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**Lawton Metropolitan Area Airport Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011**

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, 2011. Please read it in conjunction with the Authority's financial statements, which begin on page 6.

**Financial Highlights**

- ❖ During the year ended June 30, 2011 the Airport's net assets increased to \$16,134,080 from \$15,330,030 in 2010. This change was primarily due to an increase in federal construction grants and grants from McMahon Foundation and City of Lawton.
- ❖ Operating revenues increased to \$1,560,164 from \$1,508,189 in 2010 while non operating revenues increased from \$986,243 in 2010 to \$1,662,785 in 2011. These changes were primarily due to an increase in parking fees, fire services, and in Federal Grants – construction and Grants – McMahon Foundation and City of Lawton.
- ❖ Operating expenses increased to \$2,418,899 from \$2,330,704 in 2010, primarily as a result of increases in salaries and wages, telephone and utilities, security, and depreciation expense.

**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 Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; 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*.

**Lawton Metropolitan Area Airport Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

**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 Assets and the Statement of Revenues, Expenses, and Changes in Net Assets 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 Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report the Airport's net assets and changes to them. You can think of the airport's net assets—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 assets 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 assets increased from a year ago. The following amounts are from the statement of net asset, page 8, which is presented on an accrual basis of accounting whereby assets are capitalized and depreciated.

<b>Lawton Metropolitan Area Airport Authority</b>			
Net Assets			
<u>June 30, 2011 and 2010</u>			
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Current Assets	\$ 1,077,408	\$ 923,247	\$ 154,161
Noncurrent assets	<u>15,247,613</u>	<u>14,518,805</u>	<u>728,808</u>
Total assets	<u>16,325,021</u>	<u>15,442,052</u>	<u>882,969</u>
Current liabilities	187,307	102,288	85,019
Noncurrent liabilities	<u>3,634</u>	<u>9,734</u>	<u>(6,100)</u>
Total liabilities	<u>190,941</u>	<u>112,022</u>	<u>78,919</u>

**Lawton Metropolitan Area Airport Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

**Lawton Metropolitan Area Airport Authority**

	Net Assets		
	<u>June 30, 2011 and 2010</u>		
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Net assets:			
Invested in capital assets,			
Net of related debt	\$ 15,237,869	\$ 14,503,272	\$ 734,597
Restricted for construction	167,939	228,046	(60,107)
Restricted for land lease	-	-	-
Restricted for Delta Promotion	-	-	-
Unrestricted	<u>728,272</u>	<u>598,712</u>	<u>129,560</u>
Total net assets	<u>\$ 16,134,080</u>	<u>\$ 15,330,030</u>	<u>\$ 804,050</u>

Net assets increased by \$ 804,050. The increase was due to an increase in grant revenues for which the related expenditures have not been incurred yet.

**Lawton Metropolitan Area Airport Authority**

	Operating Results		
	<u>Years Ended June 30, 2011 and 2010</u>		
	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Operating revenues	\$ 1,560,164	\$ 1,508,189	\$ 51,975
Operating expenses	<u>2,418,899</u>	<u>2,330,704</u>	<u>88,195</u>
Operating income (loss)	<u>(858,735)</u>	<u>(822,515)</u>	<u>(36,220)</u>
Non operating revenues (expenses)	<u>1,662,785</u>	<u>986,243</u>	<u>676,542</u>
Changes in net assets	<u>804,050</u>	<u>163,728</u>	<u>640,322</u>
Net assets, beginning	<u>15,330,030</u>	<u>15,166,302</u>	<u>163,728</u>
Net assets, ending	<u>\$ 16,134,080</u>	<u>\$ 15,330,030</u>	<u>\$ 804,050</u>

During the year ended June 30, 2011, overall operating revenues increased by \$ 51,975 principally due to increases in parking fees, fire services, and federal grants – TSA/DHS. Overall operating expenses increased by \$88,195 principally due to an increase in depreciation expense, salaries and wages, and telephone and utilities.

