



Mary Taylor, CPA
Auditor of State

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

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Mary Taylor, CPA

Auditor of State

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 basic financial statements of the business-type activities of Greene County Regional Airport Authority, Greene County, (the Authority), as of and for the year ended December 31, 2009, which collectively comprise the Airport's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Airport's management. Our responsibility is to express opinions 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the Greene County Regional Airport Authority, Greene County, Ohio, as of December 31, 2009, and the respective changes in cash financial position for the year then ended in conformity with the basis of accounting Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 19, 2010

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED**

This discussion and analysis of the Greene County Regional Airport Authority's (the Authority) financial performance provides an overall review of the Authority's financial activities for the year ended December 31, 2009, within the limitations of cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Authority's financial performance.

Highlights

Key Highlights for 2009 are as follows:

- Total net assets increased \$75,794 during the fiscal year 2009, which represents a 10.8% increase from fiscal year 2008, as a result of Federal Grant monies not expended until early 2010.
- The Authority's receipts are primarily support from Federal and County government agencies. These receipts represent respectively \$665,345 or 82.1% of the total cash received during the fiscal year. The federal receipts are designated for Airport Improvement projects.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Authority's cash basis of accounting.

Report Components

The statement of net assets and the statement of revenues, expenses and changes in net assets provide information about the cash basis activities of the Authority.

The notes to the financial statements are an integral part of the financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Authority has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Authority's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of account.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of receipts, disbursements and changes in net assets reflect how the Authority did financially during 2009, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the Authority at year-end. The statement of revenues, expenses and changes in net assets presents the revenue and expense activity during 2009. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements report the Authority's net assets and the changes in net assets. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Authority's financial health. Over time, increases or decreases in the Authority's net assets are one indicator of whether the Authority's financial health is improving or deteriorating. When evaluating the Authority's financial condition, you should also consider other non-financial factors as well such as the condition of the Authority's capital assets and infrastructure, the extent of the Authority's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in other local revenue sources.

The Government as a Whole

Table 1 provides a summary of the Authority's net assets for 2009 compared to 2008 on a cash basis.

Table 1		
Net Assets		
	2009	2008
Assets:		
Cash and Cash Equivalents	\$776,730	\$700,936
Total Assets	776,730	700,936
Net Assets:		
Restricted:		
Deposits on Hand	11,690	11,366
Unrestricted	765,040	689,570
Total Net Assets	\$776,730	\$700,396

As mentioned previously, net assets increased \$75,794 or 10.8% during 2009. The primary reason for this increase was due to Federal Grant monies not expended until early 2010.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets in 2009 compared to 2008 on a cash basis:

**Table 2
Changes in Net Assets**

	2009	2008
Operating Revenues:		
County Contributions	\$135,171	\$196,477
Charges for Services	129,104	122,681
Other Revenues	15,172	6,301
Total Operating Revenues	<u>279,447</u>	<u>325,459</u>
Operating Expenses:		
Supplies and Materials	3,483	4,470
Contractual Services	652,185	367,382
Utilities & Telephone	19,430	18,818
Other	7,749	7,611
Total Operating Expenses	<u>682,847</u>	<u>398,281</u>
Operating Income	<u>(403,400)</u>	<u>(72,822)</u>
Non-Operating Revenues (Expenses):		
Grants from State		1,437
Grants from Federal	530,174	133,946
Refund of prior year expenditures		10,969
Deposits received	644	1,151
Deposits refunded	(320)	(2,236)
Interest earnings	67	10,469
Debt of principal payments	(50,000)	(50,000)
Interest expense	(1,371)	(4,191)
Net Non-Operating Revenues (Expenses)	<u>479,194</u>	<u>101,545</u>
Changes in Net Assets	<u>75,794</u>	<u>28,723</u>
Net Assets, Beginning of Year	<u>700,936</u>	<u>672,213</u>
Net Assets, End of Year	<u>\$776,730</u>	<u>\$700,936</u>

Operating revenues represent 34.5% of total receipts and are primarily comprised of county grant revenue, hanger rental receipts and other miscellaneous revenues that may be received during the year.

Non-operating revenues represent 65.5% of the Authority's total receipts. Non-operating revenues consist of federal grants, interest and other miscellaneous receipts.

Operating expenses for 2009 were largely made up of contractual services, which comprised of payments for construction for the Federally Funded Airport Improvement Program projects. Also, it pays contractors for airport management services, airport treasurer services, and lawn care services, which were part of the routine expenditures of the Authority. With the exception of the federally funded project, the other payments are relatively consistent from year to year.

Non-operating expenses during 2009 were for debt principal and interest payments on the Authority's bond anticipation note. There were also some refunds of airport hanger deposits.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009
UNAUDITED
(Continued)**

Capital Assets and Debt administration

Capital Assets

The Authority currently tracks its capital assets and infrastructure. However, since the financial statements are presented on a cash basis, none of these assets are reflected on the Authority's financial statements. Instead, the acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt

At December 31, 2009, the Authority had no outstanding debt, bond anticipation notes or general obligation bonds issued for Airport Improvement projects. For further information regarding the Authority's debt, refer to Note 6 to the basic financial statements.

