



**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, 2002. 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 Greene County Regional Airport Authority as of December 31, 2002, 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 7, 2003 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.

Greene County Regional Airport Authority
Greene County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit 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 7, 2003

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
County Contributions	\$215,755
Rents & Lease Payment	88,304
Grants from Federal Aviation Administration	245,386
Miscellaneous	11,906
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Total Cash Receipts	561,351
Cash Disbursements:	
Supplies and Materials	2,076
Contractual Services	376,744
Utilities & Telephone	11,967
Other	14,480
Debt Service	67,240
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Total Cash Disbursements	472,507
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Total Receipts Over Disbursements	88,844
Cash Balance, January 1	285,964
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Cash Balance, December 31	\$374,808
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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, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Greene 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 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 and Investments

Investments are included in the fund cash balance. 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.

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 and investments at December 31, 2002 follows:

Demand deposits	\$20,000
Repurchase agreement	<u>354,808</u>
Total deposits and investments	<u>\$374,808</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.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002
(Continued)**

3. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest Rate
Greene County General Obligation Bond	\$66,932	Various
Airport Improvement Bond Anticipation Notes	100,000	2.00%
Total	\$166,932	

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. The Authority expects Greene County to re-issue Bond Anticipation Notes for a portion of the amount due in 2003. Therefore, subsequent payment, of the total outstanding amount, may not be made by the Authority in 2003.

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

	Bond Anticipation Note	General Obligation Bonds
Year ending December 31:		
2003	\$102,000	\$11,227
2004		11,249
2005		11,253
2006		11,350
2007		11,188
2006 – 2009		22,384
Total	\$102,000	\$78,651

In addition to the debt described above, the Authority has defeased certain debt issues from prior years. Debt principal outstanding at December 31, 2002 was \$66,932. Assets accumulated to retire this debt are held by the County.

4. RETIREMENT SYSTEM

The Authority's full-time employee belongs to the Public Employees Retirement System (PERS) of Ohio. PERS 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.

During 2002, the Authority's only full-time employee retired from the Authority. The Authority contracts for Airport management services from an independent contractor.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

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

- Comprehensive property and general liability; and
- Vehicles

During 2002, the Authority also provided health insurance, dental, and vision coverage for the full time employee through a private carrier.

6. SUBSEQUENT EVENT

The Greene County Regional Airport Authority entered into various contracts for airport improvements totaling \$1,940,000 subsequent to year-end.

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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, 2002, and have issued our report thereon dated May 7, 2003. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Authority in a separate letter dated May 7, 2003.

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 7, 2003.

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

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

Betty Montgomery
Auditor of State

May 7, 2003

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-60329-001	Ohio Rev. Code § 9.38 – Timely Depositing of Funds	No	Partially Corrected – Insignificant variances were noted and will be communicated to management in a separate letter dated May 7, 2003.
2001-60329-002	Ohio Rev. Code § 149.351 – Maintaining Public Records	Yes	
2001-60329-003	Financial Records – Posting Errors	Yes	



**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
JUNE 17, 2003**