

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
(A Component Unit of the City of Wayne, Nebraska)**

**FINANCIAL STATEMENTS**

**September 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the City of Wayne Municipal Airport Board  
Wayne, Nebraska

We have audited the accompanying financial statements of the governmental activities and the major fund of the Wayne Municipal Airport, Wayne, Nebraska, a component unit of the City of Wayne, Nebraska, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express

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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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Wayne Municipal Airport, Wayne, Nebraska as of September 30, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

The financial statements present only the Wayne Municipal Airport component unit and do not purport to, and do not, present fairly the financial position of the City of Wayne, Nebraska, as of September 30, 2019, and the change in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–10 and 36–37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020, on our consideration of the Wayne Municipal Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Wayne

Municipal Airport's 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 Wayne Municipal Airport's internal control over financial reporting and compliance.

AMGL, P.C.

Grand Island, Nebraska  
January 16, 2020

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended September 30, 2019**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Wayne Municipal Airport, we offer readers of the Wayne Municipal Airport financial statements this narrative overview and analysis of the financial activities of the Wayne Municipal Airport for the fiscal year ended September 30, 2019.

**Financial Highlights**

- The assets of the Wayne Municipal Airport exceeded its liabilities at the close of the most recent fiscal year by \$9,246,408 (*net position*). Of this amount, *unrestricted net position* which may be used to meet the government's ongoing obligations to citizens and creditors, was \$1,163,612.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,163,612, or 78.0 percent of General Fund expenditures for the year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Wayne Municipal Airport's basic financial statements. The Wayne Municipal Airport's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Wayne Municipal Airport's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Wayne Municipal Airport's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Wayne Municipal Airport is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2019**

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Both of the government-wide financial statements distinguish functions of the Wayne Municipal Airport that are principally supported by taxes and intergovernmental revenues (*governmental activities*).

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Wayne Municipal Airport, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Wayne Municipal Airport maintains one individual governmental fund, the General Fund.

The Wayne Municipal Airport adopts an annual appropriated budget for its governmental fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-35 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Wayne Municipal Airport's budgetary comparison schedules. Required supplementary information can be found on pages 36-37 of this report.

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2019**

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**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Wayne Municipal Airport, assets exceeded liabilities by \$9,246,408 at the close of the most recent fiscal year.

**Statements of Net Position - Governmental Activities**

	<u><b>2019</b></u>	<u><b>2018</b></u>
Current and Other Assets	\$ 1,296,116	\$ 300,456
Capital Assets	8,297,972	7,381,244
Total Assets	9,594,088	7,681,700
Long-term Liabilities	187,712	79,194
Other Liabilities	159,968	87,379
Total Liabilities	347,680	166,573
Net Position:		
Net Investment in Capital Assets	8,082,796	7,287,866
Unrestricted	1,163,612	227,261
Total Net Position	\$ 9,246,408	\$ 7,515,127

A significant portion of the Wayne Municipal Airport's net position (87.4 percent) reflects its investment in capital assets (land, improvements, buildings, and equipment), net of any related debt used to acquire those assets that is still outstanding. The Wayne Municipal Airport uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Wayne Municipal Airport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of *unrestricted net position*, \$1,163,612, may be used to meet the government's ongoing obligations to citizens and creditors.

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2019**

**Expenses and Program Revenues – Governmental Activities**

<u>Function</u>	<u>2019</u>		<u>2018</u>	
	<u>Program Revenues</u>	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Program Expenses</u>
Airport Operations	\$ 2,193,011	\$ 560,681	\$ 1,053,348	\$ 529,900

**Revenues by Source – Governmental Activities**

<u>Sources of Revenue</u>	<u>2019</u>		<u>2018</u>	
Charges for Services	\$ 194,766	8.5 %	\$ 191,715	16.8 %
Operating Grants and Contributions	1,200,000	52.4	-	-
Capital Grants and Contributions	798,245	34.8	861,633	75.6
Property Taxes	87,779	3.8	84,423	7.4
Interest	11,498	0.5	1,312	0.1
Loss on Asset Disposal	(326)	-	-	-
Other Income	-	-	445	0.1
Total	<u>\$ 2,291,962</u>	<u>100.0 %</u>	<u>\$ 1,139,528</u>	<u>100.0 %</u>

Net position increased \$1,731,281 for the governmental activities during the year.

