



**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY
DECEMBER 31, 2022 AND 2021**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Basic Financial Statements:	
Statement of Net Position – Modified Cash Basis – December 31, 2022	5
Statement of Receipts, Disbursements and Change in Net Position – Modified Cash Basis – For the Year Ended December 31, 2022	6
Notes to the Basic Financial Statements – For the Year Ended December 31, 2022	7
Statement of Net Position – Modified Cash Basis – December 31, 2021	9
Statement of Receipts, Disbursements and Change in Net Position – Modified Cash Basis – For the Year Ended December 31, 2021	10
Notes to the Basic Financial Statements – For the Year Ended December 31, 2021	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13
Schedule of Findings.....	15

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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinions

We have audited the modified cash-basis financial statements of the Greene County Regional Airport Authority, Greene County, Ohio (the Authority), as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the modified cash-basis financial position of the Authority, as of December 31, 2022 and 2021, and the changes in modified cash-basis financial position thereof for the years then ended in accordance with the modified cash-basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Accounting Basis

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2023, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber
Auditor of State
Columbus, Ohio

November 14, 2023

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GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY

STATEMENT OF NET POSITION
MODIFIED CASH BASIS
DECEMBER 31, 2022

Assets

Cash and Cash Equivalents	\$ 1,313,181
Fuel Inventory	<u>14,756</u>
Total Assets	\$ 1,327,937

Net Position

Restricted	\$ 75,546
Unrestricted	<u>1,252,391</u>
Total Net Position	\$ 1,327,937

See accompanying notes to the financial statements

GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE IN NET POSITION
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Receipts	
County Contributions	\$ 327,700
Charges for Services	241,903
Insurance Proceeds	<u>7,995</u>
Total Operating Receipts	\$ 577,598
Operating Disbursements	
Supplies and Materials	\$ 3,211
Land Based and Operations	629,968
Contractual Services	7,195
Utilities and Telephone	<u>14,059</u>
Total Operating Disbursements	\$ <u>654,433</u>
Operating Income (Loss)	\$ (76,835)
Non-Operating Receipts	
Grants from State of Ohio	\$ 138,233
Grants from Federal Sources	190,721
Interest Earnings	<u>171</u>
Total Non-Operating Receipts	\$ 329,125
Change in Net Position	\$ 252,290
Net Position, Beginning of the Year	<u>1,075,647</u>
Net Position, End of the Year	\$ 1,327,937

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, 2022**

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

B. Basis of Accounting / Presentation

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). GAAP includes 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. The Authority's basic financial statements consist of a statement of net position and a statement of receipts, disbursements, and change in net position. The statement of net position and the statement of receipts, disbursements, and change in net position display information about the Authority as a whole. The statement of net position presents the cash balance and inventory of the Authority at year end. The statement of receipts, disbursements, and change in net position distinguishes operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the Authority's principal services. Operating disbursements include costs of sales and services and administrative costs. All other receipts and disbursements are reported as nonoperating.

C. Cash and Investments

All monies received by the Authority are maintained in a 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 Position

The statements report restricted net position 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, 2022**

2. DEPOSITS AND INVESTMENTS

Deposits: Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Authority's deposits was \$1,313,181.

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), and by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. Of the bank balances totaling \$1,375,562, \$250,000 was insured by FDIC. The remaining balance of \$1,125,562 was collateralized through the OPCS. All Authority demand deposits were either insured or collateralized, in accordance with state law and the Authority's investment policy.

As of December 31, 2022, 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
- Contractual Liability
- Errors and Omissions

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, 2022 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

STATEMENT OF NET POSITION
MODIFIED CASH BASIS
DECEMBER 31, 2021

Assets

Cash and Cash Equivalents	\$ 1,060,891
Fuel Inventory	<u>14,756</u>
Total Assets	\$ 1,075,647

Net Position

Restricted	\$ 76,512
Unrestricted	<u>999,135</u>
Total Net Position	\$ 1,075,647

See accompanying notes to the financial statements

GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGE IN NET POSITION
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Operating Receipts	
County Contributions	\$ 84,377
Charges for Services	<u>227,839</u>
Total Operating Receipts	\$ 312,216
Operating Disbursements	
Supplies and Materials	\$ 2,526
Land Based and Operations	652,578
Contractual Services	6,600
Utilities and Telephone	<u>15,196</u>
Total Operating Disbursements	<u>\$ 676,900</u>
Operating Income (Loss)	\$ (364,684)
Non-Operating Receipts	
Grants from State of Ohio	\$ 23,318
Interest Earnings	<u>70</u>
Total Non-Operating Receipts	\$ 23,388
Change in Net Position	\$ (341,296)
Net Position, Beginning of the Year	<u>1,416,943</u>
Net Position, End of the Year	\$ 1,075,647

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, 2021**

1. DESCRIPTION OF THE AIRPORT AUTHORITY AND REPORTING ENTITY

A. Description of the Entity

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B. Basis of Accounting / Presentation

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). GAAP includes 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. The Authority's basic financial statements consist of a statement of net position and a statement of receipts, disbursements, and change in net position. The statement of net position and the statement of receipts, disbursements, and change in net position display information about the Authority as a whole. The statement of net position presents the cash balance and inventory of the Authority at year end. The statement of receipts, disbursements, and change in net position distinguishes operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the Authority's principal services. Operating disbursements include costs of sales and services and administrative costs. All other receipts and disbursements are reported as nonoperating.

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G. Net Position

The statements report restricted net position 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, 2021**

2. DEPOSITS AND INVESTMENTS

Deposits: Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Authority's deposits was \$1,060,891.

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), and by participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. Of the bank balances totaling \$1,062,095, \$250,000 was insured by FDIC. The remaining balance of \$812,095 was collateralized through the OPCS. All Authority demand deposits were either insured or collateralized, in accordance with state law and the Authority's investment policy.

As of December 31, 2021, 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
- Contractual Liability
- Errors and Omissions

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, 2021 will not have a material adverse effect on the Authority.

B. Litigation

The Authority is not party to legal proceedings.



**INDEPENDENT AUDITOR'S 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 Directors:

We have audited, in accordance with the 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, the financial statements of the Greene County Regional Airport Authority, Greene County, (the Authority) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated November 14, 2023, wherein we noted the Authority uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

November 14, 2023

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2022-001

Material Weakness – Financial Statement Error

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to lack of controls over the preparation of the financial statements, the Authority's annual financial report for fiscal year 2021 contained the following error which was material and adjusted on the financial statements:

- The Authority inaccurately reported Charges for Services Receipts and Land Based and Operations Disbursements due to improperly including depreciation, a non-cash disbursement, on the financial statements which in turn caused mathematical footing errors. As a result, Land Based and Operations Disbursements were understated by \$48,055 and Charges for Services Receipts were understated by \$1,280.

The Authority should establish and implement procedures to verify the accuracy of amounts reported in the financial statements in accordance with applicable accounting standards. Failure to do so could result in the users of the financial statements basing their conclusions on materially misstated financial data.

Official's Response:

Greene County Regional Airport Authority (GCRAA) has included depreciation in its business financials from the beginning. After the 2020 state audit, the auditor requested depreciation be removed from the financial reports submitted by GCRAA for state of OH audits moving forward. We acknowledge the error transcribing business financial information to the state of OH audit. The error was solely due to removing depreciation from the business financials for the state of OH audit financials. This process is corrected moving forward.

OHIO AUDITOR OF STATE KEITH FABER



GREENE COUNTY REGIONAL AIRPORT AUTHORITY

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/28/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov