



**Auditor of State
Betty Montgomery**

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Regional Airport Authority (the Authority) as of and for the year ended December 31, 2004 which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority'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 our audit provides a reasonable basis for our opinions.

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 Authority, as of December 31, 2004, and the respective changes in modified cash financial position for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2004, the Authority revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2005 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.

We conducted our audit to form opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of federal awards expenditures is presented for additional analysis and is not a required part of the basic financial statements. We subjected this to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Betty Montgomery
Auditor of State

June 29, 2005

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

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, 2004, within the limitations of the Authority's modified 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 2004 are as follows:

- Total net assets increased \$108,766 during fiscal year 2004, which represents a 23.3% increase from fiscal year 2003, as a result of increases in federal grant programs and issuance of notes.
- The Authority's revenues are primarily from support from Federal and County government agencies. These receipts represent \$1,726,073, or 81.2%, of the total cash received during the fiscal year. The federal revenue is designated for Airport Improvement Projects.
- The Authority issued a bond anticipation note with proceeds of \$250,000 to be used for Capital Expenditures. This revenue made up 11.8% of the total cash received during the fiscal year.

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 revenues, expenses 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 accounting.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of revenues, expenses and changes in net assets reflect how the Authority did financially during 2004, 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 revenues, expenses and changes in net assets presents the revenue and disbursement activity during 2004. 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 cash position and the changes in cash position. 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 cash position is 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 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 2004 compared to 2003 on a modified cash basis:

**TABLE 1
NET ASSETS**

ASSETS:	2004	2003
Cash and Cash Equivalents	\$ 574,623	\$ 465,857
Total Assets	574,623	465,857
 NET ASSETS:		
Restricted	6,493	0
Unrestricted	568,130	465,857
Total Net Assets	\$ 574,623	\$ 465,857

As mention previously, net assets increased \$108,766 or 23.3% during 2004. The primary reason for this increase was due to increases in federal grant programs and issuance of notes during 2004.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Table 2 reflects the changes in net assets during 2004. Since the Authority did not prepare financial statements in this format for 2003, a comparative analysis of has not been presented. In future years, when prior year information is available, a comparative analysis will be presented.

**TABLE 2
CHANGES IN NET ASSETS**

	<u>2004</u>
OPERATING REVENUES:	
County contributions	\$ 217,618
Charges for Service	75,769
Other Revenues	<u>65,198</u>
Total operating revenues	<u>358,585</u>
OPERATING EXPENSES:	
Supplies and materials	4,862
Contractual services	1,927,769
Utilities and telephone	13,382
Other	<u>10,393</u>
Total operating expenses	<u>1,956,406</u>
Operating (Loss)	<u>(1,597,821)</u>
NON-OPERATING REVENUES (EXPENSES):	
Grants from state	136
Grants from federal	1,508,455
Deposits received	2,430
Deposits refunded	(113)
Interest earnings	6,720
Sale of notes	250,000
Debt principal payments	(58,083)
Interest expense	<u>(2,958)</u>
Net non-operating revenues (expenses)	<u>1,706,587</u>
Change in net assets	<u>108,766</u>
Net assets, beginning or year	<u>465,857</u>
Net assets, end of year	<u><u>\$ 574,623</u></u>

Operating revenues represent only 16.9% 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.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Non-operating revenues represent 83.1% of the Authority's total receipts. Non-operating revenues consist of federal grants, sale of notes, interest and other miscellaneous receipts.

Operating expenses for 2004 were largely made up of contractual services which comprised of payments for construction for the Federally Funded Airport Improvement Program projects. Additionally, operating expenses pay 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 expenses during 2004 were for debt principal and interest payments on the Airport's bond and bond anticipation note. There were also some refunds of airport hanger deposits.

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 modified 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, 2004, the Authority's outstanding debt included \$250,000 in bond anticipation notes and \$50,381 in 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
MODIFIED CASH BASIS
DECEMBER 31, 2004**

Assets:

Cash and Cash Equivalents	<u>\$574,623</u>
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Total Assets	<u>574,623</u>
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Net Assets:

Restricted	6,493
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Unrestricted	<u>568,130</u>
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Total Net Assets	<u><u>\$574,623</u></u>
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See accompanying notes to the financial statements.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2004**

Operating Revenues:	
County contributions	\$217,618
Charges for Service	75,769
Other Revenues	65,198
	65,198
Total Operating Revenues	358,585
Operating Expenses:	
Supplies and materials	4,862
Contractual services	1,927,769
Utilities and telephone	13,382
Other	10,393
	10,393
Total Operating Expenses	1,956,406
Operating (Loss)	(1,597,821)
Nonoperating Revenues (Expenses):	
Grants from state	136
Grants from federal	1,508,455
Deposits received	2,430
Deposits refunded	(113)
Interest earnings	6,720
Sale of notes	250,000
Debt principal payments	(58,083)
Interest expense	(2,958)
	(2,958)
Net Nonoperating Revenues (Expenses)	1,706,587
Change in Net Assets	108,766
Net Assets, Beginning or Year	465,857
Net Assets, End of Year	\$574,623

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, 2004**

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 (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.

For the year ended December 31, 2004, the Authority revised its financial presentation comparable to the requirements of Governmental Accounting Standard No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.

