LAWTON METROPOLITAN AREA AIRPORT AUTHORITY

A Component Unit of the City of Lawton, Oklahoma

Financial Statements
For the Year Ended June 30, 2015 and 2014

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Lawton Metropolitan Area Airport Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2015 and 2014

The following discussion and analysis of the financial performance of Lawton Metropolitan Area Airport Authority (the Authority) provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the Authority's financial statements, which begin on page 6.

Financial Highlights

- During the year ended June 30, 2015 the Airport's net position increased to $18,641,033 from $18,019,003 in 2014. Operating revenues and expenses did not change substantially.

- Operating revenues increased to $1,528,469 from $1,522,554 in 2014 while net non operating revenues increased to $1,970,730 in 2015 from $276,368 in 2014. The increase in non operating revenues was primarily due to an increase of $1,581,050 in federal funds awarded through the Airport Improvement Program for capital improvements.

- Operating expenses increased to $2,877,169 from $2,745,528 in 2014, primarily as a result of increases in advertising and promotion, operations, and additional depreciation on capital improvements made.

Overview of the Financial Statements

The report on audit of financial statements is presented in two sections: financial and supplementary. The Authority has elected to present the financial statements in accordance with the business-type activities format, as designated by the Authority's primary government, the City of Lawton. Accordingly, the financial section of this report includes Management's Discussion and Analysis (as required supplementary information); the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Fund Net Position; the Statement of Cash Flows; and explanatory Notes to the Financial Statements, as required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis—for State and Local Governments*, as amended by (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

Lawton Metropolitan Area Airport Authority
Management's Discussion and Analysis
For the Year Ended June 30, 2015 and 2014

The Basic Financial Statements

One of the most important questions asked about the Authority is whether it is better off or worse off as a result of the year's financial activities. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the Airport as a whole and about its activities in a way that answers this question. These statements include *all* assets and *all* liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. The accrual basis of accounting reports the current year's revenues and expenses regardless of when cash is actually received or disbursed.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report the Airport's net position and changes to them. You can think of the airport's net position—the difference between assets and liabilities – as one way to measure the Airport's financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. You will also need to consider non-financial factors, however, such as changes in requirements of the programs funded by the Authority, in addition to the condition of its physical facilities, to fully assess the overall health of the Authority.

Financial Analysis of the Authority as a Whole

The Authority's net position increased from a year ago. The following amounts are from the statement of net position, page 9, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

Lawton Metropolitan Area Airport Authority
Net Position
June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Current Assets	$ 518,150	$ 533,332	$ (15,182)
Noncurrent assets	18,321,606	17,628,186	693,420
Total assets	18,839,756	18,161,518	678,238
Current liabilities	168,348	94,275	74,073
Noncurrent liabilities	30,375	48,240	(17,865)
Total liabilities	$ 198,723	$ 142,515	$ 56,208

Lawton Metropolitan Area Airport Authority
Net Position
June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Net position:			
Net Investment in,			
Capital assets	$ 17,596,764	$ 16,983,485	$ 613,279
Restricted for construction	392,113	264,897	127,216
Unrestricted	652,156	770,621	(118,465)
Total net position	$ 18,641,033	$ 18,019,003	$ 622,030

Net position increased by $622,030. The increase is primarily due to an increase in nonoperating revenues, and property, plant, and equipment.

Lawton Metropolitan Area Airport Authority
Operating Results
Years Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Operating revenues	$ 1,528,469	$ 1,522,554	$ 5,915
Operating expenses	2,877,169	2,745,528	131,641
Operating income (loss)	(1,348,700)	(1,222,974)	(125,726)
Non operating revenues (expenses)	1,970,730	276,368	1,694,362
Changes in net position	622,030	(946,606)	1,568,636
Net position, beginning	18,019,003	18,965,609	946,606
Net position, ending	$ 18,641033	$ 18,019,003	$ 622,030

During the year ended June 30, 2015, overall operating revenues increased by $5,915 and overall operating expenses increased by $131,641, principally due to an increase in advertising and promotion, depreciation, and maintenance.

The Authority's net position increased by $622,030, primarily due to increases in federal, state, and local grants.