**Financial Analysis of the Government's Fund**

As noted earlier, the Wayne Municipal Airport uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Fund.** The focus of the Wayne Municipal Airport's *governmental* fund is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Wayne Municipal Airport's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Wayne Municipal Airport's general fund reported an ending fund balance of \$1,163,612, all of which is *unassigned fund balance*, which is available for spending at the government's discretion.

The fund balance of the Wayne Municipal Airport's General Fund increased by \$936,351 during the current fiscal year.

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2019**

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**General Fund Budgetary Highlights**

There was no difference between the original budget and the final adopted budget.

**Capital Assets and Debt Administration**

**Capital Assets.** The Wayne Municipal Airport's investment in capital assets for its governmental activities as of September 30, 2019, amounts to \$8,297,972 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, and equipment.

Significant capital asset additions (greater than \$10,000) during the current fiscal year were as follows:

- Construction in progress on parallel taxiway - \$887,140
- Hangar approaches - \$215,844
- Vault building - \$39,658
- Runway lighting refurbishment- \$77,311

**Wayne Municipal Airport's Capital Assets  
(net of depreciation)**

	<u>2019</u>	<u>2018</u>
Land	\$ 287,776	\$ 287,776
Construction in progress	2,105,884	1,209,467
Buildings	2,117,676	2,149,437
Improvements	3,674,551	3,650,476
Equipment	112,085	84,088
Total	\$ 8,297,972	\$ 7,381,244

Additional information on the Wayne Municipal Airport's capital assets can be found in Note C2 on page 30 of this report.

**Long-term debt.** At the end of the current fiscal year, the Wayne Municipal Airport had the following long-term debt outstanding:

**WAYNE MUNICIPAL AIRPORT, WAYNE, NEBRASKA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued  
For The Year Ended September 30, 2019**

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**Wayne Municipal Airport's Outstanding Debt**

	September 30, <u>2019</u>	September 30, <u>2018</u>	Increase (Decrease)
Notes Payable	<u>\$ 215,176</u>	<u>\$ 93,378</u>	<u>\$ 121,798</u>

The Wayne Municipal Airport's total debt increased by \$121,798 (130.4 percent) during the current fiscal year as \$135,982 of loan proceeds were received for the hangar approach project.

The Wayne Municipal Airport does not have a bond rating.

Additional information on the Wayne Municipal Airport's long-term debt can be found in Note C3 on pages 31-32 of this report.

**Economic Factors and Next Year's Budgets and Rates**

Property tax asking for the year ending September 30, 2020, is \$89,206, which is \$1,749 (2.0 percent) higher than the prior year.

There are currently long term contracts in place for the farm ground, the Airport Manager and the Fixed Base Operator (FBO). There are annual leases on the hangars.

The current Airport Authority wants to promote general aviation so they set their Avgas price at a rate to cover the equipment costs and maintenance. This rate has been lower than most of the airports in the area and has increased traffic at the airport. There seems to be a growing demand for jet fuel too. The board may need to consider how to accommodate those customers.

They are trying to create interest in ground schools. Obtaining a certified instructor has been challenging as we don't have a high demand by students.

**Request for Information**

This financial report is designed to provide a general overview of the Wayne Municipal Airport's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Wayne, 306 Pearl Street, P.O. Box 8, Wayne, NE 68787.

**WAYNE MUNICIPAL AIRPORT**  
**WAYNE, NEBRASKA**  
(A Component Unit of the City of Wayne)

**STATEMENT OF NET POSITION**

**September 30, 2019**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 1,210,665
County treasurer cash	3,922
Accounts receivable	4,501
Grants receivable	62,567
Property taxes receivable	3,347
Fuel inventory	4,981
Prepaid insurance	6,133
Total current assets	1,296,116

Noncurrent assets:

Capital assets:

Land	287,776
Construction in progress	2,105,884
Other capital assets, net of depreciation	5,904,312
Net capital assets	8,297,972
<b>Total assets</b>	9,594,088

**LIABILITIES**

Current liabilities:

Accounts payable	130,044
Unavailable property tax	2,431
Due to City of Wayne	29
Current portion of long-term debt	27,464
Total current liabilities	159,968

Noncurrent liabilities:

