



Dave Yost • Auditor of State



**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY  
DECEMBER 31, 2016**

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# Dave Yost • Auditor of State

## 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 Financial Statements***

We have audited the accompanying modified cash-basis financial statements of the Greene County Regional Airport Authority, Greene County, Ohio (the Airport) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 1 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

**Opinion**

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, 2016, and the respective changes in modified cash financial position thereof for the year then ended in accordance with the accounting basis described in Note 1.

**Accounting Basis**

We draw attention to Note 1 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

**Other Matters**

*Supplemental Information*

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2017, on our consideration of the Airport'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Airport's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 6, 2017

**Greene County Regional Airport Authority**  
**Greene County, Ohio**  
*Statement of Net Position - Modified Cash Basis*  
*December 31, 2016*

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**Assets**

Cash and Cash Equivalents	\$545,067
Fuel Inventory	14,756
<i>Total Assets</i>	<u>559,823</u>

**Net Position**

Restricted:	
Deposits on Hand	12,200
Unrestricted	547,623
<i>Total Net Position</i>	<u>559,823</u>

See accompanying notes to the basic financial statements

**Greene County Regional Airport Authority**  
**Greene County, Ohio**  
*Statement of Receipts, Disbursements and Changes in Net Position*  
*Modified Cash Basis*  
*For the Year Ended December 31, 2016*

<b>Operating Receipts</b>	
County Contributions	\$ 1,400,634
Charges for Services	168,527
Other Revenues	7,772
<i>Total Operating Receipts</i>	1,576,933
<b>Operating Disbursements</b>	
Supplies and Materials	2,125
Land Based and Operations	2,664,748
Contractual Services	245,891
Utilities & Telephone	27,784
<i>Total Operating Disbursements</i>	2,940,548
<i>Operating Income (Loss)</i>	(1,363,615)
<b>Non-Operating Receipts (Disbursements)</b>	
Grants for Federal Sources	1,209,850
Deposits Received	1,035
Deposits Refunded	(1,876)
Interest Earnings	141
<i>Net Non-Operating Receipts (Disbursements)</i>	1,209,150
<i>Change in Net Position</i>	(154,465)
<i>Net Position, Beginning of Year</i>	714,288
<i>Net Position, End of Year</i>	\$559,823

See accompanying notes to the basic financial statements



**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 Airport) as a body corporate and politic. The Greene County Commissioners appoint the seven-member Board, which governs the Airport. The Airport is responsible for the safe and efficient operation and maintenance of the Airport.

**B. Accounting Basis**

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.

**C. Deposits and Investments**

All monies received by the Airport 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. The Airport did not have any debt during the year.

**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 Airport 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 FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**2. DEPOSITS AND INVESTMENTS**

**Deposits:** Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Airport's deposits was \$545,067. The bank balances totaled \$550,126.

Custodial credit risk is the risk that, in the event of a bank failure, the Airport's deposits may not be returned. Protection of the Airport'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 Airport 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 \$550,126, \$250,000 was insured by FDIC. The remaining balance of \$300,126 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 Airport demand deposits were either insured or collateralized, in accordance with state law and the Airport's investment policy.

As of December 31, 2016, the Airport had no investments.

**3. RISK MANAGEMENT**

The Airport 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 Airport 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 Airport 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 Airport 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, 2016 will not have a material adverse effect on the Airport.

**B. Litigation**

The Airport is not party to legal proceedings.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**6. RELATED PARTY TRANSACTION**

During 2016, the Airport awarded a construction contract for a new hanger to the Greater Dayton Construction Company in the amount of \$415,209. The Company is owned by a Board member. The project followed the Airport's usual procurement procedures and the contract was awarded to the lowest and best bidder.

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**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<b>FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
<i>Direct</i>		
<i>Airport Improvement Program</i>	20.106	1,502,344
Total U.S. Department of Transportation		<b>1,502,344</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$1,502,344</b>

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

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Greene County Regional Airport Authority (the Airport) under programs of the federal government for the year ended December 31, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Airport, it is not intended to and does not present the financial position or changes in net position of the Airport.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The Airport has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require the Airport to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Airport has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## 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 auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash-basis financial statements of the Greene County Regional Airport Authority, Greene County, (the Airport) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements and have issued our report thereon dated November 6, 2017, wherein we noted the Airport uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Airport's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Airport's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Airport's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

***Compliance and Other Matters***

As part of reasonably assuring whether the Airport'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, opining 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2016-002.

