



Arapahoe County Public Airport Authority (A Component Unit under Arapahoe County, Colorado)

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024



Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
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December 31, 2025 and 2024

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Independent Auditor's Report

Board of Commissioners
Arapahoe County Public Airport Authority
Englewood, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Arapahoe County Public Airport Authority (the Authority), a component unit of Arapahoe County, Colorado, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic 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 May 12, 2026, on our consideration of the Authority'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 Authority'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 the Authority's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Denver, Colorado

May 12, 2026

**Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024**

This section of the Arapahoe County Public Airport Authority's (the Authority) annual financial report presents our narrative and analysis of the Authority's financial performance during the years ended December 31, 2025 and 2024. Please read it in conjunction with the financial statements.

Financial Highlights

- The number of operations decreased by 10.3% from 2024. The number of gallons of fuel sold increased by 1.7% from 2024. Building and land rentals decreased from 2024 to 2025. Fuel and aircraft parking fees increased from 2024 to 2025. Overall, operating revenues for 2025 increased compared to 2024. The Authority's operating expenses exceeded operating revenues in 2025.
- The Authority was awarded a federal grant in 2025 of \$422,068 for Taxiway C and D Rehabilitation. Work on federal grant projects continued during 2025.
- During 2025, the Authority incurred \$217,669 in costs associated with the Unleaded AvGas (UL94) transition. The Authority was awarded a UL94 state grant which reimburses for 90% of eligible costs incurred. During 2025, the Authority received \$192,637 of reimbursements under this state grant.
- The assets of the Authority exceeded its liabilities as of December 31, 2025 by \$102.9 million (net position). Of the net position balance, \$22.7 million is unrestricted and available to meet the Authority's ongoing obligations. Net position increased by \$7.3 million, or 7.7%, from 2024.
- The Authority's operating revenues increased by \$2.8 million, or 32.6%, compared to 2024, mostly from fuel and aircraft parking fees and construction fees recorded in other airport operator fees. Operating expenses, less depreciation, increased by \$0.5 million, or 7.7%, compared to 2024. Depreciation increased by 15.7% compared to 2024. This resulted in net operating income of \$4.4 million, before other nonoperating revenue, nonoperating expense, depreciation, grants, and capital contributions in 2025.
- In 2025, the Authority had a loan outstanding at year-end for construction of the Aviation Community & Administrative Facility in the amount of \$2.6 million. Construction of this building was completed in 2020.
- During 2025, the Authority made capital investments of \$12.2 million.

Overview of the Financial Statements

This annual report is comprised of three parts:

- Management's discussion and analysis
- Financial statements and notes to the financial statements
- Supplementary information

Required Financial Statements

The Authority's financial statements report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities.

Statements of Net Position

The statements of net position provide information about the nature and amounts of investments in resources (assets) and obligations to Authority creditors (liabilities) and deferred inflows of resources. It also provides the basis for computing the rate of return, evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

Statements of Revenues, Expenses and Changes in Net Position

The statement measures the results of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its lease revenue, fuel fees, fuel taxes and other user fee revenues.

Statements of Cash Flows

The primary purpose of the statements of cash flows is to report cash receipts, cash payments and net changes in cash resulting from operating, investing, and capital and related financing activities.

Financial Analysis of the Authority

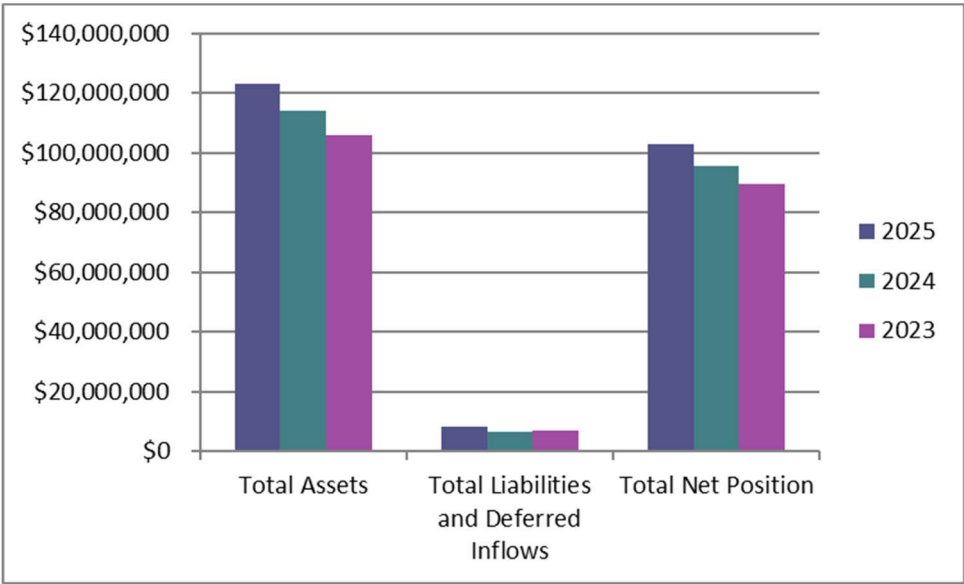
Net Position

Condensed Statements of Net Position

	December 31,		
	2025	2024	2023
Current assets	\$ 23,760,343	\$ 20,334,777	\$ 26,641,388
Capital assets	87,172,776	81,535,325	69,578,883
Other assets	12,101,582	12,155,909	9,701,719
Total assets	123,034,701	114,026,011	105,921,990
Current liabilities	5,959,256	3,698,995	3,273,357
Noncurrent liabilities	2,332,546	2,771,190	3,762,787
Total liabilities	8,291,802	6,470,185	7,036,144
Deferred inflows of resources	11,806,274	11,958,123	9,268,771
Net investment in capital assets	80,208,184	75,901,482	63,552,485
Unrestricted	22,728,441	19,696,221	26,064,590
Total net position	<u>\$ 102,936,625</u>	<u>\$ 95,597,703</u>	<u>\$ 89,617,075</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management’s Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

Comparison of Condensed Statements of Net Position



2025

As can be seen from the condensed statements of net position and the chart above, the total net position increased by \$7.3 million in 2025 to \$102.9 million. This is up from \$95.6 million in 2024. The chart also shows that the 2025 change in net position is a result of the changes in total assets which increased by \$9.0 million and total liabilities and deferred inflows of resources, which increased by \$1.7 million. Total assets increased primarily from grants and contributions, construction fees and investment income. Total liabilities and deferred inflows of resources increased primarily from an increase in accounts and contracts payable.

2024

As can be seen from the condensed statements of net position and the chart above, the total net position increased by \$6.0 million in 2024 to \$95.6 million. This is up from \$89.6 million in 2023. The chart also shows that the 2024 change in net position is a result of the changes in total assets which increased by \$8.1 million and total liabilities and deferred inflows of resources, which increased by \$2.1 million. Total assets increased primarily from grants and contributions and investment income. Total liabilities and deferred inflows of resources increased primarily from an increase in deferred inflows of resources for a new lease.

