LAWRENCEBURG - LAWRENCE COUNTY

AIRPORT BOARD

Financial Statements

June 30, 2015

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

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LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Roster of Officers, Board Members and Officials

June 30, 2015

Officers and Board Memebers	Position	Appointed By
Jim Bush	Chairperson	City of Lawrenceburg
Steve Frisbie	Secretary/Treasurer	City of Lawrenceburg
Patricia Hudgins	Director	City of Lawrenceburg
Leon Everett	Director	Lawrence County
James Fleeman	Director	Lawrence County
John Franks	Director	Lawrence County

Management Officials

James D. Smith	Airport manager

JOHN J. MICHIE
Certified Public Accountant
2108 B WESTWOOD AVENUE
NASHVILLE, TENNESSEE 37212

TELEPHONE
(615) 383-8806

FACSIMILE
(615) 986-5551

Independent Auditor's Report

Board of Directors
Lawrenceburg - Lawrence County
Airport Board
Lawrenceburg, Tennessee

Report on the Financial Statements

I have audited the accompanying financial statements of Lawrenceburg - Lawrence County Airport Board as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board'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 opinions on these financial statements based on my audit. I conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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.

MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Lawrenceburg - Lawrence County Airport Board as of June 30, 2015, and the changes in net position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles general accepted in the United State of America require that the management's discussion and analysis on pages 4 through 9 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 operational, economic, or historic context. I have applied certain limited procedures to the required supplemental 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 opinions on the financial statements that collectively comprise the Lawrenceburg - Lawrence County Airport Board's financial statements. The accompanying Roster of Officers, Board Members and Officials for the year ended June 30, 2015 is presented for the purpose of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Grant Activity is also presented for purposes of additional analysis and is also not a required part of the financial statements.

The Schedule of Grant Activity is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the 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 general accepted in the United States of America.

In my opinion, the Schedule of Grant Activity is fairly stated in all material respects in relation to the financial statements as a whole. The Roster of Officers, Board Members and Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, I have also issued my report dated December 28, 2015, on my consideration of Lawrenceburg/Lawrence County Airport Board'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 Lawrenceburg - Lawrence County Airport Board's internal control over financial reporting and compliance.

December 28, 2015

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2015

This section of the Lawrenceburg - Lawrence County Airport Board's financial statements present's management's overview and analysis of the Airport Board's financial performance for the year ended June 30, 2015. This section should be read in conjunction with the financial statements which follow this section.

Financial Highlights

Key highlights for the year ended June 30, 2015 are as follows:

The Board's net position decreased $95,394.

At the end of the current year the Board reported total net position of $5,560,340.

At the end of the current year the Board reported current assets in excess of current liabilities of $284,376.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The notes to the financial statements also contain more detail on some of the information presented in the financial statements. The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position presents information on all of the Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Board's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. The final required statement is the statement of Cash Flows. The primary purpose of this statement is to provide information about the Board's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non capital financing activities.

The financial statements can be found on pages 10 - 13 of this report.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided within the financial statements. The notes to the financial can be found on pages 14 - 17 of this report.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2015

Financial Analysis

For the year ended June 30, 2015, assets exceeded liabilities by $5,560,340. The Airport Board is a capital intensive enterprise, and 95% of the net position is invested in capital assets. The following is a summary of the Airport Board's net position.

	2015	2014	Change
Assets			
Current assets	$ 313,008	$ 285,580	$ 27,428
Capital Assets	5,340,577	5,460,228	(119,651)
Total assets	5,653,585	5,745,808	(92,223)
Liabilities			
Current liabilities	28,632	14,661	13,971
Long-term debt	64,613	75,413	(10,800)
Total liabilities	93,245	90,074	3,171
Net Position			
Net investment in capital assets	5,265,164	5,374,015	(108,851)
Unrestricted	295,176	281,719	13,457
Total net position	$5,560,340	$5,655,734	$(95,394)

The Airport Board's net position decreased by $95,394 in 2015. The following is a summary Statement of Statement of Revenues, Expenses, and Changes in Net Position.

