

# GREELEY-WELD COUNTY AIRPORT AUTHORITY



## FINANCIAL STATEMENTS

Years Ended December 31, 2017 and 2016



**RECEIVED**

Office of the State Auditor

September 21, 2018



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## Independent Auditors' Report

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

We have audited the accompanying basic financial statements of the Greeley-Weld County Airport Authority as of and for the year ended December 31, 2017, as listed in the table of contents and the related notes to the financial statements.

### **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; 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of the Greeley-Weld County Airport Authority as of December 31, 2017, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

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**Other Matters**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 23-25 and the schedule of expenditures of federal awards required by *Title 2 U.S. Code of Federal Regulations Part 200* are presented for purposes of additional analysis and are not a required part of the basic 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 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States require that management discussion and analysis 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, which consisted of inquiries 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 evidence sufficient to express an opinion or provide any assurance.

The financial statements of the Greeley-Weld County Airport Authority, as of and for the year ended December 31, 2016, were audited by other auditors whose report dated August 2, 2017 expressed an unmodified opinion on those statements.

**Other Reporting Required By *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2018 on our consideration of the Greeley-Weld County Airport Authority internal control over financial reporting and our 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 our 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*, in considering Greeley-Weld County Airport Authority's internal control over financial reporting and compliance.

*Anderson & Whitney, P.C.*

September 17, 2018

## 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 year ended December 31, 2017.

### FINANCIAL HIGHLIGHTS

- \* The Authority's working capital position decreased from \$1,636,271 to \$1,471,367, due to purchasing additional capital assets. The current ratio at December 31, 2017 is 3.6 to 1.0, down from 3.7 to 1.0 at December 31, 2016. 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 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 increased 22% or \$3,948,882, primarily due to oil and gas royalty income of \$112,123 and capital contributions of \$5,549,416, reduced by charges for depreciation and amortization for 2017 of \$1,717,445. Most of the Authority's net position is reflected in the net investment in capital assets – 93%. Accordingly, these assets are not an available source for future spending.
- \* The Authority had a net loss before contributions for 2017 of \$1,651,010, which was primarily the result of depreciation and amortization expense in the amount of \$1,717,445, less oil and gas royalty income of \$112,123. 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 2017 operating income before depreciation and amortization was \$66,435, a decrease of \$20,636 from the operating income before depreciation of \$87,071 for 2016.
- \* During 2017, the Authority expended \$825,265 less than total budgeted expenditures. This is primarily because of spending less than anticipated for capital outlay, as the runway project will be completed in 2018.
- \* Capital purchases include - \$5,773,738 towards runway rehabilitation, \$69,109 for a loader, \$153,279 for parking lot improvements, and \$243,030 towards master plan development.

- \* 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 2018 budget reflects these goals.
- \* The Authority entered into new leases effective during the year of 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.

## **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 Statements of Net Position, the Statements of Revenues, Expenses and Changes in Net Position, and the Statements 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 notes, 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.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of December 31, 2017, assets exceeded liabilities by \$22,060,594.

The following table provides a summary of the Authority's net position for 2017 and 2016.

December 31	2017	2016
<b>Assets:</b>		
Current and other assets	\$ 2,035,064	\$ 2,236,049
Capital assets	21,334,677	17,107,875
<b>Total Assets</b>	<b>23,369,741</b>	<b>19,343,924</b>
<b>Liabilities:</b>		
Current liabilities	563,697	599,778
Noncurrent liabilities	745,450	632,434
<b>Total Liabilities</b>	<b>1,309,147</b>	<b>1,232,212</b>
<b>Net Position:</b>		
Investment in capital assets	20,524,924	16,418,172
Unrestricted	1,535,620	1,693,540
<b>Total Net Position</b>	<b>\$ 22,060,594</b>	<b>\$ 18,111,712</b>

Current assets decreased due to paying the Authority's share of the runway rehabilitation project.

Capital assets and the related net investment in capital assets increased primarily due to the acquisition cost of capital assets (i.e. runway rehabilitation), exceeding depreciation expense.

The decrease in unrestricted net position generally reflects current year net operating and nonoperating revenues being less than operating costs.

The following table indicates the changes in net position:

December 31	2017	2016
Revenue:		
Operating revenue:		
Leases and rentals	\$ 702,567	\$ 716,512
Other operating revenue	134,544	95,589
Nonoperating revenue:		
Oil and gas lease revenue	112,123	155,128
Earnings on investments	938	2,183
Gain (loss) on disposal of assets	(40,608)	75,644
Capital contributions	5,549,416	91,942
Total Revenue and Capital Contributions	6,458,980	1,136,998
Expenses:		
Operating expenses:		
Personal services	511,862	472,365
Contractual services	16,966	16,290
Supplies	21,457	22,073
Repairs and maintenance	50,010	43,894
Utilities	72,099	73,732
Other operating expenses	98,282	96,676
Depreciation and amortization	1,717,445	1,619,736
Nonoperating expenses:		
Interest expense	21,977	21,390
Abandoned study	--	103,256
Total Expenses	2,510,098	2,469,412
Change in Net Position	\$ 3,948,882	\$(1,332,414)

Capital contributions increased in 2017 as a result of capital construction financed by capital grants for runway 17/35.

### REQUESTS FOR INFORMATION

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.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## STATEMENTS OF NET POSITION

December 31	2017	2016
<b>ASSETS</b>		
Current Assets:		
Cash on hand	\$ 150	\$ 150
Cash in checking	4,250	2,000
Cash with Weld County Treasurer	524,065	406,246
Cash in money market accounts	1,056,502	1,055,249
<b>Total Cash and Cash Equivalents</b>	<b>1,584,967</b>	<b>1,463,645</b>
Receivables:		
Leases and fees	121,894	122,275
Oil and gas royalties	14,597	50,608
Utility and other expense reimbursements	5,082	3,058
Grants and capital contributions:		
Federal Aviation Administration	241,094	80,803
State of Colorado	43,869	8,647
Colorado fuel and sales tax distribution	6,918	6,541
Health insurance premium refunds	-	4,908
Utility infrastructure cost recovery	-	483,960
<b>Total Receivables</b>	<b>433,454</b>	<b>760,800</b>
Prepaid Items	16,643	11,604
<b>Total Current Assets</b>	<b>2,035,064</b>	<b>2,236,049</b>
Noncurrent Assets:		
Capital Assets:		
Nondepreciable capital assets	10,983,174	5,452,505
Depreciable capital assets - net	10,351,507	11,655,370
<b>Total Noncurrent Assets</b>	<b>21,334,681</b>	<b>17,107,875</b>
<b>TOTAL ASSETS</b>	<b>\$ 23,369,745</b>	<b>\$ 19,343,924</b>

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## STATEMENTS OF NET POSITION

December 31	2017	2016
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 216,088	\$ 263,684
Current portion of lease revenue received in advance	2,278	2,278
Current portion of Colorado SIB note payable	195,003	190,247
Compensated absences	24,575	21,314
Accrued wages	16,200	14,930
Payroll taxes and benefits payable	1,209	2,219
Accrued interest payable	12,867	15,890
Lease revenue invoiced in advance	95,477	89,216
Total Current Liabilities	563,697	599,778
Noncurrent Liabilities:		
Colorado SIB note payable	614,750	499,456
Lease revenue received in advance - Colorado Air National Guard	129,178	133,734
Tenant deposits	1,522	1,522
Total Noncurrent Liabilities	745,450	634,712
TOTAL LIABILITIES	1,309,147	1,234,490
<u>NET POSITION</u>		
Net investment in capital assets	20,524,924	16,418,172
Unrestricted	1,535,670	1,693,540
TOTAL NET POSITION	\$ 22,060,594	\$ 18,111,712

See Accompanying Notes to Financial Statements.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## STATEMENTS OF ACTIVITIES

Years Ended December 31	2017	2016
Operating Revenue:		
Leases and rentals	\$ 702,567	\$ 716,512
Charges for services	25,410	25,522
Operators licenses	6,060	6,300
Other operating revenue	103,074	63,767
Total Operating Revenue	837,111	812,101
Operating Expenses:		
Personnel services	511,862	472,365
Contractual services	16,966	16,290
Supplies	21,457	22,073
Repairs and maintenance	50,010	43,894
Utilities	72,099	73,732
Other operating expenses	98,282	96,676
Depreciation	1,717,445	1,619,736
Total Operating Expenses	2,488,121	2,344,766
Operating Income (Loss)	(1,651,010)	(1,532,665)
Nonoperating Revenue (Expenses):		
Earnings on investments	938	2,183
Oil and gas revenue	112,123	155,128
Gain (loss) on disposal of assets	(40,608)	75,644
Interest expense and loan escrow fee	(21,977)	(21,390)
Abandoned infrastructure improvement study	-	(103,256)
Capital contributions	5,549,416	91,942
Net Nonoperating Revenue	5,599,892	200,251
Net Income (Loss)	3,948,882	(1,332,414)
Net Position, Beginning of Year	18,111,712	19,444,126
Net Position, End of Year	\$ 22,060,594	\$ 18,111,712