The Authority's net assets increased from \$ 15,330,030 in 2010 to \$ 16,134,080 in 2011.

**Lawton Metropolitan Area Airport Authority**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**

**Lawton Metropolitan Area Airport Authority**  
Analysis of Net Assets  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Net assets:			
Invested in capital assets, Net of related debt	\$ 15,237,869	\$ 14,503,272	\$ 734,597
Restricted for construction	167,939	228,046	60,107
Restricted for land lease	-	-	-
Restricted for Delta Promotion	-	-	-
Unrestricted	<u>728,272</u>	<u>598,712</u>	<u>129,560</u>
Total net assets	<u>\$ 16,134,080</u>	<u>\$ 15,330,030</u>	<u>\$ 804,050</u>

**Lawton Metropolitan Area Airport Authority**  
Cash Flows  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Cash provided (used) by:			
Operating activities	\$ 131,591	\$ 189,429	\$ (57,838)
Non capital financing activities	(894)	(6,926)	6,032
Capital and related financing activities	(106,216)	42,342	(148,558)
Investing activities	<u>1,305</u>	<u>6,718</u>	<u>(5,413)</u>
Net increase (decrease) in cash and cash equivalents	25,786	231,563	(205,777)
Cash and cash equivalents, beginning	<u>743,318</u>	<u>511,755</u>	<u>231,563</u>
Cash and cash equivalents, ending	<u>\$ 769,104</u>	<u>\$ 743,318</u>	<u>\$ 25,786</u>

**Capital Assets and Debt Administration**

At June 30, 2011, the Authority's investment in net capital assets increased by \$728,808.

**Lawton Metropolitan Area Airport Authority**  
Capital Assets, Net  
Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Capital assets:	\$ 32,007,723	\$ 30,484,513	\$ 1,523,210
Less: accumulated depreciation	<u>16,760,110</u>	<u>15,965,708</u>	<u>794,402</u>
Capital assets, net	<u>\$ 15,247,613</u>	<u>\$ 14,518,805</u>	<u>\$ 728,808</u>

**Lawton Metropolitan Area Airport Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011**

The Authority's liabilities at June 30, 2011 consisted of one note payable in the amount of \$9,744 and accrued interest payable on that note of \$10. More detailed information about the Authority's long-term debt is presented in Note 10 to the Financial Statements.

**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 11<sup>th</sup> 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 basic financial statements of the Lawton Metropolitan Area Airport Authority, a component unit of the city of Lawton, Oklahoma as of and for the year ended June 30, 2011, as listed in the table of contents. These basic financial statements are the responsibility of Lawton Metropolitan Area Airport Authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with 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. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

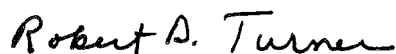
In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Lawton Metropolitan Area Airport Authority as of June 30, 2011 and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 31, 2011 on my consideration of Lawton Metropolitan Area Airport Authority's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 1 through 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 Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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 consists 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.

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 Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements of Lawton Metropolitan Area Airport Authority. 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 financial statements, Schedule of Expenditures of Federal Awards and the Schedule of Passenger Facility Charges are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The Schedule of Expenditures of Federal Awards and Schedule of Passenger Facility Charges have 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 or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Robert D. Turner, CPA  
October 31, 2011



**Lawton Metropolitan Area Airport Authority**  
**Statements of Net Assets**  
**June 30, 2011 and 2010**

<b>ASSETS</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Current assets:		
Cash and cash equivalents	\$ 769,104	\$ 743,318
Accounts receivable, net	105,431	65,640
Due from governments	144,192	69,664
Prepaid insurance	19,602	13,006
Inventory	<u>39,079</u>	<u>31,619</u>
Total current assets	<u>1,077,408</u>	<u>923,247</u>
Noncurrent assets:		
Property, plant, and equipment, net of accumulated depreciation	<u>15,247,613</u>	<u>14,518,805</u>
Total noncurrent assets	<u>15,247,613</u>	<u>14,518,805</u>
Total assets	<u>16,325,021</u>	<u>15,442,052</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 167,370	\$ 84,770
Accrued liabilities	7,460	5,690
Accrued compensated absences	6,357	6,015
Current portion of long-term debt	6,110	5,800
Accrued interest payable	<u>10</u>	<u>13</u>
Total current liabilities	187,307	102,288
Long-term liabilities	<u>3,634</u>	<u>9,734</u>
Total liabilities	<u>190,941</u>	<u>112,022</u>
Net assets:		
Invested in capital assets, net of related debt	15,237,869	14,503,272
Restricted for construction	167,939	228,046
Restricted for Delta Promotion	-	-
Unrestricted	<u>728,272</u>	<u>598,712</u>
Total net assets	<u>\$ 16,134,080</u>	<u>\$ 15,330,030</u>

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

**Lawton Metropolitan Area Airport Authority**  
**Statements of Revenues, Expenses, and Changes in Net Assets**  
**For the Years Ended June 30, 2011 and 2010**

<b>OPERATING REVENUES</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Rental income	\$ 542,190	\$ 536,765
Fire services contributed by City of Lawton	560,500	546,400
Commissions	66,970	91,133
Landing fees	72,787	70,851
Parking	169,573	133,844
Federal grants - TSA/DHS	145,138	127,564
Other	<u>3,006</u>	<u>1,632</u>
Total operating revenues	<u>1,560,164</u>	<u>1,508,189</u>
 <b>OPERATING EXPENSES</b>		
Salaries and wages	694,298	664,945
Payroll taxes and benefits	161,579	167,931
Advertising and Promotion	5,867	1,081
Legal and professional	33,928	31,700
Training and Travel	9,717	9,516
Telephone and utilities	94,229	74,008
Supplies and materials	54,841	64,359
Insurance	31,765	31,639
Maintenance, operations, and contractual	139,144	170,153
Fees, licenses, and dues	2,241	3,618
Depreciation	1,032,434	975,121
Security	156,389	133,590
Other expenses	<u>2,467</u>	<u>3,043</u>
Total operating expenses	<u>2,418,899</u>	<u>2,330,704</u>
Operating income (loss)	<u>(858,735)</u>	<u>(822,515)</u>
<b>NONOPERATING REVENUES AND (EXPENSES)</b>		
Interest income	912	5,704
Interest income, restricted	393	1,014
Unrealized gain (loss) on investments	-	-
Gain (loss) on disposition	(6,542)	(85,922)
Interest expense	(891)	(2,707)
State grant	-	-
Passenger facility charges	263,034	248,246
Grants – McMahon Foundation/City of Lawton	250,000	99,000
Federal grants – construction	<u>1,155,879</u>	<u>720,908</u>
Total non-operating revenues and expenses	<u>1,662,785</u>	<u>986,243</u>
Change in net assets	<u>804,050</u>	<u>163,728</u>
 NET ASSETS, beginning	<u>15,330,030</u>	<u>15,166,302</u>
NET ASSETS, ending	<u>\$ 16,134,080</u>	<u>\$ 15,330,030</u>

