Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and A Component Unit of Eagle County, Colorado)

Financial Statements

December 31, 2017 and 2016

Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of Eagle County Air Terminal Corporation, a Colorado non-profit corporation and a component unit of Eagle County Colorado, which comprise the statement of net position as of December 31, 2017 and 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Eagle County Air Terminal Corporation as of December 31, 2017 and 2016, and the changes in its net position and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Eagle County Air Terminal Corporation has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The budgetary comparison schedule on page 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Eagle County Air Terminal Corporation's financial statements taken as a whole. The Schedule of Passenger Facility Charges Collected and Expended on page 20 is presented for the purpose of additional analysis, as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of Eagle County Air Terminal Corporation's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Passenger Facility Charges Collected and Expended is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018 on our consideration of Eagle County Air Terminal Corporation'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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eagle County Air Terminal Corporation's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
April 23, 2018

Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and
A Component Unit of Eagle County, Colorado)
Statement of Net Position
December 31, 2017 and 2016

	2017	2016
Assets:		
Current Assets:		
Cash and cash equivalents - Unrestricted	106,717	155,441
Accounts receivable, net of allowance for doubtful accounts	358,747	208,726
Prepaid items and deposits	20,968	19,468
Total - Current Assets	486,432	383,635
Noncurrent Assets:		
Restricted assets:		
Cash and cash equivalents - Restricted	42,032,587	11,376,798
Accounts receivable - Restricted	142,618	149,078
Total - Restricted Assets	42,175,205	11,525,876
Investments:		
Investments, net of accumulated amortization	349,328	369,877
Capital assets:		
Non-depreciable capital assets	5,202,632	2,988,536
Depreciable capital assets, net of accumulated depreciation	18,172,797	19,589,330
Total - Capital Assets	23,375,429	22,577,866
Total - Noncurrent Assets	65,899,962	34,473,619
Total Assets	66,386,394	34,857,254
Deferred Outflows of Resources:		
Deferred charge on refunding	267,884	319,037
Total - Deferred Outflows of Resources	267,884	319,037
Liabilities:		
Current Liabilities:		
Accounts payable	134,041	1,051,223
Contracts payable	595,064	-
Due to Eagle County	131,552	100,663
Deferred revenue	34,675	45,343
Accrued interest payable on long-term debt	286,294	71,109
Bonds payable - Current portion	765,000	1,035,000
Total Current Liabilities	1,946,626	2,303,338
Long-term Liabilities:		
Bonds payable, net of current portion	37,216,725	6,709,719
Total Long-term Liabilities	37,216,725	6,709,719
Total Liabilities	39,163,351	9,013,057
Net Position:		
Net investment in capital assets	14,320,835	14,446,408
Restricted	12,920,894	11,525,876
Unrestricted	249,198	190,950
Total Net Position	27,490,927	26,163,234

The accompanying notes are an integral part of these financial statements.

Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and
A Component Unit of Eagle County, Colorado)
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2017 and 2016

	2017	2016
Revenues:		
Rentals	4,807,471	4,856,865
Concessions	233,333	273,796
Advertising	127,083	85,333
Jet Center cost-share lease revenue	-	45,311
Miscellaneous	-	12,685
Total Revenues	5,167,887	5,273,990
Expenses:		
General and Administrative:		
Advertising	-	100
Bank charges	20,499	9,240
Insurance	40,033	39,238
Professional services	91,016	74,846
Other	-	232
Total - General and Administrative	151,548	123,656
Operations:		
Janitorial	283,721	282,847
Maintenance - Building	88,996	113,483
Maintenance - Grounds	18,601	33,352
Management fees	416,716	403,070
Other purchased services	55,998	50,752
Rent	247,744	241,553
Customer service	36,609	43,778
Utilities	172,582	190,122
Total - Operations	1,320,967	1,358,957
Rebate	300,000	300,000
Depreciation and Amortization:		
Depreciation	1,393,733	1,486,306
Amortization	43,349	43,349
Total - Depreciation and Amortization	1,437,082	1,529,655
Total Operating Expenses	3,209,597	3,312,268
Income from Operations	1,958,290	1,961,722
Other Income (Expenses):		
Passenger facility charges	509,754	554,929
Investment income	188,732	4,439
Interest expense	(639,692)	(513,025)
Bond issue costs	(689,391)	-
Change in Net Position	1,327,693	2,008,065
Net Position - Beginning	26,163,234	24,155,169
Net Position - Ending	27,490,927	26,163,234

The accompanying notes are an integral part of these financial statements.