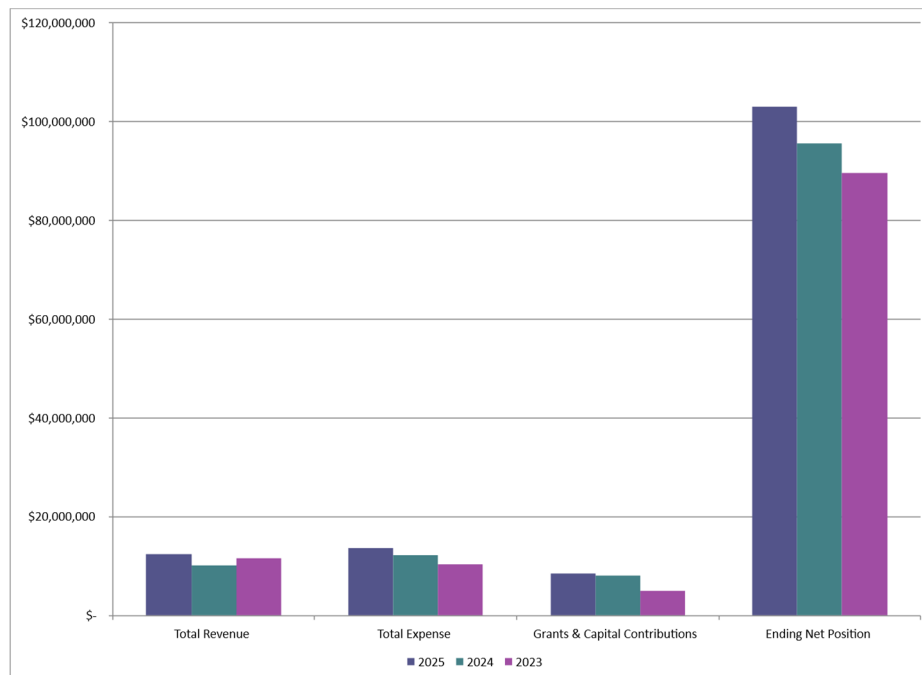
Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Years Ended December 31,		
	2025	2024	2023
Operating revenues	\$ 11,290,333	\$ 8,515,959	\$ 10,052,883
Nonoperating revenues	1,226,798	1,568,650	1,593,899
Total revenues	12,517,131	10,084,609	11,646,782
Depreciation and amortization expense	6,595,959	5,698,953	4,931,916
Other operating expenses	6,850,051	6,365,760	5,342,627
Nonoperating expenses	291,712	200,660	151,858
Total expenses	13,737,722	12,265,373	10,426,401
Grants and capital contributions	8,559,513	8,161,392	5,000,230
Change in net position	7,338,922	5,980,628	6,220,611
Beginning net position	95,597,703	89,617,075	83,396,464
Ending net position	<u>\$ 102,936,625</u>	<u>\$ 95,597,703</u>	<u>\$ 89,617,075</u>

Comparison of Revenues, Expenses, Grants and Fund Net Position



Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

2025

The statement of net position shows the overall change in net position for the year, while the statement of revenues, expenses and changes in net position explains the nature and source of these changes. As can be seen in the condensed statements of revenues, expenses and changes in net position as well as the chart above, ending net position increased by \$7.3 million in 2025. This is primarily from grants and contributions and fuel, aircraft and construction fees and investment income.

2024

The statement of net position shows the overall change in net position for the year, while the statement of revenues, expenses and changes in net position explains the nature and source of these changes. As can be seen in the condensed statements of revenues, expenses and changes in net position as well as the chart above, ending net position increased by \$6.0 million in 2024. This is primarily from grants and contributions and investment income.

Capital Assets

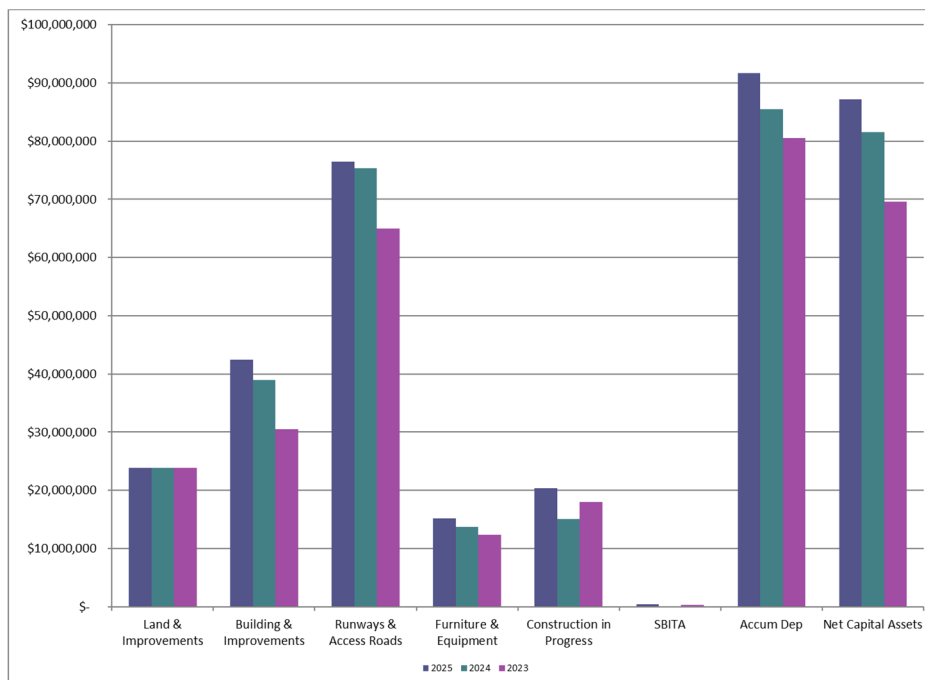
During 2025, the Authority invested \$12.2 million in a broad range of capital improvements. As shown in the following schedule and chart, the Authority continues to maintain and improve its infrastructure and equipment to meet the demands of one of the busiest general aviation airports in the nation. During 2024, the Authority invested \$17.7 million in a broad range of capital improvements.

