

GREELEY-WELD COUNTY
AIRPORT AUTHORITY



FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017



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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 years ended December 31, 2018 and 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. 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, 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, 2018 and 2017, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

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 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 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.

Anderson & Whitney, P.C.

September 6, 2019

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 years ended December 31, 2018 and 2017.

FINANCIAL HIGHLIGHTS

- * The Authority's working capital position decreased from \$1,471,367 to \$1,289,420, due to completing capital assets and paying down debt. The current ratio at December 31, 2018 is 3.0 to 1.0, down from 3.6 to 1.0 at December 31, 2017. 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 decreased 1.4% or \$323,035, primarily due to oil and gas royalty and easement income of \$83,855 and insurance proceeds of \$1,357,085, offset by charges for depreciation and amortization for 2018 of \$1,953,368. Most of the Authority's net position is reflected in the net investment in capital assets – 96%. Accordingly, these assets are not an available source for future spending.
- * The Authority had a net loss before capital contributions for 2018 of \$1,940,454, which was primarily the result of depreciation and amortization expense in the amount of \$1,953,368, less oil and gas royalty and easement income of \$83,855. 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 2018 operating income before depreciation and amortization was \$12,914, an decrease of \$53,521 from the operating income before depreciation of \$66,435 for 2017.
- * During 2018, the Authority expended \$111,974 less than total budgeted expenditures. This is primarily because the budget was amended for the receipt of insurance proceeds.
- * Capital purchases include - \$817,171 towards runway rehabilitation and taxiway improvements, and \$569,022 for improvement of hangar roofs due to hail.

- * 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 2019 budget reflects these goals.
- * The Authority entered into new leases effective during the year of 2018. 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, 2018, assets exceeded liabilities by \$21,737,558.

The following table provides a summary of the Authority's net position for 2018 and 2017.

December 31	2018	2017
Assets:		
Current and other assets	\$ 1,923,254	\$ 2,035,064
Capital assets	20,769,082	21,334,677
Total Assets	22,692,236	23,369,741
Liabilities:		
Current liabilities	633,834	563,697
Noncurrent liabilities	320,944	745,450
Total Liabilities	954,778	1,309,147
Net Position:		
Net investment in capital assets	20,769,082	20,524,924
Unrestricted	968,476	1,535,620
Total Net Position	\$ 21,737,558	\$ 22,060,594

Current assets decreased due to finishing the Authority's share of the runway rehabilitation project and the early pay-down of debt.

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 Authority will generally have a net loss, due to depreciation expense, except for years there are significant federally funded capital projects.

The following table indicates the changes in net position:

December 31	2018	2017
Revenue:		
Operating revenue:		
Leases and rentals	\$ 692,758	\$ 702,567
Other operating revenue	153,003	134,544
Nonoperating revenue:		
Oil and gas lease revenue	83,854	112,123
Earnings on investments	429	938
Gain (loss) on disposal of assets	41,500	(40,608)
Insurance proceeds	1,357,085	--
Capital contributions	146,568	5,549,416
Total Revenue and Capital Contributions	2,475,197	6,458,980
Expenses:		
Operating expenses:		
Personal services	530,285	511,862
Contractual services	31,326	16,966
Supplies	19,157	21,457
Repairs and maintenance	39,450	50,010
Utilities	93,116	72,099
Other operating expenses	119,513	98,282
Depreciation and amortization	1,953,368	1,717,445
Nonoperating expenses:		
Interest expense	12,018	21,977
Total Expenses	2,798,233	2,510,098
Change in Net Position	\$ (323,036)	\$ 3,948,882

Capital contributions decreased in 2018 as a result of capital construction financed by capital grants for runway 17/35 that was primarily received in 2017.

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	2018	2017
ASSETS		
Current Assets:		
Cash on hand	\$ 150	\$ 150
Cash in checking	3,188	4,250
Cash with Weld County Treasurer	584,737	524,065
Cash in money market accounts	934,195	1,056,502
Total Cash and Cash Equivalents	1,522,270	1,584,967
Receivables:		
Leases and fees	94,590	121,894
Oil and gas royalties	7,015	14,597
Utility and other expense reimbursements	7,249	5,082
Grants and capital contributions:		
Federal Aviation Administration	253,573	241,094
State of Colorado	-	43,869
Colorado fuel and sales tax distribution	-	6,918
Total Receivables	362,427	433,454
Prepaid Items	38,557	16,643
Total Current Assets	1,923,254	2,035,064
Noncurrent Assets:		
Capital Assets:		
Nondepreciable capital assets	4,652,475	10,983,174
Depreciable capital assets - net	16,116,607	10,351,507
Total Noncurrent Assets	20,769,082	21,334,681
TOTAL ASSETS	\$ 22,692,336	\$ 23,369,745