Lawton Metropolitan Area Airport Authority
Analysis of Net Position
Years Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Net position:			
Net Investment in capital assets	$ 17,596,764	$ 16,983,485	$ 613,279
Restricted for construction	392,113	264,897	127,216
Unrestricted	652,156	770,621	(118,465)
Total net position	$ 18,641,033	$ 18,019,003	$ 622,030

Lawton Metropolitan Area Airport Authority
Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Cash provided (used) by:			
Operating activities	$ 25,913	$ (186,311)	$ 212,224
Non capital financing activities	(1,848)	(4,081)	2,233
Capital and related financing activities	(16,337)	270,620	(286,957)
Investing activities	381	321	60
Net increase (decrease) in cash and cash equivalents	8,109	80,549	(72,440)
Cash and cash equivalents, beginning	643,730	563,181	80,549
Cash and cash equivalents, ending	$ 651,839	$ 643,730	$ 8,109

Capital Assets and Debt Administration

At June 30, 2015, the Authority's investment in net capital assets increased by $613,279**.**

Lawton Metropolitan Area Airport Authority
Capital Assets, Net
Years Ended June 30, 2015 and 2014

	2015	2014	Increase (Decrease)
Capital assets:	$ 38,750,401	$ 36,939,475	$ 1,810,926
Less: accumulated depreciation	(21,105,312)	(19,881,759)	1,223,553
Capital assets, net	$ 17,645,089	$ 17,057,716	$ 587,373

Capital Assets and Debt Administration (continued)

Major capital asset transactions during the year include the following additions:

*	Superior Broom Mobile	$ 62,215
*	Building Improvements	7,500

The Authority had long-term debt outstanding at June 30, 2015 related to the purchase of capital assets of $48,324, of which $17,949 is due within twelve months.

Economic Factors and the Airport's Future

The Authority's board considered factors when setting the budget, rates, and fees that will be charged for the Authority's services. One of these factors is the economy.

Contacting the Airport's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Ms. Barbara McNally, Airport Manager, Lawton Metropolitan Area Airport Authority, 3401 South 11th Street, Lawton, Oklahoma 73501.

ROBERT D. TURNER C.P.A.
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Independent Auditor's Report

Board of Trustees
Lawton Metropolitan Area Airport Authority
Lawton, Oklahoma

I have audited the accompanying financial statements of the Lawton Metropolitan Area Airport Authority (a component unit of the City of Lawton) as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Lawton Metropolitan Area Airport Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the Standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Lawton Metropolitan Area Airport Authority as of June 30, 2015 and 2014, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 -5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements of the Lawton Metropolitan Area Airport Authority's basic financial statements. The accompanying Schedule of Passenger Facility Charges is presented for purposes of additional analysis as required by the Federal Aviation Administration and is not a required part of the basic financial statements of Lawton Metropolitan Area Airport Authority. The Schedule of Passenger Facility Charges is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Passenger Facility Charges has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the procedures performed and the information as described above is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated October 19, 2015, on my consideration of the Lawton Metropolitan Area Airport Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Lawton Metropolitan Area Airport Authority's internal control over financial reporting and compliance.

Robert D. Turner

October 19, 2015
Robert D. Turner, CPA
Lawton, Oklahoma

Lawton Metropolitan Area Airport Authority
Statements of Net Position
June 30, 2015 and 2014

ASSETS	**2015**	**2014**
Current assets:		
Cash and cash equivalents	$ 297,644	$ 399,589
Accounts receivable	57,496	68,416
Due from governments	136,006	39,156
Prepaid insurance	7,434	10,905
Inventory	19,570	15,266
Total current assets	518,150	533,332
Noncurrent assets:		
Restricted cash	354,195	244,141
Prepaid land lease	322,322	329,329
Property, plant, and equipment, net of accumulated depreciation	17,645,089	17,054,716
Total noncurrent assets	18,321,606	17,628,186
Total assets	$ 18,839,756	$ 18,161,518
LIABILITIES:		
Current liabilities:		
Accounts payable	$ 128,427	$ 53,359
Accrued liabilities	12,314	10,442
Accrued compensated absences	9,658	7,483
Current portion of long term debt	17,949	22,991
Total current liabilities	168,348	94,275
Long-term liabilities	30,375	48,240
Total liabilities	198,723	142,515
Net position:		
Net investment in capital assets	17,596,764	16,983,485
Restricted for construction	392,113	264,897
Unrestricted	652,156	770,621
Total net position	$ 18,641,033	$ 18,019,003

The accompanying notes are an integral part of these financial statements.

