

7003.00

GREELEY-WELD COUNTY AIRPORT AUTHORITY

Greeley, Colorado

Annual Financial Report

December 31, 2016



RECEIVED

By the Office of the State Auditor at 9:44 am, Aug 29, 2017

GREELEY-WELD COUNTY AIRPORT AUTHORITY

Annual Financial Report

Year Ended December 31, 2016

GREELEY-WELD COUNTY AIRPORT AUTHORITY

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 – 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 – 6
BASIC FINANCIAL STATEMENTS	
Proprietary Fund – Enterprise	
Statement of net position	7
Statement of revenue, expenses and changes in net position	8
Statement of cash flows	9
FOOTNOTES TO FINANCIAL STATEMENTS	10 – 17
INDIVIDUAL FUND BUDGETARY COMPARISON AND TREND INFORMATION	
PROPRIETARY FUND – ENTERPRISE	
Schedule of financial resources provided, applied and changes in working capital – budget and actual	18 – 20
TREND INFORMATION	21 – 22



Board of Commissioners
Greeley-Weld County Airport Authority
Greeley, Colorado

We have audited the basic financial statements of Greeley-Weld County Airport Authority (the "Authority") as of and for the year ended December 31, 2016, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for 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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 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, we 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.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greeley-Weld County Airport Authority as of December 31, 2016, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited Greeley-Weld County Airport Authority's 2015 financial statements, and our report dated July 25, 2016, expressed an unmodified opinion on the basic financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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 historical context. We 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greeley-Weld County Airport Authority's basic financial statements. The budgetary comparison information and trend information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information and trend information 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 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 generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole for the year ended December 31, 2016.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Greeley-Weld County Airport Authority for the years ended December 31, 2007 to 2015 (none of which are presented herein). In our reports, we expressed unmodified opinions on the respective basic financial statements. The audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Greeley-Weld County Airport Authority's financial statements as a whole. The trend information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2007 – 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 our opinion, the trend information listed in the table of contents, related to the 2007 – 2015 financial statements, are fairly stated in all material respects in relation to the financial statements from which they have been derived.



Cole and Crosier, P.C.
Certified Public Accountants

LaSalle, Colorado
August 2, 2017

GREELEY-WELD COUNTY AIRPORT AUTHORITY

Management's Discussion and Analysis

As management of Greeley-Weld County Airport Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2016. The Authority's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and *Supplementary Information*. Comparative data are presented when available. The Authority has one type of fund, from which all the financial statements are derived. This fund is a *Proprietary Fund* intended to report on the business-type activities of the Authority. The Authority is financed and operated in a manner similar to private business enterprises – i.e. the intent of the Board of Commissioners is to provide services on a continuing basis and to have the costs associated with these services recovered through user charges as opposed to taxation. Since the Authority uses only one fund for its operations, the entity-wide and the fund presentation information is the same. The basic financial statements include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. They are prepared on the accrual basis of accounting and provide both long-term and short-term information about the Authority's overall financial status.

The financial statements also include footnotes, which explain information contained in the basic financial statements and provide more detailed information on certain aspects of the financial statements.

The financial statements are followed by *supplementary information* that further explains and supports the data presented in the basic financial statements. For Greeley-Weld County Airport Authority, this supplementary information consists of a statement comparing final operating results with the Authority's adopted budget and a presentation of trend information for the current and prior nine years that are intended to allow the reader to assess changes in the Authority's programs and operations over an extended period.

FINANCIAL HIGHLIGHTS

- The Authority's working capital position decreased from \$1,994,816 to \$1,636,271, due to a decreased cash position. The current ratio at December 31, 2016 is 3.73 to 1.00, down from 6.44 to 1.00 at December 31, 2015. The Airport Authority is currently a financially self supporting agency in regards to its annual operations. The Authority continues to rely on capital grants from the Federal Aviation Administration, and the State of Colorado to finance capital improvement projects (CIP) of the Airport. The City of Greeley, Colorado, Weld County, Colorado and the State of Colorado have historically provided matching fund support on obtaining Federal Aviation Administration Airport Improvement Program grants.
- The Authority's net position decreased 6.8% or \$1,332,414, primarily due to oil and gas royalty income of \$155,128 and capital contributions of \$91,942, reduced by charges for depreciation and amortization for 2016 of \$1,619,736. Most of the Authority's net position is reflected in the net investment in capital assets – 90.6%. Accordingly, these assets are not an available source for future spending.

