





**ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY  
OTTAWA COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Erie-Ottawa Regional Airport Authority  
Ottawa County  
3255 East State Road  
Port Clinton, Ohio 43452-8004

To the Board of Directors:

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

#### ***Unmodified and Adverse Opinions***

We have audited the financial statements of Erie-Ottawa Regional Airport Authority, Ottawa County, Ohio (the Authority), which comprises the cash balances, receipts and disbursements as of and for the years ended December 31, 2024 and 2023, 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 presents fairly, in all material respects, the cash balances, receipts and disbursements as of and for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, or the changes in financial position thereof for the years 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 *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.
- 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026, 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.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

January 14, 2026

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**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Statement of Receipts, Disbursements, and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended December 31, 2024*

<b>Cash Receipts</b>	
County Contributions	\$425,057
Grants	969,861
Sale of Fuel	1,603,227
Fees	167,234
Rents	251,530
Miscellaneous	71,498
	<hr/>
<i>Total Cash Receipts</i>	<i>3,488,407</i>
<b>Cash Disbursements</b>	
Current:	
Transportation:	
Fuel for Resale	1,291,716
Fuel Refund	28,726
Salaries	324,623
Fringe Benefits	42,849
Supplies and Materials	14,736
Equipment	8,185
Contracts - Repair	63,410
Contracts - Services	208,270
Rentals	3,386
Advertising and Printing	707
Travel and Expenses	5,445
Miscellaneous	18,329
Capital Outlay	1,200,804
Debt Service:	
Principal Retirement	100,665
Interest and Fiscal Charges	31,284
	<hr/>
<i>Total Cash Disbursements</i>	<i>3,343,135</i>
	<hr/>
<i>Excess of Receipts Over Disbursements</i>	<i>145,272</i>
<b>Other Financing Receipts</b>	
Insurance Proceeds - CORSA	103,934
	<hr/>
<i>Net Change in Fund Cash Balance</i>	<i>249,206</i>
	<hr/>
<i>Fund Cash Balance, January 1</i>	<i>464,595</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$713,801</i>
	<hr/>

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

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2024*

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**Note 1 - Reporting Entity**

Erie-Ottawa Regional Airport Authority (the Authority), Ottawa County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is governed by a nine-member Board of Directors: four of whom are appointed by the Erie County Board of County Commissioners and four of whom are appointed by the Ottawa County Board of County Commissioners. The remaining member is appointed at-large by the other eight Board members. The Authority is responsible for the safe and efficient operation and maintenance of Erie-Ottawa Regional Airport Authority.

***Public Entity Risk Pool***

The Authority participates in a public entity risk pool. Note 4 to the financial statement provides additional information for this entity.

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

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

***Basis of Presentation***

The Authority's financial statement consists of a statement of receipts, disbursements, and change in fund balance (regulatory cash basis).

***Basis of Accounting***

The 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 Authority 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.

***Capital Assets***

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

***Accumulated Leave***

Authority employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2024*

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***Lease***

The Authority is the lessor in a lease (as defined by GASB 87) related to land and buildings under a noncancelable lease. Lease revenues are recognized when they are received.

***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.

**Note 3 - Deposits**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2024
Demand deposits	<u>\$713,801</u>

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2024*

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Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The Authority has a payroll clearing account where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Authority's payroll clearing account represents unremitted employee payroll withholdings.

**Note 4 - Risk Management**

***Commercial Insurance***

The Authority has obtained commercial insurance for the following risks:

- Aviation;
- Airport hangarkeepers' liability; and
- Vehicles.

The Authority also carries a bond for employee dishonesty.

***Risk Pool Membership***

Through Ottawa County, the Authority is covered under the County Risk Sharing Authority, Inc. (CORSAs). CORSA is a risk sharing pool made up of various counties in Ohio and was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSA insurance/self-insurance program, a group of primary and excess insurance/self-insurance and risk management program. CORSA insured the Authority for general liability, errors and omission, and property.

During 2023, the Authority had flood damage to the customs building, the terminal and some of its contents. A portion of the insurance claim proceeds was received in November 2023. Most of the reconstruction work was completed during 2023; however, due to negotiations with the contractor and insurance company, the expenses were not paid until 2024. The remaining insurance proceeds in the amount of \$103,934 were received in 2024 and exhausted to pay these expenses. The insurance proceeds covered the reconstruction and replacement costs, except for the excess expenses of \$7,800. This excess of expenditures is considered to be immaterial.

**Note 5 - Defined Benefit Pension Plan**

***Ohio Public Employees Retirement System***

Authority 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. 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, 2024.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2024*

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**Note 6 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 7 - Lease**

In October 2021, the Authority leased certain premises and a building to Erie Air Services, LLC. The lease is for fifty years with a building monthly rent payment that is fixed for the term of the lease at \$437. In addition, the land monthly rent payment of \$480 is fixed for the first 25 years of the lease, and thereafter adjusted every five years. The Authority received an initial payment in the amount of \$250,000 in October 2021. Lease revenues are recognized when they are received.

