

GREELEY-WELD COUNTY
AIRPORT AUTHORITY



FINANCIAL STATEMENTS

Years Ended December 31, 2022 and 2021



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Independent Auditors' Report

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

Opinions

We have audited the accompanying financial statements of the business-type activities of the Greeley-Weld County Airport Authority (the Authority) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greeley-Weld County Airport Authority as of December 31, 2022 and 2021, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of a Matter

As discussed in Note 1, the Authority adopted the provisions of Governmental Accounting Standards Board Statement Number 87, *Leases* as of January 1, 2022. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States require that management discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on pages 27-29 is 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.

Anderson & Whitney, P.C.

September 21, 2023

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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, 2022 and 2021.

FINANCIAL HIGHLIGHTS

- * The Authority's working capital position increased from \$2,345,598 to \$2,642,422, due to increased Oil and gas and reducing expenses. The current ratio at December 31, 2022 is 4.95 to 1, down from 14.81 to 1 at December 31, 2021. 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 2.98% or \$538,761, primarily due to oil and gas royalty and easement income of \$216,722 and federal and state grants of \$551,706 offset by charges for depreciation and amortization for 2022 of \$1,392,128. Most of the Authority's net position is reflected in the net investment in capital assets – 85%. Accordingly, these assets are not an available source for future spending.
- * The Authority had a net loss before capital contributions for 2022 of \$1,310,663, which was primarily the result of depreciation and amortization expense in the amount of \$1,392,128. A heavy investment in depreciable infrastructure results in large annual provisions for depreciation. Airports are generally not able to fully recover capital costs through user fees or rents because they are financed primarily by federal capital grants. However, the infrastructure must be maintained, and the Authority budgets for such maintenance, through some combination of the Authority's own resources, state grants and support from City of Greeley and Weld County, Colorado. The 2022 operating income before depreciation and amortization was \$81,465, a decrease of \$50,558 from the operating income before depreciation of \$132,023 for 2021.
- * During 2022, the Authority expended \$6,076,760 less than total budgeted expenditures. This is primarily because of capital outlay was less than budgeted expenditures.
- * Capital purchases include - \$501,121 towards the design plan of the runway and \$13,485 towards a DictoGuard Camera.

- * 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 2023 budget reflects these goals.
- * The Authority entered into new leases effective during the year 2022. 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, 2022, assets exceeded liabilities by \$17,535,516.

The following table provides a summary of the Authority's net position for 2022 and 2021.

December 31	2022	2021
Assets:		
Current and other assets	\$ 3,351,125	\$ 2,515,444
Capital assets	14,975,239	15,852,547
Noncurrent assets	2,993,778	--
Total Assets	21,320,142	18,367,991
Liabilities:		
Current liabilities	669,258	169,846
Noncurrent liabilities	121,590	123,868
Total Liabilities	790,848	293,714
Deferred Inflows of Resources	2,993,778	--
Net Position:		
Net investment in capital assets	14,975,239	15,852,547
Unrestricted	2,560,277	2,221,730
Total Net Position	\$ 17,535,516	\$ 18,074,277

Capital assets and the related net investment in capital assets decreased primarily due to depreciation expense being more than capital outlay during the year.

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 when there are significant federally funded capital projects.

The following table indicates the changes in net position:

December 31	2022	2021
Revenue:		
Operating revenue:		
Leases and rentals	\$ 777,359	\$ 761,472
Other operating revenue	98,511	76,442
Nonoperating revenue:		
Federal and State grants	551,706	6,353
Oil and gas revenue	216,722	229,126
Earnings on investments	3,474	126
Gain on disposal of assets	--	--
Capital contributions	--	--
Total Revenue and Capital Contributions	1,647,772	1,073,519
Expenses:		
Operating expenses:		
Personal services	463,779	445,516
Contractual services	23,279	22,449
Supplies	17,917	12,006
Repairs and maintenance	63,388	34,528
Utilities	126,749	96,723
Other operating expenses	99,293	94,669
Depreciation and amortization	1,392,128	1,415,559
Nonoperating expenses:		
Interest expense	--	--
Total Expenses	2,186,533	2,121,450
Change in Net Position	\$ (538,761)	\$(1,047,931)

Revenue increased in 2022 due to grants from the Federal Aviation Administration.