- The Authority had a net loss before contributions for 2016 of \$1,424,356, which was primarily the result of the allowance for depreciation and amortization in the amount of \$1,619,736, less oil and gas royalty income of \$155,128. A heavy investment in depreciable infrastructure results in large annual provisions for depreciation. Airports are generally not able to fully recover capital costs through user fees or rents because they are financed primarily by federal capital grants. However, the infrastructure must be maintained, and the Authority budgets for such maintenance, through some combination of the Authority's own resources, state grants and support from City of Greeley and Weld County, Colorado. The 2016 operating income before depreciation and amortization was \$87,071, an increase of \$3,058 from the operating income of \$84,013 for 2015.
- During 2016, the Authority expended \$4,177,239 less than total budgeted expenditures. This is primarily because of expending less than anticipated for capital outlay.
- During 2016, the Authority granted an underground permanent easement for \$72,800, and sold a street sweeper for \$1,700 and a pickup for \$9,500. In addition, the Authority received a utility infrastructure cost recovery payment for \$483,960 from the City of Greeley, which was used to reduce the existing cost of the infrastructure. Capital purchases include - \$89,781 towards runway rehabilitation, \$39,000 for 2 vehicles, \$506,217 for terminal expansion with related furniture, \$2,397 towards master plan development, \$1,195,081 for the west hangar taxilane rehabilitation, and \$61,716 for various land improvements that include 3 water and sewer taps, widening a taxilane, and building a retaining wall.
- The Authority borrowed \$1,000,000 through the Colorado State Infrastructure Bank on May 13, 2016 for the purpose of funding the rehabilitation of the west hangar taxilane, and is more fully explained in footnote 11 to the financial statements.
- The Authority's mission requires that it provide the Greeley and Weld County communities and the flying public nationwide with a well-managed and safe public aviation facility. This is important for the airport to draw new or relocated businesses to the region. In this endeavor, the Authority focuses on the marketing strategies to attract new tenants and corporate development, maintenance programs for existing infrastructure and safety as well as ongoing security programs for the airport. In addition to the above, moving forward the capital improvement program and master plan updates, to allow for expanded capacity and continuing to improve and enhance existing relationships with airport tenants and the community. The Authority's 2017 budget reflects these goals.
- The Authority entered into two new leases effective during the budget year 2017. This will allow the Airport to continue to sustain the programs that we have offered without impairing or reducing our finances. The Authority has been self-sustaining financially and this addition of new lease revenue will cover increasing recurring expenses and maintenance requirements and allow the Airport to be productive in its mission. Capital projects will continue to be funded with current Authority funds and capital grants from the State of Colorado and the FAA.
- At the end of 2016 the Authority had 17 oil and gas wells in production, and as the price of oil and related production has dropped, it in turn has reflected in the revenue we have received from these wells. As the majority of these wells have been in production for seven years we have been very conservative with our revenue projected from these wells, and the 2017 budget considers this reduced activity. Until we see a rise in the price and production of oil and gas, future budgets will reflect this reduced revenue stream.

FINANCIAL SUMMARY

The following represents condensed financial information taken from the basic financial statements.

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
ASSETS				
Current assets	\$ 2,236,049	\$ 2,361,603	\$ (125,554)	(5.3%)
Capital assets	17,107,875	17,473,248	(365,373)	(2.1%)
Other noncurrent assets	0	111,316	(111,316)	(100.0%)
Total assets	<u>19,343,924</u>	<u>19,946,167</u>	<u>(602,243)</u>	<u>(3.0%)</u>
LIABILITIES				
Current liabilities	599,778	366,787	232,991	63.5%
Noncurrent liabilities	<u>632,434</u>	<u>135,254</u>	<u>497,180</u>	<u>367.6%</u>
Total liabilities	<u>1,232,212</u>	<u>502,041</u>	<u>730,171</u>	<u>145.4%</u>
NET POSITION				
Net investment in capital assets	16,418,172	17,473,248	(1,055,076)	(6.0%)
Unrestricted	<u>1,693,540</u>	<u>1,970,878</u>	<u>(277,338)</u>	<u>(14.1%)</u>
Total net position	<u>\$18,111,712</u>	<u>\$19,444,126</u>	<u>\$ (1,332,414)</u>	<u>(6.8%)</u>
REVENUES				
Operating revenues -				
Leases and rentals	\$ 716,512	\$ 713,353	\$ 3,159	0.4%
Other operating revenues	95,589	81,460	14,129	17.3%
Nonoperating revenues -				
Oil and gas lease revenue	155,128	224,627	(69,499)	(30.9%)
Earnings on investments	2,183	2,234	(51)	(2.3%)
Gain on disposal of assets and grants of permanent easements	75,644	272,637	(196,993)	(72.2%)
Capital contributions	<u>91,942</u>	<u>340,070</u>	<u>(248,128)</u>	<u>(72.9%)</u>
Total revenues and capital contributions	<u>1,136,998</u>	<u>1,634,381</u>	<u>(497,383)</u>	<u>(30.4%)</u>
EXPENSES				
Operating expenses -				
Personnel services	472,365	483,980	(11,615)	(2.4%)
Contractual services	16,290	15,999	291	1.8%
Supplies	22,073	19,390	2,683	13.8%
Repairs and maintenance	43,894	35,233	8,661	24.6%
Utilities	73,732	67,357	6,375	9.5%
Other operating expenses	96,676	88,841	7,835	8.8%
Depreciation and amortization	1,619,736	1,661,256	(41,520)	(2.5%)
Nonoperating expenses				
Interest expense	21,390	0	21,390	100.0%
Abandoned study	<u>103,256</u>	<u>0</u>	<u>103,256</u>	<u>100.0%</u>
Total expenses	<u>2,469,412</u>	<u>2,372,056</u>	<u>97,356</u>	<u>4.1%</u>
CHANGE IN NET POSITION	<u>\$ (1,332,414)</u>	<u>\$ (737,675)</u>	<u>\$ (594,739)</u>	<u>(80.6%)</u>

Financial Position

- Current assets decreased due to a decrease in cash for \$377,169.
- Capital assets and the related net investment in capital assets decreased primarily due to depreciation exceeding the acquisition cost of capital assets (net of the utility infrastructure recovery payment of \$483,960).
- Other noncurrent assets decreased because of a net redemption of an investment in a certificate of deposit for \$111,316.
- Current and noncurrent liabilities increased primarily as a result of new long-term debt for \$689,703 for taxilane rehabilitation.
- The decrease in unrestricted net position generally reflects current year net operating and nonoperating revenues under the excess of resources used for capital investments that were not financed by capital grants.