See Accompanying Notes to Financial Statements.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## STATEMENTS OF CASH FLOWS

Years Ended December 31	2017	2016
Cash Flows from Operating Activities:		
Cash received from customers	\$ 831,460	\$ 804,352
Cash payments to suppliers	(311,449)	(259,817)
Cash payments to employees	(511,364)	(480,073)
Net Cash Provided by Operating Activities	8,647	64,462
Cash Flows From Noncapital Financing Activities:		
Oil and gas lease revenue	148,134	145,824
Net Cash Provided by Noncapital Financing Activities	148,134	145,824
Cash Flows from Capital and Related Financing Activities:		
Proceeds from sale of assets and grants of permanent easements	515,732	113,380
Proceeds from Colorado SIB note payable	310,297	689,703
Escrow fee on Colorado SIB note payable	-	(5,500)
Payments on Colorado SIB note payable	(212,224)	-
Proceeds of capital grants	5,353,903	323,316
Acquisition of property and equipment	(6,004,105)	(1,821,853)
Net Cash Used by Capital and Related Financing Activities	(36,397)	(700,954)
Cash Flows from Investing Activities:		
Net reduction in investments	-	111,316
Interest on investments	938	2,183
Net Cash Provided by Investing Activities	938	113,499
Net Increase (Decrease) in Cash	121,322	(377,169)
Cash, beginning of year	1,463,645	1,840,814
Cash, end of year	\$ 1,584,967	\$ 1,463,645

### Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:

Operating loss	\$ (1,651,010)	\$ (1,532,665)
Change in assets and liabilities:		
Increase (decrease) in:		
Long-term lease amortization	(2,278)	(2,278)
Depreciation and amortization	1,717,445	1,619,736
Decrease (increase) in accounts receivable	2,888	(14,718)
Increase in prepaid items	(5,039)	(4,387)
Decrease in accounts payable	(47,596)	(2,756)
Increase in accrued expenses	498	1,358
(Increase) decrease in lease revenue invoiced in advance	(6,261)	172
Net Cash Provided by Operating Activities	\$ 8,647	\$ 64,462

See Accompanying Notes to Financial Statements.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting 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 Authority's accounting policies are described below.

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#### 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.

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#### 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 position, 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 position. Proprietary fund type operating statements present increases (revenue) and decreases (expenses) in total net position.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies - Continued:**

#### Basis of Presentation – Continued:

Further, enterprise funds are used to account for operations 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; or 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.

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#### Basis of Accounting:

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

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#### 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.

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#### 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 2017.

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#### Operating Revenue and Expenses:

Operating revenue 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.

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1 - Summary of Significant Accounting Policies - Continued:

#### Contributions of Capital:

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

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#### 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.

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#### Deposits and Investments:

The Authority maintains demand deposits, savings accounts and certificates of deposit with various financial institutions and the Weld County Treasurer. Deposits are displayed on the statement of net position as cash and cash equivalents. 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 and other state statutes.

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#### 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:

Category	Years
Buildings	3-40
Vehicles, equipment and furniture	3-20
Land improvements	5-30

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#### 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.

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 1 - Summary of Significant Accounting Policies - Continued:**

#### 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.

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#### 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.

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 the 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. The Board of Commissioners appropriates funds for the budget year.

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#### Intangible Assets:

The cost of Authority adopted master plans are capitalized and amortized over 5 - 10 years using the straight-line method, and are reported with capital assets.

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#### 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.

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2 – Deposits and Investments:

#### 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, 2017, 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, 2017, the Authority's cash deposits had bank and carrying balances as follows:

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	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	810,452	810,452
With Weld County Treasurer	524,065	524,065
Total Cash Deposits	\$ 1,584,517	\$ 1,584,817

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – Capital Assets:

