



**Auditor of State
Betty Montgomery**

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis For the Year Ended December 31, 2005	3
Statement of Net Assets – Cash Basis – December 31, 2005	7
Statement of Receipts, Disbursements and Changes in Net Assets – Cash Basis For the Year Ended December 31, 2005	8
Notes to the Basic Financial Statements For the Year Ended December 31, 2005	9
Federal Awards Expenditures Schedule For the Year Ended December 31, 2005	13
Notes to the Federal Awards Expenditures Schedule For the Year Ended December 31, 2005	14
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	15
Independent Accountant's Report on Compliance with Requirements Applicable to Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	17
Schedule of Findings For the Year Ended December 31, 2005	19

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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 business-type activities of the Greene County Regional Airport Authority (the Authority) as of and for the year ended December 31, 2005, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the business-type activities of the Authority, as of December 31, 2005, and the respective changes in cash financial position for the year then ended in conformity with the basis of accounting Note 1 describes.

For the year ended December 31, 2005, 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 April 7, 2006, 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 opine on the Authority's financial statements. The Federal Awards Expenditures Schedule presents additional information and is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. It is not a required part of the financial statements. We subjected this schedule to the auditing procedures applied in our audit of the Authority's financial statements. In our opinion, this information is fairly stated in all material respects in relation to the 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

April 7, 2006

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED**

This discussion and analysis of the Greene County Regional Airport Authority's (the Authority) financial performance provides an overall review of the Authority's financial activities for the year ended December 31, 2005, within the limitations of cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Authority's financial performance.

Highlights

Key Highlights for 2005 are as follows:

- Total net assets decreased \$300,507 during fiscal year 2005, which represents a 52.3% decrease from fiscal year 2004, as a result of a decrease in federal grant program revenue.
- The Authority's receipts are primarily from support from Federal and County government agencies. These receipts represent respectively \$1,425,850 or 91.3% of the total cash received during the fiscal year. The federal receipts are designated for Airport Improvement Projects.

Using the Basic Financial Statements

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

Report Components

The statement of net assets and the statement of receipts, disbursements and changes in net assets provide information about the cash activities of the Authority.

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

Basis of Accounting

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

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

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED
(Continued)**

Reporting the Government as a Whole

The statement of net assets and the statement of receipts, disbursements and changes in net assets reflect how the Authority did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the Authority at year end. The statement of receipts, disbursements and changes in net assets presents the receipts and disbursement activity during 2005. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

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

The Government as a Whole

Table 1 provides a summary of the Authority's net assets for 2005 compared to 2004 on a cash basis:

**Table 1
Net Assets**

	2005	2004
Assets		
Cash and Cash Equivalents	\$274,116	\$574,623
Total Assets	274,116	574,623
Net Assets		
Restricted	10,309	14,044
Unrestricted	263,807	560,579
Total Net Assets	\$274,116	\$574,623

As mention previously, net assets decreased \$300,507 or 52.3% during 2005. The primary reason for this decrease was due to a decrease in federal grant program revenue.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED
(Continued)**

Table 2 reflects the changes in net assets in 2005 compared to 2004 on a cash basis:

	2005	2004
Operating Receipts:		
County Contributions	\$217,618	\$217,618
Charges for Services	101,541	75,769
Other Revenues	20,170	65,198
	<u>339,329</u>	<u>358,585</u>
Operating (Disbursements):		
Supplies and Materials	3,777	4,862
Contractual Services	1,760,823	1,927,769
Utilities and Telephone	15,241	13,382
Other	14,069	10,393
	<u>1,793,910</u>	<u>1,956,406</u>
Operating income	<u>(1,454,581)</u>	<u>(1,597,821)</u>
Non-operating Receipts (Disbursements):		
Grants from state	80	136
Grants from federal	1,208,232	1,508,455
Deposits received	3,789	2,430
Deposits refunded	(1,032)	(113)
Interest earnings	11,023	6,720
Sale of notes		250,000
Debt principal payments	(62,613)	(58,083)
Interest expense	(5,405)	(2,958)
	<u>1,154,074</u>	<u>1,706,587</u>
Change in net assets	<u>(300,507)</u>	<u>108,766</u>
Net Assets, Beginning of Year	<u>574,623</u>	<u>465,857</u>
Net Assets, End of Year	<u>\$274,116</u>	<u>\$574,623</u>

Operating receipts represent only 21.7% of total receipts and are primarily comprised of county grant revenue, hanger rental receipts and other miscellaneous revenues that may be received during the year.

Non-operating receipts represent 78.3% of the Authority's total receipts. Non-operating receipts consist of federal grants, interest and other miscellaneous receipts.

Operating disbursements for 2005 were largely made up of contractual services which comprised of payments for construction for the Federally Funded Airport Improvement Program projects. Also, it pays contractors for airport management services, airport treasurer services, and lawn care services, which were part of the routine expenditures of the Airport. These payments are relatively consistent from year to year.

