Grand Junction Regional Airport Authority

Financial Report
with Supplementary Information
December 31, 2025

Contents

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Independent Auditor's Report

To the Board of Commissioners
Grand Junction Regional Airport Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grand Junction Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

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

Basis for Opinion

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

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.

To the Board of Commissioners
Grand Junction Regional Airport Authority

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 the management's discussion and analysis and other required supplementary information, as identified in the table of contents, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), and the schedule of passenger facility charge collections and expenditures, as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, are presented for the purpose 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 auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and passenger facility charge collections and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Commissioners
Grand Junction Regional Airport Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 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, 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.

Plante & Moran, PLLC

July 21, 2026

Management's Discussion and Analysis

Year Ended December 31, 2025

INTRODUCTION

Grand Junction Regional Airport, Colorado, Public Airport Authority was created in 1971 under the Public Airport Authority Act of 1965. The Grand Junction Regional Airport Authority (the "Authority" or "GJT") is composed of seven appointed members: three from Mesa County, three from the City of Grand Junction and one at-large selection. The term of each Commissioner of the Authority Board is four years; no member may serve more than two consecutive four-year terms. The Board of Commissioners selects and appoints an Executive Director who implements the policies established by the Board, manages the airport, and serves at the pleasure of the Board.

The Authority engages in business-type activities. These are activities that are intended to recover all or a significant portion of their costs through user fee charges to external parties for goods or services. The Authority reports its business-type activities in a single enterprise fund, meaning that its activities are operated and reported like a private-sector business. An enterprise fund uses the accrual basis of accounting, and accordingly, revenues are recognized when earned and expenses are recognized as incurred.

GJT Description

The Grand Junction metropolitan area is classified as a non-hub commercial service market, as the Airport enplanes less than 0.05% of all commercial airline enplanements in the United States.

The Airport is located on approximately 2,800 acres of land and has two active runways and an air traffic control tower. The primary runway is Runway 11/29, which measures 10,501 feet long and 150 feet wide with a northwest southeast orientation. Crosswind Runway 4/22 measures 5,501 feet long and 75 feet wide in a southwest/northeast orientation. The secondary runway is designed to facilitate the operations of smaller aircraft during crosswind conditions on Runway 11/29.

The passenger terminal building opened in 1982 and contains approximately 76,000 square feet of space and offers one airside concourse with three passenger boarding bridges. The terminal building accommodates passenger ticketing, baggage claim, passenger screening, concessions, and rental car facilities and public parking is available on site. In addition to the passenger terminal building, the Authority also provides cargo and general aviation facilities and has an aircraft rescue firefighting building.

Location

Grand Junction is situated on the western slope of the Rocky Mountains in Mesa County, Colorado. The Airport and the City of Grand Junction are located between Denver and Salt Lake City, approximately 260 miles from each. The closest airports, which provide regularly scheduled commercial or regional jet service, are Aspen-Pitkin County Airport, Eagle County Airport, and the Montrose County Regional Airport.

Air Traffic

As of December 31, 2025, GJT offered direct, year-round service to Dallas/Fort Worth, TX, Denver, CO, Las Vegas, NV, Phoenix, AZ, and Salt Lake City, UT and seasonal nonstop service to Los Angeles, CA. Air service was provided throughout the year by four different carriers, including: American Airlines, Breeze, Delta, and United. As of December 31, 2024, GJT offered direct, year-round service to Dallas/Fort Worth, TX, Denver, CO, Las Vegas, NV, Phoenix, AZ, and Salt Lake City, UT and seasonal nonstop service to Los Angeles, CA. Air service was provided throughout the year by five different carriers, including: Allegiant, American Airlines, Breeze, Delta, and United.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial position and activity of the Authority provides an introduction and overview of the basic financial statements of the Authority as of and for the year ended December 31, 2025. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

Management's Discussion and Analysis

Year Ended December 31, 2025

Financial Highlights

Passenger enplanements totaled 318,106 in 2025 and set a new record for the airport. Enplanements have experienced double digit growth year over year since 2022; increasing 12% from 2023 to 2024 (280,000 enplanements) and 13.5% from 2024 to 2025. Passenger growth was led by United Airlines, who up-gauged aircraft and flew additional frequencies between Denver and Grand Junction and the return of Delta in December of 2024 provided an additional non-stop route option for passengers in 2025. Allegiant exited the Grant Junction market in early January 2025, however, GJT continued to offer ultra-low-cost carrier service on Breeze. This growth in passengers resulted in an increase in non-aeronautical revenue of 12% ($624K) from 2024 to 2025, driven by parking and rental car revenue. Additionally, total aeronautical revenue increased by 21% ($661K) as a result of increases in commercial airline rates, activity, and landing fees from local fire-fighting operations.

Operating expenses before depreciation increased by approximately 19% from 2024 to 2025, led by compensation expense. Compensation expense increased $767K (29.6%) from 2024 as vacant positions were filled and wages were increased across all positions. Wage increases accounted for approximately $382K of the increase in compensation expense, and $209K of the increase was the result of the change in the annual pension expense adjustment. The increase in compensation was budgeted and planned for. In addition to compensation expense, the most significant increase in operating expenses was in repairs and maintenance in 2025 which increased almost 44% from 2024 to 2025 ($329K) as there were unplanned repairs needed in the air traffic control tower.