C. 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 Airport maintains its funds in demand deposit accounts.

D. Capital Assets

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

E. 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.

F. 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, 2004
(Continued)**

2. DEPOSITS AND INVESTMENTS

Ohio law restricts deposits and investments to the following:

- a. Commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts;
- b. Money market deposits;
- c. Savings accounts or certificates of deposit;
- d. United States Treasury securities, or securities of its agencies or instrumentalities the federal government guarantees;
- e. No-load money market mutual funds consisting exclusively of obligations described in (4) above and repurchase agreements secured by such obligations;
- f. The State Treasurer's investment pool (STAR Ohio, a Rule 2-a7-like pool);
- g. Certain bankers' acceptances and commercial paper notes;
- h. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

An investment must mature within five years from the purchase date unless matched to a specific School District obligation or debt and must be purchased with the expectation it will be held to maturity. Investments may only be made through specified dealers and institutions.

Deposits: At year-end, the carrying amount of the Authority's deposits was \$8,860 and the bank balance was \$20,000. The bank balance was covered by federal depository insurance. Although the Authority followed all state statutory requirements for these deposits, noncompliance with federal requirements could potentially subject the Authority to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The table below categorizes investments to indicate the level of counterparty credit risk the Authority assumed at year end. Category one includes investments insured or registered or for which the Authority or its agent holds the securities in the Authority's name. Category two includes uninsured and unregistered investments for which the counterparty's trust department or an agent holds securities in the Authority's name. Category three includes uninsured and unregistered investments for which the counterparty or its trust department or agent holds securities not in the Authority's name.

	Category Three	Carrying and Fair Value
Repurchase Agreements	\$565,763	\$565,763

3. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

4. CONTRACTED SERVICES

The Authority does not have any employees. The Authority contracts 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, 2004 will not have a material adverse effect on the Authority.

B. Litigation

The Authority is not party to legal proceedings.

6. DEBT OBLIGATIONS

Greene County issues debt on behalf of the Airport, of which is subsequently repaid in part or in full by the Airport.

A. Bond Anticipation Notes

The Airport paid off \$50,000 in Airport Improvement Bond Anticipation Notes that matured during the year ended December 31, 2004. Additionally, the Airport agreed to repay Greene County for issuing \$250,000 in Airport Improvement Bond Anticipation Notes, with an interest rate of 1.33%, during fiscal year 2004, that mature in March 2005. The County and the Airport may jointly resolve to pay a portion of the notes and re-issue notes at a lesser amount.

B. Long-Term Liabilities

The changes in the Authority's long-term obligations during the year consist of the following:

	Principal Outstanding 12/31/03	Addition	Reduction	Principal Outstanding 12/31/04	Amounts Due in One Year
General Obligation Bonds:					
Greene County G.O. Bond	\$58,464	\$0	\$8,083	\$50,381	\$9,897
Total General Obligation Bond	<u>\$58,464</u>	<u>\$0</u>	<u>\$8,083</u>	<u>\$50,381</u>	<u>\$9,897</u>

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

6. DEBT OBLIGATIONS (Continued)

Principal and interest requirements to retire long-term liabilities outstanding at December 31, 2004 are as follows:

<u>Year Ending December 31</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2005	\$9,897	\$2,089	\$11,986
2006	9,628	1,722	11,350
2007	9,860	1,328	11,188
2008	10,208	914	11,122
2009	10,788	475	11,263
Total	<u>\$50,381</u>	<u>\$6,528</u>	<u>\$56,909</u>

7. CONTRACTUAL COMMITMENTS

At December 31, 2004, the Authority had \$1,008,673 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>
R.D. Zande & Associates	\$80,172
Sunesis Construction	93,968
Dayton, Power & Light	288,874
SK Construction	<u>545,659</u>
Total	<u>\$1,008,673</u>

8. SUBSEQUENT EVENT

On February 24, 2005, Greene County reissued \$200,000 in Airport Improvement Bond Anticipation Notes.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass-Through Entity Number	Federal CFDA Number	Disbursements
UNITED STATES DEPARTMENT OF TRANSPORTATION			
<i>(Direct Receipt)</i>			
Airport Improvement Program	3-39-0094-06	20.106	\$639,699
	3-39-0094-07		19,718
	3-39-0094-08		635,579
	3-39-0094-09		<u>8,336</u>
Total Federal Assistance - United States Department of Transportation			<u><u>\$1,303,332</u></u>

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

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Authority's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - MATCHING REQUIREMENTS

Certain Federal programs require that the Authority contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Authority has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

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
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 (the Authority) as of and for the year ended December 31, 2004, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 29, 2005. 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 to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Authority's management dated June 29, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*. In a separate letter to the Authority's management dated June 29, 2005, we reported a matter related to noncompliance we deemed immaterial.

Greene County Regional Airport Authority
Greene County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 29, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

To the Board of Trustees:

Compliance

We have audited the compliance of the Greene County Regional Airport Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended December 31, 2004. The summary of auditor's results section of the accompanying schedule of findings identifies the Authority's major federal program. The Authority's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended December 31, 2004.

Internal Control Over Compliance

The Authority's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We intend this report solely for the information and use of the audit committee, management, the Board of Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 29, 2005

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA # 20.106: Airport Improvement Program
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: None
(d)(1)(ix)	Low Risk Auditee?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
AUGUST 4, 2005**