Noncurrent portion of long-term debt	187,712
<b>Total liabilities</b>	347,680

**NET POSITION**

Net investment in capital assets	8,082,796
Unrestricted	1,163,612
<b>Total net position</b>	\$ 9,246,408

See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
(A Component Unit of the City of Wayne)**

**STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2019**

**Program expenses:**

Airport operations	\$ 248,504
Depreciation	312,177
Total program expenses	560,681

**Program revenues:**

Charges for services	194,766
Operating grants and contributions	1,200,000
Capital grants and contributions	798,245
Total program revenues	2,193,011

Program revenues in excess of expenses	1,632,330
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**General revenues:**

Property taxes	87,779
Interest income	11,498
Loss on assets	(326)
Total general revenues	98,951

<b>Increase in net position</b>	1,731,281
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Net position - beginning of the year	7,515,127
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Net position - end of the year	\$ 9,246,408
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See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT**  
**WAYNE, NEBRASKA**  
**(A Component Unit of the City of Wayne)**

**BALANCE SHEET - GOVERNMENTAL FUND**  
**September 30, 2019**

**ASSETS**

Cash and cash equivalents	\$ 1,210,665
County treasurer cash	3,922
Accounts receivable	4,501
Grants receivable	62,567
Property taxes receivable	3,347
Fuel inventory	4,981
Prepaid insurance	<u>6,133</u>

**Total assets** \$ 1,296,116

**LIABILITIES AND  
FUND BALANCES**

Liabilities:

Accounts payable	\$ 130,044
Unavailable property tax	2,431
Due to City of Wayne	<u>29</u>
Total liabilities	132,504

Fund balances:

Unassigned	<u>1,163,612</u>
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**Total liabilities and  
fund balances** \$ 1,296,116

See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
(A Component Unit of the City of Wayne)**

**RECONCILIATION OF THE BALANCE SHEET -  
GOVERNMENTAL FUND TO THE  
STATEMENT OF NET POSITION**

**September 30, 2019**

**Total fund balance - governmental fund** \$ 1,163,612

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund. The cost of the assets is \$10,740,568, and the accumulated depreciation is \$2,442,596. 8,297,972

Long-term debt is not due and payable in the current period, and therefore is not reported as liabilities in the fund.  
Long-term liabilities at year end consist of:

Notes payable (215,176)

**Total net position - governmental activities** \$ 9,246,408

See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT**  
**WAYNE, NEBRASKA**  
(A Component Unit of the City of Wayne)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUND**

**For the year ended September 30, 2019**

**REVENUES**

Property taxes	\$ 87,779
Grant income	798,245
Tradewind Energy agreement	1,200,000
Fuel sales	110,354
Rent and use fees	37,236
Farm income	47,175
Interest income	11,498
Loan proceeds	135,982
Total revenues	2,428,269

**EXPENDITURES**

Contract services	39,000
Fuel	100,838
Insurance	22,478
Postage, printing, and publishing	2,011
Professional services	7,982
Rent	4,600
Repairs and maintenance	43,047
Supplies	39
Utilities	25,383
Vehicle expenses	1,960
Miscellaneous	1,165
Capital outlay	1,229,231
Principal payments on debt	14,184
Total expenditures	1,491,918

<b>Net change in fund balance</b>	<b>936,351</b>
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Fund balance - September 30, 2018	227,261
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Fund balance - September 30, 2019	\$ 1,163,612
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See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT**  
**WAYNE, NEBRASKA**  
**(A Component Unit of the City of Wayne)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES**

**For the year ended September 30, 2019**

<b>Total net change in fund balance - governmental fund</b>	\$ 936,351
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Amounts reported for *governmental activities* in the statement of activities are different because:

Capital outlays are reported in the governmental fund as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay (\$1,229,231) exceeded depreciation expense (\$312,177) in the period.

917,054

Basis remaining on capital asset disposals is not reported in the governmental fund statements. However, the remaining basis decreases the gain on disposal of capital assets in the statement of activities.

(326)

Loan proceeds are reported as revenue in the governmental fund, but the receipt increases long-term liabilities in the statement of net position.

(135,982)

Repayment of bond and note principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.

14,184

**Change in net position of governmental activities**

\$ 1,731,281

See notes to financial statements.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS**

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**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Wayne Municipal Airport, Wayne, Nebraska (Airport) (a component unit of the City of Wayne, Nebraska) are prepared in accordance with generally accepted accounting principles (GAAP). The Airport's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note.

**1. Financial Reporting Entity**

The Airport operates under a Board form of government with an elected legislative body composed of five members. The Airport is reported as a component unit of the City of Wayne.

The Airport's financial reporting entity comprises the following:

Primary Government:	Wayne Municipal Airport
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In determining the financial reporting entity, the Airport complies with the provisions of GASB Statement No. 61, and has addressed all potential component units (traditionally separate reporting entities) for which the Authority may be financially accountable, and, as such, should be included within the Authority's financial statements. The Authority (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Authority. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**1. Financial Reporting Entity, continued**

**Blended Component Units**

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Airport Board or the component unit provides services entirely to the Airport. These component units' funds are blended into those of the Airport by appropriate activity type to compose the primary government presentation. Currently, the Airport has no blended component units.

**Discretely Presented Component Units**

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. The Airport has no discretely presented component units currently.

**2. Basis of Presentation**

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the Airport or meets the following criteria:

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**2. Basis of Presentation, continued**

**Fund Financial Statements, continued**

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described below:

**Governmental Fund**

*General Fund*

The General Fund is the primary operating fund of the Airport and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Major and Nonmajor Funds**

The funds are further classified as major or nonmajor as follows:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
<i>Major:</i>	
Governmental: General	See above for description.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**3. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

**Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, the governmental fund is presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity**

**Estimates**

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

**Cash and Cash Equivalents**

For the purpose of the Statement of Net Position, “cash and cash equivalents” include all demand accounts and savings accounts. The County Treasurer’s cash represents revenues collected not yet remitted to the Airport.

Certificates of deposit are carried at cost, which approximates fair market value. Additional cash and cash equivalent disclosures are presented in Notes B2, C1, and D1.

When both restricted and unrestricted resources are available for use, it is the Airport’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. The Airport has not recorded an allowance for uncollectible accounts receivable.

**Capital Assets**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Capital Assets, continued**

*Government-wide Statements*

In the government-wide financial statements, capital assets are capitalized and reported on the Statement of Net Position. The Airport has a \$5,000 capitalization threshold. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The Airport has elected the depreciation approach for reporting infrastructure.

Depreciation of governmental capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

Buildings	40 years
Improvements	10-30 years
Equipment	5 years

Prior to July 1, 1980, infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost. The cost of normal maintenance, preservation, and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Long-term Debt**

The accounting treatment of long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

*Government-wide Statements*

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of bonds payable.

*Fund Financial Statements*

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**4. Assets, Liabilities, and Equity, continued**

**Equity Classifications, continued**

*Fund Financial Statements*

Governmental fund equity is classified as fund balance.

Effective October 1, 2010, the Airport adopted GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

**Nonspendable**—Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted**—Amounts that can be spent only for specific purposes because of the Airport Charter, state or federal laws or externally imposed conditions by grantors or creditors.

**Committed**—Amounts that can be used only for specific purposes determined by a formal action by Airport Board ordinance or resolution.

**Assigned**—Amounts that are designated by management for a specific purpose but are not spendable until a budget ordinance is passed by the Airport Board.

**Unassigned**—All amounts not included in other spendable classifications.

The details of the fund balances are included in the Governmental Fund Balance Sheet (page 13). Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by the Airport Board or the Assignment has been changed by management. Decreases to fund balance first reduce Unassigned Fund balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**5. Revenues, Expenditures, and Expenses**

**Property Taxes**

The Airport has the power to levy taxes each year sufficient to pay any judgment existing against the Airport, the interest on bonded debt, and the principal on bonded debt maturing during the fiscal year or within six months thereafter, as well as taxes authorized by state law.

The tax levies for all political subdivisions in Wayne County are certified by the County Board on or before October 15. Real estate taxes are due on December 31 and attach as an enforceable lien and become delinquent in two equal installments on May 1 and September 1. Personal property taxes are due in the same manner as real estate taxes. Delinquent taxes bear 14 percent interest.

Property taxes levied for 2018-2019 are recorded as revenue when received by the County.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by character and function for governmental activities.

In the fund financial statements, the governmental fund reports expenditures of financial resources, classified by character and function.