***Airport's Response to Findings***

The Airport's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Airport's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Airport's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

November 6, 2017





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Directors:

### ***Report on Compliance for the Major Federal Program***

We have audited the Greene County Regional Airport Authority's (the Airport) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Greene County Regional Airport Authority's major federal program for the year ended December 31, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Airport's major federal program.

### ***Management's Responsibility***

The Airport's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Airport's compliance for the Airport's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Airport's major program. However, our audit does not provide a legal determination of the Airport's compliance.

### ***Basis for Qualified Opinion on Airport Improvement Program***

As described in Findings 2016-003 and 2016-004 in the accompanying schedule of findings, the Airport did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2016-003	20.106	Airport Improvement Program	Reporting
2016-004	20.106	Airport Improvement Program	Procurement and Suspension and Debarment

Compliance with these requirements is necessary, in our opinion, for the Airport to comply with the requirements applicable to this program.

**Qualified Opinion on Airport Improvement Program**

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Airport Improvement Program* paragraph, the Greene County Regional Airport Authority complied, in all material respects, with the requirements referred to above that could directly and materially affect its Airport Improvement Program for the year ended December 31, 2016.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which Uniform Guidance requires us to report, described in the accompanying schedule of findings as item 2016-005. Our opinion on the major federal program is not modified with respect to this matter.

The Airport's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the Airport's responses and, accordingly, we express no opinion on them

**Report on Internal Control over Compliance**

The Airport's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Airport's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Airport's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. A *significant deficiency in internal over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses, described in the accompanying schedule of findings as items 2016-003 and 2016-004.

The Airport's responses to our internal control over compliance findings are described in the accompanying corrective action plan. We did not audit the Airport's responses and, accordingly, we express no opinion on them.

This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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  
Columbus, Ohio

November 6, 2017

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**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
DECEMBER 31, 2016**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR §200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Airport Improvement Program (CFDA 20.106)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2016-001**

Material Weakness – Financial Reporting Error

The Airport presented its 2016 financial statements on an Other Comprehensive Basis of Accounting (OCBOA). The following error noted in the Airport's financial statements was determined to be quantitatively material and required an audit adjustment to properly present the Airport's financial activity:

1. The Airport reported \$414,430 in county contributions from the Greene County as non-operating grants from federal sources.

**FINDING NUMBER 2016-001  
 (Continued)**

The Airport should be establish and implement procedures to verify that financial statements are accurately presented. Failure to do so could result in material misstatements going undetected in a timely manner.

**Official's Response:** See Page 22 for Corrective Action Plan.

**FINDING NUMBER 2016-002**

Noncompliance

See (federal) finding # 2016-005 below; *Government Auditing Standards* also requires us to report this finding.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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<b>Finding Number</b>	2016-003		
<b>CFDA Title and Number</b>	Airport Improvement Program (CFDA # 20.106)		
<b>Federal Award Identification Number / Year</b>	AIP 3-39-0094-22-2016 AIP 3-39-0094-21-2015		
<b>Federal Agency</b>	U.S. Department of Transportation – Federal Aviation Administration		
<b>Pass-Through Entity</b>	N/A - Direct Grant		
<b>Repeat Finding from Prior Audit?</b>	No	<b>Finding Number? (if repeat)</b>	N/A

Noncompliance and Material Weakness – Reporting

**2 C.F.R. § 1201.1** gives regulatory effect to the Department of Transportation for **2 C.F.R. § 200.327** which states, that unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting.

Additionally **2 C.F.R. § 200.302 (b) (2)**, in part, requires accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance.

The Airport did not report \$256,803 in Airport Improvement Grant expenditures on the Federal Financial Report (OMB Number 4040-0014) filed for the reporting year ending September 30, 2016. The Airport should establish and implement policies and procedures to verify that reports submitted to grantors are accurate and complete. Failure to do so could result in the Airport losing future federal funding.

**Official's Response:** See Page 22 for Corrective Action Plan.

<b>Finding Number</b>	2016-004		
<b>CFDA Title and Number</b>	Airport Improvement Program (CFDA # 20.106)		
<b>Federal Award Identification Number / Year</b>	AIP 3-39-0094-22-2016 AIP 3-39-0094-21-2015		
<b>Federal Agency</b>	U.S. Department of Transportation – Federal Aviation Administration		
<b>Pass-Through Entity</b>	N/A - Direct Grant		
<b>Repeat Finding from Prior Audit?</b>	No	<b>Finding Number? (if repeat)</b>	N/A

Noncompliance and Material Weakness – Procurement and Suspension and Debarment

**2 C.F.R. § 1201.1** gives regulatory effect to the Department of Transportation for **2 C.F.R. § 200.318(a)** which requires a non-federal entity to use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part.