The Authority is in the process of completing a runway replacement project which is anticipated to be a 10+ year program to build a replacement runway north of the existing primary runway, 11/29. Construction for the runway replacement program commenced in 2018 and is expected to be complete in 2030. The project is primarily funded by FAA Airport Improvement Program (AIP) grants, which typically have an associated airport match of 10%. From 2024 to 2025, the Authority had an increase of $25.9 million in capital assets, the majority of which is related to the runway program. Capital projects in 2024 and 2025 were focused around grading, drainage, utility installation and preparation of the sub-base of the new runway. In addition to the runway replacement work, other significant capital projects in 2025 included the expansion of the terminal parking lot, replacement of two boarding bridges, and improvements to the terminal building fire suppression system

Capital grant revenue recognized in 2025, primarily related to the runway project was just over $22.5 million, an increase of approximately $1.9 million from 2024.

In 2020, the Authority was awarded funding under the U.S. Department of Transportation's Small Community Air Service Development Program (SCASDP), a federal grant program intended to assist small communities in addressing air service and airfare issues. SCASDP grants are generally disbursed on a reimbursement basis and may be used for eligible activities such as air service development, marketing and promotion, revenue guarantees, start-up costs, studies, and other approved measures to improve air service. The community and the Authority received approval from the Department of Transportation to use the SCASDP funding towards non-stop service to Salt Lake City and was instrumental in the return of Delta to fly this route. Non-operating grant revenue and nonoperating grant program expenses, both totaling $1.5 million, were recognized related to this grant program in 2025 and represent the entirety of the award.

Overview of the Financial Statements

The Authority's financial statements consist of its statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows and notes to the financial statements. The statement of net position presents information on the Authority's assets, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. This report also includes required supplementary information for the Authority's pension and other post-employment benefit plans for the purpose of additional analysis.

These financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the GASB.

Summary of Revenues, Expenses, and Changes in Net Position

The following is a summary of the revenues, expenses, and changes in net position for the years ended December 31, 2025, and 2024.

	2025	2024
Total operating revenues	9,848,497	8,563,952
Total non-operating revenues	4,972,591	3,140,002
Total revenues	14,821,088	11,703,954
Total operating expenses	14,216,568	12,168,919
Total non-operating expenses	2,238,485	627,780
Total expenses	16,455,053	12,796,699
Income (Loss) before capital contributions	(1,633,965)	(1,092,745)
Capital contributions	24,523,512	22,651,140
Increase in net position	22,889,547	21,558,395

The following is a summary of operating revenues for the years ended December 31, 2025, and 2024.

	2025	2024
Aeronautical revenue		
Passenger airline revenue		
Passenger airline landing fees	947,125	710,153
Terminal rent	1,651,941	1,398,510
Other	46,114	23,280
Total passenger airline revenue	2,645,180	2,131,943
Non-passenger airline revenue		
Non-passenger landing fees	307,704	185,159
Cargo and hangar rentals	66,738	64,947
Fuel flowage fees and aviation fuel tax	792,973	763,475
Other	14,430	20,468
Total non-passenger airline revenue	1,181,845	1,034,049
Total aeronautical revenue	3,827,025	3,165,992
Non-aeronautical revenue		
Land and building leases	750,732	747,229
Terminal – restaurant and retail	291,816	235,618
Terminal - rent	161,580	160,969
Rental cars	1,787,388	1,699,330
Parking and ground transportation	2,910,567	2,462,147

Other	119,389	92,665
Total non-aeronautical revenue	6,021,472	5,397,958
Total operating revenue	9,848,497	8,563,950

Passenger airline revenue is primarily from terminal rent which is currently based on a hybrid rates and charges model and passenger airline landing fees assessed based on the maximum weight of the aircraft times a landing fee that is also from a hybrid rate methodology. The airline rates and charges model calculates a terminal rent rate and landing fee rate that is based on estimated operating expenses and non-airline revenue and that rate is subject to an annual true-up adjustment based on actual expenses and revenues. In 2025, operating expenses excluding depreciation were budgeted to increase from 2024 actual expenses, and with operating expenses being within 2% of budget, there was minimal true-up of airline revenue, resulting in an increase from 2024 of $513K.

Non-passenger airline revenue consists primarily of landing fees from non-passenger airline activity like cargo, and fuel flowage fees and taxes. Non-passenger landing fees increased by $123K (66%) from 2024 to 2025 related to local firefighting operations. Fuel taxes are collected on all fuel sold at airports throughout the state and a portion is remitted by the State of Colorado back to the airports proportionately based on sales. The increase from 2024 to 2025 was related to an increase in State collected fuel taxes, driven by both the increase in commercial airline activity as well as aviation fuel prices. Fuel flowage fees and sales remained flat from 2024 to 2025.