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

**Lawton Metropolitan Area Airport Authority**  
**Statements of Cash Flows**  
**June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from federal and state grants and contracts, program fees, and other revenues	\$ 1,374,427	\$ 1,508,189
Cash paid to suppliers and employees	<u>(1,242,836)</u>	<u>(1,317,439)</u>
Net cash provided (used) by operating activities	<u>131,591</u>	<u>189,429</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash from Certificate of Deposit	-	-
Interest received	1,305	6,718
Unrealized gain on investments	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>1,305</u>	<u>6,718</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of property and equipment	(1,767,784)	(1,027,199)
Proceeds from sale of property and equipment	-	600
Federal grants	1,667,358	1,536,686
State and local grants	-	-
Proceeds from borrowings	-	-
Principal payments on notes payable	<u>(5,790)</u>	<u>(467,745)</u>
Net cash provided (used) by capital and related financing	<u>(106,216)</u>	<u>42,342</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Interest Expense	<u>(894)</u>	<u>(6,926)</u>
Net cash provided (used) by noncapital financing activities	<u>(894)</u>	<u>(6,926)</u>
Net increase (decrease) in cash and cash equivalents	25,786	231,563
CASH AND CASH EQUIVALENTS, beginning	<u>743,318</u>	<u>511,755</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 769,104</u>	<u>\$ 743,318</u>
<b>RECONCILIATION OF INCREASE (DECREASE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (decrease) in net assets	\$ (858,735)	\$ (822,515)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,032,434	975,121
Changes in assets and liabilities:		
(Increase) decrease in receivables	(39,791)	(1,321)
(Increase) decrease due from governments (TSA/DHS)	(72,973)	-
(Increase) decrease prepaid expenses	(6,596)	1,431
(Increase) decrease in earnest money	-	-
(Increase) decrease in inventory	(7,460)	(11,703)
Increase (decrease) in accounts payable	82,600	53,478
Increase (decrease) in accrued expenses	1,770	(5,533)
Increase (decrease) in accrued compensated absences	<u>342</u>	<u>471</u>
Total adjustments	<u>990,326</u>	<u>1,011,944</u>
Net cash provided (used) by operating activities	<u>\$ 131,591</u>	<u>\$ 189,429</u>

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

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**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*. GASB Statement No. 34 establishes standards for external financial reporting for all state and local governmental entities which include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, 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 Net Assets is a statement of financial activities related to the current reporting period.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

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 Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; 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.

GASB Statement No. 34 requires that the Statement of Net Assets classify net assets into three components: invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows.

Invested in Capital Assets, Net of Related Debt -- This component of net assets 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 assets component as the unspent proceeds.

Restricted Net Assets -- This component of net assets 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.

Unrestricted Net Assets -- This component of net assets consists of those net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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. Since the City of Lawton has no obligation for debt issued by the Authority, it considers the Authority a separate entity and does not include the Authority in its financial statements.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

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 assets, 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

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 fixed assets. Depreciation of property and equipment has been calculated on the estimated useful lives using the straight-line method as follows:

<u>Type of Asset</u>	<u>Years</u>
Runways, ramps, and roads	20
Buildings and improvements	50
Equipment	5-20
Office furniture and equipment	5-10

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 FASB Statement No. 95, *Statement of Cash Flows*, as amended by FASB Statement No. 117, the accompanying financial statements include a Statement of Cash Flows which is presented using the direct method.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

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, 2011 and reported at fair value, are as follows:

<u>Type</u>	<u>Carrying Value</u>
Demand deposits	\$ 916,412
Demand deposits, restricted	-
Time deposits	<u>0</u>
Total deposits	<u>\$ 916,412</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash and cash equivalents had a bank balance of \$916,412 at June 30, 2011. 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.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

- 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 -- the Authority submits requests for advances and/or reimbursements to grantor and pass-through agencies for grant funds. As of June 30, 2011 and 2010, respectively, the Authority had the following outstanding receivables:

	<u>2011</u>	<u>2010</u>
Government	\$ 144,192	\$ 69,664
Contracts and other	<u>105,431</u>	<u>65,640</u>
Accounts receivable, net	<u>\$ 249,623</u>	<u>\$ 135,304</u>

All amounts receivable at June 30, 2011 and 2010 were collected subsequent to the respective year ends.