(A Colorado Non-Profit Corporation and
A Component Unit of Eagle County, Colorado)
Statement of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities:		
Rents and concessions received	5,007,197	5,428,649
Other cash receipts	-	12,685
Cash paid for goods and services	(1,954,530)	(1,458,308)
Net Cash Provided (Used) by Operating Activities	3,052,667	3,983,026
Cash Flows From Capital and Related Financing Activities:		
Facility charges received	516,214	546,394
Bond issue costs	(689,391)	-
Bond issue (discount)/premium	3,692,602	-
Interest paid	(528,950)	(468,551)
Proceeds of long-term debt	29,980,000	-
Principal repaid on long-term debt	(3,280,000)	(1,740,000)
Cash paid to purchase capital assets	(2,324,809)	(580,114)
Proceeds from sale of capital assets	-	6,500
Net Cash Provided (Used) by Capital and Related Financing Activities	27,365,666	(2,235,771)
Cash Flows From Investing Activities:		
Interest received	188,732	4,439
Net Cash Provided (Used) By Investing Activities	188,732	4,439
Net Increase (Decrease) in Cash and Cash Equivalents	30,607,065	1,751,694
Cash and Cash Equivalents - Beginning	11,532,239	9,780,545
Cash and Cash Equivalents - Ending	42,139,304	11,532,239
Cash and Cash Equivalents - Ending is comprised of:		
Cash and cash equivalents - Unrestricted	106,717	155,441
Cash and cash equivalents - Restricted	42,032,587	11,376,798
	42,139,304	11,532,239
Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:		
Income from operations	1,958,290	1,961,722
Adjustments to reconcile:		
Depreciation and amortization expense	1,437,082	1,529,655
Change in allowance for doubtful accounts	-	(25,000)
(Increase) decrease in unrestricted accounts receivable	(150,022)	535,102
(Increase) decrease in prepaid items and deposits	(1,500)	(863)
Increase (decrease) in accounts payable and accrued liabilities	(211,404)	309,232
Increase (decrease) in due to Eagle County	30,889	40,936
Increase (decrease) in deferred revenue	(10,668)	(21,246)
Increase (decrease) in security deposits	-	(346,512)
Total Adjustments	1,094,377	2,021,304
Net Cash Provided (Used) by Operating Activities	3,052,667	3,983,026
Noncash investing, capital and financing activities:		
Capital assets purchased on account	-	705,776

The accompanying notes are an integral part of these financial statements.

1. Organization

Eagle County Air Terminal Corporation ("Corporation") was incorporated on April 23, 1996 as a Colorado non-profit corporation to acquire, construct, operate, and maintain certain airport facilities ("Project"). The Corporation owns and operates the airport terminal at the Eagle County Regional Airport for the exclusive benefit of and on behalf of Eagle County, Colorado ("County") and its inhabitants.

The formation of the Corporation was approved by the County, and its operations are governed by a Board of Directors ("Board") appointed by the County's Board of County Commissioners ("County Commissioners"). The Corporation is considered to be a component unit of the County, and the Corporation's net position, changes in net position, and cash flows are included in the County's 2017 and 2016 Comprehensive Annual Financial Report.

The Corporation began operations in 1996. Acquisition and improvement of certain elements of the Project have been financed by the issuance of revenue bonds that are secured by a pledge of revenues from the Project and by a trust indenture between the Corporation and Wells Fargo Bank, National Association, as successor trustee. In September 2017, the trust indenture was restated and amended (collectively, the "Trust Indenture") between the Corporation and UMB Bank, National Association as successor to Wells Fargo Bank, National Association (collectively the "Trustee"). The County has no financial obligation for the debt or operations of the Corporation.

Because the Board is appointed by the County Commissioners, the Corporation is considered a governmental organization and its financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP and used by the Corporation are discussed below.

2. Summary of Significant Accounting Policies

A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the Corporation, and (b) organizations for which the Corporation is financially accountable. The Corporation is considered to be financially accountable for a legally separate organization if it is able to appoint a voting majority of the organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Corporation. In addition, consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the Corporation. Organizations for which the nature and significance of their relationship with the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the Corporation is not financially accountable for any other entity; however, the Corporation is a component unit of the County.

2. Summary of Significant Accounting Policies (continued)

B. Financial Reporting

The Corporation uses funds to report its net position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The Corporation uses a proprietary fund-type, an enterprise fund, to account for its sole activity, operating the airport terminal at the Eagle County Regional Airport. Enterprise funds are used to account for operations (a) which are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Proprietary funds use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items, in that operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Corporation's enterprise fund are charges to lessees to tenants in the airport terminal. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash Equivalents

For the purposes of the Statement of Cash Flows, the Corporation defines cash equivalents as all cash, money market, and savings accounts, plus all investments with original maturities of three months or less.

E. Restricted Assets

Certain of the Corporation's assets are classified as restricted because their use is restricted to specific purposes by bond indentures or other binding commitments. Cash held by the Trustee and Passenger Facility Charges receivable are restricted as a condition of issuing the Corporation's debt.

2. Summary of Significant Accounting Policies (continued)

F. Allowance for Uncollectible Accounts

The Corporation uses the allowance method to recognize the potential uncollectibility of receivables. An allowance in the amount of $0 was recorded at December 31, 2017 (2016 - $0).

G. Capital Assets

Capital assets; which comprise property and equipment with an initial cost in excess of $5,000 and an estimated useful life exceeding two years; are recorded at historical cost. Donated or contributed capital assets are recorded at estimated fair value at the date of donation.

The Corporation's depreciable capital assets are depreciated using the straight-line method over the following estimated useful lives of the underlying assets:

	Years
Land improvements	20
Buildings / improvements	7 - 40
Furniture and fixtures	10
Equipment	5 - 7

Certain interest costs incurred during construction of capital projects have been capitalized rather than reported as an expense of those periods. Capitalized interest related to Project expansions are amortized over 24 years and 30 years, respectively, using the straight-line method.

Land, water rights, and construction in progress are reported at cost, and not subject to depreciation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

H. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate financial statement element – deferred outflows of resources – that represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The Corporation has one item – deferred charge on refunding – that qualifies for reporting in this category at December 31, 2017 and 2016. A deferred charge on refunding represents the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the term of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate financial statement element – deferred inflows of resources – that represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Corporation has no deferred inflows of resources at December 31, 2017 and 2016.

2. Summary of Significant Accounting Policies (continued)

I. Revenue and Expense Classification

Operating revenues and expenses primarily result from leasing space and providing concession rights within and outside the Project. Operating revenues include rentals under agreements with airlines, car rental agencies and other concessionaires. Operating expenses include facilities upkeep, personnel, administrative and other expenses, and depreciation of capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available, it is the Corporation's policy to use restricted resources first, then unrestricted resources as needed.

J. Federal and State Income Tax

The Corporation was formed in accordance with Internal Revenue Service Revenue Ruling 63-20, which provides that a non-profit corporation may issue tax-exempt bonds if it does so "*on behalf of a governmental entity*". The Corporation has complied with the provisions of Revenue Ruling 63-20 and is thus exempt from federal and state income taxes.

K. Budgetary Information – 2017

Budgets are adopted on a basis consistent with GAAP as applied to government units. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year-end.

Prior to December 15, 2016, the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year. After adoption of the budget resolution, the Corporation may approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; approve emergency appropriations; and reduce appropriations for which originally estimated revenues are insufficient.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Cash and Cash Equivalents

The Corporation's cash and cash equivalents at December 31, 2017 and 2016 were as follows:

	2017	2016
Cash and Cash Equivalents - Unrestricted:		
Cash in bank - Checking	$ 106,717	155,441
Cash and Cash Equivalents - Restricted:		
Restricted - Held by Trustee		
Reserves for principal and interest	$ 612,830	749,138
Debt service reserves	2,476,809	773,596
Operating and maintenance reserves	252,266	276,406
Capital and construction reserves	35,813,574	8,556,880
Remaining bond retirement funds	2,877,108	1,020,778
Total - Cash and Cash Equivalents - Restricted	$ 42,032,587	11,376,798

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible depositories. The PDPA specifies eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance ("FDIC") on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets maintained by another institution or held in trust for all of its local government depositors as a group with a market value equal to at least 102 percent of the uninsured deposits

The State Regulatory Commission for banks and savings and loan associations is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2017, the Corporation had bank deposits of $231,748 (2016 - $708,689); of which $250,000 is covered by depositor's insurance; remaining amounts are collateralized with securities held by the pledging financial institution's trust department or agent in the Corporation's name, or in a pledged collateral pool.

Accounts held by the Trustee at December 31, 2017 represent investments in COLOTRUST (2016 – represented secured money market deposits). The fair value of COLOTRUST is determined by the pool's share price and is measured at net asset value. The Corporation has no regulatory oversight for the pool. At December 31, 2016, the fair value of the Corporation's secured market deposit accounts held with the Trustee equals its reported carrying values at.