Non-aeronautical revenue consists of some fixed rent charges and other variable revenues that are directly correlated to passenger traffic. The increase in non-aeronautical revenues from 2024 to 2025 was driven by an increase in parking, ground transportation, and rental car revenue and the year-over-year increase of 13% almost perfectly aligned with the increase in enplaned passengers, indicating that the spend per passenger remains strong. Parking rates also increased effective June 1, 2025, from $12/day to $14/day.

The following is a summary of operating expenses for the years ended December 31, 2025 and 2024.

	2025	2024
Personnel compensation and benefits	3,361,626	2,594,231
Communications and utilities	403,278	369,390
Supplies and materials	711,360	633,656
Contract services	992,459	1,176,845
Repairs & maintenance	1,083,024	754,302
Insurance	171,654	165,893
Depreciation	7,114,800	6,213,518
Other	378,367	261,084
Total operating expenses	14,216,568	12,168,919

The majority of the Airport's operating expenses are relatively fixed in nature, and do not fluctuate with increases and decreases in passenger traffic but are driven by airport directed projects or purchases. Total operating expenses increased 17% from 2024 to 2025, which was almost entirely attributable to increases in compensation expense, repairs and maintenance, and depreciation expense. Depreciation expense continues to increase as elements of the runway replacement projects are completed. The increase in repairs and maintenance expenses in 2025 was driven by unplanned repairs to the air traffic control tower and IT maintenance expenses and improvements. As noted above, the increase in compensation expenses was related to an increase in base wages, filled position vacancies, as well as a decrease in the pension expense adjustment.

Non-Operating Revenues and Expenses, Capital Grants and Capital Contributions

The following is a summary of non-operating revenues and expenses for the years ended December 31, 2025 and 2024.

	2025	2024
Passenger facility charges	1,255,613	1,080,337
Interest income	1,357,327	1,303,710
Interest expense	(708,678)	(627,780)
Customer facility charges	819,068	716,528
Grant revenue	1,540,583	39,427
Capital contributions	24,523,512	22,651,140
Other non operating expense	(4,927)	-
Nonoperating grant program expense	(1,524,880)	-
Total non-operating revenue (expense), net	27,257,618	25,163,362

Passenger facility charges increased by $175K (16%) from 2024 to 2025 and customer facility charges increased by $103K (14%) from 2024 to 2025 driven by growing passenger traffic. Capital contributions will fluctuate year to year depending on the projects awarded and the amount of construction completed. In 2025 and 2024, the Authority received significant runway replacement program grants. Capital contributions from grant funded projects increased almost $2 million from 2024 to 2025, however, total capital expenses increased from approximately $25.8 million in 2024 to over $33.0 million in 2025 as the Authority made investments in projects that were not eligible for grant funding. See Note 4 for a more comprehensive list of capital projects in process.

Interest income remained flat from 2024 to 2025. With the proceeds from the issuance of the 2025 state infrastructure bank loan, total cash balances remained relatively unchanged even with the significant capital projects and interest rates remained flat year-over-year.

Non-capital grant revenue and nonoperating grant program expenses recognized in 2025 related to the SCASDP program awarded to the Authority. While the grant was awarded in 2020, the flight did not begin until the end of 2024, and all grant program expenses and revenues were recognized in 2025.

Summary of Net Position

The following is a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of December 31, 2025 and 2024:

	2025	2024
Current assets	30,482,452	31,434,286
Restricted assets	11,163,123	4,132,571
Capital assets, net	160,221,172	134,295,584
Leases Receivable, net of current	9,149,989	3,740,818
Total assets	211,016,736	173,603,259
Deferred outflows of resources	611,395	951,719
Total assets and deferred outflows of resources	211,628,131	174,554,978
Current liabilities	9,010,755	5,198,645
Non-current liabilities	23,293,562	19,208,353
Total liabilities	32,304,317	24,406,998
Deferred inflows of resources	10,197,096	3,910,809
Total Net position	169,126,718	146,237,171
Total liabilities, deferred inflows of resources and net position	211,628,131	174,554,978

Non-Capital Assets

From 2024 to 2025, total current assets decreased by 3% from 31.4 million to $30.5 million, however, there were some significant variances between the balances.

- Total cash and cash equivalents remained strong, decreasing by only $539K from $19.1 million to $18.5 million in spite of the $33 million investment in capital assets made during 2025.
- The balance of grants receivable will fluctuate due to the timing of incurring project costs and submitting for grant reimbursement from the FAA and as of December 31, outstanding grants receivable were down $2.1 million from $10.9 million (2024) to $8.8 million (2025).
- The decreases in cash and grants receivable were offset by an increase in the leases receivable balance of $948K and an increase in non-grant receivables of $550K. In 2025, the Authority finalized new contracts with the on-site rental car companies, and those contracts required accounting for leases in accordance with GASB 87 (see Note 7 for additional information).

Restricted assets increased by $7.0 million as the Authority took out a new Colorado State Infrastructure Bank (SIB) loan totaling $6.5 million in 2025, to help pay for projects ineligible for grant funds. The funds are held in escrow and are restricted for projects related to parking and terminal roadway improvements. Remaining restricted assets are related to customer facility charges assessed by the rental car companies and used for operating and capital projects related to the rental car operations and customers.

Capital Assets
The Authority invested over $33 million in capital construction projects during 2025 compared to $25.8 million in 2024. There was a shift in the amount of airport funded versus grant funded projects completed in 2025 compared to 2024 as the Authority invested almost $6 million in non-grant funded projects compared to only $662K in 2024. The largest project in progress as of 2025 and 2024 continues to be related to the runway replacement program, and specifically the earthwork and drainage construction. In total, capital assets increased $25.9 million from 2024 to 2025 taking into account, new investments in capital assets, less depreciation expense.

Current Liabilities
Current liabilities increased by $3.8 million from 2024 to 2025, driven by a $2.8 million increase in accounts payable related to capital projects. The amount of capital project payments due will fluctuate depending on the status of capital projects each year and the timing of payments. The remainder of the increase in current liabilities was related to accrued expenses (primarily payroll and accrued vacation), and the current portion of debt which increased with the issuance of a new Colorado SIB loan.

Long-Term Debt
Capital acquisitions are funded using a variety of financing mechanisms, including federal and state grants, passenger facility charges, public debt issues, and airport operating revenues. During 2016 the Authority refunded the 2007 Revenue Bonds with the 2016 Revenue Bonds resulting in a $9,000,000 project fund. As of December 31, the balance due on the 2016 Bonds was $12,925,000 (2025) and $13,805,000 (2024). In addition to the outstanding Revenue Bond, the Authority has taken two Colorado SIB loans to help fund parking and terminal roadway improvements that are not eligible for grant funding and have long-term revenue generating opportunities. The outstanding principal balance of the 2023 and 2025 Colorado SIB loans as of December 31 were $9,575,737 (2025) and $3,411,549 (2024).

Deferred Outflows and Deferred Inflows of Resources
Changes in deferred outflows and deferred inflows were related to the changes in the Authority's proportionate share of the pension and other post-employment benefits (OPEB) liabilities for the cost-sharing plan in which the Authority participates. See Note 9 and Note 10 for additional information on the calculation of these amounts.

Budgetary Highlights

The Authority establishes its annual operating budget using the modified cash basis, which is different than the basis of accounting used to present the Authority's financial statements. Cash outflows for debt principal payments and capital asset purchases that are recorded as changes in the statement of net position are included as non-operating expenses in the annual budget for the Authority, and no amount is budgeted for non-cash adjustments to the pension and OPEB liabilities, which are recognized in personnel costs, or other non-cash expenses including depreciation and amortization of the bond premium.

	2025 Actual	2025 Budget	Budget to Actual Variance
Operating Revenues			
Aeronautical revenue	3,827,025	3,809,787	(17,238)
Non-aeronautical revenue	6,021,472	5,662,157	(359,315)
Total Operating Revenue	9,848,497	9,471,944	(376,553)
Operating Expenses Excluding Depreciation	7,101,768	7,228,519	126,751

Net Operating Revenues Over (Under) Operating Expense	2,746,729	2,243,425	(503,304)

Given the significant growth in enplanements over the past few years, the Authority budgeted modest enplanement growth 2024 to 2025, estimating 2025 to see an increase in commercial airline and passenger levels of about 4% from 2024 actuals. However, actual activity levels exceeded budgeted assumptions due to the return of Delta service in December and continued growth in United service. Although aeronautical activity exceeded expectations, total passenger airline revenue came in slightly under budget based on the airline rates and charges formula. Over 85% of the favorable variance in operating revenue was due to higher public parking, rental car revenue, and terminal food and beverage spend from the additional passengers.

Operating expenses were within 2% of budget ($127K). All categories of operating expenses were under budget, with the exception of repairs and maintenance which exceeded budget due to unplanned repairs in the air traffic control tower heating and cooling system and IT purchases to improve security. Repairs and maintenance exceeded budget by $314K (41%) but was offset primarily by underspending in contract services of $243K (20%). A higher amount of contract services was budgeted for, however, most projects utilizing contract engineers and specialists in 2025 were part of capital projects and not operating expenses.

Subsequent Events Impacting Current Operations

Subsequent to the year ended December 31, 2025, the Authority applied for an additional $5,500,000 Colorado SIB loan and the loan has been approved by the Colorado Division of Aeronautics but has not yet been funded. The funding is for the remainder of the parking improvement projects started in 2025 not covered by the 2025 SIB loan including the completion of solar covered parking, the installation of a new parking revenue control system, curbside improvements, and the design of the next phase of parking expansion. Once the loan is issued, it will mature 10-years from the issuance date (anticipated to be in 2036), and bears interest at a rate of 3.5% per annum with 10 equal annual installments. There were no other material subsequent events up through and including the independent auditor's report date, which is the date the financial statements were available to be issued.

Request for Information

The Authority's financial statements are designed to present interested parties (customers, tenants, creditors, and the community) with a general overview of the Authority's finances and to demonstrate accountability to all interested parties. If you have any questions concerning this report or need additional financial information, please contact the Grand Junction Regional Airport Authority, 2828 Walker Field Drive, Ste 301, Grand Junction, Colorado 81506 or at 970-244-9100.

Statement of Net Position

	December 31, 2025
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	$ 18,522,115
Receivables:	
Accounts receivable - Net	1,295,944
Leases receivable (Note 7)	1,168,387
Grants	8,760,837
Prepaid expenses and other assets	735,169
Total current assets	30,482,452
Noncurrent assets:	
Restricted assets - Cash and cash equivalents (Note 3)	4,399,530
Restricted escrow (Note 2)	6,763,593
Capital assets: (Note 4)	
Assets not subject to depreciation	35,510,454
Assets subject to depreciation - Net	124,710,718
Leases receivable - Net of current portion (Note 7)	9,149,989
Total noncurrent assets	180,534,284
Total assets	211,016,736
Deferred Outflows of Resources	
Deferred pension costs (Note 9)	575,228
Deferred OPEB costs (Note 10)	36,167
Total deferred outflows of resources	611,395
Liabilities	
Current liabilities:	
Accounts payable	511,077
Accounts payable - Capital assets	5,578,195
Accrued expenses (Note 5)	732,916
Lease deposits	149,648
Current portion of revenue received in advance	115,162
Current portion of debt (Note 6)	1,923,757
Total current liabilities	9,010,755
Noncurrent liabilities:	
Revenue received in advance - Net of current portion	929,167
Debt - Net of current portion (Note 6)	21,019,026
Net pension liability (Note 9)	1,266,874
Net OPEB liability (Note 10)	78,495
Total noncurrent liabilities	23,293,562
Total liabilities	32,304,317
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 9)	56,155
Leases (Note 7)	10,080,769
Deferred OPEB cost reductions (Note 10)	60,172
Total deferred inflows of resources	10,197,096
Net Position	
Net investment in capital assets	138,463,787
Restricted - Debt service and capital assets	4,399,530
Unrestricted	26,263,401
Total net position	**$ 169,126,718**

See notes to financial statements.

Grand Junction Regional Airport Authority

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended December 31, 2025
Operating Revenue	
Aeronautical revenue:	
Passenger airlines revenue:	
Passenger airlines landing fees	$ 947,125
Terminal rent	1,651,941
Other aeronautical revenue	46,114
Total passenger airlines revenue	2,645,180
Nonpassenger airline revenue:	
Nonpassenger airline landing fees	307,704
Cargo and hangar rentals	66,738
Aviation fuel tax	323,216
Fuel flowage fees	469,757
Other nonpassenger airline revenue	14,430
Total nonpassenger airline revenue	1,181,845
Total aeronautical revenue	3,827,025
Nonaeronautical revenue:	
Land and building leases	750,732
Terminal - Concessions	291,816
Terminal - Rent	161,580
Rental cars	1,787,388
Parking and ground transportation	2,910,567
Other nonaeronautical revenue	119,389
Total nonaeronautical revenue	6,021,472
Total operating revenue	9,848,497
Operating Expenses	
Personnel compensation and benefits	3,361,626
Communications and utilities	403,278
Supplies and materials	711,360
Contract services	992,459
Repairs and maintenance	1,083,024
Insurance	171,654
Depreciation	7,114,800
Other	378,367
Total operating expenses	14,216,568
Operating Loss	(4,368,071)
Nonoperating Revenue (Expense)	
Passenger facility charges	1,255,613
Interest income	1,357,327
Customer facility charges	819,068
Grant revenue	1,540,583
Interest expense	(708,678)
Other nonoperating expense	(4,927)
Nonoperating grant program expense	(1,524,880)
Total nonoperating revenue - Net	2,734,106
Loss - Before capital contributions	(1,633,965)
Capital Contributions	24,523,512
Change in Net Position	22,889,547
Net Position - Beginning of year	146,237,171
Net Position - End of year	**$ 169,126,718**

Statement of Cash Flows

Year Ended December 31, 2025

Cash Flows from Operating Activities	
Cash received from customers and users	$ 9,232,498
Cash paid to vendors for goods and services	(3,802,296)
Cash paid to and for employees	(3,307,625)
Net cash and cash equivalents provided by operating activities	2,122,577
Cash Flows from Noncapital Financing Activities	
Grant receipts	1,456,980
Grant payments	(1,524,880)
Net cash and cash equivalents used in noncapital financing activities	(67,900)
Cash Flows from Capital and Related Financing Activities	
Issuance of debt	6,500,000
Receipt of capital grants	26,648,385
Customer facility charges received	819,068
Passenger facility charges received	1,255,613
Acquisition and construction of capital assets	(30,199,048)
Interest paid on capital debt	(728,697)
Principal payments on notes and bonds payable	(1,215,812)
Net cash and cash equivalents provided by capital and related financing activities	3,079,509
Cash Flows from Investing Activities	
Interest income	1,357,327
Net cash and cash equivalents provided by investing activities	1,357,327
Net Increase in Cash and Cash Equivalents	6,491,513
Cash and Cash Equivalents - Beginning of year	23,193,725
Cash and Cash Equivalents - End of year	**$ 29,685,238**
Classification of Cash and Cash Equivalents	
Cash and investments	$ 18,522,115
Restricted cash	11,163,123
Total cash and cash equivalents	**$ 29,685,238**
Reconciliation of Operating Loss to Net Cash and Cash Equivalents from Operating Activities	
Operating loss	$ (4,368,071)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:	
Depreciation	7,114,800
Changes in assets and liabilities:	
Receivables	(602,035)
Revenue received in advance	(12,556)
Prepaid expenses	(214,944)
Net pension and OPEB expense	(60,090)
Accounts payable	39,305
Accrued liabilities	227,574
Lease deposits	(1,406)
Total adjustments	6,490,648
Net cash and cash equivalents provided by operating activities	**$ 2,122,577**
Significant Noncash Transactions - Capital assets added through accounts payable	$ 2,846,267