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GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF NET POSITION

December 31	2018	2017
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 291,558	\$ 216,088
Current portion of lease revenue received in advance	2,278	2,278
Current portion of Colorado SIB note payable	205,301	195,003
Compensated absences	17,870	24,575
Accrued wages	16,279	16,200
Payroll taxes and benefits payable	1,233	1,209
Accrued interest payable	6,322	12,867
Lease revenue invoiced in advance	92,993	95,477
Total Current Liabilities	633,834	563,697
Noncurrent Liabilities:		
Colorado SIB note payable	192,522	614,750
Lease revenue received in advance - Colorado Air National Guard	126,900	129,178
Tenant deposits	1,522	1,522
Total Noncurrent Liabilities	320,944	745,450
TOTAL LIABILITIES	954,778	1,309,147
NET POSITION		
Net investment in capital assets	20,769,082	20,524,924
Unrestricted	968,476	1,535,670
TOTAL NET POSITION	\$ 21,737,558	\$ 22,060,594

See Accompanying Notes to Financial Statements.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF ACTIVITIES

Years Ended December 31	2018	2017
Operating Revenue:		
Leases and rentals	\$ 692,758	\$ 702,567
Charges for services	19,114	25,410
Operators licenses	4,660	6,060
Other operating revenue	129,229	103,074
Total Operating Revenue	845,761	837,111
Operating Expenses:		
Personnel services	530,285	511,862
Contractual services	31,326	16,966
Supplies	19,157	21,457
Repairs and maintenance	39,450	50,010
Utilities	93,116	72,099
Other operating expenses	119,513	98,282
Depreciation	1,953,368	1,717,445
Total Operating Expenses	2,786,215	2,488,121
Operating Income (Loss)	(1,940,454)	(1,651,010)
Nonoperating Revenue (Expenses):		
Earnings on investments	429	938
Oil and gas revenue	83,854	112,123
Gain (loss) on disposal of assets	41,500	(40,608)
Interest expense and loan escrow fee	(12,018)	(21,977)
Insurance proceeds	1,357,085	-
Capital contributions	146,568	5,549,416
Net Nonoperating Revenue	1,617,418	5,599,892
Net Income (Loss)	(323,036)	3,948,882
Net Position, Beginning of Year	22,060,594	18,111,712
Net Position, End of Year	\$ 21,737,558	\$ 22,060,594

See Accompanying Notes to Financial Statements.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended December 31	2018	2017
Cash Flows from Operating Activities:		
Cash received from customers	\$ 956,020	\$ 831,460
Cash payments to suppliers	(332,985)	(311,449)
Cash payments to employees	(543,432)	(511,364)
Net Cash Provided by Operating Activities	79,603	8,647
Cash Flows From Noncapital Financing Activities:		
Oil and gas lease revenue	47,174	148,134
Net Cash Provided by Noncapital Financing Activities	47,174	148,134
Cash Flows from Capital and Related Financing Activities:		
Proceeds fom sale of assets and grants of permanent easements	85,196	515,732
Proceeds from Colorado SIB note payable	-	310,297
Payments on Colorado SIB note payable	(423,948)	(212,224)
Proceeds of capital grants	177,958	5,353,903
Proceeds from insurance	1,357,085	-
Acquisition of property and equipment	(1,386,194)	(6,004,105)
Net Cash Used by Capital and Related Financing Activities	(189,903)	(36,397)
Cash Flows from Investing Activities:		
Interest on investments	429	938
Net Cash Provided by Investing Activities	429	938
Net Increase (Decrease) in Cash	(62,697)	121,322
Cash, beginning of year	1,584,967	1,463,645
Cash, end of year	\$ 1,522,270	\$ 1,584,967

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

Operating loss	\$ (1,940,454)	\$ (1,651,010)
Change in assets and liabilities:		
Increase (decrease) in:		
Long-term lease amortization	(2,278)	(2,278)
Depreciation and amortization	1,951,788	1,717,445
Decrease (increase) in accounts receivable	32,622	2,888
(Increase) decrease in prepaid items	(21,914)	(5,039)
(Decrease) increase in accounts payable	75,470	(47,596)
Increase (decrease) in accrued expenses	(13,147)	498
(Increase) decrease in lease revenue invoiced in advance	(2,484)	(6,261)
Net Cash Provided by Operating Activities	\$ 79,603	\$ 8,647

See Accompanying Notes to Financial Statements.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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.

