



OHIO AUDITOR OF STATE  
**KEITH FABER**





HARDIN COUNTY AIRPORT AUTHORITY  
HARDIN COUNTY

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Hardin County Airport Authority  
Hardin County  
20783 County Road 100  
Kenton, Ohio 43326

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 Hardin County Airport Authority, Hardin County, Ohio (the Airport), a component unit of Hardin County, which comprises the cash balances, receipts and disbursements for the Airport as of and for the year ended December 31, 2021 and 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 balance, receipts and disbursements of Hardin County Airport Authority, Hardin County, Ohio as of and for the year ended December 31, 2021, 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 Airport, as of December 31, 2021, 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 Airport, 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 Airport 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.

***Emphasis of Matter***

As discussed in Note 6 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Airport. Our opinion is not modified with respect to this matter.

***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 Airport'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 Airport'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
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, 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. 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 Airport'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 Airport's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 25, 2022

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**HARDIN COUNTY AIRPORT AUTHORITY  
HARDIN COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGE IN FUND BALANCE (REGULATORY CASH BASIS) - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<b>Operating Receipts:</b>	
Sale of Fuel	\$31,916
Hangar Rent	22,491
Total Operating Receipts	<u>54,407</u>
<b>Operating Disbursements:</b>	
Fuel	23,502
Fuel Taxes	1,732
Utilities	15,372
Supplies	39,114
Total Operating Disbursements	<u>79,720</u>
Operating Income	(25,313)
<b>Non-Operating Receipts:</b>	
Land Rent	12,985
ODOT	1,651
County Contributions	141,635
CARES Act	45,000
Interest	110
FAA	35,945
Total Non-Operating Receipts	<u>237,326</u>
<b>Non-Operating Disbursements:</b>	
Contractual Services	161,640
Other	4,990
Audit	2,501
Total Non-Operating Disbursements	<u>169,131</u>
Non-Operating Income	68,195
Change in Fund Balance	42,882
Fund Cash Balance, January 1	<u>218,115</u>
Fund Cash Balance, December 31	<u><u>\$260,997</u></u>

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

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**HARDIN COUNTY AIRPORT AUTHORITY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**1. 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 management believes these financial statements present all activities for which the Airport is financially accountable.

The Airport is considered a component unit of Hardin County.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Accounting Basis**

This financial statement follows 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 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

**C. Deposits and Investments**

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

**D. Property, Plant and Equipment**

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

**E. Operating Receipts and Disbursements**

Operating receipts are those receipts that are generated directly from primary activities. For the Airport, these receipts are for sale of fuel and hangar rent. Operating disbursements are the necessary costs incurred to provide the services that are the primary activity. All receipts and disbursements not meeting these definitions are reported as non-operating.

**F. Fund Accounting**

The Airport uses fund accounting to segregate cash and investments that are restricted as to use. The Airport classifies its fund into the following type:

**HARDIN COUNTY AIRPORT AUTHORITY  
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Enterprise Fund**

This fund accounts for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges.

**3. DEPOSITS**

The Airport maintains all money in a deposit account. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was:

Checking Account	\$260,997
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**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**4. RISK MANAGEMENT**

The Airport has premises insurance under the policy of Hardin County. Aviation insurance is provided by Old Republic Insurance Group.

**5. CONTINGENT LIABILITIES**

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.

**6. COVID-19 PANDEMIC**

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 2021, Hardin County Airport Authority received two rounds of Cares Act Money totaling \$45,000. The funds were spent following guidelines set by federal government. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Airport. The impact on the Airport's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.



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

Hardin County Airport Authority  
Hardin County  
20783 County Road 100  
Kenton, Ohio 43326

To the Members of the Board:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the cash balance, receipts, and disbursements as of and for the year ended December 31, 2021, and related notes of the Hardin County Airport Authority, Hardin County, (the Airport), a component unit of Hardin County, and have issued our report thereon dated October 25, 2022, wherein we noted the Airport followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Airport.

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

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are 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 Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport'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 Airport'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 Airport'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 Airport'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 Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 25, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**HARDIN COUNTY AIRPORT AUTHORITY**

**HARDIN 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 11/15/2022**

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)