Capital Assets

	December 31,		
	2025	2024	2023
Land and site improvements	\$ 23,902,099	\$ 23,892,099	\$ 23,849,951
Buildings and improvements	42,477,249	38,990,966	30,548,906
Runways, taxiways and ramps	76,450,287	75,291,414	64,961,985
Furniture and equipment	15,211,543	13,694,133	12,361,507
Construction in progress	20,384,918	15,073,655	18,031,892
SBITA	461,955	21,619	299,128
Subtotal	178,888,051	166,963,886	150,053,369
Less accumulated depreciation and amortization	91,715,275	85,428,561	80,474,486
Net capital assets	<u>\$ 87,172,776</u>	<u>\$ 81,535,325</u>	<u>\$ 69,578,883</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

Comparison of Capital Assets



Major Improvements to the Airport in 2025:

- Airport improvements implemented with grant funds included:
 - Part 150 noise study
 - Main parking lot and roadways
 - Major repairs ATCT
 - Taxiway C & D rehabilitation
 - Zero emission vehicle (electric)
 - Airfield snow blower
 - Loader
 - Maintenance equipment building expansion
- Other major capital investments during the year included:
 - Multi-function snow removal equipment
 - Upgrade perimeter fence
 - Design, engineering and construction administration for major repairs ATCT
 - Ramp/taxilane rehabilitation
 - Ramp circuit upgrades
 - Upgrade airfield signage
 - Airfield striping, rubber removal & seal coat
 - Upgrade security gates and cameras
 - Upgrade computers, software and servers
 - Peoria street sidewalk extension
 - Airport vehicles

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- ARFF training area shelter
- Furniture and fixtures
- Various other equipment

Long-Term Debt

At the end of 2025 and 2024, the Authority had total debt outstanding of \$2,610,606 and \$3,438,708, respectively. This amount represents a note that is secured by the deed of trust on the building financed with the loan proceeds.

Budgetary Highlights

As required by State Law, the Authority adopts a budget and appropriates funds for the following year by December 15th of each year. If an amendment is necessary, the Board will approve a supplemental appropriation at a public hearing and file it with the State of Colorado. There were no supplemental appropriations in 2025. The Authority's budget to actual statements are included as supplementary information to the audited financial statements.

The total revenue in 2025 was \$6.0 million less than budgeted primarily due to:

- Grants and contributions were less than budgeted.

The following revenue areas were greater than budgeted during 2025:

- Fuel and aircraft parking fees were greater than budgeted.
- Concession fees were greater than budgeted.
- Other airport operator fees were greater than budgeted.
- Investment income was greater than budgeted.

The total expenditures in 2025 were \$20.3 million less than budgeted primarily due to:

- Lower capital expenditures related to Federal Aviation Administration (FAA) grants than budgeted.
- Lower non grant capital expenditures than budgeted.
- Operating expenses were less than budgeted.
- The Authority deferred payoff of the SIB#3 outstanding loan.
- Airport infrastructure improvements bank was not utilized.

Economic Factors

- High uncertainty continues to surround the global economic outlook, primarily related to the Russia-Ukraine war, the Iran war and other potential global conflicts. Additionally, tariffs, trade tensions, inflation, economic instability, supply chain issues, and policy uncertainty, continue to impact the global economy. The *IMF World Economic Outlook Update (4/2026)* estimates 3.1 percent growth of the global economy in 2026 and 3.2 percent growth in global economy in 2027. Growth in advanced economies is projected to be 1.8 percent in 2026. The economic outlook depends on the path of ongoing global and domestic issues and the policies and actions taken to counteract these problems.
- The national unemployment rate, according to the *Bureau of Labor Statistics Data*, increased during 2025 compared to 2024. The rate at the end of 2025 was 4.4%, which was higher than the 4.1% rate at the end of 2024, which was higher than the 3.7% rate at the end of 2023.
- Inflation continued to alleviate during 2025, but is still an area of concern. According to the *Bureau of Labor Statistics Data*, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased by 2.6% at the end of 2025 compared to 2024.

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Management's Discussion and Analysis (Unaudited)
Years Ended December 31, 2025 and 2024

- The Authority continues to be eligible for FAA grants. New grants awarded under the Airport Improvement Program are expected to require a five to ten percent match.

In 2025, business activity continued to grow. The Authority's income streams have remained steady and consistent performance is expected in 2026. Liquidity is expected to remain stable. The Authority has sufficient cash reserves to maintain the status quo but is prepared to make adjustments when necessary. The Authority is keeping expenses in line with the revenue stream.

Contact Information

If you have questions or need additional information please contact:

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Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Net Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 14,915,146	\$ 15,156,626
Receivables		
Leases	117,713	151,849
Trade	3,036,725	836,090
Grants	4,561,375	3,207,034
Note	57,697	57,262
Due from other governments	277,970	199,811
Interest	250,411	183,418
Prepaid expenses	543,306	542,687
Total Current Assets	23,760,343	20,334,777
Noncurrent Assets		
Capital assets		
Nondepreciable	43,253,526	37,932,263
Depreciable	135,634,525	129,031,623
Total Capital Assets	178,888,051	166,963,886
Accumulated depreciation and amortization	(91,715,275)	(85,428,561)
Net Capital Assets	87,172,776	81,535,325
Other assets		
Investments restricted for deferred compensation plan	266,136	149,429
Lease receivable - long-term	11,688,561	11,806,274
Note receivable - long-term	146,885	200,206
Total Other Assets	12,101,582	12,155,909
Total Noncurrent Assets	99,274,358	93,691,234
Total Assets	\$ 123,034,701	\$ 114,026,011

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Net Position
December 31, 2025 and 2024

(Continued)

	2025	2024
LIABILITIES		
Current Liabilities		
Accounts and contracts payable	\$ 4,494,944	\$ 2,342,694
Accrued liabilities	102,471	89,600
Accrued interest payable	40,879	50,403
Subscription payable (current)	76,453	-
Unearned revenue	4,006	39,110
Compensated absences	391,698	349,086
Note payable	848,805	828,102
Total Current Liabilities	<u>5,959,256</u>	<u>3,698,995</u>
Noncurrent Liabilities		
Note payable, less current maturities	1,761,801	2,610,606
Subscription payable, less current maturities	293,454	-
Deferred compensation plan liability	266,136	149,429
Deposits	11,155	11,155
Total Noncurrent Liabilities	<u>2,332,546</u>	<u>2,771,190</u>
Total Liabilities	<u>8,291,802</u>	<u>6,470,185</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	<u>11,806,274</u>	<u>11,958,123</u>
NET POSITION		
Net investment in capital assets	80,208,184	75,901,482
Unrestricted	<u>22,728,441</u>	<u>19,696,221</u>
Total Net Position	<u><u>\$ 102,936,625</u></u>	<u><u>\$ 95,597,703</u></u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

	2025	2024
Operating revenues		
Building and land rental	\$ 3,150,115	\$ 3,354,410
Fuel and aircraft parking fees	5,681,069	3,956,748
Concession fees	398,497	325,688
Other airport operator fees	1,174,422	75,842
Customs fees	563,497	482,832
Other operating revenues	322,733	320,439
Total operating revenues	<u>11,290,333</u>	<u>8,515,959</u>
Operating expenses		
Depreciation and amortization	6,595,959	5,698,953
Salaries and related payroll expenses	3,644,455	3,397,991
Maintenance, repairs and operating supplies	1,001,563	1,149,786
Customs expense	615,589	553,296
Telephone and utilities	504,933	486,994
Insurance	233,063	218,571
Public relations	101,631	121,534
Travel and meetings	158,331	125,344
Firefighting services	88,860	203
Legal	157,968	38,536
Accounting and audit	77,025	66,375
Noise expense	81,208	65,963
Office expense	121,631	94,585
Office and equipment expense	26,482	28,747
Miscellaneous	37,312	17,835
Total operating expenses	<u>13,446,010</u>	<u>12,064,713</u>
Operating loss	<u>(2,155,677)</u>	<u>(3,548,754)</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2025 and 2024

(Continued)

	<u>2025</u>	<u>2024</u>
Nonoperating revenues (expenses)		
Investment income	\$ 694,727	\$ 1,064,891
Lease interest income	296,577	242,235
Interest expense	(73,830)	(94,494)
Subscriptions interest expense	(34,025)	(4,042)
Gain on disposition of asset sale	7,331	91,304
Centennial Airport CAF income	228,163	170,220
Centennial Airport CAF expense	<u>(183,857)</u>	<u>(102,124)</u>
Total nonoperating revenues (expenses)	<u>935,086</u>	<u>1,367,990</u>
Gain (loss) before grants and capital contributions	(1,220,591)	(2,180,764)
Grants and capital contributions	<u>8,559,513</u>	<u>8,161,392</u>
Change in net position	7,338,922	5,980,628
Total net position, beginning of year, as previously reported	<u>95,597,703</u>	<u>89,617,075</u>
Total net position, end of year	<u><u>\$ 102,936,625</u></u>	<u><u>\$ 95,597,703</u></u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Cash received		
Services provided	\$ 6,054,482	\$ 6,157,313
Building and land rentals	3,150,115	3,354,410
Cash payments		
Suppliers of goods and services	(3,026,767)	(3,060,826)
Employees for services	(3,588,972)	(3,339,709)
	<u>2,588,858</u>	<u>3,111,188</u>
Net Cash Provided by Operating Activities		
	<u>2,588,858</u>	<u>3,111,188</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(7,809,625)	(15,466,446)
Asset acquisitions from subscriptions	-	(45)
Principal paid on subscriptions	(70,429)	(102,444)
Interest paid on subscriptions	(31,410)	(4,766)
Payment of payables incurred for capital asset acquisition	(2,195,135)	(1,677,341)
Interest paid on long-term debt	(85,968)	(106,165)
Proceeds from grants and capital contributions	7,205,172	6,375,396
Principal paid on notes payable	(828,102)	(807,905)
Proceeds from disposition of capital assets	7,963	97,533
	<u>(3,807,534)</u>	<u>(11,692,183)</u>
Net Cash Used in Capital and Related Financing Activities		
	<u>(3,807,534)</u>	<u>(11,692,183)</u>
Cash Flows from Investing Activities		
Interest received	696,534	1,056,920
Lease interest income	227,777	170,214
Note receivable Parcel 50 Ramp	7,052	6,653
Note receivable Taxilane Sierra (WOTR)	45,833	33,333
	<u>977,196</u>	<u>1,267,120</u>
Net Cash Provided by Investing Activities		
	<u>977,196</u>	<u>1,267,120</u>
Net Decrease in Cash and Cash Equivalents	<u>(241,480)</u>	<u>(7,313,875)</u>
Cash and Cash Equivalents, Beginning of Year	<u>15,156,626</u>	<u>22,470,501</u>
Cash and Cash Equivalents, End of Year	<u>\$ 14,915,146</u>	<u>\$ 15,156,626</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Statements of Cash Flows
Years Ended December 31, 2025 and 2024

(Continued)

	<u>2025</u>	<u>2024</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating loss	\$ (2,155,677)	\$ (3,548,754)
Depreciation expense and amortization	6,595,959	5,698,953
Foundation activity	44,306	68,096
Changes in operating assets and liabilities		
Accounts receivable	(2,278,796)	833,099
Prepaid expenses	(619)	57,287
Accounts payable	363,306	(48,239)
Accrued liabilities	12,871	(1,348)
Compensated absences	42,612	59,629
Deposits	-	20
Unearned revenue	(35,104)	(7,555)
Net Cash Provided by Operating Activities	<u><u>\$ 2,588,858</u></u>	<u><u>\$ 3,111,188</u></u>
Supplemental Cash Flows Information		
Noncash Capital and Related Financing Activities		
Accounts payable incurred for purchase of capital assets	\$ 3,391,642	\$ 1,487,756
Earned retainage	\$ 592,437	\$ 707,379
Acquisition of subscription technology arrangements	\$ 440,336	\$ -

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Notes to the Financial Statements
December 31, 2025 and 2024

Note 1. Summary of Significant Accounting Policies

Reporting Entity

Arapahoe County Public Airport Authority (the Authority) is governed pursuant to the provisions of the Colorado Public Airport Authority Act. The Authority operates Centennial Airport, which is located in Arapahoe and Douglas Counties. The Authority was formed for the statutory purposes of acquiring and improving an airport, air navigational facilities, related facilities and for financing the cost of such acquisitions and improvements.

Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements 14 and 39*, provides reporting guidance for blending a component unit when the primary government is a business-type activity that uses a single column presentation for financial reporting. GASB Statements No. 14, *The Financial Reporting Entity* and No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, require governmental entities, which exercise oversight responsibility and control over other government units, to include those units in their financial statements. Oversight responsibility includes, but is not limited to, selection of the governing authority, ability to significantly influence operations, financial interdependency and accountability for fiscal matters.

The Authority exercises oversight responsibility over the Centennial Airport Foundation (CAF), and the Board of Directors of CAF is composed of all five voting members of the Authority's Board of Commissioners; therefore, CAF is blended into the Authority's financial statements. Separate financial statements are not prepared. CAF's primary goal is to disburse funds raised each year to eligible not-for-profit entities, schools, colleges, universities and affiliated foundations to support aviation education. CAF received a determination letter from the IRS for Section 501(c)(3) tax-exempt status on April 16, 2007. Following is the condensed financial information of CAF:

	<u>2025</u>	<u>2024</u>
Assets	\$ 145,320	\$ 117,514
Liabilities	-	16,500
Net position	<u>\$ 145,320</u>	<u>\$ 101,014</u>
Revenue	\$ 228,163	\$ 170,220
Expenses	<u>183,857</u>	<u>102,124</u>
Change in net position	<u>\$ 44,306</u>	<u>\$ 68,096</u>

The Authority is a component unit under Arapahoe County, Colorado (the County).

Measurement Focus and Basis of Accounting

The Authority is accounted for as a proprietary enterprise fund. The enterprise fund is used since the Authority is operated in a manner similar to a private entity when net income and capital maintenance are appropriate determinations of accountability. The Authority's records are maintained on the accrual basis of accounting. Revenue is recognized when earned. Expenses are recognized when the liability is incurred. Depreciation is computed and recorded as an operating expense; expenditures for property and equipment are shown as increases in assets, and payment of lease obligations are recorded as a reduction in the related liability. Capital grant proceeds are recognized as a component of other income when the qualifying expenditures under the specific grant are incurred.

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Operating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with the Authority's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenue Recognition – Grants

Grant revenue is reported as operating or nonoperating revenue, depending on the nature of the grant, and is recognized in accordance with generally accepted accounting principles for nonexchange transactions. Government-mandated and voluntary nonexchange grant revenue is recognized when all applicable eligibility requirements have been met, including time requirements, and the Authority has an enforceable legal claim to the resources.

Budgets

In accordance with the State Budget Law, the Authority's Board of Commissioners holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The Authority's Board of Commissioners can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The appropriation is at the total fund expenditures level and lapses at year-end.

Investments

Investments in debt securities and certificates of deposit are carried at fair value based on fair market values as reported by the asset custodian. Investments restricted for the deferred compensation plan are mutual funds that are carried at fair value. Investments in local government investment pools are carried at net asset value per share.

Leases

The Authority, as lessor, reports its leases in accordance with the provisions of GASB Statement No. 87, *Leases*.

Leases are contracts that convey control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is the period of time where there is a noncancelable right to use the underlying asset. For regulated lessor contracts, the Authority recognizes inflows of resources (revenues) based on the payment provisions of the lease contract. For non-regulated lessor contracts, lease receivables and deferred inflows of resources are reported at present value using the stated interest rate in the contract if that is the rate charged the lessee. If there is no stated rate, or the stated rate is not used to charge the lessee, then the rate implicit in the lease is used, if determinable, otherwise the Authority's own incremental borrowing rate is the discount rate.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any vendor incentives received at and certain payments made before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the term of the arrangement or the useful life of the underlying IT asset.

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Notes to Financial Statements
December 31, 2025 and 2024

Capital Assets

Capital assets are recorded at cost except for certain vehicles and land parcel, which have been contributed to the Authority. The contributed assets are stated at their acquisition value at the date of contribution. The Authority capitalizes all assets with an original cost of \$1,000 or more and an estimated useful life in excess of one year. Depreciation expense has been computed using the straight-line method.

Estimated useful lives are:

Buildings and improvements	20–40 years
Runways and access roads	10 years
Furniture and equipment	3–10 years

Compensated Absences

The Authority has a policy which allows employees to accumulate vacation and sick leave benefits that may be realized as paid time off. A liability is accrued for compensated absences as the benefits are earned if the leave is more likely than not to be used for time off. Compensated absences are recognized as current salary costs when earned.

Compensated absence liabilities are computed using the regular pay rates, in effect at statement of net position date plus an additional amount for salary-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Operating Revenues

The Authority generates the majority of its revenues through rental agreements with operators for land and buildings rented from the Authority, option payments for rent and other management and use fees. The fixed base operators may enter into sub-lease arrangements with concessionaires such as automobile rental companies. The concessionaires pay fees to the Authority based upon a percentage of their revenues.

One large fixed based operator (FBO) accounted for 21% and 24% of total operating revenues for the years ended December 31, 2025 and 2024, respectively. In addition, this same FBO accounts for 7% and 22% of year-end accounts receivable at December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority considers all cash on hand, cash on deposit and money market accounts available for immediate withdrawal and investments with the Colorado Local Government Liquid Asset Trust (COLOTRUST), a highly liquid local government investment pool, to be cash and cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts due from lessees, customers, grantors, and borrowers, including lease receivables, trade receivables, grant receivables, notes receivable, and accrued interest. Management has evaluated the collectability of accounts receivable and determined that an allowance for uncollectible accounts is not necessary, based on the Authority's historical experience, the financial condition of its customers, and strong collection performance.

Arapahoe County Public Airport Authority
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Use of 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, liabilities, and deferred inflows of resources 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.

Note 2. Cash Deposits and Investments

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of Federal Deposit Insurance Corporation (FDIC) levels must be collateralized. The eligible collateral is determined by the PDPA, which allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to the 102% aggregate uninsured deposits.

The Authority has noninterest-bearing transaction accounts which are covered under the FDIC deposit insurance maximum for noninterest-bearing transaction accounts program. FDIC insurance limits as of December 31, 2025 and 2024 is \$250,000.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of failure of the custodian, the Authority may not be able to recover the value of deposits that are in the possession of a third party. The Authority does not have a deposit policy for custodial credit risk.

At December 31, 2025 and 2024, the Authority's cash deposits and cash on hand had carrying balances of \$518,050 and \$467,068, respectively. The bank balances were as follows:

	<u>2025</u>	<u>2024</u>
Insured or collateralized deposits	\$ 508,238	\$ 460,157

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper limited to securities with highest rating category by at least one nationally recognized rating agency at time of purchase

Arapahoe County Public Airport Authority
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Notes to Financial Statements
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- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

The Authority had the following investments at December 31, 2025:

Investment Type	Maturity	Fair Value
COLOTRUST (unrestricted)	N/A	\$ 12,419,432
Wells Fargo Sweep Account	N/A	1,977,664
Total investments		<u>\$ 14,397,096</u>
Statement of net position classification		
Cash and cash equivalents		<u>\$ 14,397,096</u>
Total		<u>\$ 14,397,096</u>

The Authority had the following investments at December 31, 2024:

Investment Type	Maturity	Fair Value
COLOTRUST (unrestricted)	N/A	\$ 12,855,011
Wells Fargo Sweep Account	N/A	1,834,547
Total investments		<u>\$ 14,689,558</u>
Statement of net position classification		
Cash and cash equivalents		<u>\$ 14,689,558</u>
Total		<u>\$ 14,689,558</u>

Recurring Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority had no recurring fair value measurements as of December 31, 2025 or 2024.

Arapahoe County Public Airport Authority
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Notes to Financial Statements
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Investment Risk Factors

There are many factors that can affect the value of investments, some of which are custodial credit risk, credit risk, interest rate risk and foreign currency risk. The Authority follows Colorado State Statutes for investing.

As of December 31, 2025 and 2024, the Authority had \$12,419,432 and \$12,855,011, respectively, invested in COLOTRUST (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The Trust is a local government investment pool with a stable net asset value. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities and certain obligations of U.S. government agencies. The Trust does not have any limitation or restrictions on participant investments.

A designated custodial bank serves as custodian for COLOTRUST's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for COLOTRUST's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by COLOTRUST.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is evidenced by a rating issued by a nationally recognized statistical rating organization (NRSRO), which regularly rates such obligations. The Authority has no investment policy that would limit its investment choices.