Interest rate risk is the risk that market interest rate changes will adversely affect the fair value of an investment, where, generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit such exposure, the Corporation limits its investment to those that provide for sufficient liquidity to meet operating requirements, annual debt service, and a reasonable rate of return, while complying with the Trust Indenture. The Corporation's deposits, including money market accounts held by the Trustee pursuant to the Trust Indenture, have maturities of less than one year.

3. Cash and Cash Equivalents (continued)

Credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment, and is measured by assignment of a rating by a nationally recognized rating organization. United States government securities or obligations explicitly guaranteed by the United States government are not considered to have credit risk exposure. At December 31, 2017, the Corporation's COLOTRUST accounts held by the Trustee pursuant to the Trust Indenture, were rated AAAm by Standard & Poor's. At December 31, 2016, the Corporation's deposits, including money market accounts held by the Trustee pursuant to the Trust Indenture, were not rated by Standard & Poor's or other ratings agencies.

4. Capital Assets

Capital asset activity for 2017 was as follows:

	Balance Jan. 1/17	Additions & Transfers	Disposals & Transfers	Balance - Dec. 31/17
Capital assets, not being depreciated:				
Land	$ 809,652	-	-	809,652
Water rights	458,550	-	-	458,550
Construction in progress	1,720,334	2,214,096	-	3,934,430
Total capital assets, not being depreciated	2,988,536	2,214,096	-	5,202,632
Capital assets, being depreciated:				
Land improvements	211,666	-	-	211,666
Buildings / improvements	35,195,030	-	-	35,195,030
Furniture / equipment	1,317,249	-	-	1,317,249
Capitalized interest	644,246	-	-	644,246
Total capital assets, being depreciated	37,368,191	-	-	37,368,191
Less: Accumulated depreciation for:				
Land improvements	80,395	12,718	-	93,113
Buildings / improvements	16,297,439	1,303,363	-	17,600,802
Furniture / equipment	1,008,335	77,652	-	1,085,987
Capitalized interest	392,692	22,800	-	415,492
Total accumulated depreciation	17,778,861	1,416,533	-	19,195,394
Total capital assets, being depreciated, net	19,589,330	(1,416,533)	-	18,172,797
Capital assets, net	$ 22,577,866	797,563	-	23,375,429

4. Capital Assets (continued)

Capital asset activity for 2016 was as follows:

	Balance Jan. 1/16	Additions & Transfers	Disposals & Transfers	Balance - Dec. 31/16
Capital assets, not being depreciated:				
Land	$ 809,652	-	-	809,652
Water rights	465,050	-	(6,500)	458,550
Construction in progress	478,850	1,241,484	-	1,720,334
Total capital assets, not being depreciated	1,753,552	1,241,484	(6,500)	2,988,536
Capital assets, being depreciated:				
Land improvements	211,666	-	-	211,666
Buildings / improvements	35,195,030	-	-	35,195,030
Furniture / equipment	1,272,843	44,406	-	1,317,249
Capitalized interest	644,246	-	-	644,246
Total capital assets, being depreciated	37,323,785	44,406	-	37,368,191
Less: Accumulated depreciation for:				
Land improvements	67,674	12,721	-	80,395
Buildings / improvements	14,916,847	1,380,592	-	16,297,439
Furniture / equipment	915,342	92,993	-	1,008,335
Capitalized interest	369,892	22,800	-	392,692
Total accumulated depreciation	16,269,755	1,509,106	-	17,778,861
Total capital assets, being depreciated, net	21,054,030	(1,464,700)	-	19,589,330
Capital assets, net	$ 22,807,582	(223,216)	(6,500)	22,577,866

5. Investments

In 2015, the Corporation purchased an investment in the production capacity of solar panels located in a local solar array farm, which will generate credits over a twenty-year term, based on the output of the solar panels, to reduce the Corporation’s utility expenses in future years. The Corporation’s investment is carried at cost, net of amortization over the twenty-year contract period.

	2017	2016
Investment:		
Solar array	$ 410,974	$ 410,974
Less: Accumulated amortization	(61,646)	(41,097)
Investment - Solar array, net	$ 349,328	$ 369,877

6. Long-term Debt

A. Revenue Bonds

On June 1, 1996, the Corporation issued Air Terminal Project Revenue Bonds, Series 1996A and Series 1996B (collectively, the "Series 1996 Bonds"), in the amounts of $3,825,000 and $6,305,000 respectively, to finance the acquisition and construction of the Project. The Series 1996A bonds and Series 1996B bonds were scheduled to mature May 1, 2006, and May 1, 2018, respectively. Interest rates on the Series 1996A bonds and Series 1996B bonds were 6.75% and 7.5% per annum, respectively.