Lawton Metropolitan Area Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2015 and 2014

OPERATING REVENUES	**2015**	**2014**
Rental income	$ 588,498	$ 552,048
Fire services contributed by City of Lawton	616,533	612,934
Commissions	50,256	59,120
Landing fees	47,592	56,302
Parking	158,497	159,768
Federal grants - TSA/DHS	60,600	79,200
Other	6,493	3,182
Total operating revenues	1,528,469	1,522,554
OPERATING EXPENSES		
Wages, airport	283,810	283,029
Payroll taxes and benefits, airport	83,962	85,804
Wages, payroll taxes, benefits, fire service	582,908	567,309
Advertising and promotion	137,906	13,460
Legal and professional	33,468	61,783
Training and travel	8,113	11,434
Telephone and utilities	87,855	92,332
Supplies and materials	78,352	97,566
Insurance	30,202	30,082
Maintenance, operations, and contractual	200,443	163,224
Fees, licenses, and dues	2,418	2,984
Depreciation	1,251,448	1,235,700
Security	85,963	91,578
Amortization of prepaid	7,007	7,007
Other expenses	3,314	2,236
Total operating expenses	2,877,169	2,745,528
Operating income (loss)	(1,348,700)	(1,222,974)
NONOPERATING REVENUES AND (EXPENSES)		
Interest income	142	216
Interest income, restricted	239	105
Gain (loss) on disposition	(11,701)	(3,726)
Interest expense	(1,848)	(4,081)
Passenger facility charges	260,512	253,236
Local grant - CCIDA	25,000	-
State grant - OAC	6,422	-
Federal grant – Small Comm Air Svc Dvlp	80,296	-
Federal grants – construction	1,611,668	30,618
Net non-operating revenues and expenses	1,970,730	276,368
Change in net position	622,030	(949,606)
NET POSITION, beginning	18,019,003	18,965,609
NET POSITION, ending	$ 18,641,033	$ 18,019,003

The accompanying notes are an integral part of these financial statements.

Lawton Metropolitan Area Airport Authority
Statements of Cash Flows
For the Years Ended June 30, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from federal and state grants and contracts, program fees, and other revenues	$ 1,566,345	$ 1,501,745
Cash paid to suppliers goods and services	(593,799)	(750,602)
Cash paid for salaries and benefits	(946,633)	(937,454)
Net cash provided (used) by operating activities	25,913	(186,311)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	381	321
Net cash provided (used) by investing activities	381	321
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property and equipment	(1,853,623)	(282,905)
Proceeds from sale of property and equipment	100	1,201
Federal grants	1,828,670	529,032
State and local grants	31,422	-
Proceeds from borrowings	-	70,010
Principal payments on notes payable	(22,906)	(46,718)
Net cash provided (used) by capital and related financing	(16,337)	270,620
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest Expense	(1,848)	(4,081)
Net cash provided (used) by noncapital financing activities	(1,848)	(4,081)
Net increase (decrease) in cash and cash equivalents	8,109	80,549
CASH AND CASH EQUIVALENTS, beginning	643,730	563,181
CASH AND CASH EQUIVALENTS, ending	$ 651,839	$ 643,730
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating Income (loss)	$ (1,348,700)	$ (1,222,974)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation	1,251,448	1,235,700
Amortization of prepaid land lease	7,007	7,007
Changes in assets and liabilities:		
(Increase) decrease in receivables	10,920	(12,837)
(Increase) decrease due from governments (TSA/DHS)	26,956	(7,972)
(Increase) decrease prepaid insurance	3,471	45
(Increase) decrease in inventory	(4,304)	29,779
Financing cash flow for bank overdraft charges	-	(228,645)
Increase (decrease) in accounts payable	75,068	14,897
Increase (decrease) in accrued expenses	1,872	936
Increase (decrease) in accrued compensated absences	2,175	(2,247)
Total adjustments	1,374,613	1,036,663
Net cash provided (used) by operating activities	$ 25,913	$ (186,311)

The accompanying notes are an integral part of these financial statements.

Lawton Metropolitan Area Airport Authority
Notes to Financial Statements
For the Years Ended June 30, 2015 and 2014

1. Organization

The Lawton Metropolitan Area Airport Authority (the Authority) was established by the City of Lawton (the City) as an Oklahoma Public Trust in October 1969 to operate the Lawton Municipal Airport and to modernize and expand the airport facilities. One Authority trustee is also a member of the City Council. The Authority does not have the power to levy taxes, and while the City of Lawton has no obligation for debt issued by the Authority, it is the beneficiary of the trust.

The Authority equips, operates, and maintains the airport facilities and collects various amounts related to Authority activities from leases and commissions. In-kind services, such as aircraft rescue and firefighting staff, are supplied by the City. The airport has a 30,000 square foot terminal and a general aviation terminal. American Eagle is the airport's commercial carrier. American Eagle offers daily flights to and from Dallas-Fort Worth International Airport. During most operating periods, the airport receives capital improvement funds from federal sources, passenger facility charges, City Capital Improvement Projects (CIP), and Oklahoma Aeronautic Commission (OAC) state grants.

