



Dave Yost • Auditor of State

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Year Ended December 31, 2011	3
Statement of Net Assets – Modified Cash Basis – December 31, 2011	7
Statement of Receipts, Disbursements and Changes in Net Assets – Modified Cash Basis For the Year Ended December 31, 2011	8
Notes to the Basic Financial Statements For the Year Ended December 31, 2011	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13

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Dave Yost • 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 Greene County Regional Airport Authority, Greene County, Ohio (the Authority), as of and for the year ended December 31, 2011 as listed in the table of contents. 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 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 our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying financial statements and notes follow the modified 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 modified cash financial position of the Greene County Regional Airport Authority, Greene County, Ohio, as of December 31, 2011, and the respective changes in modified cash financial position, thereof for the year then ended in conformity with the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2012, 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.

We conducted our audit to opine on the Authority's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets and changes in net assets. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 29, 2012

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
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, 2011, within the limitations of modified cash basis of 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 2011 are as follows:

- Total net assets increased \$47,568 during the fiscal year 2011, which represents a 5.69% increase from fiscal year 2010, as a result of an increase in fuel inventory from the prior year.
- The Authority's receipts are primarily support from Federal and County government agencies. These receipts represent respectively \$629,596 or 60.76% 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 modified cash basis of accounting.

Report Components

The statement of net assets and the statement of receipts, disbursements and changes in net assets provide information about the cash 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 modified cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Authority's modified cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the modified 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 modified cash basis of account.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
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 2011, within the limitations of modified cash basis accounting. The statement of net assets presents the cash balances and investments of the Authority at year-end. The statement of receipts, disbursements and changes in net assets presents the receipts and disbursement activity during 2011. 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 modified 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 2011 compared to 2010 on a modified cash basis.

Table 1		
Net Assets		
	2011	2010
Assets:		
Cash and Cash Equivalents	\$833,956	\$802,861
Fuel Inventory	50,307	33,834
Total Assets	884,263	836,695
Net Assets:		
Restricted:		
Sales Tax Collected	639	518
Deposits On Hand	11,182	11,182
Federal Grant Funding	68,701	
Unrestricted	803,741	824,995
Total Net Assets	\$884,263	\$836,695

As mentioned previously, net assets increased \$47,568 or 5.69% during 2011.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets in 2011 compared to 2010 on a modified cash basis:

Table 2		
Changes in Net Assets		
	2011	2010
Operating Receipts:		
County Contributions	\$118,261	\$105,682
Charges for Services	144,485	118,046
Sale of Fuel	243,832	77,148
Other Revenues	17,908	11,712
Total Operating Receipts	524,486	312,588
Operating Disbursements:		
Supplies and Materials	7,800	4,740
Land Based Operations	239,649	70,707
Contractual Services	687,222	589,905
Utilities & Telephone	42,849	23,184
Other	10,813	9,374
Total Operating Disbursements	988,333	697,910
Operating Income	(463,847)	(385,322)
Non-Operating Receipts (Disbursements):		
Grants from federal	511,335	445,714
Deposits received	262	1,901
Deposits refunded	(262)	(2,409)
Interest earnings	80	81
Net Non-Operating Receipts (Disbursements)	511,415	445,287
Change in Net Assets	47,568	59,965
Net Assets, Beginning of Year	836,695	776,730
Net Assets, End of Year	\$884,263	\$836,695

Operating receipts represent 50.62% of total receipts and are primarily comprised of county grant revenue, fuel sales, hanger rental receipts and other miscellaneous revenues that may be received during the year.

Non-operating receipts represent 49.38% of the Authority's total receipts. Non-operating receipts consist of federal grants, hangar deposits and interest.

Operating disbursements for 2011 were largely made up of contractual services, which comprised of payments for construction for the Federally Funded Airport Improvement Program projects and fuel purchases. Also, it pays contractors for airport management services, airport treasurer services, and lawn care services, which were part of the routine expenditures of the Airport. These payments are relatively consistent from year to year.

Non-operating disbursements during 2011 were for refunds of airport hanger deposits.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2011
UNAUDITED
(Continued)**

Capital Assets and Debt administration

Capital Assets

The Authority currently tracks its capital assets and infrastructure. The financial statements are presented on a modified cash basis, therefore fuel inventory is reflected on the Authority's financial statements. Acquisitions of property, plant and equipment are recorded as disbursements when paid.

Debt

At December 31, 2011, the Authority's had no outstanding debt, bond anticipation notes or general obligation bonds issued for Airport Improvement projects.

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
MODIFIED CASH BASIS
DECEMBER 31, 2011**

Assets:

Cash and Cash Equivalents	\$833,956
Fuel Inventory	50,307
Total Assets	<u>884,263</u>

Net Assets:

Restricted:

Deposits on Hand	11,182
Sales Tax Collected	639
Federal Grant Funding	68,701
Total Restricted	<u>80,522</u>
Unrestricted	<u>803,741</u>
Total Net Assets	<u>\$884,263</u>

See accompanying notes to the financial statements.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Operating Receipts:	
County Contributions	\$118,261
Charges for Service	144,485
Sale of Fuel	243,832
Other Revenues	17,908
	524,486
Operating Disbursements:	
Supplies and Materials	7,800
Land Based Operations	239,649
Contractual Services	687,222
Utilities and Telephone	42,849
Other	10,813
	988,333
Total Operating Disbursements	988,333
Operating Loss	(463,847)
Non-Operating Receipts (Disbursements):	
Grants from Federal	511,335
Deposits Received	262
Deposits Refunded	(262)
Interest Earnings	80
	511,415
Net Non-operating Receipts (Disbursements)	511,415
Change in Net Assets	47,568
Net Assets, Beginning of Year	836,695
Net Assets, End of Year	\$884,263

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, 2011**

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 are presented on a *modified* cash basis of accounting. This *modified* cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the *modified* cash basis of accounting. In the financial statements, 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 *modified* cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Authority does not apply FASB statements issued after November 30, 1989.

C. Cash

All monies received by the Authority are maintained in demand deposit account.

D. Inventory

Fuel inventory is presented at cost on a first in first out basis and are reported as disbursements when used.

E. Capital Assets

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

F. Long-Term Obligations

These modified 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.

G. 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, 2011**

2. DEPOSITS

Deposits: Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Authority's deposits was \$833,956. The bank balances totaled \$837,440.

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 \$837,440, \$250,000 was insured by FDIC. The remaining balance of \$587,440 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, 2011, the Authority had no investments.

3. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. 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

Settled claims have not exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

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, 2011 will not have a material adverse effect on the Authority.

B. Litigation

The Authority is not party to legal proceedings.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

6. CONTRACTUAL COMMITMENTS

At December 31, 2011, the Authority had \$891,526 in contractual commitments for Airport Improvement Projects and management contracts. The improvement contracts will be funded in part by federal grants awarded through the Federal Aviation Administration.

<u>Contractor</u>	<u>Amount</u>
Phillips	\$714,575
Reddy Electric	7,285
Stantec	74,653
Camryn Management	5,013
MacAir	90,000
Total	<u>\$891,526</u>

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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 financial statements of the Greene County Regional Airport Authority, Greene County, (the Authority) as of and for the year ended December 31, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated May 29, 2012. 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 opinion 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 29, 2012.

One First National Plaza, 130 W. Second St., Suite 2040, Dayton, Ohio 45402
Phone: 937-285-6677 or 800-443-9274 Fax: 937-285-6688
www.ohioauditor.gov

We intend this report solely for the information and use of management, the 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

May 29, 2012



Dave Yost • Auditor of State

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
JULY 19, 2012**