Changes in Financial Position

- Other operating revenues increased during 2016 because of increased flow from current revenue sources.
- Oil and gas lease revenue decreased due to a 2008 oil and gas lease generating reduced royalty income in 2016.
- The 2016 gain on disposal of assets is primarily the result of a grant of an underground permanent easement for \$72,800.
- Capital contributions decreased in 2016 as a result of a decrease in capital construction financed by capital grants.
- Supply costs increased due to an increase in office supplies totaling \$1,959.
- Repairs and maintenance increased during 2016 as a result of an increase in equipment maintenance.
- A commercial infrastructure improvement study for \$103,256 was abandoned as it no longer is applicable to future expansion plans.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide our citizens, investors, creditors, and oversight agencies with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Persons desiring further information are encouraged to contact the Authority by writing to: Airport Manager, Greeley-Weld County Airport Authority, P.O. Box 727, Greeley, Colorado 80632, or by calling the Authority's office at (970) 336-3000.

BASIC FINANCIAL STATEMENTS

These basic financial statements are prepared on the accrual basis and provide a summary overview and broad perspective of the financial position and results of operations of the Greeley-Weld County Airport Authority.

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Statement of Net Position
Proprietary Fund - Enterprise
December 31, 2016
(With Comparative Totals for December 31, 2015)

	2016	2015
<u>ASSETS</u>		
<u>Current assets</u>		
Cash on hand	\$ 150	\$ 150
Cash in checking	2,000	2,000
Cash with Weld County Treasurer	406,246	264,693
Cash in money market accounts - (2016 - .03% ; 2015 - .15%)	1,055,249	1,573,971
Total cash and cash equivalents (Note 4)	1,463,645	1,840,814
Receivables		
Leases and fees	122,275	114,241
Oil and gas royalties	50,608	41,304
Utility and other expense reimbursements	3,058	3,049
Grants and capital contributions		
Federal Aviation Administration	80,803	300,000
State of Colorado	8,647	16,666
Colorado fuel and sales tax distribution	6,541	8,932
Health insurance premium refunds	4,908	0
Permanent easement	0	29,380
Utility infrastructure cost recovery	483,960	0
Prepaid items	11,604	7,217
Total current assets	2,236,049	2,361,603
<u>Noncurrent assets</u>		
Capital assets (Note 3)		
Nondepreciable capital assets	5,452,505	5,513,174
Depreciable capital assets - net	11,655,370	11,960,074
Total capital assets	17,107,875	17,473,248
Certificate of deposit - (2015 - .60%)	0	111,316
Total noncurrent assets	17,107,875	17,584,564
<u>TOTAL ASSETS</u>	19,343,924	19,946,167

The accompanying footnotes are an integral part of this report.

	<u>2016</u>	<u>2015</u>
<u>LIABILITIES</u>		
<u>Current liabilities</u>		
Accounts payable	263,684	238,360
Current portion of lease revenue received in advance	2,278	2,278
Current portion of Colorado SIB note payable (Note 11)	190,247	0
Compensated absences	21,314	20,386
Accrued wages	14,930	14,757
Payroll taxes and benefits payable	2,219	1,962
Accrued interest payable	15,890	0
Lease revenue invoiced in advance	89,216	89,044
Total current liabilities	<u>599,778</u>	<u>366,787</u>
<u>Noncurrent liabilities</u>		
Colorado SIB note payable (net of escrow of \$310,297) (Note 11)	689,703	0
Lease revenue received in advance - Colorado Air National Guard (Note 2)	133,734	136,010
Tenant deposits	1,522	1,522
	<u>824,959</u>	<u>137,532</u>
Less portion due within one year	192,525	2,278
Total noncurrent liabilities	<u>632,434</u>	<u>135,254</u>
<u>TOTAL LIABILITIES</u>	<u>1,232,212</u>	<u>502,041</u>
<u>NET POSITION</u>		
Net investment in capital assets	16,418,172	17,473,248
Unrestricted	<u>1,693,540</u>	<u>1,970,878</u>
<u>TOTAL NET POSITION</u>	<u>\$ 18,111,712</u>	<u>\$ 19,444,126</u>

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Enterprise
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>OPERATING REVENUES</u>		
Leases and rentals (Note 2)	\$ 716,512	\$ 713,353
Charges for services	25,522	23,754
Operators licenses	6,300	6,320
Other operating revenues	63,767	51,386
Total operating revenues	<u>812,101</u>	<u>794,813</u>
<u>OPERATING EXPENSES</u>		
Personnel services	472,365	483,980
Contractual services	16,290	15,999
Supplies	22,073	19,390
Repairs and maintenance	43,894	35,233
Utilities	73,732	67,357
Other operating expenses	96,676	88,841
Total operating expenses	<u>725,030</u>	<u>710,800</u>
<u>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION</u>		
	87,071	84,013
Depreciation and amortization (Note 3)	<u>1,619,736</u>	<u>1,661,256</u>
<u>OPERATING LOSS</u>		
	<u>(1,532,665)</u>	<u>(1,577,243)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Earnings on investments	2,183	2,234
Oil and gas lease revenue	155,128	224,627
Gain on disposal of assets and grants of permanent easements	75,644	272,637
Interest expense and loan escrow fee (\$5,500)	(21,390)	0
Abandoned infrastructure improvement study	(103,256)	0
Total nonoperating revenues (expenses)	<u>108,309</u>	<u>499,498</u>
<u>LOSS BEFORE CONTRIBUTIONS</u>		
	(1,424,356)	(1,077,745)
Capital contributions (Note 9)	<u>91,942</u>	<u>340,070</u>
<u>DECREASE IN NET POSITION</u>		
	(1,332,414)	(737,675)
<u>NET POSITION</u>		
Beginning of year	<u>19,444,126</u>	<u>20,181,801</u>
End of year	<u>\$ 18,111,712</u>	<u>\$ 19,444,126</u>

The accompanying footnotes are an integral part of this report.

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Statement of Cash Flows
Proprietary Fund - Enterprise
For the Year Ended December 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

	<u>2016</u>	<u>2015</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$ 804,352	\$ 800,160
Cash payments to suppliers	(259,817)	(237,575)
Cash payments to employees	(480,073)	(473,073)
Net cash provided by operating activities	<u>64,462</u>	<u>89,512</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Oil and gas lease revenue	<u>145,824</u>	<u>296,340</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from sale of assets and grants of permanent easements	113,380	243,257
Proceeds from Colorado SIB note payable	689,703	0
Escrow fee on Colorado SIB note payable	(5,500)	0
Proceeds of capital grants	323,316	362,534
Acquisitions of property and equipment	(1,821,853)	(609,380)
Net cash used in capital and related financing activities	<u>(700,954)</u>	<u>(3,589)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Net reduction (addition) to investments	111,316	(667)
Interest on investments	2,183	2,234
Net cash provided by investing activities	<u>113,499</u>	<u>1,567</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(377,169)	383,830
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	<u>1,840,814</u>	<u>1,456,984</u>
End of year	<u>\$ 1,463,645</u>	<u>\$ 1,840,814</u>
<u>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating loss	<u>\$ (1,532,665)</u>	<u>\$ (1,577,243)</u>
Adjustments to reconcile operating loss to net cash from operating activities		
Long-term lease amortization	(2,278)	(2,278)
Depreciation and amortization	1,619,736	1,661,256
Decrease (increase) in accounts receivable	(14,718)	13,106
Increase in prepaid items	(4,387)	(830)
Decrease in accounts payable	(2,756)	(9,925)
Increase in accrued expenses	1,358	2,759
Increase in lease revenue invoiced in advance	172	2,667
Total adjustments	<u>1,597,127</u>	<u>1,666,755</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 64,462</u>	<u>\$ 89,512</u>

The accompanying footnotes are an integral part of this report.

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Footnotes to Financial Statements
December 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Airport's accounting policies are described below.

Reporting entity

The Greeley-Weld County Airport Authority is a political subdivision of the State of Colorado. The Authority currently operates as the Greeley-Weld County Airport. The Authority was created on August 11, 1978 by joint action of the City of Greeley, Colorado and the County of Weld, Colorado. Prior to 1978, the Weld County Municipal Airport was jointly operated by Weld County and the City of Greeley. The Authority is administered by a seven member board of commissioners appointed by the governmental units that established the entity.

The mission of the Authority is to provide the Greeley and Weld County, Colorado communities with a public aviation facility operated in a safe and cost effective manner, while providing superior commercial aviation ground support services through a commitment to quality and excellence, and to act as an economic base for local businesses, and as a magnet for the attraction of new businesses to the area through the development of new and existing facilities and infrastructure, and to increase the demands of corporate, industrial, and general aviation users through new and innovative marketing strategies.

For financial reporting purposes, management has considered all potential component units. The Authority meets the criteria of an "other stand-alone government" as defined in GASB No. 39.

Basis of presentation

The accounts of the Authority are organized on the basis of a single proprietary-type (enterprise) fund. The operations of this fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, net assets, revenues, and expenses.

Proprietary funds are accounted for on a flow of economic resources measurement focus. This means that all assets and liabilities (whether current or non-current) associated with the fund's activity are included on the statement of net assets. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in net total assets.

Further, enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body and/or regulatory agencies is to provide goods and services on a continuing basis, with the costs associated with these goods and services to be recovered primarily through user charges; (b) where the governing body and/or regulatory agencies have decided that periodic determination of the revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of accounting

Accounting is on the accrual basis. Revenues and expenses are recognized and recorded as earned or incurred, respectively.

Accounts receivable

Accounts receivable are stated at management's estimate of the net realizable amount. Accounts not considered collectible have been charged to current operations.

NOTE 1 - Continued

Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position represents the net position of the Authority not restricted for any project or other purpose. A deficit will require future funding. The Authority applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Authority did not have any restricted net position for 2016.

Operating revenues and expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Authority, these revenues are leases and rentals, charges for services, operator licenses and miscellaneous reimbursements. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority.

Contributions of capital

Contributions of capital arise from outside contributions of fixed assets or outside contributions of resources restricted to capital acquisition and construction.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Deposits and investments

The Authority maintains demand deposits, savings accounts and certificates of deposit with various financial institutions. Deposits are displayed on the statement of net assets as cash and cash equivalents or certificate of deposit. Deposits are carried at cost.

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Authority funds are invested in accordance with the Public Deposit Protection Act of 1975 and other state statutes.

Capital assets

Capital assets are recorded at acquisition cost. The Authority capitalizes fixed assets with a minimum acquisition unit value of \$5,000. Donated capital assets are recorded at their fair value as of the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

<u>Description</u>	<u>Life</u>
Buildings	3 – 40 years
Vehicles, equipment and furniture	3 – 20 years
Farm buildings and improvements	10 – 30 years
Land improvements	5 – 30 years

Compensated absences

Accumulated unpaid vacation pay is accrued when incurred. The maximum accumulation of vacation leave is limited to 320 hours. Employees are paid 100% of their accumulated vacation pay when they terminate their employment for any reason.