The Airport followed Greene County's procurement procedures. However, the Airport did not maintain a copy of the County's procurement policy on file.

The Airport should either develop its own procurement policy or obtain a copy from the County to follow. This policy should be formally adopted by the Board and a copy of the policy should be maintained by the Airport. The policy should be in accordance with the requirements of **2 C.F.R. § 200.317** through **2 C.F.R. § 200.326** and should allow for full competition while following state and local laws.

**Official's Response:** See Page 22 for Corrective Action Plan.

<b>Finding Number</b>	2016-005		
<b>CFDA Title and Number</b>	Airport Improvement Program (CFDA # 20.106)		
<b>Federal Award Identification Number / Year</b>	AIP 3-39-0094-22-2016 AIP 3-39-0094-21-2015		
<b>Federal Agency</b>	U.S. Department of Transportation – Federal Aviation Administration		
<b>Pass-Through Entity</b>	N/A - Direct Grant		
<b>Repeat Finding from Prior Audit?</b>	No	<b>Finding Number? (if repeat)</b>	N/A

Noncompliance - Reporting

**2 C.F.R. § 1201.1** gives regulatory effect to the Department of Transportation for **2 C.F.R. § 200.510(b)** states that the auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use.

**FINDING NUMBER 2016-005**  
**(Continued)**

For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

1. List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
2. For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
3. Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
4. Include the total amount provided to subrecipients from each Federal program.
5. For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
6. Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs.

The Airport understated Airport Improvement Program (CFDA 20.106) federal expenditures by \$292,494 on the Schedule of Expenditures of Federal Awards (the Schedule). The Schedule has been adjusted to report the correct expenditures within the federal program.

To reduce the risk of inaccurate reporting of federal expenditures and noncompliance with 2 C.F.R. 200.510(b), due care should be taken in the preparation of the Schedule of Expenditures of Federal Awards. The Schedule should be reviewed after preparation and tied to the underlying cash reports of the Airport for accuracy. Failure to do so could result in material misstatements on the Schedule in future periods.

**Official's Response:** See Page 22 for Corrective Action Plan.



**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
2 CFR 200.511(b)  
DECEMBER 31, 2016**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2015-001	Material Weakness - Financial statement misstatements	Partially corrected	Repeated as Finding Number 2016-001
2015-002	Significant Deficiency - Fuel inventory documentation	Corrective Action Taken and Finding is Fully Corrected	



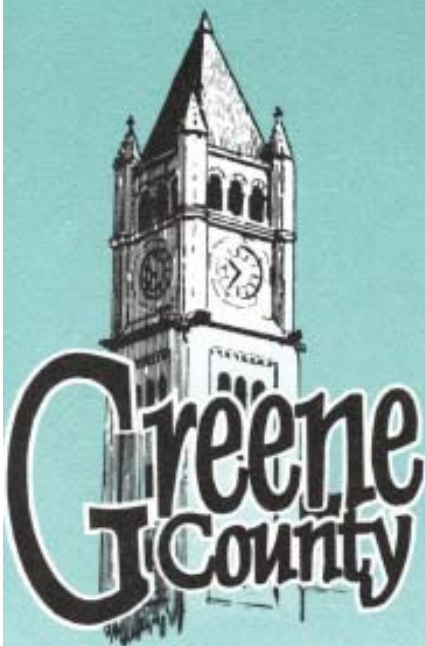
**Greene County  
Regional  
Airport Authority**

140 N. Valley Rd.  
Xenia, Ohio 45385

Phone: (937) 376-8107  
Fax: (937) 376-3807  
Cell: (937) 231-5027

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY  
GREENE COUNTY**

**CORRECTIVE ACTION PLAN  
2 CFR § 200.511(c)  
DECEMBER 31, 2016**



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<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2016-001	The Airport will work to correct this issue on the 2017 report.	11/8/2017	Dave Kushner, Airport Manager
2016-002	See 2016-005		
2016-003	The Airport will work further with the airport engineers to correct this issue for 2017.	12/31/2017	Dave Kushner, Airport Manager
2016-004	The Authority will explore options and review the County procurement policy.	12/31/2017	Dave Kushner, Airport Manager
2016-005	The airport will work to correct this issue on the 2017 report.	11/8/2017	Dave Kushner, Airport Manager



# 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  
JANUARY 16, 2018**