COLOTRUST PRIME and COLOTRUST PLUS+ were rated AAAm by Standard and Poor's as of December 31, 2025 and 2024.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. Pooled investments and direct obligations of the U.S. government are exempt from concentration of credit risk disclosure. The Authority places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At December 31, 2025 and 2024, the cash and investments are reflected on the statements of net position as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents, unrestricted	\$ 14,915,146	\$ 15,156,626
Total cash and investments	<u>\$ 14,915,146</u>	<u>\$ 15,156,626</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Notes to Financial Statements
December 31, 2025 and 2024

At December 31, 2025 and 2024, cash and cash equivalents are comprised of the following:

	<u>2025</u>	<u>2024</u>
Cash deposits, certificates of deposits, money markets and cash on hand	\$ 518,050	\$ 467,068
Wells Fargo Sweep Account	1,977,664	1,834,547
COLOTRUST	<u>12,419,432</u>	<u>12,855,011</u>
Total cash and cash equivalents	<u>\$ 14,915,146</u>	<u>\$ 15,156,626</u>

Note 3. Capital and Subscription Assets

A summary of changes to capital assets for the year ended December 31, 2025 follows:

	<u>Balance 1/1/2025</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 12/31/2025</u>
Capital Assets, Not Depreciated					
Construction in progress	\$ 15,073,655	\$ 11,260,267	\$ -	\$ (5,949,004)	\$ 20,384,918
Land	21,858,608	-	-	10,000	21,868,608
Restrictive covenant on land	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
Total Capital Assets, Not Depreciated	<u>37,932,263</u>	<u>11,260,267</u>	<u>-</u>	<u>(5,939,004)</u>	<u>43,253,526</u>
Capital Assets, Being Depreciated					
Site improvements	1,033,491	-	-	-	1,033,491
Buildings and improvements	38,990,966	27,300	-	3,458,983	42,477,249
Runways, taxiways and ramps	75,291,414	9,572	-	1,149,301	76,450,287
Furniture and equipment	13,694,133	496,568	(309,878)	1,330,720	15,211,543
Subscription assets	<u>21,619</u>	<u>440,336</u>	<u>-</u>	<u>-</u>	<u>461,955</u>
Total Capital Assets, Being Depreciated	<u>129,031,623</u>	<u>973,776</u>	<u>(309,878)</u>	<u>5,939,004</u>	<u>135,634,525</u>
Accumulated Depreciation and Amortization					
Site improvements	(820,352)	(21,265)	-	-	(841,617)
Buildings and improvements	(19,135,348)	(1,393,859)	-	-	(20,529,207)
Runways, taxiways and ramps	(56,032,670)	(4,180,663)	-	-	(60,213,333)
Furniture and equipment	(9,440,191)	(926,231)	309,245	-	(10,057,177)
Subscription assets	<u>-</u>	<u>(73,941)</u>	<u>-</u>	<u>-</u>	<u>(73,941)</u>
Total Accumulated Depreciation	<u>(85,428,561)</u>	<u>(6,595,959)</u>	<u>309,245</u>	<u>-</u>	<u>(91,715,275)</u>
Net Capital Assets, Being Depreciated	<u>43,603,062</u>	<u>(5,622,183)</u>	<u>(633)</u>	<u>5,939,004</u>	<u>43,919,250</u>
	<u>\$ 81,535,325</u>	<u>\$ 5,638,084</u>	<u>\$ (633)</u>	<u>\$ -</u>	<u>\$ 87,172,776</u>

Arapahoe County Public Airport Authority
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Notes to Financial Statements
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A summary of changes to capital assets for the year ended December 31, 2024 follows:

	Balance 1/1/2024	Additions	Deletions	Transfers	Balance 12/31/2024
Capital Assets, Not Depreciated					
Construction in progress	\$ 18,031,893	\$ 15,931,543	\$ -	\$ (18,889,781)	\$ 15,073,655
Land	21,824,163	-	-	34,445	21,858,608
Restrictive covenant on land	1,000,000	-	-	-	1,000,000
Total Capital Assets, Not Depreciated	40,856,056	15,931,543	-	(18,855,336)	37,932,263
Capital Assets, Being Depreciated					
Site improvements	1,025,790	7,701	-	-	1,033,491
Buildings and improvements	30,548,905	14,051	(85,748)	8,513,758	38,990,966
Runways, taxiways and ramps	64,961,983	10,825	-	10,318,606	75,291,414
Furniture and equipment	12,361,507	1,696,460	(386,806)	22,972	13,694,133
Subscription assets	299,128	21,619	(299,128)	-	21,619
Total Capital Assets, Being Depreciated	109,197,313	1,750,656	(771,682)	18,855,336	129,031,623
Site Improvements	(797,390)	(22,962)	-	-	(820,352)
Buildings and improvements	(18,262,630)	(955,607)	82,889	-	(19,135,348)
Runways, taxiways and ramps	(52,252,935)	(3,779,735)	-	-	(56,032,670)
Furniture and equipment	(8,986,421)	(838,204)	384,434	-	(9,440,191)
Subscription assets	(175,110)	(102,444)	277,554	-	-
Total Accumulated Depreciation	(80,474,486)	(5,698,952)	744,877	-	(85,428,561)
Net Capital Assets, Being Depreciated	28,722,827	(3,948,296)	(26,805)	18,855,336	43,603,062
Total Capital Assets, Net	\$ 69,578,883	\$ 11,983,247	\$ (26,805)	\$ -	\$ 81,535,325

Note 4. Noncurrent Liabilities

A summary of changes in noncurrent liabilities, exclusive of deposits, for the year ended December 31, 2025 follows:

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025	Amounts Due in One Year
Note payable	\$ 3,438,708	\$ -	\$ 828,102	\$ 2,610,606	\$ 848,805
Subscription payable	\$ -	\$ 440,336	\$ 70,429	\$ 369,907	\$ 76,453

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A summary of changes in noncurrent liabilities, exclusive of deposits, for the year ended December 31, 2024 follows:

	Balance January 1, 2024	Additions	Deletions	Balance December 31, 2024	Amounts Due in One Year
Note payable	\$ 4,246,613	\$ -	\$ 807,905	\$ 3,438,708	\$ 828,102
Subscription payable	\$ 102,444	\$ -	\$ 102,444	\$ -	\$ -

Notes Payable

On May 10, 2018, the Authority approved a loan agreement to borrow \$8,000,000 for the purpose of financing the construction of an aviation community and administrative facility. The loan bears interest at a rate of 2.50% and is payable in annual amounts of \$914,070 over the next 10 years. The loan is secured by the building financed with the loan proceeds.

Year Ended December 31,	Principal	Interest	Total
2026	\$ 848,805	\$ 65,265	\$ 914,070
2027	870,025	44,045	914,070
2028	891,776	22,294	914,070
Total	<u>\$ 2,610,606</u>	<u>\$ 131,604</u>	<u>\$ 2,742,210</u>

Subscription Liabilities (GASB 96)

The Authority has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2029. The SBITAs do not have any associated variable payments. At December 31, 2025 and 2024 the Authority had subscription liabilities of \$369,907 and \$0, respectively.

