





# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Henry County Regional Airport Authority  
Henry County  
P.O. Box 883  
Napoleon, Ohio 43545-0883

We have performed the procedures enumerated below on Henry County Regional Airport Authority, Henry County, Ohio's (the Airport) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2021 beginning fund balance for the General Fund recorded in the Fund Ledger Report to the December 31, 2020 balance in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2021 balance in the Fund Ledger Report. We found no exceptions.

3. We agreed the 2022 and 2021 bank reconciliation Adjusted Fund Ledger Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 to the total fund cash balances reported in the Fund Ledger Report and the financial statements filed by the Airport in the Hinkle System. The amounts did not agree due to error corrections in the Fund Ledger Report post Hinkle filing.
4. We confirmed the December 31, 2022 bank account balance with the Airport's financial institution, We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
  - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.

### **Intergovernmental Cash Receipts**

We selected a total of five Federal Aviation Grant receipts direct deposited from the FAA from 2022 and a total of five from 2021. In addition, we selected the only receipt from Henry County from the Henry County Payment Listing for 2022.

- a. We compared the amount from the bank statements and grant requests to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. We inspected the Receipt Register Report to determine these receipts were allocated to the proper funds. We found no exceptions.
- c. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Rent Receipts**

We selected 10 rent cash receipts from the year ended December 31, 2022 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Agreed the rate charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to confirm the receipt was posted to the proper account, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. From the prior audit documentation, we observed a bank loan was outstanding as of December 31, 2020.
  - a. This amount agreed to the Airport's January 1, 2021 balances on the summary we used in procedure 3.
  - b. We inspected the debt agreement for the outstanding debt, and we confirmed the Airport was in compliance with the debt covenants listed below.

Issue	Principal outstanding as of December 31, 2020:	Debt Covenant
2015 Henry County Bank Loan	\$12,257	Airport Authority is required to pay the required interest and principal per the amortization schedule.

2. We inquired of management and inspected the Receipt Register Report and Payment Register Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loans and debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedules payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Airport made the payments. We found no exceptions.

During 2015, the Airport obtained a bank loan to finance a ramp rehabilitation in the amount of \$25,000. This type of debt is not authorized in Ohio Rev. Code Chapter 133. The Airport has no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Without a statutory provision authorizing this method of incurring debt, the Airport was not permitted to use such a method. This debt was paid off in 2022.

4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the General fund per the Receipt Register Report. The amounts agreed.
5. For new debt issued during 2021, we inspected the debt legislation, which states the Airport must use the proceeds as a short term loan for engineering costs paid by the County that were later reimbursed by the FAA. We scanned the Payment Register Detail Report and observed the Airport reimbursed the County in June of 2021 paying the loan in full. We found no exceptions.

### Non-Payroll Cash Disbursements

1. From the Payment Register Detail Report, we re-footed checks recorded as General Fund disbursements for Property Tax and Equipment Repair and Maintenance. We found no exceptions.
2. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2022 and 10 from the year ended December 31, 2021 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check or bill pay debit per bank statement agreed to the check number, date, payee name and amount recorded in the Payment Register 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 inquired with Airport management and determined that the Airport did not have a public records policy during the engagement period as required by Ohio Rev. Code §§ 149.43(E)(2).
2. We inquired with Airport management and determined that the Airport did not have any public records requests (completed, denied, or redacted) 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 with Airport management and determined that the Airport did not have a public records policy during the engagement period and therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Airport management and determined that the Airport did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Airport management and determined that the Airport did not have a public records policy during the engagement period and therefore it could not be displayed in all the branches of the Airport as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Airport management and determined that the Airport did not have any applications for record disposal submitted to the Records Commission during the engagement period.
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:
  - a. Prepared – a file is created following the date of the meeting
  - b. Filed – placed with similar documents in an organized manner
  - c. Maintained - retained, at a minimum, for the engagement period
  - d. 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:
  - a. Executive sessions were only held at regular or special meetings.
  - b. 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).
  - c. 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, 2022 and 2021 in the Hinkle system. Financial information was filed on March 20, 2023, and June 6, 2022 which was not within the allotted timeframe.

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

October 25, 2023

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# OHIO AUDITOR OF STATE KEITH FABER



**HENRY COUNTY REGIONAL AIRPORT AUTHORITY**

**HENRY 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 11/9/2023**

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