In order to finance improvements to the Project, the Corporation issued Air Terminal Project Revenue Bonds, Series 2001A and Series 2001B (collectively, the "Series 2001 Bonds"), pursuant to the provisions of the Trust Indenture for the Series 1996 Bonds and a First Supplemental Trust Indenture dated June 1, 2001. The Series 2001A bonds, which were issued in an aggregate original principal amount of $10,745,000; were to bear interest from 7% to 7.125% per annum, and mature through May 1, 2031. The Series 2001B bonds; which were issued in an aggregate original principal amount of $5,305,000; were to bear interest from 7.875% to 9.5% per annum, and mature through May 1, 2016.

On June 29, 2006, pursuant to the provisions of the Trust Indenture for the Series 1996 Bonds and a Second Supplemental Trust Indenture dated June 29, 2006, the Corporation issued Air Terminal Project Revenue Bonds, Series 2006A and Series 2006B (collectively, the "Series 2006 Bonds") in aggregate principal amounts of $4,150,000 and $3,980,000, respectively. The Series 2006A bonds bear interest from 4.75% to 5.15% per annum, and mature through May 1, 2017. The Series 2006B bonds bear interest at 5.05% to 5.25% per annum, and mature through May 1, 2020. Proceeds of the Series 2006A bonds were used to refund all outstanding Series 1996 Bonds and proceeds of the Series 2006B bonds were deposited with the Trustee to fund Project improvements. During 2017, the Series 2006 Bonds were paid off in full.

On June 22, 2011, pursuant to the provisions of the Trust Indenture for the Series 1996 Bonds and a Third Supplemental Trust Indenture dated June 1, 2011, the Corporation issued Airport Terminal Project Revenue Refunding Bonds, Series 2011A and Series 2011B (collectively, the "Series 2011 Bonds") in aggregate principal amounts of $7,190,000 and $2,880,000, respectively. The Series 2011A bonds bear interest from 3% to 6% per annum, and mature through May 1, 2027. The Series 2011B bonds bear interest from 2.05% to 4.4% per annum, and mature through May 1, 2016. Proceeds from the Series 2011 Bonds were used to refund all outstanding Series 2001 Bonds. During 2016, the Series 2011B Bonds were paid off in full.

On September 28, 2017, pursuant to the provisions of the Amended and Restated Trust Indenture dated June 1, 2017, the Corporation issued Airport Terminal Project Revenue Refunding Bonds, Series 2017A and Series 2017B (collectively, the "Series 2017 Bonds") in aggregate principal amounts of $835,000 and $29,145,000, respectively. The Series 2017A bonds bear interest from 2% to 4% per annum, and mature through May 1, 2019. The Series 2017B bonds bear interest from 2% to 5% per annum, and mature through May 1, 2041. Proceeds from the Series 2017A Bonds were used to refund all outstanding Series 2006B Bonds and proceeds of the Series 2017B bonds were deposited with the Trustee to fund Project improvements.

6. Long-term Debt (continued)

A. Revenue Bonds (continued)

The Series 2011 Bonds and the Series 2017 Bonds are subject to early redemption at the Corporation's option as follows:

Issue	Redemption Dates	Redemption Price
Series 2011 Bonds	After May 1, 2021	100%
Series 2017 Bonds	After May 1, 2028	100%

The Series 2011 Bonds and Series 2017 Bonds are revenue bonds, which constitute special obligations of the Corporation secured solely by a Trust Estate.

The Trust Estate includes all right, title and interest of the Corporation in the Project Revenues, all funds held by the Trustee, the Ground Lease, the Project Agreement and the Terminal Agreements (as described in the Trust Indenture) and other tangible and intangible assets. The Indenture and related Bond Resolution require that the revenue of the Project is to be used first to pay operating and maintenance expenses of the Air Terminal Project, and then to establish and maintain revenue bond funds.