**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, 2011 and 2010, respectively, consisted of the following:

	<u>2011</u>	<u>2010</u>
Salaries	\$ 444,550	\$ 433,670
Taxes and fringe benefits	78,450	76,530
Maintenance, operations, and contractual services	<u>37,500</u>	<u>36,200</u>
Fire Services contributed by the City of Lawton	<u>\$ 560,500</u>	<u>\$ 546,400</u>



**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**6. Capital assets**

The Authority's investment in property and equipment, at June 30, 2011 and 2010, and the related activity for the years then ended was as follows:

	Beginning Balance June 2010	Increases	Decreases	Ending Balance June 2011
Assets not being depreciated:				
Land	\$ 387,783	\$ -	\$ -	\$ 387,783
Construction in progress	<u>905,296</u>	<u>966,066</u>	<u>781,391</u>	<u>1,089,971</u>
Total assets not being depreciated	<u>1,293,079</u>	<u>966,066</u>	<u>781,391</u>	<u>1,477,754</u>
Assets being depreciated:				
Runways, ramps, and roads	21,565,329	783,891	238,456	22,110,764
Buildings and improvements	5,779,694	38,136	6,005	5,811,825
Equipment	1,559,439	772,834	27,802	2,304,471
Vehicles	23,292	-	-	23,292
Furniture and equipment	104,235	-	3,815	100,420
Land improvements	<u>159,444</u>	<u>19,753</u>	<u>-</u>	<u>179,197</u>
Total assets being depreciated	<u>29,191,433</u>	<u>1,614,614</u>	<u>276,078</u>	<u>30,529,969</u>
Total assets	<u>30,484,512</u>	<u>2,580,680</u>	<u>1,057,469</u>	<u>32,007,723</u>
Less accumulated depreciation for:				
Runways, ramps, and roads	12,292,647	800,666	237,828	12,855,485
Buildings and improvements	2,448,699	120,378	3,026	2,566,051
Equipment and fixture	1,107,128	118,539	25,075	1,200,592
Furniture and fixtures	87,024	2,432	3,607	85,849
Vehicles	6,599	4,659	-	11,258
Land improvements	<u>23,610</u>	<u>17,265</u>	<u>-</u>	<u>40,875</u>
Total accumulated depreciation	<u>15,965,707</u>	<u>1,063,939</u>	<u>269,536</u>	<u>16,760,110</u>
Net capital assets	<u>\$ 14,518,805</u>	<u>\$ 1,516,741</u>	<u>\$ 787,933</u>	<u>\$ 15,247,613</u>

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 expense for the years ended June 30, 2011 and 2010 was \$1,032,434 and \$975,121, respectively.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**7. Rental income**

As Lessee - The Authority leases the Lawton Metropolitan Airport facility from the City of Lawton at no cost to the Authority under a fifty-year lease dated January 1970. The lease gives the Authority the right to all revenues derived from the airport facilities, and the Authority assumes the obligation to expand, modernize, and improve the facility.

As Lessor - The Authority, as operator of the airport facility, acts as lessor to various airlines and businesses operating at the airport.

**8. Airport security contract**

During the year ended June 30, 2011 the Lawton Metropolitan Area Airport Authority received and/or earned \$ 145,138 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 other revenue on the Statement of Revenue, Expenses, and Changes in Net Assets, and the expense is included in Security expense.

**9. 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, 2011 and 2010 include obligations of \$6,357 and \$6,015 in accrued liabilities for compensated absences, respectively.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**10. Long-term debt**

Notes payable and long-term debt consists of the following:

Note payable dated February 12, 2009 is due in 48 monthly payments of \$540. The note bears a fixed interest rate of 5.25%, and is secured by a vehicle. As of June 30, 2011, there was an outstanding balance due of \$9,744 of which \$6,110 is due within the next year.

Maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 6,110
2013	3,634
2014	-
2015	-
2016....	-
	<u>\$ 9,744</u>

**11. 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, 2011, and June 30, 2010 the Authority contributed 7% of eligible employees' annual salary into a flexible premium annuity and mutual funds i.e., a pension plan contribution of \$14,733 and \$14,147 respectively, was made by the Authority. The Authority suspended contribution into this plan on July 1, 2001, but resumed matching contributions on July 1, 2002.