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	2022	2021
ASSETS		
Current Assets:		
Cash on hand	\$ 150	\$ 150
Cash in checking	-	2,000
Cash with Weld County Treasurer	1,128,543	1,010,303
Cash in money market accounts	2,023,279	1,304,460
Total Cash and Cash Equivalents	3,151,972	2,316,913
Receivables:		
Leases and fees	149,828	130,551
Grants and capital contributions:		
State of Colorado	24,721	-
Total Receivables	174,549	130,551
Prepaid Items	24,604	67,980
Total Current Assets	3,351,125	2,515,444
Noncurrent Assets:		
Capital Assets:		
Nondepreciable capital assets	4,652,475	4,652,475
Construction in Progress	501,121	-
Depreciable capital assets - net	9,821,643	11,200,072
Leases Receivable	2,993,778	-
Total Noncurrent Assets	17,969,017	15,852,547
TOTAL ASSETS	\$ 21,320,142	\$ 18,367,991

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GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF NET POSITION

December 31	2022	2021
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 530,025	\$ 33,272
Compensated absences	17,827	16,924
Accrued wages	15,584	14,263
Payroll taxes and benefits payable	1,184	1,083
Accrued interest payable	6,322	6,322
Lease revenue invoiced in advance	98,316	97,982
Total Current Liabilities	669,258	169,846
Noncurrent Liabilities:		
Lease revenue received in advance - Colorado Air National Guard	120,068	122,346
Tenant deposits	1,522	1,522
Total Noncurrent Liabilities	121,590	123,868
TOTAL LIABILITIES	790,848	293,714
Deferred Inflows of Resources:		
Land leases	2,993,778	-
Deferred Inflows of Resources:	2,993,778	-
NET POSITION		
Net investment in capital assets	14,975,239	15,852,547
Unrestricted	2,560,277	2,221,730
TOTAL NET POSITION	\$ 17,535,516	\$ 18,074,277

See Accompanying Notes to Financial Statements.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF ACTIVITIES

Years Ended December 31	2022	2021
Operating Revenue:		
Leases and rentals	\$ 777,359	\$ 761,472
Charges for services	23,481	22,746
Operators licenses	3,905	4,385
Other operating revenue	71,125	49,311
Total Operating Revenue	875,870	837,914
Operating Expenses:		
Personnel services	463,779	445,516
Contractual services	23,279	22,449
Supplies	17,917	12,006
Repairs and maintenance	63,388	34,528
Utilities	126,749	96,723
Other operating expenses	99,293	94,669
Depreciation	1,392,128	1,415,559
Total Operating Expenses	2,186,533	2,121,450
Operating Income (Loss)	(1,310,663)	(1,283,536)
Nonoperating Revenue (Expenses):		
Earnings on investments	3,474	126
Federal and State Grants	551,706	6,353
Oil and gas revenue	216,722	229,126
Net Nonoperating Revenue	771,902	235,605
Net Loss	(538,761)	(1,047,931)
Net Position, Beginning of Year	18,074,277	19,122,208
Net Position, End of Year	\$ 17,535,516	\$ 18,074,277

See Accompanying Notes to Financial Statements.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

Years Ended December 31	2022	2021
Cash Flows from Operating Activities:		
Cash received from customers	\$ 831,872	\$ 850,248
Cash payments to suppliers	207,345	(259,609)
Cash payments to employees	(461,454)	(447,993)
Net Cash Provided by Operating Activities	577,763	142,646
Cash Flows From Noncapital Financing Activities:		
Oil and gas lease revenue	216,722	229,126
Net Cash Provided by Noncapital Financing Activities	216,722	229,126
Cash Flows from Capital and Related Financing Activities:		
Payments on Colorado SIB note payable	-	(2,278)
Proceeds of capital grants	-	5,400
Proceeds from Federal and State grants	551,706	6,353
Acquisition of property and equipment	(514,606)	(50,880)
Net Cash (Provided) Used by Capital and Related Financing Activities	37,100	(41,405)
Cash Flows from Investing Activities:		
Interest on investments	3,474	126
Net Cash Provided by Investing Activities	3,474	126
Net Increase (Decrease) in Cash	835,059	330,493
Cash, beginning of year	2,316,913	1,986,420
Cash, end of year	\$ 3,151,972	\$ 2,316,913
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Operating loss	\$ (1,310,663)	\$ (1,283,536)
Change in assets and liabilities:		
Increase (decrease) in:		
Long-term lease amortization	-	-
Depreciation and amortization	1,392,128	1,415,559
Decrease (increase) in accounts/grants receivable	(43,998)	5,088
(Increase) decrease in prepaid items	43,376	(851)
(Decrease) increase in accounts payable	496,753	7,246
Increase (decrease) in accrued expenses	2,325	(2,477)
(Increase) decrease in lease revenue invoiced in advance	(2,158)	1,617
Net Cash Provided by Operating Activities	\$ 577,763	\$ 142,646

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 safe and efficient airport environment serving a thriving aviation gateway in the Northern Colorado and Front Range region propelling economic growth.