Comparative data

Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Budget information and control

The annual budget of the Authority is prepared on the basis of the flow of financial resources or working capital, exclusive of the current portion of long-term debt or assets.

NOTE 1 - Continued

The Authority is subject to the Colorado Local Government Budget Law. Appropriations lapse at the end of the budget year. The Authority must appropriate monies not greater than the budgeted total expenditures at which level actual expenditures may not exceed appropriations for the year. Generally, additional appropriations may be authorized by law during the year in cases of emergency caused by a public enemy or some contingency which could not have been reasonably foreseen at the time of adoption of the budget.

The following calendar includes various deadlines for the budget process set by state statute.

- October 15 Submission of proposed budget to Board of Commissioners. "Notice of Budget" is published setting public hearing date.

- December 31 Budget must be adopted. Certified copy of budget is sent to the Division of Local Government within 30 days of adoption. Board of Commissioners appropriates funds for the budget year.

Intangible assets

The cost of Authority adopted plans are capitalized and amortized over 5 - 20 years using the straight-line method.

Subsequent events

Management has evaluated subsequent events through the date the financial statements were available for issuance, which is the same date as the auditor's report.

NOTE 2 - OPERATING LEASES

Cancelable leases

The Airport has twelve hangars (9 T-hangars and 3 conventional hangars) and three T-sheds in which space is available for lease. Cost of the buildings, built or purchased between 1959 and 2015, was \$1,311,023 with accumulated depreciation at December 31, 2016 of \$1,085,455. There are 114 T-hangar units and 14 storage units. During 2016, monthly rental rates ranged from \$205 to \$415 for each hangar unit and \$105 for each T-shed unit. Lease terms range from one month up to one year but are generally cancelable at any time at the lessee's option. One hangar building (hangar 49) with 2 hangars and an office was subject to an annual lease with a monthly rent of \$1,379.

Noncancelable land and/or terminal area leases

The Authority leases depreciable property with a total cost of \$2,344,796 and accumulated depreciation of \$989,260 at December 31, 2016, and land under ground leases. Included in these amounts is the terminal, of which only a portion is leased, with a cost of \$1,761,549 and accumulated depreciation of \$526,045 at December 31, 2016. Also, the Authority entered into an oil and gas lease on January 24, 2008 for various tracts of land totaling 396.44 acres. The lease will be in force for as long as there is production from the affected premises. Royalties will be paid as a percentage of sales proceeds – 18.75% from vertically drilled wells and 15.00% from directionally drilled wells. The following is a schedule by years of minimum future rentals of noncancelable operating leases on land and/or in the terminal area as of December 31, 2016:

<u>Year</u>	
2017	\$ 241,662
2018	233,924
2019	216,197
2020	185,622
2021	121,182
Later years	<u>2,200,693</u>
Total minimum future rentals	<u><u>\$ 3,199,280</u></u>

NOTE 2 - Continued

Included in this schedule are noncancelable land rents received in advance as of December 31, 2016 of \$133,734. Revenue is recognized annually for the amount of \$2,278.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 4,657,807	0	\$ 5,332	\$ 4,652,475
Construction in progress				
Master plan development	240,673	\$ 2,397	0	243,070
Runway rehabilitation design	467,180	89,781	0	556,961
Infrastructure/rehabilitation design	44,258	0	44,258	0
Infrastructure improvement studies	103,256	0	103,256	0
Total capital assets not being depreciated	5,513,174	92,178	152,846	5,452,506
Capital assets being depreciated				
Land improvements	27,841,762	1,256,797	668,135	28,430,424
Buildings and improvements	3,573,502	497,698	3,795	4,067,405
Vehicles, equipment and furniture	1,394,342	47,519	75,958	1,365,903
Master plan	170,021	0	0	170,021
Total capital assets being depreciated	32,979,627	1,802,014	747,888	34,033,753
Less accumulated depreciation for				
Land improvements	18,345,399	1,419,671	184,176	19,580,894
Buildings and improvements	1,827,330	86,204	3,795	1,909,739
Vehicles, equipment and furniture	746,583	105,360	72,934	779,009
Master plan	100,241	8,501	0	108,742
Total accumulated depreciation	21,019,553	1,619,736	260,905	22,378,384
Total capital assets being depreciated, net	11,960,074	182,278	486,983	11,655,369
Business-type activities capital assets, net	<u>\$ 17,473,248</u>	<u>\$ 274,456</u>	<u>\$ 639,829</u>	<u>\$ 17,107,875</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and investments at December 31, 2016 consisted of the following:

Cash on hand	\$ 150
Cash with county treasurer	406,246
Deposits	
Checking	2,000
Money market savings	1,055,249
Total	<u>\$ 1,463,645</u>

Deposits and investments are displayed within this report as follows:

Cash and equivalents	<u>\$ 1,463,645</u>
----------------------	---------------------

Cash deposits

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The Authority's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of the eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2016, all the Authority's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At December 31, 2016, the Authority's cash deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	806,051	807,249
Total Cash Deposits	<u>\$ 1,056,051</u>	<u>\$ 1,057,249</u>

NOTE 4 – Continued

Investments

Credit risk

The Authority's investment policy defines allowable investment instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities
- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

The Authority manages its credit risk by limiting its investments to the types of securities listed above, by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors, and by diversifying the investment portfolio so that the impact of potential losses from any type of security or from any one individual issuer will be minimized.

During 2016 the Authority had no investment-type assets.

NOTE 5 - ECONOMIC DEPENDENCY

The Authority billed a total of \$92,025 in land rents and licenses to one customer during 2016. Total revenue from this customer represents 11.3% of total operating revenues. The amount receivable from this customer at December 31, 2016 was \$12,447.