	Balance, 1/1/17	Additions	Reclassifications/ Deletions	Balance, 12/31/17
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$4,652,475	\$ --	\$ --	\$4,652,475
Construction in progress:				
Master plan development	243,070	--	243,070	--
Runway rehabilitation	556,961	5,773,738	--	6,330,699
Total capital assets not being depreciated	5,452,506	5,773,738	243,070	10,983,174
Capital assets being depreciated:				
Land improvements	28,430,424	161,259	1,548,709	27,042,974
Buildings and improvements	4,067,405	--	--	4,067,405
Vehicles, equipment and furniture	1,365,903	69,109	15,195	1,419,817
Master plan	170,021	243,070	170,021	243,070
Total capital assets being depreciated	34,033,753	473,438	1,733,925	32,773,266
Less Accumulated Depreciation:				
Land improvements	19,580,894	1,507,980	1,548,709	19,540,165
Buildings and improvements	1,909,739	83,675	--	1,993,414
Vehicles, equipment and furniture	779,009	104,123	15,195	867,937
Master plan	108,742	21,667	110,162	20,247
Total accumulated depreciation	22,378,384	1,717,445	1,674,066	22,421,763
Total capital assets being depreciated, net	11,655,369	(1,244,007)	59,859	10,351,503
Business-type activities capital assets, net	\$17,107,875	\$ 4,529,731	\$ 302,929	\$21,334,677

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 – Capital Assets – Continued:

	Balance, 1/1/16	Additions	Deletions	Balance, 12/31/16
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,657,807	\$ --	\$ 5,332	\$4,652,475
Construction in progress:				
Master plan development	240,673	2,397	--	243,070
Runway rehabilitation design	467,180	89,781	--	556,961
Infrastructure/rehabilitation design	44,258	--	44,258	--
Infrastructure improvement studies	103,256	--	103,256	--
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	--	--	170,021
Total capital assets being depreciated	32,979,627	1,802,014	747,888	34,033,753
Less Accumulated Depreciation:				
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	--	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	\$17,473,248	\$ 274,456	\$ 639,829	\$17,107,875

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 – Long-Term Debt:

Changes in long-term obligations for the year ended December 31, 2017 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Colorado State Infrastructure Bank Note	\$1,000,000	\$ --	\$ 190,247	\$809,753	\$ 195,003

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. 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:

Year Ending December 31	Principal	Interest	Total
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
	\$ 809,753	\$ 51,235	\$ 860,988

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 5 –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.

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### **NOTE 6 – 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.

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7 – 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. 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.

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### NOTE 8 – 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, 2017, are summarized by source as follows:

Federal Aviation Administration	\$ 5,315,126
State of Colorado	234,290
<u>Total capital contributions</u>	<u>\$ 5,549,416</u>

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### NOTE 9 – 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 years ended December 31, 2017 and 2016 totaled \$15,381 and \$14,770, respectively.

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# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10 – 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, 2017 of \$1,097,280. There are 114 T-hangar units and 14 storage units. During 2017, monthly rental rates ranged from \$210 to \$423 for each hangar unit and \$110 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.

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#### Noncancelable Land and/or Terminal Area Leases:

The Authority leases depreciable property with a total cost of \$2,344,796 and accumulated depreciation of \$1,055,862 at December 31, 2017, 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 \$556,414 at December 31, 2017. Also, the Authority entered into an oil and gas lease in January for various tracts of land totaling 396 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 15.0% 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, 2017:

Year Ending December 31	
2018	\$ 233,924
2019	216,197
2020	185,622
2021	121,182
Total	\$ 756,925

Included in this schedule are noncancelable land rents received in advance as of December 31, 2017 of \$131,456. Revenue is recognized annually for the amount of \$2,278.

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SUPPLEMENTARY INFORMATION

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## SCHEDULE OF FINANCIAL RESOURCES PROVIDED, APPLIED AND CHANGES IN WORKING CAPITAL - BUDGET AND ACTUAL