**Note 8 - Debt**

Debt outstanding at December 31, 2024 was as follows:

	Principal	Interest Rate
State Infrastructure Bank Loan	\$963,875	3.00%
Loan - Customs Project - Ottawa County	110,800	0.00%
Total	<u>\$1,074,675</u>	

On November 6, 2013, the Authority closed a loan with the State Infrastructure Bank for the construction of a taxiway to support new private development of 14 hangars and the addition of an aviation museum, the construction of a customs building, the upgrade of an existing hangar, and the renovation of an existing building to hangar space. The Authority elected to skip two payments due to COVID-19 (November 2020 and May 2021) as allowable per State Infrastructure Bank. Interest will continue to accrue and increase the balance of the loan. The semi-annual payment amount was recalculated in 2021.

The Authority entered into a Tri-Party Agreement with Erie County and Ottawa County on April 28, 2017. The agreement was to assist the Authority with the construction of the U.S. Customs building. Each county loaned \$138,500 to the Authority for the construction costs. Each county was to be repaid in full with interest at 1 percent initially. The interest rate will be re-established annually based on the index at the time plus .18 percent above the One Year Treasury bill index or as mutually agreed upon.

The loan with Ottawa County has been extended beyond the previous maturity date of December 31, 2021. Beginning in 2024, the revised repayment terms with Ottawa County are monthly payments of \$2,308.34 over a term of 5 years with 0% interest. The loan with Erie County was repaid in full during 2022.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2024*

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Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	State Infrastructure Bank Loan	Loan - Customs Project - Ottawa County
2025	\$103,527	\$27,700
2026	103,527	27,700
2027	103,527	27,700
2028	103,527	27,700
2029	103,527	
2030-2034	517,633	
2035	103,527	
Total	<u>\$1,138,795</u>	<u>\$110,800</u>

**Note 9 - Contingent Liabilities**

Amounts grantor agencies pay to the Authority 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.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Statement of Receipts, Disbursements, and*  
*Change in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended December 31, 2023*

<b>Cash Receipts</b>	
County Contributions	\$128,334
Grants	164,664
Sale of Fuel	1,671,251
Fees	190,258
Rents	262,388
Miscellaneous	69,073
	<hr/>
<i>Total Cash Receipts</i>	<i>2,485,968</i>
<b>Cash Disbursements</b>	
Current:	
Transportation:	
Fuel for Resale	1,386,602
Fuel Refund	70,690
Salaries	323,212
Fringe Benefits	41,752
Supplies and Materials	5,567
Equipment	10,315
Contracts - Repair	65,962
Contracts - Services	212,270
Rentals	3,230
Advertising and Printing	560
Travel and Expenses	6,125
Miscellaneous	26,196
Capital Outlay	308,934
Debt Service:	
Principal Retirement	70,824
Interest and Fiscal Charges	32,703
	<hr/>
<i>Total Cash Disbursements</i>	<i>2,564,942</i>
	<hr/>
<i>Excess of Disbursements Over Receipts</i>	<i>(78,974)</i>
<b>Other Financing Receipts</b>	
Insurance Proceeds - CORSA	84,573
	<hr/>
<i>Net Change in Fund Cash Balance</i>	<i>5,599</i>
	<hr/>
<i>Fund Cash Balance, January 1</i>	<i>458,996</i>
	<hr/>
<i>Fund Cash Balance, December 31</i>	<i>\$464,595</i>
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The notes to the financial statement are an integral part of this statement.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2023*

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**Note 1 - Reporting Entity**

Erie-Ottawa Regional Airport Authority (the Authority), Ottawa County, Ohio is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is governed by a nine-member Board of Directors: four of whom are appointed by the Erie County Board of County Commissioners and four of whom are appointed by the Ottawa County Board of County Commissioners. The remaining member is appointed at-large by the other eight Board members. The Authority is responsible for the safe and efficient operation and maintenance of Erie-Ottawa Regional Airport Authority.

***Public Entity Risk Pool***

The Authority participates in a public entity risk pool. Note 4 to the financial statement provides additional information for this entity.

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

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

***Basis of Presentation***

The Authority's financial statement consists of a statement of receipts, disbursements, and change in fund balance (regulatory cash basis).

***Basis of Accounting***

The 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 Authority 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.

***Capital Assets***

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

***Accumulated Leave***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.



**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2023*

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***Lease***

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***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.