The following is a schedule by year of payments under subscription liabilities as of December 31, 2025:

Year Ended December 31,	Principal	Interest	Total
2026	\$ 76,453	\$ 28,442	\$ 104,895
2027	86,467	21,575	108,042
2028	97,461	13,822	111,283
2029	109,526	5,094	114,620
	<u>\$ 369,907</u>	<u>\$ 68,933</u>	<u>\$ 438,840</u>

Note 5. Lease Revenue

The Authority has rental agreements with fixed base operators and leases for rental of land and buildings owned by the Authority. These agreements stipulate that upon termination, title of any leasehold improvements will pass to the Authority. Some rental agreements and leases include arrangements for the lessee to pay the Authority a fee based upon a percentage of their revenue. All aviation-related leases between the Authority and aeronautical users are subject to FAA rules and regulation. Since aeronautical leases are subject to FAA rules and regulation, the Authority is not required to include aeronautical leases as part of the lease receivable.

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The total amount of revenue recognized for regulated and non-regulated leases for the years ended December 31, 2025 and 2024 is as follows:

2025	Regulated	Non-Regulated	Total
Land and building rent	\$ 2,475,589	\$ 319,448	\$ 2,795,037
Interest revenue	\$ -	\$ 296,577	\$ 296,577
Other lease revenue	\$ 8,224	\$ 346,853	\$ 355,077
2024	Regulated	Non-Regulated	Total
Land and building rent	\$ 2,754,495	\$ 276,402	\$ 3,030,897
Interest revenue	\$ -	\$ 242,235	\$ 242,235
Other lease revenue	\$ 8,449	\$ 315,064	\$ 323,513

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower and approximately 4,050 square feet of the Authority's tower office space. On December 1, 2020, the Authority entered into a lease agreement with the FAA to lease the Authority's tower office space. On December 14, 2023, the Authority entered into a lease agreement with the FAA to lease the Authority's tower. Income under these leases amounted to \$209,559 and \$183,700 during 2025 and 2024, respectively. The earning stream from these agreements is included in the amounts disclosed above.

Non-Regulated Leases

The Authority recognized revenue of \$286,853 and \$255,064 for variable and other payments from non-regulated leases not previously recognized in the lease receivable for the years ended December 31, 2025 and 2024, respectively. The following is a schedule of future minimum payments under non-regulated leases that are included in the measurement of the lease receivable:

Year	Year Ending December	Total to be Paid	Principal	Interest
Year 1	2026	\$ 411,415	\$ 117,713	\$ 293,702
Year 2	2027	423,898	133,413	290,485
Year 3	2028	437,541	150,699	286,842
Year 4	2029	451,453	168,698	282,755
Year 5	2030	465,643	187,438	278,205
Year 6-10	2031-2035	2,516,281	1,208,968	1,307,313
Year 11-15	2036-2040	1,915,863	751,715	1,164,148
Year 16-20	2041-2045	1,668,164	568,124	1,100,040
Year 21-25	2046-2050	1,771,280	761,145	1,010,135
Year 26-30	2051-2055	1,917,703	1,018,053	899,650
Year 31-35	2056-2060	2,234,152	1,494,578	739,574
Year 36-40	2061-2065	2,681,867	2,177,112	504,755
Year 41-45	2066-2070	2,819,003	2,635,528	183,475
Year 46-50	2071-2075	433,992	433,090	902
Total		<u>\$ 20,148,255</u>	<u>\$ 11,806,274</u>	<u>\$ 8,341,981</u>

Arapahoe County Public Airport Authority
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Regulated Leases

The Authority recognized revenue of \$8,224 and \$8,449 for variable and other payments from regulated leases not previously included in expected future minimum payments for the years ended December 31, 2025 and 2024, respectively. The following is a schedule of future minimum payments under regulated leases:

<u>Year</u>	<u>Year Ending December</u>	<u>Total to be Paid</u>
Year 1	2026	\$ 2,530,187
Year 2	2027	2,375,946
Year 3	2028	2,408,090
Year 4	2029	2,438,013
Year 5	2030	2,432,779
Year 6-10	2031-2035	12,106,638
Year 11-15	2036-2040	13,206,147
Year 16-20	2041-2045	16,427,097
Year 21-25	2046-2050	17,120,029
Year 26-30	2051-2055	16,354,365
Year 31-35	2056-2060	15,381,761
Year 36-40	2061-2065	14,613,935
Year 41-45	2066-2070	14,585,120
Year 46-50	2071-2075	14,224,171
Year 51-55	2076-2080	17,065,004
Year 56-60	2081-2085	22,623,536
Year 61-65	2086-2090	22,692,555
Year 66-70	2091-2095	22,645,244
Year 71-75	2096-2099	<u>3,835,985</u>
	Total	<u>\$ 235,066,602</u>

Note 6. Federal Aviation Administration Grants

The Authority has grant agreements with the Federal Aviation Administration (the FAA) for funding airport improvement and security research and development projects. The Authority was awarded \$422,068 and \$13,852,966 in FAA funding in 2025 and 2024, respectively. This does not include possible grants that the Airport has applied for and not yet received. The Authority has construction commitments related to grant funding of \$4,503,420 and \$9,649,576 at December 31, 2025 and 2024, respectively.

In addition, the Authority had incurred costs and recorded a receivable for capital grant monies due from the FAA, which are included in grants receivable, as of December 31, 2025 and 2024 of \$4,033,861 and \$3,138,203, respectively.

These federal awards are for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. Management believes disallowances, if any, will be immaterial.

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Notes to Financial Statements
December 31, 2025 and 2024

Note 7. Defined Contribution Plan

The Authority maintains a defined contribution pension plan, which is administered by the Principal Financial Group (Administrator). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

Employees become eligible to participate in the plan after two months of employment. Under this plan, up to 7% of the employees' base salary is withheld and remitted to the administrator along with a matching payment of up to 7% from the Authority. Additional nonmatched contributions may be made by the employees. Employees are 100% vested in employer contributions at all times. There is no liability for benefits under the plan beyond the Authority's matching payments. The difference between total payroll and base salary represent employees who are not eligible to or have opted not to participate. Additional contribution information is as follows:

	<u>2025</u>	<u>2024</u>
Total payroll for the year	\$ 2,747,546	\$ 2,554,789
Base salary for contribution calculation	\$ 2,575,212	\$ 2,354,989
Employee contributions	\$ 244,412	\$ 231,491
Authority contributions	\$ 171,241	\$ 160,839

Executive Benefit Plan

Effective November 8, 2012, the Authority adopted a non-qualified deferred compensation plan, (the Plan) covering certain key employees. Under this Plan, the Authority may elect to contribute to the Plan in accordance with limits specified within the Plan. The Authority authorized contributions to the Plan of \$90,000 and \$70,000 in 2025 and 2024, respectively. As the Plan assets are subject and available to the Authority's creditors the related assets and liabilities have been included in the Authority's financial statements.