Year Ended December 31, 2017	2017 Actual	Original and Final Budget	Variance	2016 Actual
<u>FINANCIAL RESOURCES PROVIDED</u>				
<u>Leases and rentals</u>				
Land rents	\$ 249,246	\$ 239,721	\$ 9,525	\$ 241,331
Air National Guard land	2,278	2,278	-	2,278
Hangar rents	366,301	374,227	(7,926)	384,911
Tie-downs	660	660	-	660
Office and restaurant	14,642	14,642	-	14,355
Farm cash rents	14,195	14,656	(461)	14,043
Other rents	55,245	53,662	1,583	58,934
<b>Total leases and rentals</b>	<b>702,567</b>	<b>699,846</b>	<b>2,721</b>	<b>716,512</b>
<u>Charges for services</u>				
Fuel flow fees	25,410	27,000	(1,590)	25,522
Operators licenses	6,060	6,450	(390)	6,300
<u>Other operating revenue</u>				
Colorado fuel and sales tax distribution	31,806	35,000	(3,194)	29,430
Finance charges	-	300	(300)	-
Miscellaneous revenue	71,268	25,000	46,268	34,337
<b>Total other operating revenue</b>	<b>103,074</b>	<b>60,300</b>	<b>42,774</b>	<b>63,767</b>
<u>Other financial resources provided</u>				
Grants from FAA	5,315,126	5,879,666	(564,540)	80,803
Grants from State of Colorado	234,290	250,000	(15,710)	11,139
Proceeds of Colorado SIB escrow	310,297	-	310,297	689,703
Earnings on investments	938	1,200	(262)	2,183
Oil and gas royalties and leases	112,123	160,000	(47,877)	155,128
Amortization of long-term portion - Air National Guard lease revenue	-	-	-	(2,278)
Proceeds from sale of assets and grants of permanent easements	16,973	10,000	6,973	84,000
Utility infrastructure cost recovery	-	483,960	(483,960)	483,960
<b>Total other resources provided</b>	<b>5,989,747</b>	<b>6,784,826</b>	<b>(795,079)</b>	<b>1,504,638</b>
<b>Total resources provided</b>	<b>6,826,858</b>	<b>7,578,422</b>	<b>(751,564)</b>	<b>2,316,739</b>

Continued on next page.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## SCHEDULE OF FINANCIAL RESOURCES PROVIDED, APPLIED AND CHANGES IN WORKING CAPITAL - BUDGET AND ACTUAL

Year Ended December 31, 2017	2017 Actual	Original and Final Budget	Variance	2016 Actual
<b><u>FINANCIAL RESOURCES APPLIED</u></b>				
<b><u>Personnel services</u></b>				
Salaries and wages	\$ 374,548	\$ 383,214	\$ 8,666	\$ 366,522
FICA/Medicare	29,350	29,316	(34)	27,046
Health and life insurance	79,572	77,870	(1,702)	55,808
Unemployment benefits	-	-	-	936
Worker's compensation	12,054	10,657	(1,397)	6,075
Retirement contributions	15,381	16,332	951	14,770
Employee wellness	957	2,000	1,043	1,208
<b>Total personnel services</b>	<b>511,862</b>	<b>519,389</b>	<b>7,527</b>	<b>472,365</b>
<b><u>Contractual services</u></b>				
Audit	8,500	8,500	-	8,500
Security	2,763	3,800	1,037	2,544
Legal	2,096	2,500	404	2,120
EPA storm water assessment	185	185	-	185
Internet fees/other professional fees	3,422	3,500	78	2,941
<b>Total contractual services</b>	<b>16,966</b>	<b>18,485</b>	<b>1,519</b>	<b>16,290</b>
<b><u>Supplies</u></b>				
Office supplies	2,518	2,700	182	3,041
Computer software	265	2,500	2,235	745
Consumable supplies	4,723	4,500	(223)	4,430
Durable supplies/tools	7,355	3,000	(4,355)	8,241
Uniforms and clothing	6,596	5,300	(1,296)	5,616
<b>Total supplies</b>	<b>21,457</b>	<b>18,000</b>	<b>(3,457)</b>	<b>22,073</b>
<b><u>Repairs and maintenance</u></b>				
Buildings	19,586	7,000	(12,586)	9,295
Equipment	16,292	20,000	3,708	22,411
Grounds	14,132	16,000	1,868	12,188
<b>Total repairs and maintenance</b>	<b>50,010</b>	<b>43,000</b>	<b>(7,010)</b>	<b>43,894</b>
<b><u>Utilities</u></b>				
Telephone	6,716	11,500	4,784	12,498
Electric	39,571	42,000	2,429	37,258
Water utility	3,100	3,200	100	2,748
Irrigation water assessments	13,029	16,000	2,971	13,416
Gas	9,683	9,000	(683)	7,812
<b>Total utilities</b>	<b>72,099</b>	<b>81,700</b>	<b>9,601</b>	<b>73,732</b>

Continued on next page.