2. Summary of accounting policies

This report is prepared in conformity with U.S. Generally accepted Accounting Principles (GAAP) and the provisions of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* Those statements establish standards for external financial reporting for all state and local governmental entities which include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows.

Basis of Accounting -- The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred. The Statement of Revenues, Expenses, and Changes in Fund Net Position is a statement of financial activities related to the current reporting period.

Government –wide Financial Statements -- The adopted GASB Statements require that the overall financial condition of the Airport be displayed in three entity-wide financial statements. These are the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Fund Net Position; and the Statement of Cash Flows. These include all financial activity of the Airport.

The financial statements are presented using the "business-type activities" approach. Business-type activities are those that provide specific, divisible services to residents or businesses and are funded primarily by user charges. As is required by generally accepted accounting principles, the Authority reports using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This method of accounting also distinguishes operating revenues and expenses from non-operating items and capital contributions. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. Revenues and expenses not meeting this definition are reported as either non-operating revenues and expenses or capital contributions.

GASB Statements No. 34 and 63 require that the Statement of Net Position classify net position into three components: net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows.

> Net Investment in Capital Assets -- This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of debt attributable to the unspent proceeds are not included in the calculation of investment in capital assets, net of related debt. Rather, that portion of the debt is included in the net position component as the unspent proceeds.
>
> Restricted Net Position -- This component of net position consists of constraints placed on net asset use through external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provision or enabling legislation. When both restricted and unrestricted sources are available for use, generally it is the Authority's policy to restricted resources first.
>
> Unrestricted Net Position -- This component of net position consists of those net position that do not meet the definition of "restricted" or "net investment in capital assets."

Component Unit -- Component units are legally separate organizations for which the officials of the primary entity are financially responsible. In addition, component units can be other organizations which the nature and significance of their relationship with the primary entity are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Authority is a component unit of the City of Lawton.

Use of Estimates -- Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities and net position, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents -- The Authority considers cash on hand, demand deposits, interest bearing accounts, and investments with a maturity of 90 days or less to be cash and cash equivalents

Inventory -- The Authority maintains its inventory of snow removal chemicals on the first-in-first-out (FIFO) method. Inventory balances were $19,570 at June 30, 2015 and $15,266 at June 30, 2014.

Investments -- All investments are recorded at fair value.

Capital Assets -- Acquisitions of property and equipment with a useful life of more than one year and an original cost of $1,000 or more are recorded as additions to capital assets. Depreciation of property and equipment has been calculated on the estimated useful lives using the straight-line method as follows:

Type of Asset	Years
Runways, ramps, and roads	20
Buildings and improvements	50
Equipment	5-20
Vehicles	5
Office furniture and equipment	5-10
Land Improvements	50

In-Kind and Match Revenue Expenses -- Certain grants require in-kind matching funds. The Authority participates in the Federal Aviation Administration's (FAA) passenger facility charge (PFC) program using these funds to provide matching funds for federal funding of construction contracts.

Statements of Cash Flows -- In accordance with GASB Statement 34, the accompanying financial statements include a Statement of Cash Flows which is presented using the direct method

Income Tax Status -- the Authority qualifies as an organization exempt from income taxes. As a government instrumentality, no provision has been made for federal or state income taxes.

3. Deposits and Deposit Risk

The Lawton Metropolitan Area Airport Authority is governed by the deposit and investment limitations of state law. The Authority held the following deposits at June 30, 2015:

Type	2015	2014
Demand deposits	$ 297,644	$ 399,589
Bank Overdrafts		
Demand Deposits, restricted	354,195	244,141
Time deposits	-	-
Total deposits	$ 651,839	$ 643,730

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of $651,839 at June 30, 2015 and $643,730 at June 30, 2015. All deposits were insured by depository insurance or secured with collateral held by the Authority's agent in its name.

Investment Interest Rate Risk – The Authority has no normal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk – The Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

a. Direct obligations of the U. S. Government, its agencies and instrumentalities to which the full faith and credit of the U. S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.

b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Concentration of Investment Credit Risk – The Authority places no limit on the amount it may invest in any one issuer.