	2015	2014	Change
Operating revenues	$135,370	$ 156,490	$ (21,120)
Operating expenses	498,625	590,439	(91,814)
Operating loss	(363,255)	(433,949)	70,694
Non-operating revenues	136,972	238,742	(101,770)
Capital contributions	130,889	-	130,889
Change in net position	$(95,394)	$195,207	$ 99,813

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2015

Revenues

The major changes in the Airport Board's revenues for the year ended June 30, 2015 was an decrease in operating grant revenues of 101,150 and a increase in capital contribution from grants of 130,889. Operating and capital grant contributions consist entirely of grants from Tennessee Department of Aeronautics for airport operations and capital improvements.

The following is a summary of revenues:

	2015	2014	Change
Sale of aviation fuel and oil	$ 95,635	$112,584	$(16,949)
Hanger rent and tie down fees	29,685	33,850	(4,165)
Miscellaneous income	10,050	10,056	(6)
Operating grant revenues	23,931	125,081	(101,150)
Interest income	38	77	(39)
Capital contributions	130,889	-	130,889
Contributions from City of Lawrenceburg	40,000	40,000	-
Contributions from Lawrence County			
Imputed interest	4,003	4,584	(581)
Contributions from Lawrence County	69,000	69,000	-
Total Revenues	$403,231	$395,232	$ 7,999

Expenses

The major change in operating expenses for the year ended June 30, 2015 was a decrease in grounds and runway maintenance of $114,251 and an increase on engineering fees of $11,286. The following is a summary of operating expenses:

	2015	2014	Change
Depreciation	$252,386	$250,736	$ 1,650
Aviation fuel and oil	94,782	100,187	(5,405)
Grounds and runway maintenance	28,359	142,610	(114,251)
Salaries	44,442	34,298	10,144
Insurance	11,070	11,487	(417)
Utilities	16,123	15,790	333
Legal and professional	10,825	9,500	1,325

Expenses - continued

	2015	2014	Change
Interest expense	4,003	4,584	(581)
Engineering fees	11,286	-	11,286
Travel and education	1,810	1,572	238
Hanger and terminal maintenance	5,178	5,709	(531)
Miscellaneous	521	1,515	(994)
Payroll taxes	3,458	2,703	755
Telephone	2,457	2,323	134
Credit card fees	2,323	2,837	(514)
Promotion and marketing	-	425	(425)
Equipment maintenance	6,296	1,464	4,832
Office supplies	2,354	1,985	369
Courtesy car expenses	952	714	238
Total Expenses	$498,625	$590,439	$(91,814)

Cash Flows

Cash increased $13,227 for the year ended June 30, 2015.

The following is a summary of the Airport Board's cash flows:

	2015	2014	Change
Cash Flows used in operations	$(84,960)	$(164,423)	79,463
Cash Flows from Non-Capital Financing activities	138,481	233,350	(94,869)
Cash Flows from Capital and Related Financing Activities	(40,332)	(60,064)	19,732
Cash Flows from Investing Activities	38	77	(39)
Change in cash	$ 13,227	$ 8,940	$ 4,287

Capital Assets

The Airport Board's investment in capital assets as of June 30, 2015 amounted to $5,265,164, net of accumulated depreciation and related liabilities. Capital assets consist of land, runways and taxiways, buildings and building improvements, airport operations and office equipment, and vehicles. Investment in capital assets decreased $108,851 for the year. Depreciation expense was recorded in the amount of $252,386 for the year.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2015

The following is a summary of investment in capital:

	2015	2014	Change
Non-depreciable assets			
Land	$ 980,337	$ 980,337	$ -
Construction in progress	112,365	-	112,365
Depreciable assets			
Terminal building & hangers	1,380,353	1,380,353	-
Runways and taxiways	5,216,603	5,216,603	-
Equipment	303,283	282,913	20,370
Paving	21,292	21,292	-
Furniture and fixtures	21,163	21,163	-
Automobile	7,150	7,150	-
Total property and equipment	8,042,546	7,909,811	132,735
Accumulated depreciation	2,701,969	2,449,583	252,386
Property and equipment - net	5,340,577	5,460,228	(119,651)
Related liabilities	75,413	86,213	(10,800)
Investment in capital assets	$5,265,164	$5,374,015	$(108,851)

Changes in investment in capital assets are as follows:

Acquisition of capital assets	
Construction in progress - T-hangers	$112,365
Automated fuel delivery system	16,700
LED monitor	3,670
Total additions	132,735
Depreciation	(252,386)
Decrease in related liabilities	10,800
Change in investment in capital assets	$(108,851)

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Management's Discussion and Analysis