The following schedule summarizes the required aggregate future debt service payments at December 31, 2017 on the Series 20011 Bonds and Series 2017 Bonds to maturity:

	Total Debt Service - All Revenue Bonds		
	Principal	Interest	Total
2018	$ 765,000	1,700,981	2,465,981
2019	800,000	1,666,125	2,466,125
2020	840,000	1,627,950	2,467,950
2021	880,000	1,586,800	2,466,800
2022	925,000	1,543,575	2,468,575
2023 - 2027	5,385,000	6,327,100	11,712,100
2028 - 2032	6,960,000	4,263,500	11,223,500
2034 - 2033	8,940,000	2,626,125	11,566,125
2038 - 2041	8,940,000	861,875	9,801,875
Total	$ 34,435,000	22,204,031	56,639,031

The aggregate outstanding principal balance of the Series 2011 Bonds and the Series 2017 Bonds differs from the aggregate bonds payable balance disclosed on these financial statements due to deferred items related to bond financing as follows:

	2017	2016
Outstanding bond principal	$ 34,435,000	7,735,000
Unamortized bond premium	3,546,725	9,719
Bonds payable	$ 37,981,725	7,744,719

6. Long-term Debt (continued)

B. Summary

Changes in the Corporation's long-term debt in 2017 were as follows:

	Balance Jan. 1/17	2017 Additions	2017 Reductions	Balances - Dec. 31/17
Series 2006A bonds	$ 35,000	-	(35,000)	-
Series 2006B bonds	2,190,000	-	(2,190,000)	-
Series 2011A bonds	5,510,000	-	(375,000)	5,135,000
Series 2017A bonds	-	835,000	(95,000)	740,000
Series 2017B bonds	-	29,145,000	(585,000)	28,560,000
Totals	$ 7,735,000	29,980,000	(3,280,000)	34,435,000

Changes in the Corporation's long-term debt during 2016 were as follows:

	Balance Jan. 1/16	2016 Additions	2016 Reductions	Balances - Dec. 31/16
Series 2006A bonds	$ 470,000	-	(435,000)	35,000
Series 2006B bonds	2,510,000	-	(320,000)	2,190,000
Series 2011A bonds	5,870,000	-	(360,000)	5,510,000
Series 2011B bonds	625,000	-	(625,000)	-
Totals	$ 9,475,000	-	(1,740,000)	7,735,000

Current portions of the Corporation's outstanding principal balances on bonds and notes payable at December 31, 2017 and 2016 are as follows:

	2017	2016
Series 2006A bonds	$ -	35,000
Series 2006B bonds	-	625,000
Series 2011A bonds	395,000	375,000
Series 2017A bonds	365,000	-
Series 2017B bonds	5,000	-
Totals	$ 765,000	1,035,000

7. Rental and Concession Revenues

The Corporation leases space within the Project to airlines, car rental agencies, and other concessionaires, pursuant to operating leases with tenants. Future minimum rentals on non-cancelable leases for the years following December 31, 2017 are as follows:

2018	$ 3,451,808
2019	541,874
2020	415,877
Total	$ 4,409,559

The terms of the Corporation's lease agreements with the airlines require the Corporation to refund 50% of Net Concession Revenues, as defined, up to a maximum refund of $300,000, to the airlines. The amount rebated for 2017 was $300,000 (2016 – $300,000).

During 2017, the Corporation received approximately 45% of its operating revenue from its two largest tenants (2016 – 45%).

8. Related Party Transactions

Effective June 1, 1996, the Corporation entered into an operating lease agreement (the "Ground Lease") pursuant to which the Corporation leases land from the County for use as terminal space and parking facilities. Subsequently, the parties have executed two supplemental agreements (the "Supplemental Ground Leases") with respect to the Corporation's use of additional terminal space and parking facilities. The Ground Lease expires on the earlier of May 31, 2026 or the defeasance of the Series 1996 Bonds or other revenue bonds issued to finance the construction of the Project and related improvements. The Supplemental Ground Leases expire on the earlier of May 31, 2036 or the defeasance of the Series 2001 Bonds or other revenue bonds issued to finance the construction of the Project and related improvements. Under the terms of the Ground Lease and the Supplemental Ground Leases, the Corporation is to monthly pay a base rental and license fee per square foot of leased space, subject to annual cost-of-living adjustments.

The Corporation has also entered into an operating lease agreement (the "De-icing Facility Ground Lease"), effective June 1, 2006, under which the Corporation leases land from the County for use as an airplane de-icing facility. The De-Icing Facility Ground Lease expires on the earlier of May 31, 2036 or the defeasance of the Series 2006B Bonds or other revenue bonds issued to finance the construction of the Project and related improvements. Under the terms of the De-Icing Ground Leases, the Corporation is to pay a monthly base rental per square foot of leased space, subject to annual cost-of-living adjustments.

Total rental and licenses fees expense incurred by the Corporation in respect of the Ground Lease, the Supplemental Ground Leases, and the De-Icing Facility Ground Lease was $247,744 for 2017 (2016 – $241,553).