**Lawton Metropolitan Area Airport Authority**  
**Notes to Financial Statements**  
**June 30, 2011 and 2010**

**12. Grants and contracts**

During the year ended June 30, 2011 the Authority spent the following amounts under various grants and contracts related to airport construction projects. Some of the revenue has yet to be received, and some had been received in prior periods.

<u>Grant No.</u>	<u>Amount Expended</u>
AIP Project 24	\$ 2,375
AIP Project 25	470,588
AIP Project 26	615,667
AIP Project 27	52,159
AIP Project 28	<u>15,090</u>
Total	<u>\$ 1,155,879</u>

In addition, the Authority spent \$145,138 of federal funds from the Transportation Security Administration grant to provide security for the airport.

**13. 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.

## **SUPPLEMENTAL INFORMATION**

# ROBERT D. TURNER C.P.A.

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## **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 the financial statements of Lawton Metropolitan Area Airport Authority as of and for the year ended June 30, 2011, and have issued my report thereon dated October 31, 2011. I conducted my audit in accordance with 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.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Lawton Metropolitan Area Airport Authority's control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lawton Metropolitan Area Airport Authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Lawton Metropolitan Area Airport Authority's internal control over financial reporting.

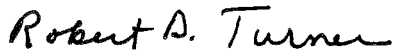
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination 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.

My consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lawton Metropolitan Area Airport Authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters 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*.

This report is intended solely for the information and use of the finance committee, management, Board of Trustees, Oklahoma State Auditor and Inspector's Office and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Robert D. Turner, CPA  
October 31, 2011

**Lawton Metropolitan Area Airport Authority**  
**Schedules of Passenger Facility Charges**  
**Year Ended June 30, 2011**

<b>REVENUE</b>	<u>Beginning Balance</u>	<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>6/30/11 Total</u>	<u>Program Total</u>
Collections	\$ 2,101,283	\$ 60,718	\$ 70,043	\$ 57,569	\$ 65,144	\$ 253,474	\$ 2,354,757
Interest	<u>39,534</u>	<u>251</u>	<u>40</u>	<u>21</u>	<u>21</u>	<u>333</u>	<u>39,867</u>
Total revenue	<u>2,140,817</u>	<u>60,969</u>	<u>70,083</u>	<u>57,590</u>	<u>65,165</u>	<u>253,807</u>	<u>2,394,624</u>
<b>DISBURSEMENTS</b>							
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
<b>PROJECTS:</b>							
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
Application 08-06-C00-LAW							
1—Emergency Power Generator							
2—Terminal Building Renovations	17,320	10	147,623	99,271	80,253	327,157	344,477
3—Security Enhancements	370,161	13,632				13,632	383,793
4—PFC Application and Admin fees	29,612						29,612
Total disbursements	<u>1,934,916</u>	<u>13,642</u>	<u>147,623</u>	<u>99,271</u>	<u>80,253</u>	<u>340,789</u>	<u>2,275,705</u>
Net Passenger Facility Charges	<u>\$ 205,901</u>	<u>\$ 47,327</u>	<u>\$ (77,540)</u>	<u>\$ (41,681)</u>	<u>\$ (15,088)</u>	<u>\$ (86,982)</u>	<u>\$ 118,919</u>
Passenger Facility Charges account balance	<u>\$ 205,901</u>	<u>\$ 253,228</u>	<u>\$ 175,688</u>	<u>\$ 134,007</u>	<u>\$ 118,919</u>	<u>\$ 118,919</u>	<u>\$ 118,919</u>



