



**Auditor of State
Betty Montgomery**

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Greene County Regional Airport Authority
Greene County
140 North Valley Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statement of the Greene County Regional Airport Authority (the Authority), as of and for the year ended December 31, 2003. This financial statement is the responsibility of the Authority's management. Our responsibility is to express an opinion on the financial statement 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 provide a reasonable basis for our opinion.

As discussed in Note 1, the Authority prepares its financial statement 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 statement referred to above presents fairly, in all material respects, the cash balance of the Authority as of December 31, 2003, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 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. In our opinion, it 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 finance committee, management, Board of Trustees 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.

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Betty Montgomery
Auditor of State

May 3, 2004

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2003**

Cash Receipts:

County Contributions	\$218,466
Grants from State	78,581
Grants from Federal Aviation Administration	1,269,582
Charges for Services	98,798
Miscellaneous	<u>10,782</u>

Total Cash Receipts 1,676,209

Cash Disbursements:

Supplies and Materials	2,423
Contractual Services	1,501,379
Utilities & Telephone	12,297
Other	11,172
Debt Service	<u>62,356</u>

Total Cash Disbursements 1,589,627

Total Receipts Over Disbursements 86,582

Other Financing Sources:

Rental Deposits Received	<u>3,530</u>
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Excess of Cash Receipts and Other Financing
Sources Over Cash Disbursements 90,112

Cash Balance, January 1 375,745

Cash Balance, December 31 \$465,857

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

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**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Greene County Regional Airport Authority, Greene County, (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 a seven member Board, appointed by Greene County Commissioners. The Authority is responsible for the safety and efficient operation and maintenance of the airport.

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

B. Basis of Accounting

This financial statement follows 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

Cash is fund cash balance. During fiscal year 2003, the Authority invested in an overnight sweep account. At December 31, 2003, no investments were held by the Authority.

D. 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 statement.

2. EQUITY IN CASH AND INVESTMENTS

The carrying amount of cash at December 31, 2003 follows:

Demand deposits	<u>\$465,857</u>
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Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

3. SUBSEQUENT EVENT

In March, 2004, the Authority authorized Greene County to issue Bond Anticipation Notes in the amount of \$250,000 for construction of a T-Hanger. The Bond Anticipation Notes mature in one year at an interest rate of 1.3%. The County agreed to renew the note in annual intervals with the Authority reducing the principal balance by \$50,000 each year.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2003
(Continued)**

4. DEBT

Debt outstanding at December 31, 2003 was as follows:

	Principal	Interest Rate
Greene County General Obligation Bond	\$58,464	Various
Airport Improvement Bond Anticipation Notes	50,000	2.00%
Total	\$108,464	

The General Obligation Bonds were issued by Greene County for various purposes, including airport improvements. The Bond Anticipation Notes were also issued by Greene County for the purpose of paying the cost of airport improvements.

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

	Bond Anticipation Note	General Obligation Bonds
Year ending December 31:		
2004	\$51,000	\$11,249
2005		11,253
2006		11,350
2007		11,188
2008		11,121
2009		11,263
Total	\$51,000	\$67,424

In addition to the debt described above, the County has defeased certain debt issues, related to debt issued in prior years, in part to benefit the Authority. General Obligation Bond principal outstanding at December 31, 2003 was \$58,464. Assets accumulated to retire this debt are held by the Greene County.

5. CONTRACTED SERVICES

The Authority does not have any employees. The Authority contracts for accounting services, management services and maintenance and grounds keeping services from independent contractors.

6. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>(Direct Receipt)</i>			
Airport Improvement Program	3-39-0094-06	20.106	\$1,081,979
	3-39-0094-07		119
	3-39-0094-08		<u>36,852</u>
Total Federal Assistance - United States Department of Transportation			<u><u>\$1,118,950</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE 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***

Greene County Regional Airport Authority
Greene County
140 North Valley Road
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statement of the Greene County Regional Airport Authority (the Authority) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 3, 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 statement is 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*.

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 statement 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 May 3, 2004.

Greene County Regional Airport Authority
Greene County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

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Betty Montgomery
Auditor of State

May 3, 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

Greene County Regional Airport Authority
Greene County
140 North Valley Road
Xenia, Ohio 45385

To the Board of Trustees:

Compliance

We have audited the compliance of the Greene 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 Airport'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 Airport'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 Greene 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.

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.

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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 for the information and use of the finance 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.

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Betty Montgomery
Auditor of State

May 3, 2004

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Airport Improvement Program: CFDA # 20.106
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: None
(d)(1)(ix)	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

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**Auditor of State
Betty Montgomery**

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GREENE COUNTY REGIONAL AIRPORT AUTHORITY

GREENE 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
MAY 25, 2004**