4. Receivables

Accounts Receivable -- the Authority submits requests for advances and/or reimbursements to grantor and pass-through agencies for grant funds. As of June 30, 2015 and 2014, respectively, the Authority had the following outstanding receivables:

	2015	2014
Government	$ 136,006	$ 39,156
Contracts and other	57,496	68,416
Accounts receivable	$ 193,502	$ 107,572

All amounts receivable at June 30, 2014 were collected. All amounts receivable at June 30, 2015 were collected or considered collectible subsequent to the year end.

5. Fire services contributed by the City of Lawton

The City provides fire protection for the Authority in a facility owned by the Authority. Salaries and other costs paid by the City and dedicated to the Authority are recognized in the financial statements as in-kind contributions. In-kind contributions for the years ended June 30, 2015 and 2014, respectively, consisted of the following:

	2015	2014
Salaries	$ 495,472	$ 482,213
Taxes and fringe benefits	87,436	85,096
Maintenance, operations, and contractual services	33,625	45,625
Fire Services contributed by the City of Lawton	$ 616,533	$ 612,934

6. Capital assets

The Authority's investment in property and equipment, at June 30, 2015 and 2014, and the related activity for the years then ended was as follows:

	Beginning Balance June 2014	Increases	Decreases	Ending Balance June 2015
Assets not being depreciated:				
Land	$ 7,800	$ -	$ -	$ 7,800
Construction in progress	184,121	1,784,332	(36,877)	1,931,576
Total assets not being depreciated	191,921	1,784,332	(36,877)	1,939,376
Assets being depreciated:				
Runways, ramps, and roads	27,165,741	-	-	27,165,741
Buildings and improvements	7,000,152	7,500	-	7,007,652
Equipment	2,226,424	98,667	(39,696)	2,285,396
Vehicles	50,873	-	-	50,873
Furniture and equipment	103,319	-	-	103,319
Land improvements	198,044	-	-	198,044
Total assets being depreciated	36,744,553	106,167	(39,696)	36,811,025
Total assets	36,936,475	1,890,499	(76,573)	38,750,401
Less accumulated depreciation for:				
Runways, ramps, and roads	(15,271,303)	(933,967)	-	(16,205,270)
Buildings and improvements	(2,991,010)	(146,802)	-	(3,137,812)
Equipment and fixture	(1,401,217)	(142,498)	27,895	(1,515,820)
Furniture and fixtures	(88,412)	(3,065)	-	(91,477)
Vehicles	(32,486)	(5,516)	-	(38,002)
Land improvements	(97,331)	(19,599)	-	(116,930)
Total accumulated depreciation	(19,881,759)	(1,251,448)	27,895	(21,105,312)
Net capital assets	$ 17,054,716	$ 639,051	$ (48,678)	$ 17,645,089

Buildings are presented at cost, or fair market value if donated, while equipment, furniture, fixtures, and vehicles with a life of more than one year are included at cost.

Depreciation expenses for the years ended June 30, 2015 and 2014 were $1,251,448 and $1,235,700 respectively.

7. Rental income

The Authority, as operator of the airport facility, acts as lessor to various airlines and businesses operating at the airport. Rental revenues are billed and collected monthly. Some tenant's rents are based on sales. For more information on leases, refer to the specific lease agreements.

8. Leases

City of Lawton -- On February 10, 1970, the Authority entered into a lease with the City of Lawton. This lease includes all airport facilities of the City as well as the terminal building, hangers, runway, taxiways, parking areas, and all airport facilities and real property belonging to the City. Per various amendments the lease does not require any payment to the City by the Authority. It does require the Authority to expend all revenues generated by the Authority for capital or operating costs of the airport. An amendment in 2002 extended the term of the original lease to an eighty year lease terminating December 31, 2049. For complete details retailing to this lease, see the original lease agreement and all amendments.

Commissioners of the Land Office -- On February 14, 2007, the Authority entered into a commercial ground lease with Commissioners of the Land Office, State of Oklahoma. The Authority paid a one time lease amount of $385,383. The term of the lease is fifty-five years. The Authority amortizes the $385,383 on a straight line basis. The amortization amount for each year is $7,007. For complete details in reference to this lease refer to the lease agreement.

9. Airport security contract

During the year ended June 30, 2015 and 2014, the Lawton Metropolitan Area Airport Authority received and/or earned $60,600 and $79,200 respectively from the Transportation Security Administration and expended by reimbursement to the City of Lawton a like amount for airport police services. The revenue is included in operating revenue on the Statement of Revenue, Expenses, and Changes in Net Assets, and the expense is included in Security expense.