**Lawton Metropolitan Area Airport Authority  
Passenger Facility Charges Audit Summary  
Years Ended June 30, 2011**

- |  |   |                                    |
|--|---|------------------------------------|
| 1. Type of report issued on PFC financial statements.  | <input checked="" type="checkbox"/> Unqualified                         | <input type="checkbox"/> Qualified |
| 2. Type of report on PFC compliance  | <input checked="" type="checkbox"/> Unqualified                         | <input type="checkbox"/> Qualified |
| 3. Quarterly Revenue and Disbursements reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts.         | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 4. PFC Revenue and Interest is accurately reported on FAA Form 5100-127.   | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 5. The Public Agency maintains a separate financial accounting record for each application.  | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> 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.                | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports.  | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA.  | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 10. Quarterly Reports were transmitted (or available via website) to remitting carriers.   | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7, and 8.   | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 12. Project design and implementation is carried out in accordance with Assurance 9.   | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> No        |
| 13. Program administration is carried out in accordance with Assurance 10.   | <input checked="" type="checkbox"/> Yes                                 | <input type="checkbox"/> 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       | <input type="checkbox"/> Yes<br><input checked="" type="checkbox"/> N/A | <input type="checkbox"/> No        |

# ROBERT D. TURNER C.P.A.

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133***

Board of Trustees  
Lawton Metropolitan Area Airport Authority  
Lawton, Oklahoma

### **Compliance**

I have audited the compliance of Lawton Metropolitan Area Airport Authority with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A 1-33 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. Lawton Metropolitan Area Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawton Metropolitan Area Airport Authority's management. My responsibility is to express an opinion on the Lawton Metropolitan Area Airport Authority's compliance based on my audit.

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 the 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. My audit does not provide a legal determination of the Lawton Metropolitan Area Airport Authority's compliance with those requirements.

In my opinion, the Lawton Metropolitan Area Airport Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

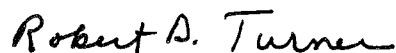
## Internal Control Over Compliance

The management of the Lawton Metropolitan Area Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the Lawton Metropolitan Area Airport Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, 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 the 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 employee, 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 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.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. I did not identify any deficiencies in internal control over compliance that I considered to be material weaknesses as defined above.

This report is intended solely for the information and use of the finance committee, management, Board of Trustees, Oklahoma State Auditor and Inspector's Office and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Robert D. Turner  
Lawton, OK  
October 31, 2011

**Lawton Metropolitan Area Airport Authority**  
**Schedules of Expenditures of Federal Awards**  
**Years Ended June 30, 2011**

<u>Federal Grantor Agency/Grant Program/Grant Number</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
Department of Transportation:			
Federal Aviation Administration			
Airport Improvement Program			
03-40-0051-24	20.106	N/A	2,375
03-40-0051-25	20.106	N/A	470,588
03-40-0051-26	20.106	N/A	615,667
03-40-0051-27	20.106	N/A	52,159
03-40-0051-28	20.106	N/A	15,090
Total Expenditures of Federal Awards			<u>\$ 1,155,879</u>

**Lawton Metropolitan Area Airport Authority**  
**Notes to Schedules of Expenditures of Federal Awards**  
**Years Ended June 30, 2011**

**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, 2011. 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.

**Lawton Metropolitan Area Airport Authority  
Schedule of Findings and Questioned Costs  
Years Ended June 30, 2011**

**Section 1—Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- |   |                              |  |
|---|------------------------------|--|
| ▪ Material weakness(es) identified?   | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> |
| ▪ Significant deficiency identified that is not considered to be material weaknesses? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> |

Noncompliance material to financial statements noted?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
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**Federal Awards**

Internal control over major programs:

- |   |                              |  |
|---|------------------------------|--|
| ▪ Material weakness(es) identified?   | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> |
| ▪ Significant deficiency identified that is not considered to be material weaknesses? | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> |

Type of auditor's report issued: Unqualified

Any audit findings disclosed required to be reported in accordance with section 510 (a) of Circular A -133?	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
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Identification of major programs

<u>CDFA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
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 <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
--------------------------------	------------------------------	--

**Lawton Metropolitan Area Airport Authority  
Schedule of Findings and Questioned Costs Continued  
Years Ended June 30, 2011**

**Section 2—Financial Statement Findings**

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

**LAWTON METROPOLITAN AREA**  
**AIRPORT AUTHORITY**

**Financial Statements**  
**For the Year Ended June 30, 2011**