Non-operating disbursements during 2005 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.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2005
UNAUDITED
(Continued)**

Capital Assets and Debt Administration

Capital Assets

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

Debt

At December 31, 2005, the Authority's outstanding debt included \$200,000 in bond anticipation notes and \$37,768 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
CASH BASIS
DECEMBER 31, 2005**

Assets	
Cash and Cash Equivalents	<u>\$274,116</u>
Total Assets	<u><u>274,116</u></u>
Net Assets	
Restricted	
Deposits on Hand	10,309
Unrestricted	<u>263,807</u>
Total Net Assets	<u><u>\$274,116</u></u>

See accompanying notes to the financial statements

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2005**

Operating Receipts	
County Contributions	\$217,618
Charges for Services	101,541
Other Revenues	<u>20,170</u>
Total Operating Receipts	<u>339,329</u>
Operating Disbursements	
Supplies and Materials	3,777
Contractual Services	1,760,823
Utilities and Telephone	15,241
Other	<u>14,069</u>
Total Operating Disbursements	<u>1,793,910</u>
Operating (Loss)	<u>(1,454,581)</u>
Non-Operating Receipts (Disbursements)	
Grants from State	80
Grants from Federal	1,208,232
Deposits Received	3,789
Deposits Refunded	(1,032)
Interest Earnings	11,023
Debt Principal Payments	(62,613)
Interest Expense	<u>(5,405)</u>
Net Nonoperating Receipts (Disbursements)	<u>1,154,074</u>
Change in Net Assets	(300,507)
Net Assets, Beginning of Year	<u>574,623</u>
Net Assets, End of Year	<u><u>\$274,116</u></u>

See accompanying notes to the financial statements.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

1. DESCRIPTION OF THE AIRPORT AUTHORITY AND REPORTING ENTITY

A. Description of the Entity

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

B. Basis of Accounting

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

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as applicable to the Authority's cash basis of accounting.

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 Authority 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 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, 2005
(Continued)**

1. DESCRIPTION OF THE AIRPORT AUTHORITY AND REPORTING ENTITY (Continued)

G. Change in Accounting Principles

For 2005, the District implemented GASB Statement No. 40, "*Deposits and Investment Risk Disclosures*", which established and modified disclosure requirements related to investment risks, credit risk (including custodial credit risk and concentrations of credit risk), and interest rate risk. This statement also established and modified disclosure requirements for custodial credit risk on deposits.

Implementation of GASB Statement No. 40 did not have an effect on the financial statement of the Authority, however additional note disclosure can be found in Note 2.

2. DEPOSITS AND INVESTMENTS

Deposits: Deposits include amounts held in demand accounts. At year-end, the carrying amount of the Authority's deposits was \$274,116. The bank balances totaled \$281,421.

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. Protection of the Authority's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Authority Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution. Of the bank balances totaling \$281,421, \$120,000 was insured by FDIC. The remaining balance of \$161,421 was collateralized with securities held in single financial institution collateral pools in the name of the respective depository bank and pledged as a pool of collateral against all the public moneys it holds. All Authority demand deposits were either insured or collateralized, in accordance with state law and the Authority's investment policy.

As of December 31, 2005, the Authority had no investments.

3. RISK MANAGEMENT

Commercial Insurance

The Authority has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Completed Operations and Products Liability Insurance;
- Errors and omissions; and
- Contractual Liability.

4. CONTRACTED SERVICES

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

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

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, 2005 will not have a material adverse effect on the Authority.

B. Litigation

The Authority is not party to legal proceedings.

6. DEBT OBLIGATIONS

A. Bond Anticipation Notes

The Authority paid \$50,000 in Airport Improvement Bond Anticipation Notes that matured during the year ended December 31, 2005. The Authority agreed to repay Greene County for Airport Improvement Bond Anticipation Notes, totaling \$200,000, in February, 2006. The County and the Authority may jointly resolve to pay a portion of the notes and re-issue notes at a lesser amount.

B. G.O. Bonds

The changes in the Authority's General Obligation Bond (GO) obligations during the year consist of the following:

	Principal Outstandin 12/31/04	Addition	Reductio	Principal Outstandin 12/31/05	Amount Due in One
General Obligation Bonds:					
Greene County G.O. Bond	\$50,381	\$0	\$12,613	\$37,768	\$6,912

Principal and interest requirements to retire G.O. Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	General Obligation Bonds		Total
	Principal	Interest	
2006	\$ 6,912	\$1,722	\$ 8,634
2007	9,860	1,328	11,188
2008	10,208	914	11,122
2009	10,788	475	11,263
Total	\$37,768	\$4,439	\$42,207

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

7. CONTRACTUAL COMMITMENTS

At December 31, 2005, the Authority had \$179,507 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	\$416
Dayton, Power & Light	57,677
SK Construction	<u>121,414</u>
Total	<u><u>\$179,507</u></u>

8. SUBSEQUENT EVENTS

On February 14, 2006, Greene County reissued \$150,000 in Airport Improvement Bond Anticipation Notes.

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

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	\$90,758
	3-39-0094-07		180,331
	3-39-0094-08		1,133,008
	3-39-0094-09		<u>9,271</u>
Total Federal Assistance - United States Department of Transportation			<u><u>\$1,413,368</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 FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (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 business-type activities of the Greene County Regional Airport Authority (the Authority) as of and for the year ended December 31, 2005, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated April 7, 2006. 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 in order to express our opinion 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 April 7, 2006, we reported other matters related to internal controls we deemed immaterial.

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*.

Greene County Regional Airport Authority
Greene County
Independent Accountants' Report on internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, and Federal Awarding Agencies. 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

April 7, 2006



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
Greene County
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, 2005. 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, 2005.

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. However, we noted a matter involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the Authority's management in a separate letter dated April 7, 2006.

We intend this report solely for the information and use of the audit committee, management, the Board of Trustees, and federal awarding agencies. 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

April 7, 2006

**GREENE COUNTY REGIONAL AIRPORT AUTHORITY
GREENE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED DECEMBER 31, 2005**

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 noncompliance 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?	Yes

**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
MAY 11, 2006**