Note 1 - Nature of Business

Grand Junction Regional Airport Authority (the "Authority") was established in 1971 under the provisions of the Public Airport Authority Act of 1965 when all assets of the city/county-owned airport were transferred to the Authority. The Authority's board of commissioners (the "Board") is composed of seven appointed members: three from Mesa County, Colorado; three from the City of Grand Junction, Colorado; and one at-large selection. The term of each director of the Board is four years; no member may serve more than two consecutive four-year terms.

As noted above, neither the City of Grand Junction, Colorado nor Mesa County, Colorado appoints a voting majority of the Board; however, both have signed a supplemental co-sponsorship agreement between the Authority and the Federal Aviation Administration (FAA). The co-sponsorship mandates that the City of Grand Junction, Colorado and Mesa County, Colorado would be liable for the financial commitments of the sponsor under the grant agreements should the Authority not be able to satisfy the financial commitments out of the revenue generated by the operation of the airport.

The reporting entity of the Authority includes those activities and functions over which the Authority is considered to be financially accountable. The Authority's financial statements include the accounts and operations of all of the Authority's functions. The Authority is the primary government and does not include any component units using the criteria set forth in accounting principles generally accepted in the United States of America.

The Authority is a special purpose government engaged only in business-type activities. For this type of government, only enterprise financial statements are presented.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The accompanying financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Authority:

Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when incurred. Depreciation is computed and recorded as an operating expense. Expenditures for property and equipment are shown as increases in assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

The operations of the Authority are accounted for on a fund basis in a single enterprise fund. Enterprise funds may be used to account for operations (a) that are financed and operated in a manner similar to 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 revenue earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in external investment pools, which are valued at net asset value.

Receivables

Accounts receivable are stated at invoiced amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. In addition, a general valuation allowance is established for other accounts receivable based on historical loss experience. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. As of December 31, 2025, the allowance for doubtful accounts was $22,000.

Grants receivable primarily represent reimbursements due from the federal government for allowable costs incurred on federal award programs.

Restricted Assets

The following amounts are reported as restricted assets:

- *Passenger Facility Charges* - The Authority received approval from the FAA to impose and use a PFC of $4.50 per eligible enplaned passenger. The PFCs are restricted for use in the construction of certain airport improvements and related construction debt, as approved by the FAA. During 2007, the Authority was approved to collect PFCs to help fund airport improvement projects and was approved to collect approximately $15,857,760 in connection with these projects. In 2018, the Authority was approved to collect an additional $11,530,025 of PFCs for improvement projects being completed in 2018 and 2019. As of December 31, 2025, the Authority had collected $15,857,760 and $1,649,227 of the approved charges, and, based on the project costs in the approved PFC applications and the estimated future PFC collection rate determined by the FAA, the Authority is approved to collect PFCs through 2036. PFC revenue is classified as nonoperating in the statement of revenue, expenses, and changes in net position. PFCs are paid by the carriers, with unexpended amounts reflected as a restriction of net position.

- *Revenue Bond Reserve Fund* - The debt service account is used to segregate resources authorized for use on capital projects with the 2016 bond refinancing. The bond reserve account is drawn down to reimbursement funds spent by the Authority on capital projects. Unexpended amounts are reflected as a restriction of net position.

- *Rental Car Improvements* - In 2008, the Authority began assessing a daily use fee, or customer facility charge (CFC), on airport rental cars. In 2025, the CFC charge for airport rental cars was $4 per day. These funds may be used to make payments on debt and fund capital projects in airport rental car service areas. Unexpended amounts are reflected as a restriction of net position.

- *Unspent Debt Proceeds* - Unspent State Infrastructure Bank (SIB) loan funds received but not yet disbursed for capital projects

Note 2 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets are defined by the Authority as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 50 years. Depreciation of construction in progress assets begins when an asset is placed in service.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Authority reports deferred outflows and inflows of resources related to the pension and OPEB plans described in Notes 9 and 10. The Authority reports deferred inflows of resources related to leases receivable that are described in Note 7.

