



OHIO AUDITOR OF STATE
KEITH FABER

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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Statement of Receipts, Disbursements, and	
Change in Fund Balance (Regulatory Cash Basis)	
For the Year Ended December 31, 2024.....	5
Notes to the Financial Statement	
For the Year Ended December 31, 2024.....	6
Statement of Receipts, Disbursements, and	
Change in Fund Balance (Regulatory Cash Basis)	
For the Year Ended December 31, 2023.....	11
Notes to the Financial Statement	
For the Year Ended December 31, 2023.....	12
Independent Auditor's Report on Internal Control Over	
Financial Reporting and on Compliance and Other Matters	
Required by <i>Government Auditing Standards</i>	17

This page intentionally left blank.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

This page intentionally left blank.

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

Cash Receipts

County Contributions	\$425,057
Grants	969,861
Sale of Fuel	1,603,227
Fees	167,234
Rents	251,530
Miscellaneous	<u>71,498</u>

Total Cash Receipts 3,488,407

Cash Disbursements

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	<u>31,284</u>

Total Cash Disbursements 3,343,135

Excess of Receipts Over Disbursements 145,272

Other Financing Receipts

Insurance Proceeds - CORSA 103,934

Net Change in Fund Cash Balance 249,206

Fund Cash Balance, January 1 464,595

Fund Cash Balance, December 31 \$713,801

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

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

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><u>\$713,801</u></u>

Erie-Ottawa Regional Airport Authority

Ottawa County

Notes to the Financial Statement

For the Year Ended December 31, 2024

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. (CORS). CORS 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 CORS insurance/self-insurance program, a group of primary and excess insurance/self-insurance and risk management program. CORS 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

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	\$1,074,675	

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

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

Cash Receipts

County Contributions	\$128,334
Grants	164,664
Sale of Fuel	1,671,251
Fees	190,258
Rents	262,388
Miscellaneous	<u>69,073</u>

Total Cash Receipts 2,485,968

Cash Disbursements

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	<u>32,703</u>

Total Cash Disbursements 2,564,942

Excess of Disbursements Over Receipts (78,974)

Other Financing Receipts

Insurance Proceeds - CORSA 84,573

Net Change in Fund Cash Balance 5,599

Fund Cash Balance, January 1 458,996

Fund Cash Balance, December 31 \$464,595

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

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

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:

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

Erie-Ottawa Regional Airport Authority

Ottawa County

Notes to the Financial Statement

For the Year Ended December 31, 2023

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. (CORS). CORS 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 CORS insurance/self-insurance program, a group of primary and excess insurance/self-insurance and risk management program. CORS 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

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	\$1,175,340	

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

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	<u>\$1,242,321</u>	<u>\$138,500</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.



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

**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.

Erie-Ottawa Regional Airport Authority
Ottawa County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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