



**Auditor of State
Betty Montgomery**

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2003.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements.....	5
Schedule of Federal Awards Expenditures.....	9
Notes to the Schedule of Federal Awards Expenditures.....	10
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	11
Independent Accountants' Report of Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with <i>OMB Circular A-133</i>	13
Schedule of Findings	15

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Wood County Regional Airport Authority
1255 East Poe Road
Bowling Green, Ohio 43402-9392

To the Board of Trustees:

We have audited the accompanying financial statements of the Wood County Regional Airport Authority (the Authority) as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Authority prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Wood County Regional Airport Authority, Wood County as of December 31, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2004 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of federal awards expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. We subjected this information to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, federal awarding agencies, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 21, 2004

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
County and City Contributions	\$ 60,000		\$ 60,000
Intergovernmental		\$ 399,698	399,698
Sale of Fuel	160,352		160,352
Sale of Supplies	19,263		19,263
Rents/Leases	58,103		58,103
Storm Damage Insurance Receipts	192,950		192,950
Miscellaneous	4,711		4,711
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	495,379	399,698	895,077
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries and Benefits	93,947		93,947
Supplies and Materials	132,122		132,122
Repairs and Maintenance	25,172		25,172
Insurance	24,377		24,377
Utilities	16,624		16,624
Sales Tax Remitted	8,779		8,779
Capital Outlay	28,093	402,446	430,539
Storm Damage Repairs	161,125		161,125
Miscellaneous	11,887		11,887
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	502,126	402,446	904,572
	<hr/>	<hr/>	<hr/>
Total Disbursements Over Receipts	(6,747)	(2,748)	(9,495)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	165,213	16,550	181,763
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Fund Cash Balances, December 31	\$ 158,466	\$ 13,802	\$ 172,268
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
County and City Contributions	\$ 60,000		\$ 60,000
Intergovernmental	15,295	\$ 77,305	92,600
Sale of Fuel	148,485		148,485
Sale of Supplies	18,680		18,680
Rents/Leases	66,516		66,516
Storm Damage Insurance Receipts	10,618		10,618
Miscellaneous	5,888		5,888
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	325,482	77,305	402,787
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Salaries and Benefits	78,550		78,550
Supplies and Materials	99,203		99,203
Repairs and Maintenance	26,920		26,920
Insurance	22,686		22,686
Utilities	11,818		11,818
Sales Tax Remitted	8,438		8,438
Capital Outlay	11,663	154,594	166,257
Miscellaneous	13,814		13,814
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	273,092	154,594	427,686
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	52,390	(77,289)	(24,899)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	112,823	93,839	206,662
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$ 165,213	\$ 16,550	\$ 181,763
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Wood County Regional Airport Authority (the Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Authority is directed by an eight member Board, appointed by the Wood County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

The Authority's management believes these financial statements present all activities for which the Authority is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investment in the State Treasurers Asset Reserve (STAR Ohio) is recorded at share values reported by the State Treasurer.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Authority had the following significant Special Revenue Funds:

AIP 1101 Taxiway Lighting Fund - This fund receives federal grant money for a taxiway and lighting project.

AIP 1202 Taxiway B&C Fund - This fund receives federal grant money for a taxiway improvement project.

AIP 1303 Rehabilitate Apron - This fund receives federal grant money to rehabilitate an Apron.

E. Property, Plant, and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Authority's basis of accounting.

2. EQUITY IN CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 93,701	\$ 104,060
STAR Ohio	<u>78,567</u>	<u>77,703</u>
Total deposits and investments	<u>\$ 172,268</u>	<u>\$ 181,763</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Authority, or (3) collateralized by the financial institution's public entity deposit pool.

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. RETIREMENT SYSTEM

The Authority's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OPERS employee members contributed 8.5% of their gross salaries. The Authority contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Authority has paid all contributions required through December 31, 2003.

4. RISK MANAGEMENT

Commercial Insurance

The Wood County Regional Airport Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Crime
- Systems Protector
- Inland Marine.

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WOOD COUNTY REGIONAL AIRPORT AUTHORITY

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2003**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF TRANSPORTATION			
Airport Improvement Program	AIP #1-3-39-0010-1202	20.106	\$ 256,568
	AIP #1-2-29-0010-1303		<u>130,917</u>
Total Federal Awards Expenditures			<u>\$ 387,485</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS SCHEDULE

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED DECEMBER 31, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Authority contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Wood County Regional Airport Authority
1255 East Poe Road
Bowling Green, Ohio 43402-9392

To the Board of Trustees:

We have audited the accompanying financial statements of the Wood County Regional Airport Authority (the Authority) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Authority in a separate letter dated July 21, 2004.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Authority in a separate letter dated July 21, 2004.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

July 21, 2004



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH *OMB CIRCULAR A-133***

Wood County Regional Airport Authority
1255 East Poe Road
Bowling Green, Ohio 43402-9392

To the Board of Trustees:

Compliance

We have audited the compliance of the Wood County Regional Airport Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2003. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Wood County Regional Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2003. However, we noted certain immaterial instances of noncompliance that do not require inclusion in this report that we have reported to management of the Authority in a separate letter dated July 21, 2004.

Internal Control over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *OMB Circular A-133*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

July 21, 2004

WOOD COUNTY REGIONAL AIRPORT AUTHORITY

SCHEDULE OF FINDINGS
 OMB CIRCULAR A-133 § .505
 DECEMBER 31, 2003 AND 2002

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Airport Improvement Program CFDA #20.106
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



**Auditor of State
Betty Montgomery**

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WOOD COUNTY REGIONAL AIRPORT AUTHORITY

WOOD COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 17, 2004**