Net Position

Net position of the Authority is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Operating Revenue and Expenses

The statement of revenue, expenses, and changes in net position distinguishes operating revenue and expenses from nonoperating activity and capital contributions. Operating revenue and expenses generally result from providing services in connection with the Authority’s principal ongoing operations. The principal operating revenue is charges to airline tenants for facility rentals and landing fees and revenue from passenger services, such as parking and rental cars. Operating expenses include the cost of providing services, administrative costs, repairs and maintenance of the facilities, and depreciation on capital assets.

Nonoperating Revenue and Expenses

All revenue and expenses not meeting the above definition of operating revenue and expenses are reported as nonoperating revenue and expenses or capital contributions. Such items include passenger facility charges, car rental customer facility charges, interest income and expense, and grants.

Grants and Contributions

Outlays for airport capital improvements are subject to reimbursement from federal grant programs through the Airport Improvement Program (AIP) of the FAA. Funds are also received for airport development from the State of Colorado. Funding provided from government grants is considered earned as the related approved capital outlays are incurred. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

Note 2 - Significant Accounting Policies (Continued)

Pension

The Authority participates in the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Colorado Public Employees' Retirement Association (PERA). The LGDTF provides retirement and disability, postretirement annual increases, and death benefits for members or their beneficiaries. The net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense have been determined using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*; and GASB Statement No. 82, *Pension Issues - an amendment of GASB Statement No. 67, No. 68, and No. 73*. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

In addition to the LGDTF described above, the Authority also participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit fund administered by PERA that is considered an other postemployment benefit (OPEB). The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans. The net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense have been determined using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused personal time. The compensated absence liabilities are reported in the financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Leases

The Authority is a lessor for noncancelable leases of certain building spaces to various third parties. The assets leased include specific areas in the terminal, airport facilities, and surrounding property. The Authority recognizes a lease receivable and a deferred inflow of resources, where applicable, in the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Authority uses the applicable federal rate corresponding to the lease term and applicable on the commencement date of the lease as the discount rate for leases.

Note 2 - Significant Accounting Policies (Continued)

- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Budgeting Requirements

The Authority's budgeting process is a financial planning tool used to establish the estimated revenue and expenditures for the airport. The budget is prepared by the Authority and approved by the Board in accordance with the State of Colorado's Financial Management Manual and in accordance with Colorado Revised Statutes. The initial budget is submitted to the Board by October 15, and the Authority adopts an appropriation resolution for the next fiscal year by December 31. The Board may amend the appropriation resolution at any time during the year if warranted by circumstances.

The Authority appropriates, and may not exceed appropriations, at a total fund level. Budgeted appropriations for the year ended December 31, 2025 were $53,346,245.

The budget basis of accounting differs from the generally accepted accounting principles basis in that debt proceeds are included as revenue, outlays for acquisition of capital assets and debt principal payments are included as expenditures, and depreciation is not included in expenditures.

Long-lived Assets

The Authority reviews the recoverability of long-lived assets, including buildings and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Revenue Received in Advance

During March 2017, the Authority granted a lease to the Bureau of Land Management (BLM) for use of airport land for a term of 20 years. The BLM prepaid the entire lease in the amount of $500,000. The prepayment is reflected as revenue received in advance and is being amortized over the life of the lease in the amount of $25,000 per year. In May 2024, the Authority executed an amendment to its existing lease agreement with the BLM, extending the lease term from February 2037 to February 2055. As part of the amendment, the BLM remitted a one-time lump-sum payment of $675,000, which is being recognized as revenue received in advance and will be amortized over the extended lease term beginning in March 2037. This payment is classified as noncurrent unearned revenue as of December 31, 2024. As of December 31, 2025, the unamortized balance was $929,167.

Terminal space rentals and land and building lease payments collected in advance are recorded as a liability or deferred inflows of resources and recognized into revenue in the applicable period.

Risk Management

The Authority is exposed to various risks of loss related to torts; errors and omissions; violations of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by commercial insurance. There has been no significant reduction in insurance coverage, and settlement amounts have not materially exceeded coverage for the current or prior three years.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2026.

In December 2025, the Governmental Accounting Standards Board issued Statement No. 105, *Subsequent Events*, which improves financial reporting requirements for subsequent events by clarifying the subsequent events time frame and the distinction between recognized and nonrecognized events. This statement also establishes specific note disclosure requirements and requires disclosure of the date through which subsequent events have been evaluated. The provisions of this statement are effective for the Authority's financial statements for the year ending December 31, 2027.

Note 3 - Cash and Cash Equivalents

Deposits and investments are reported in the financial statements as follows:

Unrestricted cash and cash equivalents	$ 18,522,115
Restricted cash equivalents - Revenue bond reserve fund	768
Restricted cash and cash equivalents - Rental car improvements	4,398,762
Restricted cash and cash equivalents - Debt service	6,763,593
Total deposits and investments	$ 29,685,238

The Authority's cash is subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk; however, the Authority’s deposits are not deemed to be subject to custodial credit risk, as they are covered by federal depository insurance or are collateralized under the Public Deposit Protection Act (PDPA). At December 31, 2025, the Authority had bank deposits of $8,178,194 that were in excess of Federal Deposit Insurance Corporation (FDIC) limits and are covered by PDPA collateral requirements at the financial institution.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. State statutes and the Authority’s investment policy limit interest rate risk by limiting the maximum maturity to five years. Commercial paper is further limited to a maximum maturity of three years. Maturities of the underlying investments in the local government investment pool are limited by the pool’s investment policy to less than one year.