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

By its nature as a local government unit, the Airport is subject to various federal, state, and local laws and contractual regulations. An analysis of the Airport's compliance with significant laws and regulations and demonstration of its stewardship over Airport resources follows:

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**1. Fund Accounting Requirements**

The Airport complies with all state and local laws and regulations requiring the use of separate funds.

**2. Deposit Laws and Regulations**

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Airport's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance or with U.S. Treasury and U.S. agency securities having an aggregate value at least equal to the amount of the deposits. The Airport's cash deposits are insured up to \$250,000 and certificates of deposit/savings accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits or certificates of deposit in excess of the FDIC limits are insured by collateral held by the pledging institution in the Airport's name.

**3. Revenue Restrictions**

The Airport has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are described in Note A2.

**4. Budgetary Data**

The Airport is required by state laws to adopt annual budgets for all fund types. Each budget is presented on the cash basis of accounting, which is consistent with the requirements of the state budget act.

The Nebraska Budget Act provides the prescribed budget practices and procedures that governing bodies are required to follow. The amounts that may be budgeted for certain specific funds are subject to various expenditure and/or tax levy limitations.

The Airport follows these procedures in establishing the budgetary data reflected in the accompanying financial statements.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, continued**

**4. Budgetary Data, continued**

- a. On or before August 1, the Airport prepares a budget for the fiscal year commencing October 1. The budget includes proposed expenditures and resources available.
- b. The budget is published with subsequent public hearings to obtain taxpayer comments.
- c. Prior to September 20, the Board adopts the budget, which is then filed with the appropriate state and county officials.
- d. Total expenditures may not legally exceed total appropriations. Appropriations lapse at year end and any revisions require board approval.
- e. The County Clerk certifies a preliminary property tax levy for each fund of the Airport, which levied property taxes in the county the previous year based on the combined valuation and amount required for the Airport the prior year. The preliminary levy becomes the final levy unless the governing board passes, by a majority vote, a resolution setting the levy at a different amount.
- f. The property tax requirements resulting from the budget process are utilized by the County Assessor to establish the tax levy. Taxes are levied annually on or before October 15. Real property taxes and personal property taxes are due December 31 with the first half delinquent May 1 and the second half delinquent September 1.
- g. Appropriations lapse at the end of the fiscal year, except for capital improvement appropriations and certain encumbrances against operating budgets.
- h. The Wayne Municipal Airport adopts a budget by resolution for all funds.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements for the Airport’s various assets, liabilities, equity, revenues, and expenditures/expenses.

**1. Cash and Cash Equivalents**

**Deposits**

The Airport’s policies regarding deposits of cash are discussed in Note A4. The table presented below is designed to disclose how its deposits were insured or secured with collateral at September 30, 2019. The categories of collateral are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the Airport (or public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the Airport’s name.

Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Airport’s name; or collateralized with no written or approved collateral agreement.

<u>Types of Deposits</u>	<u>Total Bank Balance</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Total Carrying Value</u>
Demand deposits	\$ 1,218,700	\$ 250,000	\$ 968,700	\$ -	\$ <u>1,210,665</u>

Reconciliation to Government-wide Statement of Net Position:

Primary Government –

Unrestricted cash and cash equivalents \$ 1,210,665

**WAYNE MUNICIPAL AIRPORT  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**2. Capital Assets**

Capital asset activity for the year ended September 30, 2019, was as follows:

	<u>Balance at</u> <u>September 30, 2018</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance at</u> <u>September 30, 2019</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 287,776	\$ -	\$ -	\$ 287,776
Construction in progress	1,209,467	896,417	-	2,105,884
	<u>1,497,243</u>	<u>896,417</u>	<u>-</u>	<u>2,393,660</u>
Other capital assets being depreciated:				
Buildings	2,561,545	39,658	-	2,601,203
Improvements	5,167,914	215,845	-	5,383,759
Equipment	284,635	77,311	-	361,946
Total other capital assets at historical cost	8,014,094	332,814	-	8,346,908
Less accumulated depreciation for:				
Buildings	(412,108)	(71,419)	-	(483,527)
Improvements	(1,517,438)	(191,482)	(288)	(1,709,208)
Equipment	(200,547)	(49,276)	(38)	(249,861)
Total accumulated depreciation	<u>(2,130,093)</u>	<u>(312,177)</u>	<u>(326)</u>	<u>(2,442,596)</u>
Other capital assets, net	<u>5,884,001</u>	<u>20,637</u>	<u>(326)</u>	<u>5,904,312</u>
Governmental activities capital assets, net	<u>\$ 7,381,244</u>	<u>\$ 917,054</u>	<u>\$ (326)</u>	<u>\$ 8,297,972</u>