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 2022.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Leases:

As of January 1, 2022, the beginning of the period of adoption, the Authority has implemented the provisions of GASB 87, *Leases*. Prior periods were not restated due to the number of leases outstanding. The Authority determines if an arrangement is a lease at inception. For individual lease contracts where information about the discount rate implicit in the lease is not included, the Authority has elected to use the incremental borrowing rate of 7%, which represents the rate at which it could borrow funds for a term equivalent to the lease agreements, to calculate the present value of expected lease payments. The lease term includes the non-cancellable period of the lease. The lease term may include options to extend or terminate the leases which it is reasonably certain that the option will be exercised.

As lessor, the Authority recognizes a lease receivable and a deferred inflow of resources in the Authority's enterprise fund. At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, plus certain indirect costs. Subsequently, deferred inflow of resources is recognized as revenue over the life of the lease term.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets if certain changes occur that are expected to significantly affect the amount of the lease asset.

Estimates and judgements related to leases includes how the Authority determines the discount rate, lease terms, and lease receipts.

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.

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, 2021, 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, 2022, the Authority's cash deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	1,773,429	1,773,429
With Weld County Treasurer	1,128,543	1,128,543
Total Cash Deposits	\$ 3,151,972	\$ 3,151,972

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets:

	Balance, 1/1/22	Additions	Reclassifications /Deletions	Balance, 12/31/22
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$ 4,652,475	\$ --	\$ --	\$ 4,652,475
Construction in progress	-	501,121	--	501,121
Total capital assets not being depreciated	4,652,475	501,121	--	5,153,596
Capital assets being depreciated:				
Land improvements	34,457,173	--	--	34,457,173
Buildings and improvements	4,808,093	--	--	4,808,093
Vehicles, equipment and furniture	1,205,012	13,485	--	1,218,497
Master plan	243,070	--	--	243,070
Total capital assets being depreciated	40,713,348	13,485	--	40,726,833
Less Accumulated Depreciation:				
Land improvements	25,864,196	1,134,512	--	26,998,708
Buildings and improvements	2,580,069	164,846	--	2,744,915
Vehicles, equipment and furniture	951,538	68,250	--	1,019,788
Master plan	117,472	24,307	--	141,779
Total accumulated depreciation	29,513,275	1,391,915	--	30,905,190
Total capital assets being depreciated, net	11,200,072	(1,378,429)	--	9,821,643
Business-type activities capital assets, net	\$15,852,547	\$ (877,308)	\$ --	\$14,975,239

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Capital Assets – Continued:

	Balance, 1/1/21	Additions	Reclassifications/ Deletions	Balance, 12/31/21
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$4,652,475	\$ --	\$ --	\$ 4,652,475
Total capital assets not being depreciated	4,652,475	--	--	4,652,475
Capital assets being depreciated:				
Land improvements	34,435,425	21,748	--	34,457,173
Buildings and improvements	4,778,961	29,132	--	4,808,093
Vehicles, equipment and furniture	1,205,011	--	--	1,205,011
Master plan	243,070	--	--	243,070
Total capital assets being depreciated	40,662,467	50,880	--	40,713,347
Less Accumulated Depreciation:				
Land improvements	24,720,260	1,143,936	--	25,864,196
Buildings and improvements	2,417,128	162,941	--	2,580,069
Vehicles, equipment and furniture	867,163	84,375	--	951,538
Master plan	93,165	24,307	--	117,472
Total accumulated depreciation	28,097,716	1,415,559	--	29,513,275
Total capital assets being depreciated, net	12,564,751	(1,364,679)	--	11,200,072
Business-type activities capital assets, net	\$17,217,226	\$(1,364,679)	\$ --	\$15,852,547

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 4 – Taxpayer’s Bill of Rights:

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

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

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

NOTE 5 – 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.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – 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 7 – 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, 2022, are summarized by source as follows:

State of Colorado runway reimbursement	\$ 24,721
Federal runway reimbursement	444,985
<u>Total capital contributions</u>	<u>\$ 469,706</u>

Additional one-time federal funding of \$82,000 was received in 2022 that was used by the Airport to support payroll expenditures.

NOTE 8 – 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, 2022 and 2021 totaled \$11,568 and \$14,300, respectively.

GREELEY-WELD COUNTY AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Leases:

Noncancelable Land and/or Terminal Area Leases:

The Authority leases depreciable property with a total cost of \$2,067,775 and accumulated depreciation at December 31, 2022 and 2021 of \$1,070,351 and \$1,020,583, respectively, and land underground 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 \$790,277 and \$746,238 at December 31, 2022 and 2021, respectively.

