for eight years at 2.29%. Interest was paid semiannually on February 5 and August 5 and principal were paid on August 5 annually. The loan balance was \$49,151 as of December 31, 2020 and was fully paid off during 2021.

The Authority has a line of credit for \$100,000 with Citizens National Bank which is renewed annually. Interest rate is indexed at the bank prime rate plus 1%. There were no draws on the line of credit as of December 31, 2022.

**Note 5 – Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

The Authority's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

The Ohio Revised Code also prescribes contribution rates. For 2022, OPERS members contributed 10 percent of their gross salaries and the Authority contributed an amount equaling 14 percent of participants' gross salaries. The Authority has paid all contributions required through December 31, 2022.

**Note 6 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and deposits to a Health Reimbursement Arrangement, to qualifying benefit recipients. The portion of employer contributions allocated to health care for members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

**Note 7 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Authority pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs).

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 7 – Risk Management (Continued)**

***Commercial Insurance***

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions

**Note 8 – Contingent Liabilities**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 9 – Related Party Transactions**

A Board member is part owner of the company from which the Authority acquired insurance during 2022. The Authority paid \$16,669 to this company in 2022.

ORC Section 2921.42(A)(5) prohibits any public official from having an interest in " ... the profits or benefits of a public contract that is not let by competitive bidding ... ". There are exceptions included in this ORC statute and documentation of these transactions appear to meet the exception set forth in the statute.

**Note 10 – Farm Lease**

In 2020, 497.26 acres of farm ground was advertised for bid and awarded to Mr. Scott Miller for a price of \$251 per acre for one year with the term of the lease beginning January 1, 2021 for a one-year term with the option to renew for the subsequent two years. Farm income from leased ground in 2022 was \$124,812

**Note 11 – Fund Balance**

Included in fund balance are amounts the Authority cannot spend, including the balance of unclaimed monies, which cannot be spent for five years. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Authority had no outstanding encumbrances.

**Note 12 – Construction and Contractual Commitments**

In 2020, the board accepted a grant offer (AIP 2120) from the FAA in the amount of \$249,992 for the rehabilitation of approximately 5,778 sq. yd. of the apron area, and to install new PAPI (Precision Approach Path Indicator) lighting on the end of Runway 28. This grant is 100% funded by the FAA, and requires no matching funds from the ACRM. During 2022, an amendment was approved in the amount of \$2,303 bringing the total cost to \$252,295 As of December 31, 2022, \$27,316 is yet to be received from the FAA to close out this project.

On September 1, 2021, the board received & accepted a grant offer (AIP 2321) from the FAA in the amount of \$2,130,300 to reconstruct runway 10/28 lighting, reconstruct taxiway lighting, rehab apron pavement, and seal the runway pavement. As of December 31, 2022, the Authority is waiting on \$215,635 to be received from the FAA.

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Note 12 – Construction and Contractual Commitments (Continued)**

In 2022, the Authority accepted a grant offer (AIP 2622) from the FAA in the amount of \$136,313 for airport development or noise program implementation. The project totaled \$151,459 and is 90% funded by the FAA, 5% as a match by the Authority, and 5% from an ODOT grant. The ODOT grant has not yet been approved as of December 31, 2022. At December 31, 2022, \$27,686 is remaining to be spent and received from the FAA.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2022, the Authority received \$32,000 in COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Authority. The impact on the Authority's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Federal Grantor/Pass-Through-Grantor/ Program Title	Federal AL Number	Pass-Through Entity Identifying Number	Disbursements
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Federal Aviation Administration</i>			
<i>Airport Improvement Program - AIP 2321</i>	20.106	3-39-0046-023-2021	\$ 1,407,264
<i>Airport Improvement Program - AIP 2622</i>	20.106	3-39-0046-026-2022	108,627
<i>Airport Improvement Program - AIP 2120</i>	20.106	3-39-0046-021-2020	83,000
<i>COVID-19 Airport Rescue Grant</i>	20.106	3-39-0046-025-2022	32,000
Total Federal Aviation Administration			\$ 1,630,891
<b>Total Federal Expenditures</b>			<b><u>\$ 1,630,891</u></b>

See Accompanying Notes to this Schedule.



**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Allen County Regional Airport Authority (the Authority) under programs of the Federal Government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position or changes in net position of the Authority.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards reports Allen County Regional Airport Authority's Federal awards programs' expenditures. The Schedule has been prepared on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowed or may be limited as to reimbursement. The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

**NOTE C – MATCHING REQUIREMENTS**

Certain Federal programs require the Authority to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has met the matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Allen County Regional Airport Authority  
Allen County  
PO Box 1401  
Lima, OH 45802

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the **Allen County Regional Airport Authority**, Allen County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 21, 2023, wherein we noted the Authority followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's Improvement Program and internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
*Marietta, Ohio*

December 21, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Allen County Regional Airport Authority  
Allen County  
PO Box 1401  
Lima, OH 45802

To the Members of the Board:

***Report on Compliance for the Major Federal Program***

***Opinion on the Major Federal Program***

We have audited **Allen County Regional Airport Authority, Allen County** (the Authority) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Allen County Regional Airport Authority's major federal program for the year ended December 31, 2022. Allen County Regional Airport Authority's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

The Authority's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

***Report on Internal Control Over Compliance (Continued)***

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

December 21, 2023

**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY  
ALLEN COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515**

**1. SUMMARY OF AUDIT RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	AL #20.106 Airport Improvement Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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# OHIO AUDITOR OF STATE KEITH FABER



**ALLEN COUNTY REGIONAL AIRPORT AUTHORITY**

**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 2/6/2024**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)