10. Compensated absences

Employees are eligible to take vacation on a compensated basis after one year of service with the amount of vacation pay determined by length of service. Employees are allowed to carryover a maximum of 40 hours of vacation each year. The Authority limits payment of unused vacation time to a maximum of 80 hours upon termination of employment. Sick leave is accrued at a rate of 1 day per month for a maximum of 12 days per year and may accrue to a maximum of 160 hours. When an employee leaves the employment with the Authority, the balance of sick leave is forfeited.

The accompanying financial statements as of June 30, 2015 and 2014 include obligations of $9,658 and $7,483 in accrued liabilities for compensated absences, respectively.

11. Long-term debt

In July 2013, the Authority incurred debt of $70,100 in the form of a note to purchase a John Deere Tractor. Interest on the loan is at 2.65%, with monthly payments o $1,248. The loan matures on August 25, 2018.

In November 2012, the Authority incurred debt of $27,716 in the form of a note to purchase a 2012 Ford pickup. Interest on the loan is at 2.55%, with monthly payments of $801. The loan matures on November 26, 2015.

Annual principal and interest payments to maturity are as follows:

Year	Principal	Interest	Total
2016	$ 17,949	$ 1,034	$ 18,983
2017	14,349	632	14,981
2018	14,734	247	14,981
2019	1,293	3	1,296
2020 and thereafter	-	-	-
	$ 48,325	$ 1,916	$ 50,241

In addition, the Authority has an operating line of credit with a local financial institution for $300,000 with $300,000 credit available to the Authority. The balance on June 30, 2015 and 2014 was zero dollars. The loan carries an interest rate of 3.25%. Collateral on this loan is business assets, accounts, and contract rights.

12. Simplified employee pension plan

Plan Description -- On January 1, 1989, the Authority adopted a Simplified Pension Plan (a defined contribution plan) for all its full-time employees who are at least twenty-one (21) years of age, are not covered under a collective bargaining agreement, have worked at least one year of the immediately preceding five (5) years, and whose total compensation during the year is equal to or exceeds $300. During the years ended June 30, 2015, and June 30, 2014 the Authority contributed 7% of eligible employees' annual salary into a flexible premium annuity and mutual funds i.e., a pension plan contribution of $16,645 and $17,526 respectively, was made by the Authority.

13. Grants and contracts

During the year ended June 30, 2015 the Authority spent the following amounts under various grants and contracts related to airport construction promotion projects and airport security. Some of the revenue has yet to be received, and some had been received in prior periods. The following has been expended:

Grant No	2015	2014
AIP Project 30	$ -	$ 30,618
AIP Project 31	904,263	-
AIP Project 32	644,056	-
SCASD	80,296	-
TSA	60,600	79,200
Total	$ 1,689,215	$ 109,818

14. Commitments and contingencies

Grant -- The Authority receives matching capital asset grants from the Federal Aviation Administration (FAA). The grant expenditures are subject to audit by the FAA, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as the result of these audits is not believed to be material by management.

15. Risk Management

The Authority is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance, auto, and workers compensation for risk of loss.

There have been no settlements in excess of the Authority's coverage.

16. Subsequent Events

The Authority has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2015 through October 19, 2015 which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Lawton Metropolitan Area Airport Authority
Lawton, Oklahoma

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lawton Metropolitan Area Airport Authority, and as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Lawton Metropolitan Area Airport Authority's basic financial statements, and have issued my report thereon date October 19, 2015.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Lawton Metropolitan Area Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawton Metropolitan Area Airport Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Lawton Metropolitan Area Airport Authority's internal control.

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawton Metropolitan Area Airport Authority's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Robert D. Turner

Robert D. Turner, CPA
October 19, 2015

Lawton Metropolitan Area Airport Authority
Schedules of Passenger Facility Charges
Year Ended June 30, 2015

REVENUE	Beginning Balance	Quarter 1	Quarter 2	Quarter 3	Quarter 4	6/30/15 Total	Program Total
Collections	$ 3,087,768	$ 59,711	$ 63,414	$ 55,614	$ 64,610	$ 243,349	$ 3,331,117
Interest	40,214	32	31	38	45	146	40,360
Total revenue	3,127,982	59,743	63,445	55,652	64,655	243,495	3,371,477
DISBURSEMENTS							
Application 92-01-C-03-LAW(closed)	452,189						452,189
Application 97-02-C-03-LAW (closed)	380,745						380,745
Application 02-03-C00-LAW (closed)	303,687						303,687
Application 04-04-C-00-LAW (closed)	249,492						249,492
PROJECTS:							
Application 07-05-C00-LAW							
1—Drainage Reimbursement	40,328						40,328
2—Master Plan Update	10,912						10,912
3—Fire Suits	12,555						12,555
4—Rehab T Hangar Taxiways	38,342						38,342
5—Reconstruct Taxiway G	29,573						29,573
6---Extend Taxiway G							
7---Rehab s. 2400 of Runway	416,956						416,956
8---Rehab Runway Joints	17,500						17,500
Application 08-06-C00-LAW							
1—Emergency Power Generator							
2—Terminal Building Renovations	346,122						346,122
3—Security Enhancements	383,793						383,793
4—PFC Application and Admin fees	29,612						29,612