Note 8. Risk Management

The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. There have been no significant reductions in insurance coverage from the prior year and no claim settlements in excess of insurance coverage in the last three years.

Note 9. Net Investment in Capital Assets

	<u>2025</u>	<u>2024</u>
Capital assets, net	\$ 87,172,776	\$ 81,535,325
Notes payable - current portion	(848,805)	(828,102)
Notes payable - noncurrent portion	(1,761,801)	(2,610,606)
Subscription liability	(369,907)	-
Accounts payable incurred for capital asset purchases	(3,391,642)	(1,487,756)
Earned retainage	(592,437)	(707,379)
	<u>\$ 80,208,184</u>	<u>\$ 75,901,482</u>

Supplementary Information

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Schedule of Revenues, Expenditures and Changes in Funds Available –
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Grants and contributions	\$ 16,236,450	\$ 8,559,513	\$ (7,676,937)
Building and land rental	3,179,873	3,150,114	(29,759)
Fuel and aircraft parking fees	4,430,000	5,681,069	1,251,069
Concession fees	272,850	398,497	125,647
Other airport operator fees	1,067,827	1,174,422	106,595
Custom fees	540,000	563,497	23,497
Interest income	805,697	991,305	185,608
Note receivable principal payments Parcel 50 Ramp	7,213	7,052	(161)
Note receivable principal payments Sierra Taxilane	50,000	45,833	(4,167)
Other operating and non-operating income	302,592	322,733	20,141
Total Revenues	26,892,502	20,894,035	(5,998,467)
Expenditures			
Loan payoff	2,610,606	-	2,610,606
Loan payment - principal and interest	901,932	901,932	-
Airport Infrastructure Improvements Bank	1,000,000	-	1,000,000
Salaries and related payroll expense	3,754,329	3,644,455	109,874
Maintenance, repairs and operating supplies	1,268,650	783,894	484,756
Customs expense	530,000	615,589	(85,589)
Telephone and utilities	547,695	504,933	42,762
Insurance	253,000	233,063	19,937
Public relations	136,044	101,631	34,413
Travel and meetings	220,500	158,331	62,169
Firefighting services	150,000	88,860	61,140
Legal	350,000	157,968	192,032
Accounting and audit	73,000	77,025	(4,025)
Noise expense	224,000	81,208	142,792
Office expense	140,028	121,630	18,398
Office and equipment rental	39,597	26,482	13,115
Miscellaneous	89,200	37,314	51,886
Unleaded AvGas Transition	515,000	217,669	297,331
SBITA principal and interest	-	104,453	(104,453)
Capital outlay	27,143,103	11,793,704	15,349,399
Total Expenditures	39,946,684	19,650,141	20,296,543
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (13,054,182)</u>	<u>\$ 1,243,894</u>	<u>\$ 14,298,076</u>

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Reconciliation of Non-GAAP Budgetary Basis (Actual) to Statements of Revenues,
Expenses and Changes in Net Position
Year Ended December 31, 2025

Revenues

Total revenues (budgetary basis)	\$ 20,894,035
Note receivable principal payments	(52,885)
CAF income	228,163
Gain on disposition of capital assets	<u>7,331</u>

Total Revenues

21,076,644

Expenses

Total expenditures (budgetary basis)	19,650,141
CAF expenses	183,857
Capital outlay	(11,793,704)
Note principal payments	(828,102)
SBITA principal payments	(70,429)
Depreciation and amortization	<u>6,595,959</u>

Total Expenses

13,737,722

Change in net position per statements of revenues,
 expenses and changes in net position

\$ 7,338,922

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Schedule of Revenues, Expenditures and Changes in Funds Available –
Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended December 31, 2024

	Original and Final Budget	Actual As Restated	Variance - Favorable (Unfavorable)
Revenues			
Grants and contributions	\$ 20,858,293	\$ 8,161,392	\$ (12,696,901)
Building and land rental	3,146,955	3,354,410	207,455
Fuel and aircraft parking fees	3,725,000	3,956,748	231,748
Concession fees	264,800	325,688	60,888
Other airport operator fees	767,302	75,842	(691,460)
Custom fees	540,000	482,832	(57,168)
Interest income	732,298	1,307,126	574,828
Note receivable principal payments Parcel 50 Ramp	6,794	6,653	(141)
Note receivable principal payments Sierra Taxilane	50,000	33,333	(16,667)
Other operating and non-operating income	309,870	320,439	10,569
Total Revenues	30,401,312	18,024,463	(12,376,849)
Expenditures			
Loan payoff	3,438,708	-	3,438,708
Principal and interest	902,228	902,398	(170)
Airport Infrastructure Improvements Bank	1,000,000	-	1,000,000
Salaries and related payroll expense	3,494,817	3,397,991	96,826
Maintenance, repairs and operating supplies	1,171,150	881,618	289,532
Customs expense	525,000	553,296	(28,296)
Telephone and utilities	538,385	486,994	51,391
Insurance	217,031	218,571	(1,540)
Public relations	111,200	121,534	(10,334)
Travel and meetings	203,000	125,344	77,656
Firefighting services	120,000	203	119,797
Legal	300,000	38,536	261,464
Accounting and audit	65,000	66,375	(1,375)
Noise expense	190,000	65,963	124,037
Office expense	117,155	94,585	22,570
Office and equipment rental	38,421	28,747	9,674
Miscellaneous	121,700	17,835	103,865
Unleaded AvGas Transition	265,000	268,169	(3,169)
SBITA principal and interest	-	106,486	(106,486)
Capital outlay	35,522,064	17,660,581	17,861,483
Total Expenditures	48,340,859	25,035,226	23,305,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (17,939,547)	\$ (7,010,763)	\$ 10,928,784

Arapahoe County Public Airport Authority
(A Component Unit under Arapahoe County, Colorado)
Reconciliation of Non-GAAP Budgetary Basis (Actual) to Statements of Revenues,
Expenses and Changes in Net Position
Year Ended December 31, 2024

Revenues

Total revenues (budgetary basis)	\$ 18,024,463
Note receivable principal payments	(39,986)
CAF income	170,220
Gain on disposition of capital assets	91,304

Total Revenues

18,246,001

Expenses

Total expenditures (budgetary basis)	25,035,226
Capital outlay	(17,660,581)
CAF expenses	102,124
Note principal payments	(807,905)
SBITA principal payments	(102,444)
Depreciation and amortization	5,698,953

Total Expenses

12,265,373

Change in net position per statements of revenues,
expenses and changes in net position

\$ 5,980,628