Contacting the Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Authority's finances and to reflect the Authority's accountability for the monies it receives.

Questions concerning any of the information in this report or requests for additional information should be directed to Roger Bush, CPA, Airport Treasurer, Greene County Regional Airport Authority, 140 North Valley Road, Xenia, Ohio 45385, (937) 426-8024.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF NET ASSETS
CASH BASIS
DECEMBER 31, 2009**

Assets:	
Cash and Cash Equivalents	\$776,730
Total Assets	<u>776,730</u>
Net Assets:	
Restricted:	
Deposits on Hand	11,690
Unrestricted	765,040
Total Net Assets	<u>\$776,730</u>

See accompanying notes to the financial statements

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Operating Revenues:	
County Contributions	\$135,171
Charges for Services	129,104
Other Revenues	15,172
Total Operating Revenues	<u>279,447</u>
Operating Expenses:	
Supplies and Materials	3,483
Contractual Services	652,185
Utilities & Telephone	19,430
Other	7,749
Total Operating Expenses	<u>682,847</u>
Operating Income (Loss)	(403,400)
Non-Operating Revenues/(Expenses):	
Grants from Federal	530,174
Deposits received	644
Deposits refunded	(320)
Interest earnings	67
Debt principal payments	(50,000)
Interest expense	(1,371)
Net Non-Operating Revenue (Expenses)	<u>479,194</u>
Change in Net Assets	<u>75,794</u>
Net Assets, Beginning of Year	<u>700,936</u>
Net Assets, End of Year	<u><u>\$776,730</u></u>

See accompanying notes to the financial statements.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. DESCRIPTION OF THE AIRPORT AUTHORITY AND REPORTING ENTITY

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Greene County Regional Airport Authority, Greene County, (the Authority) as a body corporate and politic. The Greene County Commissioners appoint the seven-member Board, which governs the Authority. The Authority is responsible for the safe and efficient operation and maintenance of the Airport.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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.

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as applicable to the Authority's cash basis of accounting. Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

1. Cash and Investments

The Authority values investments and cash equivalents at cost. For presentation on the financial statements, the Authority classifies investments as cash and cash equivalents.

The Authority maintains its funds in demand deposit accounts.

2. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

3. Long-Term Obligations

These cash basis financial statements do not report liabilities for bonds and other long-term obligations. These statements report proceeds of debt when cash is received and debt service disbursements for debt principal payments.

4. Net Assets

The statements report restricted net assets when enabling legislation or creditors, grantors or laws or regulations of other governments have imposed limitations on their use. The Authority first applies restricted resources when incurring a disbursement for which it may use either restricted or unrestricted resources.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. DEPOSITS AND INVESTMENTS

Deposits: Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Authority's deposits was \$776,730. The bank balances totaled \$1,073,184.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution. Of the bank balances totaling \$1,073,184, \$250,000 was insured by FDIC. The remaining balance of \$823,184 was collateralized with securities held in single financial institution collateral pools in the name of the respective depository bank and pledged as a pool of collateral against all the public moneys it holds. All Authority demand deposits were either insured or collateralized, in accordance with state law and the Authority's investment policy.

As of December 31, 2009, the Authority had no investments.

3. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Completed Operations and Products Liability Insurance
- Errors and Omissions
- Contractual Liability

4. CONTRACTED SERVICES

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

5. CONTINGENCIES

A. Grants

The Authority receives financial assistance from federal and state agencies in the form of grants. Disbursing grant funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims through December 31, 2009 will not have a material adverse effect on the Authority.

B. Litigation

The Authority is not a party to any legal proceedings.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

6. DEBT OBLIGATIONS

Bond Anticipation Notes

The Authority paid \$50,000 in Airport Improvement Bond Anticipation Notes that matured during the year ended December 31, 2009. The Authority fulfilled their obligation to repay Greene County for Airport Improvement Bond Anticipation Notes with this last payment. The County and the Authority may jointly resolve in the future to issue new notes.

7. CONTRACTUAL COMMITMENTS

At December 31, 2009, the Authority had \$171,843 in contractual commitments for Airport Improvement Projects. These contracts will be funded in part by federal grants awarded through the Federal Aviation Administration.

<u>Contractor</u>	<u>Amount</u>
DP&L	\$121,333
Stantec	50,510
Total	<u>\$171,843</u>

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 basic financial statements of the business-type activities of the Greene County Regional Airport Authority, Greene County, (the Authority) as of and for the year ended December 31, 2009, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 19, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Authority's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Authority's management in a separate letter dated May 19, 2010.

We intend this report solely for the information and use of management, Board of Trustees and others within the Authority. We intend it for no one other than these specified parties.

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

Mary Taylor, CPA
Auditor of State

May 19, 2010



Mary Taylor, CPA
Auditor of State

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 10, 2010**