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 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

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.

Basis of Accounting:

Accounting is on the accrual basis. Revenue 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.

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 2018.

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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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.

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 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.

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

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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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.

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.

The 2018 budget was amended during the year.

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.

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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

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, 2018, 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, 2018, the Authority's cash deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	687,383	687,383
With Weld County Treasurer	584,737	584,737
Total Cash Deposits	\$ 1,522,270	\$ 1,522,270

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets:

	Balance, 1/1/18	Additions	Reclassifications/ Deletions	Balance, 12/31/18
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$4,652,475	\$ --	\$ --	\$ 4,652,475
Construction in progress:				
Runway rehabilitation	6,330,699	--	(6,330,699)	--
Total capital assets not being depreciated	10,983,174	--	(6,330,699)	4,652,475
Capital assets being depreciated:				
Land improvements	27,042,974	817,171	6,330,699	34,190,844
Buildings and improvements	4,067,405	569,022	--	4,636,427
Vehicles, equipment and furniture	1,419,817	--	(255,506)	1,164,311
Master plan	243,070	--	--	243,070
Total capital assets being depreciated	32,773,266	1,386,193	6,075,193	40,234,652
Less Accumulated Depreciation:				
Land improvements	19,540,165	1,736,955	--	21,277,120
Buildings and improvements	1,993,414	100,767	--	2,094,181
Vehicles, equipment and furniture	867,937	89,759	(255,506)	702,190
Master plan	20,247	24,307	--	44,554
Total accumulated depreciation	22,421,763	1,951,788	(255,506)	24,118,045
Total capital assets being depreciated, net	10,351,503	(565,595)	6,330,699	16,116,607
Business-type activities capital assets, net	\$21,334,677	\$ (565,595)	\$ --	\$ 20,769,082

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets – Continued:

	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 4 – Long-Term Debt:

Changes in long-term obligations for the year ended December 31, 2018 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Colorado State Infrastructure Bank Note	\$809,753	\$ --	\$ 411,930	\$397,823	\$ 205,301

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 2020. 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
2019	\$ 205,301	\$ 9,946	\$ 215,247
2020	192,522	4,813	197,335
	\$ 397,823	\$ 14,759	\$ 412,852

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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Taxpayer’s Bill of Rights – Continued:

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 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.

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.

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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Capital Contributions – Continued:

Capital contributions for the year ended December 31, 2018, are summarized by source as follows:

Federal Aviation Administration	\$ 131,241
State of Colorado	15,327
Total capital contributions	\$ 146,568

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, 2018 and 2017 totaled \$12,880 and \$15,381, respectively.

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, 2018 of \$1,124,155. There are 114 T-hangar units and 14 storage units. During 2018, 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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – Operating Leases – Continued:

Noncancelable Land and/or Terminal Area Leases:

The Authority leases depreciable property with a total cost of \$2,067,775 and accumulated depreciation of \$917,073 at December 31, 2018, 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 \$658,161 at December 31, 2018.

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, 2018:

Year Ending December 31	
2019	\$ 216,197
2020	185,622
2021	121,182
Total	\$ 523,001

Included in this schedule are noncancelable land rents received in advance as of December 31, 2018 of \$126,900. Revenue is recognized annually for the amount of \$2,278.

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, 2018	2018 Actual	Original Budget	Final Budget	Variance
<u>FINANCIAL RESOURCES PROVIDED</u>				
<u>Leases and rentals</u>				
Land rents	\$ 256,308	\$ 253,441	\$ 253,441	\$ 2,867
Air National Guard land	2,278	2,278	2,278	-
Hangar rents	363,311	389,737	389,737	(26,426)
Tie-downs	940	660	660	280
Office and restaurant	15,081	15,081	15,081	-
Farm cash rents	13,740	14,240	14,240	(500)
Other rents	41,100	59,100	59,100	(18,000)
Total leases and rentals	692,758	734,537	734,537	(41,779)
<u>Charges for services</u>				
Fuel flow fees	19,114	26,000	26,000	(6,886)
Operators licenses	4,660	6,060	6,060	(1,400)
<u>Other operating revenue</u>				
Colorado fuel and sales tax distribution	30,964	33,000	33,000	(2,036)
Finance charges	-	300	300	(300)
Miscellaneous revenue	98,265	62,868	62,868	35,397
Total other operating revenue	129,229	96,168	96,168	33,061
<u>Other financial resources provided</u>				
Grants from FAA	131,241	362,406	362,406	(231,165)
Grants from State of Colorado	15,327	12,868	12,868	2,459
Earnings on investments	429	400	400	29
Oil and gas royalties and leases	40,159	70,000	70,000	(29,841)
Amortization of long-term portion - Air National Guard lease revenue	-	-	-	-
Proceeds from sale of assets and grants of permanent easements	85,196	-	-	85,196
Proceeds from insurance claims	1,357,085	-	1,357,085	-
Total other resources provided	1,629,437	445,674	1,802,759	(173,322)
Total resources provided	2,475,198	1,308,439	2,665,524	(190,326)