Lawton Metropolitan Area Airport Authority
Schedules of Passenger Facility Charges (continued)
Year Ended June 30, 2015

Application 13-07-C-00-LAW							
1—Taxiway A Pavement Soil Testing	7,052						7,052
2—Taxiway Rehab	28,581						28,581
3—Runway Overlay Design	10,617						10,617
4---Pavement Replacement Design	2,632						2,632
5---Pavement Replacement Construction	25,084						25,084
6---Boarding Gate Preliminary Design	32,674						32,674
7---Boarding Gate Final Design/Construction		22,325	8,242	2,731	37,928	71,226	71,226
8---Baggage Claim Preliminary Design	17,700						17,700
9---Baggage Claim Construction							
10---Boarding Bridges Installation							
11---SRE Design/Construction							
12---Sweeper Truck Procurement	-	62,215	-	-	-	62,215	62,215
13---ARFF Vehicle Procurement	32,404						32,404
14---Wildlife Hazard Assessment	4,735						4,735
15—PFC Application and Administration	10,556	-	-	-	-	-	10,556
Total disbursements	2,883,841	84,540	8,242	2,731	37,928	133,441	3,017,282
Net Passenger Facility Charges	$ 244,141	$ (24,797)	$ 55,203	$ 52,921	$ 26,727	$ 110,054	$ 354,195
Passenger Facility Charges account balance	$ 244,141	$ 219,344	$ 274,547	$ 327,468	$ 354,195	$ 354,195	$ 354,195

Lawton Metropolitan Area Airport Authority
Passenger Facility Charges Audit Summary
Years Ended June 30, 2015

1. Type of report issued on PFC financial statements. ☒ Unmodified ☐ Modified

2. Type of report on PFC compliance ☒ Unmodified ☐ Modified

3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. ☒ Yes ☐ No

4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127. ☒ Yes ☐ No

5. The Public Agency maintains a separate financial accounting record for each application. ☒ Yes ☐ No

6. Funds disbursed were for PFC eligible items as identified in the FAA decision to pay only for the allowable costs of the projects. ☒ Yes ☐ No

7. Monthly carrier receipts were reconciled with quarterly carrier reports. ☒ Yes ☐ No

8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. ☒ Yes ☐ No

9, Serving carriers were notified of PFC program actions/changes approved by the FAA. ☒ Yes ☐ No

10. Quarterly Reports were transmitted (or available via website) to remitting carriers. ☒ Yes ☐ No

11. The Public Agency is in compliance with Assurances 5, 6, 7, and 8. ☒ Yes ☐ No

12. Project design and implementation is carried out in accordance with Assurance 9. ☒ Yes ☐ No

13. Program administration is carried out in accordance with Assurance 10. ☒ Yes ☐ No

14. For those public agencies with excess revenue, a plan for the use of this revenue has been submitted to the FAA for review and concurrence ☐ Yes ☐ No ☒ N/A

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR 1-133

To the Board of Trustees
Lawton Metropolitan Area Airport Authority
Lawton, OK

Report on Compliance for Each Major Federal Program

I have audited Lawton Metropolitan Area Airport Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* That could have a direct and material effect on each of Lawton Metropolitan Area Airport Authority's major federal programs for the year ended June 30, 2015. Lawton Metropolitan Area Airport Authority's federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Lawton Metropolitan Area Airport Authority's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawton Metropolitan Area Airport Authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Lawton Metropolitan Area Airport Authority's compliance.

Opinion on Each Major Federal Program

In my opinion, Lawton Metropolitan Area Airport Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of my auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A – 133 and which is described in the accompanying schedule of findings and questioned costs as item 2015 – 001. My opinion on each major federal program is not modified with respect to this matter.