June 30, 2015

Economic Factors and Future Outlook

Utilizing funds from the City of Lawrenceburg and Lawrence County the Lawrenceburg/Lawrence County Airport budgetary plan for 2015 - 16 include the following airport improvements

1. Airport Emergency Power Supply
2. Construction of handicap accessible ramp
3. Construction of maintenance hanger
4. Construction of additional T-hangers
5. Improve airport drainage
6. Relocate AWOS
7. Seal asphalt on taxiway and ramp
8. Update runway and taxiway lighting
9. Purchase new mowing equipment
10. Renovate main hanger
11. Seal apron at T-hanger
12. Security cameras and other security improvements
13. Tree trimming

Goals:

The Lawrenceburg - Lawrence County Airport Board continues to expand resources while becoming more financially independent supporting and promoting economic and community development for Lawrence County through the aviation industry.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Net Position

June 30, 2015

Assets

Current Assets	
Petty Cash	$ 100
Cash in bank	194,130
Total Cash and cash equivalents	194,230
Accounts receivable - airport operations	3,054
Inventory	19,844
Prepaid local portion of grants	89,842
Prepaid expenses	6,038
Total Current Assets	313,008
Property and Equipment - Net	5,340,577
Total Assets	$5,653,585

Liabilities and Net Position

Current Liabilities	
Accounts payable - trade	$ 14,644
Current portion long-term debt	10,800
Accrued and withheld taxes	653
Unearned hanger rental income	2,535
Total Current Liabilities	28,632
Long Term Debt	64,613
Net Position	
Net investment in capital assets	5,265,164
Unrestricted	295,176
Total Net Position	5,560,340
Total Liabilities and Net Position	$5,653,585

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2015

Operating Revenues	
Sale of aviation fuel and oil	$ 95,635
Hanger rent and tie down fees	29,685
Miscellaneous income	10,050
Total Revenues	135,370
Operating Expenses	
Depreciation	252,386
Cost of sales - aviation fuel and oil	94,782
Grounds and runway maintenance	28,359
Salaries	44,442
Insurance	11,070
Utilities	16,123
Legal and professional	10,825
Engineering fees	11,286
Interest expense	4,003
Travel and education	1,810
Hanger and terminal maintenance	5,178
Miscellaneous	521
Payroll taxes	3,458
Telephone	2,457
Credit card fees	2,323
Equipment maintenance	6,296
Office supplies	2,354
Courtesy car expenses	952
Total Expenses	498,625
Loss from Operations	(363,255)
Non-operating Revenues (Expenses)	
Contributions from City of Lawrenceburg	40,000
Contributions form Lawrence County	69,000
Contributions from Lawrence County - imputed interest	4,003
Operating grant revenues	23,931
Interest income	38
Total Non-operating Revenues	136,972
Capital Contributions	
Capital contributions	130,889
Total Capital Contributions	130,889
Change in Net Position	(95,394)
Net Position - beginning of year	5,655,734
Net Position - end of year	$5,560,340

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Cash Flows

For the Year Ended June 30, 2015

Cash Flows from Operations	
Cash received from aviation operations	$125,658
Miscellaneous income	10,050
	135,708
Cash paid to suppliers	176,226
Cash paid to employees	44,442
	220,668
Total Cash Provided (Used) by Operations	(84,960)
Cash Flows from Non-Capital Financing Activities	
Contributions from State, County and City	109,000
Operating grants received	29,481
Cash Provided by Non-Capital Financing Activities	138,481
Cash Flows from Capital and Related Financing Activities	
Capital contributions	130,889
Repayment of long term debt	(10,800)
Purchase of property and equipment	(132,735)
Prepayment of local portion of grants	(27,686)
Cash Used by Capital and Related Financing Activities	(40,332)
Cash Flows from Investing Activities	
Interest income received	38
Cash Provided from Investing Activities	38
Total Increase in Cash	13,227
Cash - beginning of year	181,003
Cash - end of year	$194,230

Imputed interest amounted to $4,003

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Statement of Cash Flows

For the Year Ended June 30, 2015

Reconciliation of Net Operating Loss to Net
Cash Flows from Operating Activities

Loss from Operations	(363,255)
Adjustment to reconcile excess revenues and other sources over expenses to net cash provided by operating activities	
Depreciation	252,386
Imputed interest	4,003
(Increase) decrease in:	
Trade accounts receivable	(785)
Inventory	8,522
Prepaid expenses	198
Increase (decrease) in:	
Accounts payable	12,990
Accrued and withheld taxes	(142)
Unearned hanger rental income	1,123
Net Cash Used by Operations	$(84,960)

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

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2015

Note 1 - Summary of Significant Accounting Policies

Business Activity - The Lawrenceburg - Lawrence County Airport Board is a joint venture of the City of Lawrenceburg and Lawrence County, Tennessee. Lawrenceburg/Lawrence County Airport Board is the administrative authority for operating the Lawrenceburg/Lawrence County Airport.