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## SCHEDULE OF FINANCIAL RESOURCES PROVIDED, APPLIED AND CHANGES IN WORKING CAPITAL - BUDGET AND ACTUAL

Year Ended December 31, 2017	2017 Actual	Original and Final Budget	Variance	2016 Actual
<u>FINANCIAL RESOURCES APPLIED - Continued</u>				
<u>Other</u>				
Insurance	\$ 61,248	\$ 58,240	\$ (3,008)	\$ 56,312
Equipment rent	3,069	8,000	4,931	5,893
Dues and subscriptions	2,975	3,500	525	3,184
Miscellaneous	3,768	500	(3,268)	180
Bad debts	-	500	500	-
Credit card processing	4,064	5,200	1,136	4,715
Postage	950	1,800	850	1,586
Promotion and advertising	855	2,500	1,645	4,176
ARFF equipment/training	2,413	3,000	587	576
Fuel for equipment	10,144	16,000	5,856	8,887
Meetings and travel	8,796	6,000	(2,796)	11,167
<b>Total other</b>	<b>98,282</b>	<b>105,240</b>	<b>6,958</b>	<b>96,676</b>
<b>Total current operating expenses</b>	<b>770,676</b>	<b>785,814</b>	<b>15,138</b>	<b>725,030</b>
<u>Debt service</u>				
Interest and loan escrow fees	21,977	-	(21,977)	21,390
Principal payments	190,247	-	(190,247)	-
<b>Total debt service</b>	<b>212,224</b>	<b>-</b>	<b>(212,224)</b>	<b>21,390</b>
<u>Capital outlay</u>				
Property and equipment	6,004,106	6,836,210	832,104	1,849,933
<b>Total resources applied</b>	<b>6,987,006</b>	<b>7,622,024</b>	<b>825,265</b>	<b>2,596,353</b>
<b>INCREASE (DECREASE) IN FINANCIAL RESOURCES</b>	<b>(160,148)</b>	<b>(43,602)</b>	<b>(116,546)</b>	<b>(279,614)</b>
<u>WORKING CAPITAL*</u>				
Beginning of year	1,827,274	1,827,274	-	2,106,888
<b>End of year</b>	<b>\$1,667,126</b>	<b>\$1,783,672</b>	<b>\$ (116,546)</b>	<b>\$1,827,274</b>

\*Current assets minus current liabilities, deposits, plus current portion of notes payable and advance lease payments.

**GREELEY-WELD COUNTY AIRPORT AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended December 31, 2017**

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<u>Agency/Program Grant Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
<u>Department of Transportation</u> Airport Improvement Program	20.106	\$ 5,099,050
<u>Total Federal Assistance</u>		<u>\$ 5,099,050</u>

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Note: Schedule is prepared on the accrual basis of accounting.

The Authority did not provide federal awards to sub recipients.

The organization does not utilize the 10% de minimis rate for indirect costs.



Independent Auditors' 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 Commissioners  
Greeley-Weld County Airport Authority  
Greeley, Colorado

We have audited in accordance with auditing standards generally accepted in the United States 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 Greeley-Weld County Airport Authority and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as of and for the year ended December 31, 2017, and have issued our report thereon dated September 17, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Greeley-Weld County Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greeley-Weld County Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Greeley-Weld County Airport Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we 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 the Greeley-Weld County Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 our 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.

*Anderson & Whitney, P.C.*

September 17, 2018



Independent Auditors' Report on Compliance for Each Major Federal Program  
and Internal Control Over Compliance Required by the Uniform Guidance

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

**Report on Compliance for Each Major Federal Program**

We have audited Greeley-Weld County Airport Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017. Greeley-Weld County Airport Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Greeley-Weld County Airport Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we 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 Greeley-Weld County Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Greeley-Weld County Airport Authority's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Greeley-Weld County Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that are applicable to its major federal program for the year ended December 31, 2017.

### **Internal Control Over Compliance**

The management of Greeley-Weld County Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Greeley-Weld County Airport Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist which have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Anderson & Whitney, P.C.*

September 17, 2018

# GREELEY-WELD COUNTY AIRPORT AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2017

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### SUMMARY OF AUDITORS' RESULTS

- |  |                            |
|--|----------------------------|
| ➤ Type of report issued on financial statements            | Unmodified                 |
| ➤ Internal control over financial reporting:               |                            |
| Material weaknesses identified                             | No                         |
| Significant deficiencies identified                        | None reported              |
| ➤ Noncompliance material to the financial statements noted | No                         |
| ➤ Internal control over federal awards:                    |                            |
| Material weaknesses identified                             | No                         |
| Significant deficiencies identified                        | No                         |
| ➤ Type of report issued on major programs                  | Unmodified                 |
| ➤ Audit findings disclosed                                 | None under .510(a).        |
| ➤ Major programs   | Airport Improvement 20.106 |
| ➤ Dollar threshold between Type A and Type B programs      | \$750,000                  |
| ➤ Low-risk auditee   | No                         |

### FINDINGS RELATED TO FINANCIAL STATEMENTS

- None Reported

### FINDINGS RELATED TO FEDERAL PROGRAMS

- None Reported