**Note 3 - Deposits**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits at December 31 was as follows:

	2023
Demand deposits	<u>\$464,595</u>

## **Erie-Ottawa Regional Airport Authority**

*Ottawa County*

*Notes to the Financial Statement*

*For the Year Ended December 31, 2023*

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Deposits are insured by the Federal Deposit Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The Authority has a payroll clearing account where gross payroll is held for distribution. The expenditures included in the accompanying financial statement reflect gross payroll. The balance in the Authority's payroll clearing account represents unremitted employee payroll withholdings.

### **Note 4 - Risk Management**

#### ***Commercial Insurance***

The Authority has obtained commercial insurance for the following risks:

- Aviation;
- Airport hangarkeepers' liability; and
- Vehicles.

The Authority also carries a bond for employee dishonesty.

#### ***Risk Pool Membership***

Through Ottawa County, the Authority is covered under the County Risk Sharing Authority, Inc. (CORSAs). CORSAs is a risk sharing pool made up of various counties in Ohio and was formed as an Ohio nonprofit corporation for the purpose of establishing the CORSAs insurance/self-insurance program, a group of primary and excess insurance/self-insurance and risk management program. CORSAs insured the Authority for general liability, errors and omission, and property.

During 2023, the Authority had flood damage to the customs building, the terminal and some of its contents. A portion of the insurance claim proceeds was received in November 2023. Most of the reconstruction work was completed during 2023; however, due to negotiations with the contractor and insurance company, the expenses were not paid until 2024. The remaining insurance proceeds are expected to be received and exhausted to pay these expenses. It is estimated that the insurance proceeds will cover the reconstruction and replacement costs. There should not be any material amount of uninsured losses or excess of funds.

### **Note 5 - Defined Benefit Pension Plan**

#### ***Ohio Public Employees Retirement System***

Authority 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. 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, 2023.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2023*

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**Note 6 - Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 7 - Lease**

In October 2021, the Authority leased certain premises and a building to Erie Air Services, LLC. The lease is for fifty years with a building monthly rent payment that is fixed for the term of the lease at \$437. In addition, the land monthly rent payment of \$480 is fixed for the first 25 years of the lease, and thereafter adjusted every five years. The Authority received an initial payment in the amount of \$250,000 in October 2021. Lease revenues are recognized when they are received.

**Note 8 - Debt**

Debt outstanding at December 31, 2023 was as follows:

	Principal	Interest Rate
State Infrastructure Bank Loan	\$1,036,840	3.00%
Loan - Customs Project - Ottawa County	138,500	0.00%
Total	<u>\$1,175,340</u>	

On November 6, 2013, the Authority closed a loan with the State Infrastructure Bank for the construction of a taxiway to support new private development of 14 hangars and the addition of an aviation museum, the construction of a customs building, the upgrade of an existing hangar, and the renovation of an existing building to hangar space. The Authority elected to skip two payments due to COVID-19 (November 2020 and May 2021) as allowable per State Infrastructure Bank. Interest will continue to accrue and increase the balance of the loan. The semi-annual payment amount was recalculated in 2021.

The Authority entered into a Tri-Party Agreement with Erie County and Ottawa County on April 28, 2017. The agreement was to assist the Authority with the construction of the U.S. Customs building. Each county loaned \$138,500 to the Authority for the construction costs. Each county was to be repaid in full with interest at 1 percent initially. The interest rate will be re-established annually based on the index at the time plus .18 percent above the One Year Treasury bill index or as mutually agreed upon.

The loan with Ottawa County has been extended beyond the previous maturity date of December 31, 2021. Beginning in 2024, the revised repayment terms with Ottawa County are monthly payments of \$2,308.34 over a term of 5 years with 0% interest. The loan with Erie County was repaid in full during 2022.

**Erie-Ottawa Regional Airport Authority**  
*Ottawa County*  
*Notes to the Financial Statement*  
*For the Year Ended December 31, 2023*

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Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	State Infrastructure Bank Loan	Loan - Customs Project - Ottawa County
2024	\$103,527	\$27,700
2025	103,527	27,700
2026	103,527	27,700
2027	103,527	27,700
2028	103,527	27,700
2029-2033	517,633	
2034-2035	207,053	
Total	\$1,242,321	\$138,500

**Note 9 - Contingent Liabilities**

Amounts grantor agencies pay to the Authority 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.



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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**

Erie-Ottawa Regional Airport Authority  
Ottawa County  
3255 East State Road  
Port Clinton, Ohio 43452-8004

To the Board of Directors:

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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements of Erie-Ottawa Regional Airport Authority, Ottawa County, Ohio (the Authority) and have issued our report thereon dated January 14, 2026, 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 internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

KEITH FABER  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

January 14, 2026

# OHIO AUDITOR OF STATE KEITH FABER



**ERIE-OTTAWA REGIONAL AIRPORT AUTHORITY**

**OTTAWA 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 1/27/2026**

65 East State 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)