Method of Accounting - The Airport Board recognizes income and expenses on the accrual basis of accounting, whereby Airport operating income is reported as earned, grant income is reported when the applicable grant expense is incurred, expenses are reported when incurred. The financial statements have been prepared in conformity with all applicable Governmental Accounting Standards Board pronouncements.

Measurement Focus - The accounting and financial reporting treatment applied to the Lawrenceburg-Lawrence County Airport Board is determined by its measurement focus. The transactions of the Board are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, and all liabilities, and deferred inflows of resources associated with the operations are included in the statement of net position. The statement of Revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position.

Credit Risk - The Board grants credit to customers for hanger rent and gasoline purchases, substantially all of whom are local residents.

Accounts receivable - The Board reports trade receivables at net realized value. Management determines the allowance for doubtful accounts based on historical losses and current economic conditions. On a continuing basis, management analyzes delinquent receivables and, if a receivable is determined to be uncollectible, it is written off through a charge against an existing allowance account or against earnings. As of June 30, 2015 no allowance for doubtful accounts was considered necessary.

Inventories - Inventories are stated at the lower of cost or market value, with cost determined by using the first-in, first-out method (FIFO).

Property and Equipment - Property and equipment are stated at cost. The Board capitalizes expenditures when an individual cost exceeds $500 and its estimated useful life is three years or greater. Depreciation is computed by the straight-line method based on the following estimated useful lives:

	Years
Buildings	10 - 40
Runway and taxiways	10 - 30
Equipment	5 - 15
Paving	12
Furniture and fixtures	5 - 10
Automobile	3

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2015

Note 1 - Summary of Significant Accounting Policies

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For purpose of reporting cash flows, cash and cash equivalents include cash and all highly liquid investments with an original maturity of three months or less.

Net Position - Net position comprise the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following two components:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition

Unrestricted net position - This component of net position consists of net position that do not meet the definition of "invested in capital assets, net of related debt".

Operating and Non-operating revenues - Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues not meeting this definition are reported as non-operating revenues.

Note 2 - Cash in Bank - At June 30, 2015 cash in bank consisted of the following accounts:

	Balance
Operating account	$ 46,749
Savings account	57,540
Savings account	89,841
Total	$194,130

Custodial Credit Risk For cash deposits, this is the risk that in the event of bank failure. The above accounts are deposited in single accounts with the same bank and collectively are covered by FDIC insurance, In the event the amounts exceed FDIC insurance limits excess amounts are covered by a collateral agreement between the bank and the Board of Directors.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Notes to Financial Statements

June 30, 2015

Note 3 - Property and Equipment - At June 30, 2015, property and equipment consisted of the following:

	Cost	Accumulated Depreciation
Non-depreciable assets		
Land	$ 980,337	
Construction in progress	112,365	
Depreciable assets		
Buildings and improvements	1,380,353	$ 455,526
Runways and taxiways	5,216,603	1,949,268
Equipment	303,283	248,100
Paving	21,292	21,292
Furniture and fixtures	21,163	21,163
Automobile	7,150	6,620
Total Property and Equipment	8,042,546	$2,701,969
Less: accumulated depreciation	2,701,969	
Property and equipment - net	$5,340,577	

	Balance June 31,2014	Additions	Transfers & Disposals	Balance June 30, 2015
Non-depreciable assets				
Land	$ 980,337	$ -	$ -	$ 980,337
Constriction in progress	-	112,365	-	112,365
Depreciable assets				
Buildings	1,380,353	-	-	1,380,353
Runways and taxiways	5,216,603	-	-	5,216,603
Equipment	282,913	20,370	-	303,283
Paving	21,292	-	-	21,292
Furniture and equipment	21,163	-	-	21,163
Automobiles	7,150	-	-	7,150
Total	$7,909,811	$132,735	$ -	$8,042,546

	Balance June 31,2014	Depreciation	Transfers & Disposals	Balance June 30, 2015
Accumulated depreciation				
Buildings	$ 412,137	$ 43,389	$ -	$ 455,526
Runways and taxiways	1,745,672	203,596	-	1,949,268
Equipment	243,229	4,871	-	248,100
Paving	21,292	-	-	21,292
Furniture and equipment	21,163	-	-	21,163
Automobiles	6,090	530	-	6,620
Total	$2,449,583	$252,386	$ -	$2,701,969

Depreciation expense for the year ended June 30, 2015 amounted to $252,386.

