



Mary Taylor, CPA
Auditor of State

HARDIN COUNTY AIRPORT AUTHORITY
HARDIN COUNTY

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Mary Taylor, CPA
Auditor of State

Hardin County Airport Authority
Hardin County
13975 CR 135
Kenton, OH 43326

To the Members of the Board:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statement pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statement presents are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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April 19, 2010

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Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hardin County Airport Authority
Hardin County
13975 CR 135
Kenton, OH 43326

To the Members of the Board:

We have audited the accompanying financial statement of the Hardin County Airport Authority, Hardin County (the Airport), as of and for the year ended December 31, 2009. This financial statement is the responsibility of the Airport's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Airport has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

GAAP requires presenting entity wide statements and also presenting the Airport's larger (i.e. major) fund separately. While the Airport does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Authorities to reformat their statements. The Airport has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2009 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Airport as of December 31, 2009 or its changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of Hardin County Airport Authority, as of December 31, 2009, and its cash receipts and disbursements for the year then ended on the accounting basis Note 1 describes.

The Airport has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2010, on our consideration of the Airport'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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 19, 2010

**HARDIN COUNTY AIRPORT AUTHORITY
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009**

Cash Receipts:

County Contributions	\$19,580
Grants	251,205
Sale of Fuel	52,586
Hanger Rent	29,815
Land Rent	3,750
Interest	29
Other	8
Total Cash Receipts	<u>356,973</u>

Cash Disbursements:

Current:

Fuel	43,802
Utilities	4,964
Supplies	1,602
Services	102,015
Grant Expenditures	200,781
Taxes	6,417
Other	19
Total Cash Disbursements	<u>359,600</u>

Total Receipts (Under) Disbursements	<u>(2,627)</u>
Fund Cash Balance, January 1	<u>68,071</u>
Fund Cash Balance, December 31	<u><u>\$65,444</u></u>

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

**HARDIN COUNTY AIRPORT AUTHORITY
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

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

The Airport's management believes this financial statement presents all activities for which the Airport is financially accountable.

B. Accounting Basis

The financial statement follows the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Airport recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Deposits and Investments

The Airport maintained all money in a checking account which is valued at cost.

D. Property, Plant, and Equipment

The accounting basis recognizes acquisitions of property, plant, and equipment as disbursements when paid. The financial statement does not report these items as assets.

2. CASH

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

	2009
Demand deposits	<u>\$65,444</u>

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

3. RISK MANAGEMENT

The Airport has premises liability coverage for the Airport under the policy of Hardin County. Aviation insurance is provided by Old Republic Insurance Company.

4. CONTINGENCIES

Amounts grantor agencies pay to the Airport are subject to audit and adjustment by the grantor. 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.



Mary Taylor, CPA

Auditor of State

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

Hardin County Airport Authority
Hardin County
13975 CR 135
Kenton, OH 43326

To the Members of the Board:

We have audited the financial statement of the Hardin County Airport Authority, Hardin County (the Airport), as of and for the year ended December 31, 2009, and have issued our report thereon dated April 19, 2010, wherein we noted the Airport followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Airport's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the Airport's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Airport's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Airport's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Airport's financial statement is free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Airport's management in a separate letter dated April 19, 2010.

We intend this report solely for the information and use of the audit committee, management, and Members of the Board. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

April 19, 2010



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HARDIN COUNTY 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.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MAY 13, 2010