Lawton Metropolitan Area Airport Authority‘s response to the noncompliance findings identified in my audit is described in the accompanying schedule of findings and questioned costs. Lawton Metropolitan Area Airport Authority’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

Report on Internal Control over Compliance

Management of Lawton Metropolitan Area Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Lawton Metropolitan Area Airport Authority’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Lawton Metropolitan Area Airport Authority’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, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Robert D. Turner

Robert D. Turner, CPA
October 19, 2015

Lawton Metropolitan Area Airport Authority
Schedules of Expenditures of Federal Awards
Year Ended June 30, 2015

Federal Grantor Agency/Grant Program/Grant Number	Federal CFDA Number	Pass-through Grantor's Number	Federal Expenditures
U.S. Department of Transportation:			
Federal Aviation Administration - Airport Improvement Program			
03-40-0051-31	20.106	N/A	$ 904,263
03-40-0051-32	20.106	N/A	644,056
Total CFDA 20.106			**1,548,319**
U.S. Department of Transportation:			
U.S. Department of Transportation - Small Community Air Service Development Program			
	20.930	N/A	80,296
Total CFDA 20.930			**80,296**
U.S. Department of Homeland Security:			
Transportation Security Administration - Airport Checked Baggage Inspection System Diagram			
	97.117	N/A	60,600
Total CFDA 97.117			**60,600**
Total Expenditures of Federal Awards			**$ 1,689,215**

Lawton Metropolitan Area Airport Authority
Notes to Schedules of Expenditures of Federal Awards
Year Ended June 30, 2015

1. Basis of Presentation

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents the activity of the federal awards program of Lawton Metropolitan Area Airport Authority (the Authority) for the year ended June 30, 2015. Federal awards received directly from federal agencies and expended by the Authority are included in the schedule. Although the Authority is required to match certain grants, as defined therein, no such matching has been included in the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards has been prepared on the basis of accounting as defined by OMB Circular A-133. Under this basis, expenditures are recognized when the activity related to the award occurs.

3. Risk-Based Audit Approach

The dollar threshold to distinguish between Type A and Type B programs is $300,000. The Authority does not qualify as a low-risk auditee.

4. Sub-Recipients

Of the expenditures presented in the schedule, The Authority did not provide any awards to sub-recipients.

5. Outstanding Federal Loans

The Authority has no federal loan obligations as of June 30, 2015.

Lawton Metropolitan Area Airport Authority
Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section 1—Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? YES ☐ NO ☒
- Significant deficiency identified that is not considered to be material weaknesses? YES ☐ NO ☒

Noncompliance material to financial statements noted? YES ☐ NO ☒

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? YES ☐ NO ☒
- Significant deficiency identified that is not considered to be material weaknesses? YES ☐ NO ☒

Type of auditor's report issued: Unmodified

Any audit findings disclosed required to be reported in accordance with section 510 (a) of Circular A -133? YES ☒ NO ☐

Identification of major programs

CDFA Number (s)	Name of Federal Program or Cluster
20.106	U.S. Department of Transportation Federal Aviation Administration Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs?
$ 300,000

Auditee qualified as low-risk? YES ☐ NO ☒

Section 2—Financial Statement Findings

NONE

Section 3 – Findings and Questioned Costs – Major Federal Program Audit

Finding 2015-001 – Reporting Requirements

Federal Program Information: Department of Transportation – Federal Aviation Administration Airport Improvement Program – CFDA 20.106

Finding: In performing my compliance testing for the year ended June 30, 2015, I noted the Authority did not meet its requirements of filing an annual 425 report for each of its AIP grants within 90 days of the Federal fiscal year end of September 30, 2014.

Criteria: The AIP grants have a requirement of filing an annual 425 form within 90 days of the Federal fiscal year end. The Authority should have filed an annual 425 report for AIP grants 31 and 32 by no later than December 28, 2014 in order to comply with this reporting requirement.

Condition: The Authority did not submit the annual 425 reports within the required filing period.

Questioned Costs: None noted.

Context: Pervasive to the AIP grants.

Effect: The Authority was not in compliance with all of the reporting requirements of its major federal program for the year ended June 30, 2015.

Cause: The Authority entered into two new AIP grants during the year ended June 30, 2015 and was not aware of the reporting requirement for filing an annual 425.

Recommendation: When entering into a new grant agreement, the Authority's management should review the agreement and the OMB compliance supplement to identify all reporting requirements for the grant. Management should develop a tickler system for all of its grant programs that summarizes the reporting requirements and the deadlines for submission of the reports to the granting agency.

Authority's Response: The Authority's management concurs with the finding and recommendation. The required 425 forms were completed and filed in September of 2015. All such reports will be prepared and filed within the requirements of the grant going forward.