Future minimum lease receipts on noncancelable leases are as follows:

<u>Years Ending December 31</u>	
2023	\$ 354,947
2024	310,096
2025	308,899
2026	291,505
2027	281,905
2028-2032	1,210,312
2033-2037	1,065,168
2038-2042	884,267
2043-2047	497,133
2048-2052	245,247
Total minimum lease receipts	5,449,479
Less: Amount representing interest	(2,455,701)
Present value of future minimum lease receipts	<u>\$ 2,993,778</u>

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 \$1,876,545 with accumulated depreciation at December 31, 2022 and 2021 of \$1,396,448 and \$1,326,646, respectively. There are 114 T-hangar units and 14 storage units. During 2022, 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 – Contingencies

In 2021 there was a claim that if asserted has a possible unfavorable outcome in the sum of approximately \$42,000 involving an airplane propeller and related damages.

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, 2022	2022 Actual	Original & Final Budget	Variance
<u>FINANCIAL RESOURCES PROVIDED</u>			
<u>Leases and rentals</u>			
Land rents	\$ 396,180	\$ 346,168	\$ 50,012
Air National Guard land	2,278	2,278	-
Hangar rents	347,324	360,000	(12,676)
Tie-downs	660	660	-
Office and restaurant	16,358	20,000	(3,642)
Farm cash rents	14,559	14,500	59
Total leases and rentals	777,359	808,774	(31,415)
<u>Charges for services</u>			
Fuel flow fees	23,481	21,000	2,481
Operators licenses	3,905	4,385	(480)
<u>Other operating revenue</u>			
Colorado fuel and sales tax distribution	58,005	32,000	26,005
Miscellaneous revenue	13,120	23,817	(10,697)
Total other operating revenue	71,125	55,817	15,308
<u>Other financial resources provided</u>			
Federal funding	526,985	5,943,708	(5,416,723)
Grants from State of Colorado	24,721	268,500	(243,779)
Earnings on investments	3,474	120	3,354
Oil and gas royalties and leases	216,722	70,000	146,722
Total other resources provided	771,902	6,282,328	(5,510,426)
Total resources provided	1,647,772	7,172,304	(5,524,532)

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, 2022	2022 Actual	Original & Final Budget	Variance
<u>FINANCIAL RESOURCES APPLIED</u>			
<u>Personnel services</u>			
Salaries and wages	\$ 364,314	\$ 393,457	\$ 29,143
FICA/Medicare	27,614	30,176	2,562
Health and life insurance	56,758	70,000	13,242
Worker's compensation	3,289	5,000	1,711
Retirement contributions	11,568	16,963	5,395
Employee wellness	236	1,500	1,264
Total personnel services	463,779	517,096	53,317
<u>Contractual services</u>			
Audit	13,400	12,600	(800)
Security	3,120	4,500	1,380
Legal	2,730	20,000	17,270
EPA storm water assessment	-	185	185
Internet fees/other professional fees	4,029	4,500	471
Total contractual services	23,279	41,785	18,506
<u>Supplies</u>			
Office supplies	1,006	3,500	2,494
Computer software	7,357	7,500	143
Consumable supplies	5,101	5,000	(101)
Durable supplies/tools	1,020	2,000	980
Uniforms and clothing	3,433	3,750	317
Total supplies	17,917	21,750	3,833
<u>Repairs and maintenance</u>			
Buildings	4,921	11,250	6,329
Equipment	25,000	25,000	-
Grounds	33,467	16,000	(17,467)
Total repairs and maintenance	63,388	52,250	(11,138)
<u>Utilities</u>			
Telephone	18,448	18,000	(448)
Electric	59,411	46,000	(13,411)
Water utility	3,961	6,000	2,039
Irrigation water assessments	20,840	15,000	(5,840)
Natural gas	24,089	10,500	(13,589)
Total utilities	126,749	95,500	(31,249)

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, 2022	2022 Actual	Original & Final Budget	Variance
FINANCIAL RESOURCES APPLIED - Continued			
<u>Other</u>			
Insurance	\$ 67,879	\$ 67,000	\$ (879)
Equipment rent	2,562	5,000	2,438
Dues and subscriptions	2,790	4,000	1,210
Miscellaneous	206	500	294
Bad debts	-	-	-
Credit card processing	4,707	5,600	893
Postage	45	1,500	1,455
Promotion and advertising	150	2,500	2,350
ARFF equipment/training	-	3,000	3,000
Fuel for equipment	15,160	15,000	(160)
Meetings and travel	5,794	8,000	2,206
Total other	99,293	112,100	12,807
Total current operating expenses	794,405	840,481	46,076
<u>Debt service</u>			
Principal payments	24,307		(24,307)
Total debt service	24,307	-	(24,307)
<u>Capital outlay</u>			
Property and equipment	514,606	6,569,597	6,054,991
Total resources applied	1,333,318	7,410,078	6,076,760
INCREASE (DECREASE) IN FINANCIAL RESOURCES	314,454	(237,774)	(552,228)
<u>WORKING CAPITAL*</u>			
Beginning of year	2,350,538	2,350,538	-
End of year	\$2,664,992	\$2,112,764	\$ (552,228)

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