AUDITOR O

AIRPORT AUTHORITY HARDIN COUNTY

REGULAR AUDIT

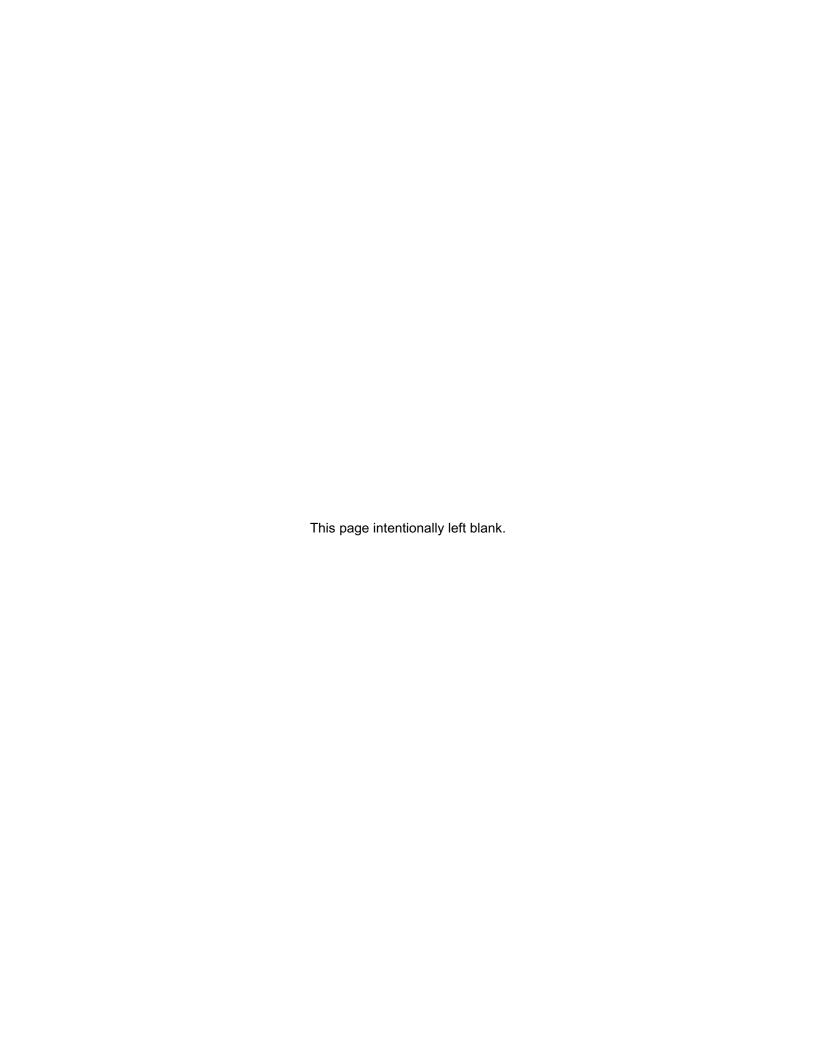
FOR THE YEARS ENDED DECEMBER 31, 1999-1998



HARDIN COUNTY AIRPORT AUTHORITY

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REPORT OF INDEPENDENT ACCOUNTANTS

Airport Authority
Hardin County
1040 West Franklin Street
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the Airport Authority, Hardin County, Ohio, (the Authority) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

As discussed in Note 1, the Authority prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Authority as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2000, 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro Auditor of State

May 25, 2000

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HARDIN COUNTY AIRPORT AUTHORITY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

1999	1998
\$68,871	\$41,000
18,742	14,238
19,500	14,795
580	3,526
107,693	73,559
11,556	10,137
1,685	3,338
•	2,846
	48,535
2,243	30,798
80,145	95,654
27,548	(22,095)
9,939	32,034
	\$9,939
	\$68,871 18,742 19,500 580 107,693 11,556 1,685 3,160 61,501 2,243 80,145

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

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HARDIN COUNTY AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Airport Authority, Hardin County, (the Authority) is a body corporate and politic established in the manner provided by Ohio Revised Code Section 308 to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by a seven member Board, appointed by the Hardin County Commissioners. The Authority is responsible for the safe and efficient operation and maintenance of the airport.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The Authority did not have any investments during the audit period.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$37,487	\$ 9,939

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Airport Authority Hardin County 1040 West Franklin Street Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the Airport Authority, Hardin County, Ohio (the Authority), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 25, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Authority in a separate letter dated May 25, 2000.

Internal Control Over Financial Reporting

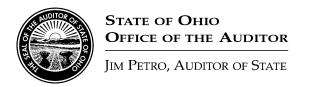
In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated May 25, 2000.

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Hardin County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*Page 2

This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro Auditor of State

May 25, 2000



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AIRPORT AUTHORITY HARDIN 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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED JULY 25, 2000