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GREELEY-WELD COUNTY AIRPORT AUTHORITY

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

Year Ended December 31, 2018	2018 Actual	Original Budget	Final Budget	Variance
<u>FINANCIAL RESOURCES APPLIED</u>				
<u>Personnel services</u>				
Salaries and wages	\$ 396,984	\$ 396,546	\$ 396,546	\$ (438)
FICA/Medicare	29,804	30,413	30,413	609
Health and life insurance	89,285	92,653	92,653	3,368
Worker's compensation	9,476	10,485	10,485	1,009
Retirement contributions	12,880	16,781	16,781	3,901
Employee wellness	290	2,000	2,000	1,710
Total personnel services	538,719	548,878	548,878	10,159
<u>Contractual services</u>				
Audit	11,500	12,000	12,000	500
Security	5,495	3,500	3,500	(1,995)
Legal	1,540	2,500	2,500	960
EPA storm water assessment	-	185	185	185
Internet fees/other professional fees	12,790	3,500	3,500	(9,290)
Total contractual services	31,325	21,685	21,685	(9,640)
<u>Supplies</u>				
Office supplies	2,610	3,000	3,000	390
Computer software	1,318	2,000	2,000	682
Consumable supplies	6,008	4,500	4,500	(1,508)
Durable supplies/tools	4,087	3,000	3,000	(1,087)
Uniforms and clothing	5,135	5,500	5,500	365
Total supplies	19,158	18,000	18,000	(1,158)
<u>Repairs and maintenance</u>				
Buildings	16,500	10,500	10,500	(6,000)
Equipment	11,836	20,000	20,000	8,164
Grounds	11,114	16,000	16,000	4,886
Total repairs and maintenance	39,450	46,500	46,500	7,050
<u>Utilities</u>				
Telephone	6,629	11,000	11,000	4,371
Electric	42,363	45,000	45,000	2,637
Water utility	3,853	3,200	3,200	(653)
Irrigation water assessments	29,278	14,000	14,000	(15,278)
Natural gas	10,993	9,000	9,000	(1,993)
Total utilities	93,116	82,200	82,200	(10,916)

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GREELEY-WELD COUNTY AIRPORT AUTHORITY

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

Year Ended December 31, 2018	2018 Actual	Original Budget	Final Budget	Variance
<u>FINANCIAL RESOURCES APPLIED - Continued</u>				
<u>Other</u>				
Insurance	\$ 72,130	\$ 60,815	\$ 60,815	\$ (11,315)
Equipment rent	2,804	6,000	6,000	3,196
Dues and subscriptions	3,108	3,500	3,500	392
Miscellaneous	5,101	1,500	1,500	(3,601)
Bad debts	-	500	500	500
Credit card processing	5,206	5,200	5,200	(6)
Postage	1,387	1,500	1,500	113
Promotion and advertising	1,073	2,500	2,500	1,427
ARFF equipment/training	1,625	3,000	3,000	1,375
Fuel for equipment	13,458	15,000	15,000	1,542
Meetings and travel	13,621	13,000	13,000	(621)
Total other	119,513	112,515	112,515	(6,998)
Total current operating expenses	841,281	829,778	829,778	(11,503)
<u>Debt service</u>				
Interest and loan escrow fees	12,018	-	-	(12,018)
Principal payments	411,930	-	-	(411,930)
Total debt service	423,948	-	-	(423,948)
<u>Capital outlay</u>				
Property and equipment	1,523,580	713,920	2,071,005	547,425
Total resources applied	2,788,809	1,543,698	2,900,783	111,974
<u>INCREASE (DECREASE) IN FINANCIAL RESOURCES</u>	(313,611)	(235,259)	(235,259)	(78,352)
<u>WORKING CAPITAL*</u>				
Beginning of year	1,667,126	1,667,126	1,667,126	-
End of year	\$1,353,515	\$1,431,867	\$1,431,867	(78,352)

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