Note 4 - Long-term Debt

Lawrence County inter-local agreement, dated May 18, 2007, no stated interest, interest imputed at 5%, payable in quarterly installments determined by rental income produced by hangers constructed with loan proceeds. Unsecured.	$75,413
Less: current portion	10,800
Long-term debt - net	$64,613

Aggregate maturities of long-term debt is as follows:

Year	Principal	Imputed Interest	Interest and Principal
2016	$10,800	$ 3,445	$14,245
2017	10,800	2,896	13,696
2018	10,800	2,354	13,154
2019	10,800	1,816	12,616
2020	10,800	1,279	12,079
2021-2023	21,413	933	22,346
	$75,413	$12,723	$88,136

Summary of changes in indebtedness is as follows:

	Balance June 30,2014	Payments	Balance June 30, 2015
Inter-local agreement	$86,213	$10,800	$75,413

Interest was imputed for the year ended June 30, 2015 in the amount of $4,003. Amount charged to expense $4,003. Amount capitalized $-0-.

Note 5 - Insurance Risk

It is the policy of the Board to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, and workman's compensation. Settled claims have not exceeded this commercial coverage in the last three years.

Note 6 - Commitments and Contingencies

Date of Management Evaluation

Management has evaluated subsequent events through December 28, 2015, the date of which the financial statements were available to be issued.

Construction in Progress

The Board has contracted for the construction of T-hangers to be funded by a grant from the State of Tennessee and local funding. As of June 30, 2015 the contract price of the contract is $740,470 of which $88,788 of the project has been completed.

LAWRENCEBURG - LAWRENCE COUNTY AIRPORT BOARD

Schedule of Grant Activity

For the Year Ended June 30, 2015

Grant Number	Program Name	Grantor Agency	Due from Balance June 30, 2014	Receipts	Expenditures	Due From Balance June 30, 2015
State Grants						
Operating grants						
TOA Project #99-555-1239-04	Airport Maintenance	Tennessee Department of Transportation	$5,550	$ 5,550	$ -	$ -
TOA Project #50-132	Airport Maintenance	Tennessee Department of Transportation	-	13,818	13,818	-
TOA Project #99-555-1239-04	Engineering Study	Tennessee Department of Transportation	-	10,536	10,536	-
TOA Project	Miscellaneous Adjustments	Tennessee Department of Transportation		(423)	(423)	-
Capital Grants						
TOA Project 50-555-0750-04	T-Hanger Construction	Tennessee Department of Transportation	-	106,554	106,554	-
TOA Project 50-555-0750-04	Automated Fuel Delivery System	Tennessee Department of Transportation	-	14,090	14,090	-
TOA Project 50-555-0750-04	Land Acquisition	Tennessee Department of Transportation	-	10,245	10,245	-
Total			$5,550	$160,370	$154,820	$ -

JOHN J. MICHIE
Certified Public Accountant
2108 B WESTWOOD AVENUE
NASHVILLE, TENNESSEE 37212

TELEPHONE
(615) 383-8806

FACSIMILE
(615) 986-5551

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 *Governmental Auditing Standards*

Board of Directors
Lawrenceburg - Lawrence County
Airport Board
Lawrenceburg, Tennessee

I have audited, 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, the financial statements of Lawrenceburg - Lawrence County Airport Board as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lawrenceburg - Lawrence County Airport Board's basic financial statements, and have issued my report thereon dated December 28, 2015.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Lawrenceburg - Lawrence County Airport Board'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lawrenceburg - Lawrence County Airport Board internal control. Accordingly, I do not express an opinion on the effectiveness of Lawrenceburg - Lawrence County Airport Board'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 combination of control deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented or detected 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.

MEMBER
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TENNESSEE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

My consideration of the 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 Lawrenceburg - Lawrence County Airport Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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.

December 28, 2015