8. Related Party Transactions (continued)

The following is a schedule of aggregate future minimum rental and license fees due under the terms of the Ground Lease, the Supplemental Ground Leases, and the De-Icing Facility Ground Lease, absent future adjustments for inflation, at December 31, 2017:

2018	$	247,744
2019		247,744
2020		247,744
2021		247,744
2022		247,744
2023 - 2027		1,052,977
2028 - 2032		652,168
2033 - 2036		445,648
Total	$	3,389,513

Effective June 1, 2001, the Corporation entered into a Parking Facilities Sublease, pursuant to which the Corporation leases certain parking lots to the County, in return for an annual lease payment of $300,000. However, the County's lease payment otherwise due is reduced by $300,000, less any amounts required to comply with the Corporation's obligations under the Trust Indenture for the 2001 Bonds. The initial term of the Parking Facilities Sublease expired December 31, 2001, but renews annually through May 31, 2036 upon the County's annual appropriation of any required payments, unless earlier terminated by the defeasance of the Series 2001 Bonds or other revenue bonds issued to finance the construction of the Project and related improvements. During 2011, the parties executed the First Amendment to the Parking Facilities Sublease to incorporate reference to provisions of the supplemental bond indentures issued by the Corporation. The Corporation recognized no revenue from the Parking Facilities Sublease in 2017 and 2016.

The Corporation has also entered into a De-Icing Facility Sublease, effective June 1, 2001, under which the Corporation leases an airplane de-icing facility to the County, in return for annual lease payments equal to the Corporation's required debt service on the 2006B Bonds, less the amount of the Corporation's funds available for such debt service. The initial term of the De-Icing Facility Sublease expired December 31, 2006, but renews annually through May 31, 2020 upon the County's annual appropriation of any required payments, unless earlier terminated by the defeasance of the Series 2006B Bonds or other revenue bonds issued to finance the construction of the Project and related improvements. The Corporation recognized no revenue from the De-Icing Facility Sublease in 2017 and 2016.

The Corporation and the County executed a Project Construction and Management Agreement Amendment (effective January 1, 2006) and Second Amendment (effective January 1, 2011), under which the County provides management of the day-to-day operations of the Project, in return for a flat monthly fee, subject to annual cost-of-living adjustments. The County's management fee for 2017 was $416,716 (2016 – $403,070).

8. Related Party Transactions (continued)

Amounts payable to the County at December 31, 2017 with respect to the Ground Lease, the Supplemental Ground Leases, the De-Icing Facility Ground Lease, the Project Construction and Management Agreement, and fees collected by the Corporation on behalf of the County totaled $131,552 (2016 – $100,663). Amounts receivable from the County at the end of 2017 totaled $0 (2016 –$0) and represents amounts collected by the County on behalf of the Corporation from airlines, car rental agencies, and other customers.

9. Risk Management

The Corporation is exposed to various risks of loss related to general liability; torts; theft of, damage to, and destruction of assets; and errors and omissions. The Corporation has acquired commercial coverage for these risks and any settled claims are not expected to exceed the commercial insurance coverage.

During the normal course of business, the Corporation may incur claims and other assertions against it from various agencies and individuals. Management and legal counsel feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2017 and 2016.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the Corporation. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although management expects such amounts, if any, to be immaterial.

10. Construction Contracts

The Corporation entered into a construction contract with Hensel Phelps Construction Company (“Hensel Phelps”) for a terminal expansion project. As of December 31, 2017, the total value of the contract was $29,389,835. Of this amount, $2,2384,479 had been completed and billed by Hensel Phelps through December 31, 2017 on the contract, with $595,064 payable at year-end (2016 – $0).

Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and
A Component Unit of Eagle County, Colorado)
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Final Budget Variance: Positive / (Negative)
Revenues:				
Rentals	4,654,953	4,654,953	4,807,471	152,518
Concessions	261,516	261,516	233,333	(28,183)
Advertising	127,087	127,087	127,083	(4)
Total Revenues	5,043,556	5,043,556	5,167,887	124,331
Expenses:				
General and Administrative:				
Advertising	500	500	-	500
Bank charges	15,600	15,600	20,499	(4,899)
Insurance	26,000	26,000	40,033	(14,033)
Professional services	91,375	91,375	91,016	359
Other	1,000	1,000	-	1,000
Total - General and Administrative	134,475	134,475	151,548	(17,073)
Operations:				
Janitorial	283,724	283,724	283,721	3
Maintenance - Building	157,140	157,140	88,996	68,144
Maintenance - Grounds	65,996	65,996	18,601	47,395
Management fees	416,268	416,268	416,716	(448)
Other purchased services	62,905	62,905	55,998	6,907
Rent	252,408	252,408	247,744	4,664
Customer service	35,048	35,048	36,609	(1,561)
Security	6,000	6,000	-	6,000
Utilities	206,578	206,578	172,582	33,996
Total - Operations	1,486,067	1,486,067	1,320,967	165,100
Rebate	300,000	300,000	300,000	-
Depreciation and Amortization:				
Depreciation	1,582,248	1,582,248	1,393,733	188,515
Amortization	22,800	22,800	43,349	(20,549)
Total - Depreciation and Amortization	1,605,048	1,605,048	1,437,082	167,966
Total Operating Expenses	3,525,590	3,525,590	3,209,597	315,993
Income from Operations	1,517,966	1,517,966	1,958,290	440,324
Other Income (Expenses):				
Passenger facility charges	525,000	525,000	509,754	(15,246)
Investment income	1,500	1,500	188,732	187,232
Interest expense	(462,372)	(462,372)	(639,692)	(177,320)
Bond issue costs	-	-	(689,391)	(689,391)
Change in Net Position	1,582,094	1,582,094	1,327,693	(254,401)
Net Position - Beginning	22,216,718	22,142,514	26,163,234	4,020,720
Net Position - Ending	23,798,812	23,724,608	27,490,927	3,766,319

Eagle County Air Terminal Corporation
(A Colorado Non-Profit Corporation and
A Component Unit of Eagle County, Colorado)
Schedule of Passenger Facility Charges Collected and Expended
For the Year Ended December 31, 2017

	Amounts for Current Year	Unliquidated Balance
Unliquidated Passenger Facility Charges - Beginning		1,020,778
add:		
Collections:		
Passenger Facility Charge receipts from air carriers	507,186	
Transfer from bond account for unexpended debt service	200,629	
Interest earned	4,912	
Total - Passenger Facility Charges collected		712,727
less:		
Expenditures:		
Debt service	1,304,404	
Total - Passenger Facility Charges expended		1,304,404
Unliquidated Passenger Facility Charges - Ending		429,101

Notes to Schedule of Passsenger Facility Charges Collected and Expended:

Note 1. - Basis of Presentation:

The accompanying schedule of Passenger Facility Charges ("PFCs") collected and expended includes the PFC activity of Eagle County Air Terminal Corporation, and is presented on the cash basis of accounting. The information in this schedule is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

PFC expenditures may consist of direct project costs, administrative costs, debt service costs and bond financing costs, if requested in the application. Eligible expenditures not requested or approved in the application are not applied against PFCs collected. The accompanying schedule of PFCs collected and expended includes eligible expenditures that have been applied against PFCs collected as of December 31, 2017.

M & A

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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*

To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Report on Internal Control Over Financial Reporting and Compliance

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 Eagle County Air Terminal Corporation, a Colorado non-profit corporation and a component unit of Eagle County Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Eagle County Air Terminal Corporation's basic financial statements and have issued our report thereon dated April 23, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eagle County Air Terminal Corporation'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 opinion on financial statements, but not for the purpose of expressing an opinion on the effectiveness of Eagle County Air Terminal Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Eagle County Air Terminal Corporation'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 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.

Our consideration of internal control 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. 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.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eagle County Air Terminal Corporation'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*.

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 Eagle County Air Terminal Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Eagle County Air Terminal Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
April 23, 2018

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE *PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES*

To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Report on Compliance

We have audited the compliance of Eagle County Air Terminal Corporation with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the "Guide"), issued by the Federal Aviation Administration, for its Passenger Facility Charge program for the year ended December 31, 2017.

Management's Responsibility

Management of Eagle County Air Terminal Corporation is responsible for compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Eagle County Air Terminal Corporation's Passenger Facility Charge program based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program occurred. An audit includes examining, on a test basis, evidence about Eagle County Air Terminal Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Passenger Facility Charge program. However, our audit does not provide a legal determination of Eagle County Air Terminal Corporation's compliance with those requirements.

Opinion on Compliance

In our opinion, Eagle County Air Terminal Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program for the year ended December 31, 2017.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Eagle County Air Terminal Corporation
Eagle, Colorado

Report on Internal Control Over Compliance

Management of Eagle County Air Terminal Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge program. In planning and performing our audit, we considered Eagle County Air Terminal Corporation's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Eagle County Air Terminal Corporation's internal control over compliance.

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

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

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
April 23, 2018

Eagle County Air Terminal Corporation
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PASSENGER FACILITY CHARGE PROGRAM
For the Year Ended December 31, 2017

Current Year Findings

None noted

Schedule of Prior Findings

None noted