NOTE 6 - COMPLIANCE WITH TAXPAYER'S BILL OF RIGHTS

On November 3, 1992, Colorado voters enacted the Taxpayer's Bill of Rights (TABOR). The net financial effect of this amendment to the state constitution relates to the limitation of the amount of revenue, after 1992, able to be spent or retained by a Colorado governmental entity subject to its provisions. Generally, subject revenue may be increased annually to the extent of the combined percentage increase in inflation and growth in actual value of real property within the government's boundaries. Also, Colorado governments are still subject to restrictions under laws existing prior to November 3, 1992, until changed by the voters. Revenue in excess of limitations must be refunded to taxpayers unless voters approve the retention of such revenue.

TABOR also restricts the imposition, without prior voter approval, new or increased taxes, increasing a property tax mill levy above that of the prior year, extending expiring taxes or changing tax policies causing net revenue increases. TABOR generally forbids debt or other financial obligations (including pension) with maturities in excess of one year without prior voter approval.

TABOR is complex and subject to judicial interpretation. The Authority's governing board has adopted the position that it is not subject to the provisions of TABOR because the governing board is not an elected board, does not have an electoral constituency, and does not have the power to impose taxes, all basic operational requirements of TABOR.

NOTE 7 - CONDITIONAL GIFT

On April 9, 1993, the Authority received, as a conditional gift from the U.S. Aerospace Maintenance and Regeneration Center, a GT-38A jet aircraft solely for use as a static display. The conditions for transfer include (a) the Authority may not dispose of the aircraft without prior approval of the transferor or use it as security and (b) if not used as a static display or if the Authority does not wish to retain the aircraft, title reverts to transferor. All costs associated with the transport, maintenance and disposition of the aircraft are the responsibility of the Authority. The aircraft has been properly decommissioned and therefore, is not in flying condition. The value of this conditional gift is not readily determinable and it has not been capitalized.

NOTE 8 - RISK MANAGEMENT

The Authority is exposed to losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; job-related illnesses or injuries to employees, and natural disasters. The Authority purchases sufficient commercial insurance to cover losses from these events other than deductibles, and does not self-insure or participate in a public entity risk pool. All risk management activities are accounted for in the Airport Fund. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 9 – CAPITAL CONTRIBUTIONS

In the normal course of operations, the Authority receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Capital contributions for the year ended December 31, 2016, are summarized by source as follows:

Federal Aviation Administration	\$ 80,803
State of Colorado	11,139
Total capital contributions	<u>\$ 91,942</u>

NOTE 10 – SIMPLIFIED EMPLOYEE PENSION PLAN

The Authority has established an employer Simplified Employee Pension Plan, which is a "money-purchase" defined contribution plan under current law and U.S. Treasury regulations. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate twelve months from the date of employment. The Authority contributes 5% of base salary each pay period. Contributions made by the Authority are not taxable to the employee until they are withdrawn. All contributions vest immediately to the employee. The Authority has no statutory or contractual liability for any individual's post-employment benefits under this plan. Employer contributions for the fiscal year ended December 31, 2016 totaled \$14,770.

NOTE 11 – LONG-TERM DEBT

Changes in long-term obligations for the year ended December 31, 2016 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Colorado State Infrastructure Bank Note	<u>\$ 0</u>	<u>\$ 689,703</u>	<u>\$ 0</u>	<u>\$ 689,703</u>	<u>\$ 190,247</u>

NOTE 11 – Continued

Colorado State Infrastructure Bank Note

The Authority borrowed \$1,000,000 through the Colorado State Infrastructure Bank on May 13, 2016 for the purpose of funding the rehabilitation of the west hangar taxilane. The note carries an interest rate of 2.5% and is to be paid in annual installments of principal and interest of \$215,247 through May of 2021. The balance at December 31, 2016 of \$689,703 is reported net of the remaining amount escrowed by agreement with Wells Fargo Bank in the amount of \$310,297. The final distribution was made on May 24, 2017, along with interest earned on the escrow account for \$570. All revenues of the Authority are pledged for repayment, including the oil and gas lease revenue. The Authority must maintain cash reserves and other readily liquidated securities sufficient to pay the remaining principal and interest due at any time.

The debt service requirements to maturity are as follows:

<u>Year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 190,247	\$ 25,000	\$ 215,247
2018	195,003	20,244	215,247
2019	199,878	15,369	215,247
2020	204,875	10,372	215,247
2021	209,997	5,250	215,247
	<u>\$ 1,000,000</u>	<u>\$ 76,235</u>	<u>\$ 1,076,235</u>

INDIVIDUAL FUND BUDGETARY COMPARISON AND TREND INFORMATION

Individual fund budgetary comparison schedules provide supplementary information to the basic financial statements and contains information on the Authority's budget as compared to actual operating results for the current year. Trend information data provide readers with a broader understanding of the government and the trends in its financial affairs than is possible from the financial statements and supporting schedules.