Construction in progress at September 30, 2019, consists of \$2,096,606 of engineering and construction contractor costs for the parallel taxiway and a \$9,278 down payment on a flight simulator. See note D2 for additional details of contractual commitments on these projects.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**3. Long-term Debt**

**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended September 30, 2019:

<u>Type of Debt</u>	Balance at September 30, 2018	<u>Additions</u>	<u>Deductions</u>	Balance at September 30, 2019	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Notes payable	\$ 93,378	\$ 135,982	\$ (14,184)	\$ 215,176	\$ 27,464

**Governmental Activities**

As of September 30, 2019, the governmental long-term liabilities consisted of the following:

Notes payable:

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, with \$95,747 of the \$262,001 maximum being advanced during the year ended September 30, 2014. The note is due in 120 monthly payments of \$1,986. \$ 79,194

Non-interest-bearing note payable to the Nebraska Department of Aeronautics, with \$135,982 of the \$182,000 maximum being advanced during the year ended September 30, 2019. The note is due in 120 monthly payments of \$1,520. 135,982

\$ 215,176

Current portion \$ 27,464

Noncurrent portion 187,712

Total \$ 215,176

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE C – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS, continued**

**3. Long-term Debt, continued**

**Governmental Activities, continued**

Annual debt service requirements to maturity, for long-term debt as of September 30, 2019, are as follows:

<u>Year Ending September 30,</u>	<u>Direct Placement Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 27,464	\$ -	\$ 27,464
2021	32,424	-	32,424
2022	32,424	-	32,424
2023	32,424	-	32,424
2024	32,424	-	32,424
2025-2029	58,016	-	58,016
	\$ 215,176	\$ -	\$ 215,176

**NOTE D – OTHER NOTES**

**1. Risk Management**

The Airport is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Airport has purchased commercial insurance to offset these certain risks. Settled claims have not significantly exceeded this commercial coverage in any of the past three years.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE D – OTHER NOTES, continued**

**1. Risk Management, continued**

**Deposits and Investments**

***Custodial Credit Risk.*** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for the Airport's investments at September 30, 2019, are held by banks in the name of the Airport. The Airport has only demand deposits.

***Interest Rate Risk.*** As a means of limiting its exposure to fair value losses arising from rising interest rates, the Airport's investment policy requires that market conditions and investment securities be analyzed to determine the maximum yield to be obtained and to minimize the impact of rising interest rates. The Airport holds no certificates of deposit with maturities at September 30, 2019.

***Credit Risk.*** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Airport does not have any investments.

***Concentration of Credit Risk.*** The Airport's investment policy places no limit on the amount that may be invested in any one issuer. At September 30, 2019, the Airport's bank deposits consisted of the following:

<u>Financial Institution</u>	<u>Amount</u>
Elkhorn Valley Bank	\$ <u>1,210,665</u>

***Foreign Currency Risk.*** This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Airport's investments had no exposure to foreign currency risk and the Airport held no investments denominated in foreign currency at September 30, 2019.

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE D – OTHER NOTES, continued**

**2. Commitments**

At September 30, 2019, the Airport had the following contractual commitment:

	<u>Contract Amount</u>	<u>Incurred as of 9/30/19</u>	<u>Remaining Commitment</u>	<u>Expected Completion Date</u>
Parallel taxiway:				
Engineering	\$ 475,319	\$ 459,219	\$ 16,100	December 2019
Contractor	1,973,964	1,431,066	542,898	December 2019
North partial taxiway:				
Engineering	152,100	55,480	96,620	December 2019
Flight simulator	92,779	9,278	83,501	October 2019

**Airport Management Contract**

On January 1, 2019, the Airport entered into a five year management contract for \$3,000 per month.