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Schedule of Financial Resources Provided, Applied and
Changes in Working Capital - Budget and Actual
For the Year Ended December 31, 2016
(With Comparative Totals for Year Ended December 31, 2015)

	Original and Final Budget	Actual	Variance	2015 Actual
<u>FINANCIAL RESOURCES PROVIDED</u>				
<u>Leases and rentals</u>				
Land rents	\$ 235,021	\$ 241,331	\$ 6,310	\$ 236,948
Air National Guard land	2,278	2,278	0	2,278
Hangar rents	366,889	384,911	18,022	360,910
Tiedown	1,500	660	(840)	1,575
Office and restaurant	14,355	14,355	0	13,435
Farm cash rents	14,656	14,043	(613)	17,217
Other rents	51,384	58,934	7,550	80,990
Total leases and rentals	<u>686,083</u>	<u>716,512</u>	<u>30,429</u>	<u>713,353</u>
<u>Charges for services</u>				
Fuel flow fees	27,000	25,522	(1,478)	23,754
<u>Operators licenses</u>				
	6,540	6,300	(240)	6,320
<u>Other operating revenue</u>				
Colorado fuel and sales tax distribution	35,000	29,430	(5,570)	34,275
Finance charges	300	0	(300)	0
Miscellaneous revenue	25,000	34,337	9,337	17,111
Total other operating revenue	<u>60,300</u>	<u>63,767</u>	<u>3,467</u>	<u>51,386</u>
<u>Other financial resources provided</u>				
Grants from FAA	5,000,000	80,803	(4,919,197)	300,000
Grants from State of Colorado	250,000	11,139	(238,861)	40,070
Local government appropriations	740,000	0	(740,000)	0
Proceeds of Colorado SIB loan	0	689,703	689,703	0
Earnings on investments	1,200	2,183	983	2,234
Oil and gas royalties and leases	235,000	155,128	(79,872)	224,627
Amortization of long-term portion - Air National Guard lease revenue	(2,278)	(2,278)	0	(2,278)
Proceeds from sale of assets and grants of permanent easements	10,000	84,000	74,000	272,637
Utility infrastructure cost recovery	0	483,960	483,960	0
Total other resources provided	<u>6,233,922</u>	<u>1,504,638</u>	<u>(4,729,284)</u>	<u>837,290</u>
Total resources provided	<u>7,013,845</u>	<u>2,316,739</u>	<u>(4,697,106)</u>	<u>1,632,103</u>

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2015 Actual</u>
<u>FINANCIAL RESOURCES APPLIED</u>				
<u>Personnel services</u>				
Salaries and wages	380,160	366,522	13,638	351,956
FICA/Medicare	29,082	27,046	2,036	25,845
Health and life insurance	97,086	77,747	19,339	104,724
Unemployment benefits	0	936	(936)	0
Worker's compensation	10,054	6,075	3,979	9,140
Retirement contributions	14,822	14,770	52	12,644
Employee wellness	2,000	1,208	792	0
Personnel costs reimbursements	(27,287)	(21,939)	(5,348)	(20,329)
Total personnel services	<u>505,917</u>	<u>472,365</u>	<u>33,552</u>	<u>483,980</u>
<u>Contractual services</u>				
Audit	8,500	8,500	0	8,500
Security	3,800	2,544	1,256	2,544
Legal	2,500	2,120	380	560
EPA storm water assessment	185	185	0	185
Internet fees/other professional fees	3,500	2,941	559	4,210
Total contractual services	<u>18,485</u>	<u>16,290</u>	<u>2,195</u>	<u>15,999</u>
<u>Supplies</u>				
Office supplies	2,700	3,041	(341)	1,082
Computer software	5,000	745	4,255	1,028
Consumable supplies	4,500	4,430	70	5,069
Durable supplies/tools	2,000	8,241	(6,241)	7,327
Uniforms and clothing	4,500	5,616	(1,116)	4,884
Total supplies	<u>18,700</u>	<u>22,073</u>	<u>(3,373)</u>	<u>19,390</u>
<u>Repairs and maintenance</u>				
Buildings	7,000	9,295	(2,295)	7,291
Equipment	20,000	22,411	(2,411)	14,145
Grounds	16,000	12,188	3,812	13,797
Total repairs and maintenance	<u>43,000</u>	<u>43,894</u>	<u>(894)</u>	<u>35,233</u>
<u>Utilities</u>				
Telephone	8,700	12,498	(3,798)	10,892
Electric	42,000	37,258	4,742	36,215
Water utility	3,200	2,748	452	3,007
Irrigation water assessments	20,000	13,416	6,584	7,292
Gas	9,000	7,812	1,188	9,951
Total utilities	<u>82,900</u>	<u>73,732</u>	<u>9,168</u>	<u>67,357</u>

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2015 Actual</u>
<u>Other</u>				
Insurance	58,240	56,312	1,928	54,830
Equipment rent	8,000	5,893	2,107	6,272
Dues and subscriptions	3,500	3,184	316	3,087
Miscellaneous	500	180	320	776
Bad debts	500	0	500	0
Credit card process charges	4,550	4,715	(165)	4,481
Postage	1,800	1,586	214	395
Promotion and advertising	2,500	4,176	(1,676)	363
ARFF equipment/training	3,000	576	2,424	341
Fuel for equipment	20,000	8,887	11,113	10,341
Meetings and travel	12,000	11,167	833	7,955
Total other	<u>114,590</u>	<u>96,676</u>	<u>17,914</u>	<u>88,841</u>
Total current operating expenses	<u>783,592</u>	<u>725,030</u>	<u>58,562</u>	<u>710,800</u>
<u>Debt service</u>				
Interest and loan escrow fees (\$5,500)	<u>0</u>	<u>21,390</u>	<u>(21,390)</u>	<u>0</u>
<u>Capital outlay</u>				
Property and equipment	<u>5,990,000</u>	<u>1,849,933</u>	<u>4,140,067</u>	<u>789,308</u>
Total resources applied	<u>6,773,592</u>	<u>2,596,353</u>	<u>4,177,239</u>	<u>1,500,108</u>
<u>INCREASE (DECREASE) IN FINANCIAL RESOURCES</u>	240,253	(279,614)	(519,867)	131,995
<u>*WORKING CAPITAL</u>				
Beginning of year	<u>2,362,517</u>	<u>2,106,888</u>	<u>(255,629)</u>	<u>1,974,893</u>
End of year	<u>\$ 2,602,770</u>	<u>\$ 1,827,274</u>	<u>\$ (775,496)</u>	<u>\$ 2,106,888</u>

*Current assets plus cash investments, minus current liabilities and deposits
(net of current portion of long-term liabilities and assets).

GREELEY-WELD COUNTY AIRPORT AUTHORITY
Trend Information
Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
<u>Expenses by type</u>				
Personnel services	\$ 472,365	\$ 483,980	\$ 460,441	\$ 457,250
Contractual services	16,290	15,999	19,316	18,272
Supplies	22,073	19,390	14,304	17,071
Repairs and maintenance	43,894	35,233	39,735	36,843
Utilities	73,732	67,357	74,233	86,842
Other operating expenses	96,676	88,841	107,955	96,977
Total operating expenses	<u>725,030</u>	<u>710,800</u>	<u>715,984</u>	<u>713,255</u>
Interest expense	21,390	0	0	0
Abandoned study	103,256	0	0	0
Depreciation and amortization	1,619,736	1,661,256	1,578,748	1,546,065
Total expenses	<u>\$ 2,469,412</u>	<u>\$ 2,372,056</u>	<u>\$ 2,294,732</u>	<u>\$ 2,259,320</u>
<hr/>				
<u>Revenues by source</u>				
Leases and rentals	\$ 716,512	\$ 713,353	\$ 690,085	\$ 559,947
Charges for services	25,522	23,754	25,581	26,489
Operators licenses	6,300	6,320	6,540	6,040
Other operating revenues	63,767	51,386	75,615	88,127
Total operating revenues	<u>812,101</u>	<u>794,813</u>	<u>797,821</u>	<u>680,603</u>
Earnings on investments	2,183	2,234	2,227	7,968
Oil and gas lease revenue	155,128	224,627	325,033	401,303
Gain (loss) on disposal of assets and grants of permanent easements	75,644	272,637	13,350	33,245
Total revenues	<u>\$ 1,045,056</u>	<u>\$ 1,294,311</u>	<u>\$ 1,138,431</u>	<u>\$ 1,123,119</u>
<hr/>				
<u>Operating income (loss) before depreciation and amortization</u>	<u>\$ 87,071</u>	<u>\$ 84,013</u>	<u>\$ 81,837</u>	<u>\$ (32,652)</u>
<hr/>				
<u>Net position - end of year</u>	<u>\$ 18,111,712</u>	<u>\$ 19,444,126</u>	<u>\$ 20,181,801</u>	<u>\$ 20,998,972</u>
<u>Net working capital - end of year</u>	<u>\$ 1,636,271</u>	<u>\$ 1,994,816</u>	<u>\$ 1,863,488</u>	<u>\$ 1,624,321</u>
<u>Total outstanding debt - end of year</u>	<u>\$ 689,703</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 414,001	\$ 380,005	\$ 394,048	\$ 396,322	\$ 365,463	\$ 334,314
14,670	12,819	23,808	12,119	15,405	20,744
11,409	15,198	18,497	19,577	12,207	9,411
45,222	42,427	29,938	37,194	32,454	28,761
81,535	67,472	53,605	49,102	65,537	62,064
96,359	93,970	81,595	82,149	92,338	92,497
<u>663,196</u>	<u>611,891</u>	<u>601,491</u>	<u>596,463</u>	<u>583,404</u>	<u>547,791</u>
0	6,087	3,548	0	0	0
0	24,983	0	0	0	0
1,493,553	1,452,725	1,450,268	1,435,716	1,400,307	1,363,859
<u>\$ 2,156,749</u>	<u>\$ 2,095,686</u>	<u>\$ 2,055,307</u>	<u>\$ 2,032,179</u>	<u>\$ 1,983,711</u>	<u>\$ 1,911,650</u>
\$ 541,401	\$ 540,803	\$ 531,800	\$ 523,853	\$ 555,512	\$ 501,376
27,342	26,938	25,814	21,761	25,160	24,717
6,520	6,760	5,800	5,800	4,700	3,600
150,436	44,456	40,022	29,844	73,571	30,373
<u>725,699</u>	<u>618,957</u>	<u>603,436</u>	<u>581,258</u>	<u>658,943</u>	<u>560,066</u>
21,923	26,237	35,073	21,333	10,830	5,126
381,495	717,404	1,124,792	1,007,119	91,664	3,086
316,355	3,286	0	3,888	16,297	13,750
<u>\$ 1,445,472</u>	<u>\$ 1,365,884</u>	<u>\$ 1,763,301</u>	<u>\$ 1,613,598</u>	<u>\$ 777,734</u>	<u>\$ 582,028</u>
<u>\$ 62,503</u>	<u>\$ 7,066</u>	<u>\$ 1,945</u>	<u>\$ (15,205)</u>	<u>\$ 75,539</u>	<u>\$ 12,275</u>
<u>\$ 21,780,520</u>	<u>\$ 22,096,600</u>	<u>\$ 21,844,335</u>	<u>\$ 21,978,447</u>	<u>\$ 22,126,754</u>	<u>\$ 22,908,094</u>
<u>\$ 858,205</u>	<u>\$ 1,109,162</u>	<u>\$ 159,727</u>	<u>\$ 156,245</u>	<u>\$ 17,560</u>	<u>\$ 63,070</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 653,365</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