Future commitments under this contract as of September 30, 2019, are as follows:

<u>Year ending September 30,</u>	<u>Commitment</u>
2020	\$ 36,000
2021	36,000
2022	36,000
2023	36,000
2024	<u>9,000</u>
	<u>\$ 153,000</u>

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**NOTES TO FINANCIAL STATEMENTS, Continued**

**September 30, 2019**

**NOTE D – OTHER NOTES, continued**

**2. Commitments, continued**

**Tradewind Energy Agreement**

On November 14, 2016, the Wayne Municipal Airport entered into an agreement with Rattlesnake Creek Wind Project, LLC to remove certain ground-based non-directional beacon equipment. The Airport received a \$300,000 initial payment from Rattlesnake Creek Wind Project, LLC during the year ended September 30, 2017 to provide training and equipment to various third parties in preparation of the removal of the equipment. During the year ended September 30, 2019, after the Project began commercially generating power, the Project made an additional payment of \$1,200,000 to the Airport.

**3. Tax Abatements**

The Airport is subject to a tax abatement granted by the City of Wayne who has entered into tax increment financing (TIF) agreements with various redevelopers. This TIF program has the stated purpose of increasing business activity and employment in the community.

Under the TIF program, redevelopers can apply for TIF financing whereby the property tax they pay on the increased valuation of property under a TIF agreement is returned to the redeveloper by the City to finance the project for a period of up to 15 years.

Information relevant to the abatements impacting the Airport for the year ended September 30, 2019 is as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated During the Year</u>
Tax Increment Financing	\$ 6,586

**4. Subsequent Events**

Management has evaluated subsequent events through January 16, 2020, the date on which the financial statements were available for issue.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
(A Component Unit of the City of Wayne)**

**BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND**

**Year ended September 30, 2019**

	Budget (Original and Final)	Actual	Variances - Actual Over (Under) Final Budget
<b>RESOURCES (INFLOWS)</b>			
Property taxes	\$ 85,912	\$ 87,907	\$ 1,995
Grant income	5,605,312	808,882	(4,796,430)
Tradewind Energy agreement	1,200,000	1,200,000	-
Fuel sales	110,000	107,887	(2,113)
Rent and use fees	35,000	37,236	2,236
Farm income	45,000	47,175	2,175
Interest income	9,398	11,498	2,100
Loan proceeds	-	135,982	135,982
	7,090,622	2,436,567	(4,654,055)
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Airport operations	253,471	184,427	(69,044)
Capital outlay	6,788,125	1,229,231	(5,558,894)
Principal payments	14,392	14,184	(208)
	7,055,988	1,427,842	(5,628,146)
<b>RESOURCES OVER CHARGES TO APPROPRIATIONS</b>			
	\$ 34,634	\$ 1,008,725	\$ 974,091

**WAYNE MUNICIPAL AIRPORT  
WAYNE, NEBRASKA  
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**BUDGETARY COMPARISON SCHEDULE -  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**Year ended September 30, 2019**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and  
Accrual Basis Revenue and Expenditures**

	<u>General Fund</u>
<b>Sources/inflows of resources:</b>	
Actual amounts of resources (budgetary basis) from the budgetary comparison schedules	\$ 2,436,567
Differences - budget to accrual:	
Cash to accrual adjustments	<u>(8,298)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 2,428,269</u></u>
<b>Uses/outflows of resources:</b>	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,427,842
Differences - budget to accrual:	
Cash to accrual adjustments	<u>64,076</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental fund	<u><u>\$ 1,491,918</u></u>

**ADDITIONAL INFORMATION REQUIRED BY  
*GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

**SHAREHOLDERS:**

Robert D. Almquist  
Phillip D. Maltzahn  
Marcy J. Luth  
Heidi A. Ashoy  
Christine R. Shenk  
Michael E. Høback  
Joseph P. Stump  
Kyle R. Overturf  
Tracy A. Cannon

To the Wayne Municipal Airport Board  
Wayne, Nebraska

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Wayne Municipal Airport, Wayne, Nebraska as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated January 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Wayne Municipal Airport, Wayne, Nebraska'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 the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider to be significant deficiencies.

Segregation of Duties

Due to limited number of personnel, there is not adequate segregation of duties to ensure internal control over cash receipts, disbursements, and recording of transactions.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Wayne Municipal Airport’s financial statements are free of 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*.

**Wayne Municipal Airport’s Response to Findings**

The Wayne Municipal Airport’s response to the findings identified in our audit is that due to the small size of the Airport, it is impractical to further segregate duties. The Airport’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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.

AMGL, INC.

Grand Island, Nebraska  
January 16, 2020