Note 3 - Cash and Cash Equivalents (Continued)

At year end, the Authority had the following investments:

Investment	Carrying Value	Weighted Average Maturity (Days)
COLOTRUST PRIME	$ 21,044,454	15.84
COLOTRUST PLUS	34,689	41.50
Total	$ 21,079,143	

Credit Risk

The Authority limits investments in accordance with the Authority's investment policy and State law. As of December 31, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Asset Class	Carrying Value	Rating	Rating Organization
COLOTRUST PRIME	$ 21,044,454	AAAm	S&P
COLOTRUST PLUS	34,689	AAAm	S&P
Total	$ 21,079,143		

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Authority places no limit on the amount the Authority may invest in any one issuer. The Authority does not have any investments subject to concentration of credit risk.

Investments

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. Colorado statutes limit authorized investments to investments having maturities of five years or less, unless the entity's governing body specifically authorizes longer maturities.

Fair Value Measurements

Fair value measurements are categorized 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, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority did not have any investments valued with Level 1, 2, or 3 inputs at December 31, 2025.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented below.

Note 3 - Cash and Cash Equivalents (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares in investment pools whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the pools as a practical expedient. The Authority's investments in the Colorado Government Liquid Asset Trust (COLOTRUST) Plus and Prime are both measured at the net asset value method. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period. The COLOTRUST Plus and Prime NAV was $1.00 as of December 31, 2025.

Local Government Investment Pool

The Authority invests in COLOTRUST, established solely for Colorado local governments to pool moneys to take advantage of short-term investments and maximize net interest earnings while benefiting from economies of scale available from a multi-billion dollar pooled fund. The pool is regulated by the Colorado Securities Commissioner, with quarterly reporting and annual audits required. Pool investments consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or instrumentalities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Securities owned by the pools are held in an account maintained for the custodial bank. The pools seek to maintain a constant per share net asset value and are reported at fair value measured using net asset value by the Authority. Due to the daily liquidity, and withdrawal availability, the Authority has classified this investment as a cash equivalent.

Note 4 - Capital Assets

Capital asset activity of the Authority as of December 31, 2025 is as follows:

	Balance January 1, 2025	Reclassifications	Additions	Disposals and Adjustments	Balance December 31, 2025	Depreciable Life - Years
Capital assets not being depreciated:						
Land	$ 2,416,059	$ -	$ -	$ -	$ 2,416,059	
Construction in progress	50,086,806	(49,731,820)	32,739,409	-	33,094,395	
Subtotal	52,502,865	(49,731,820)	32,739,409	-	35,510,454	
Capital assets being depreciated:						
Buildings and improvements	26,665,239	4,771,516	116,070	(1,692,140)	29,860,685	3 - 50
Land improvements	143,083,996	44,960,304	-	-	188,044,300	5 - 40
Equipment	6,405,873	-	189,836	(344,460)	6,251,249	3 - 20
Subtotal	176,155,108	49,731,820	305,906	(2,036,600)	224,156,234	
Accumulated depreciation:						
Buildings and improvements	17,098,564	-	824,683	(1,692,140)	16,231,107	
Land improvements	72,163,694	-	6,085,032	-	78,248,726	
Equipment	5,100,131	-	205,085	(339,533)	4,965,683	
Subtotal	94,362,389	-	7,114,800	(2,031,673)	99,445,516	
Net capital assets being depreciated	81,792,719	49,731,820	(6,808,894)	(4,927)	124,710,718	
Net business-type activities capital assets	$ 134,295,584	$ -	$ 25,930,515	$ (4,927)	$ 160,221,172	

Note 4 - Capital Assets (Continued)

Construction Commitments

The Authority has active construction projects at year end. At year end, the Authority's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
AIP 82 - RWY 12-30 Pavement Subbase - Schedule 1	$ 8,176,033	$ 4,416,394
AIP 83 - RWY 12-30 Pavement Subbase - Schedule 2	9,290,017	9,488,404
AIP 84 - Terminal Interior Upgrades IIAJ Funding	767,720	65,786
AIP 85 RWY Subbase Phase 2 Part 2	2,563,974	10,341,052
AIP 88 - RWY Shift (Transition Design)	1,864,852	1,099,065
AIP 90 - ATCT (Contract awarded in July 2025)	-	1,353,207
ARFF Truck	38,495	1,249,059
FCI Solar Covered Parking (Awarded in November 2025)	-	6,502,853
Total	$ 22,701,091	$ 34,515,820

Note 5 - Accrued Expenses

Accrued expenses as of December 31, 2025 consist of the following:

Vacation	$ 234,596
Compensation and related	150,029
Interest	231,483
Other	116,808
Total	$ 732,916

Note 6 - Long-term Debt

Long-term debt activity for the year ended December 31, 2025 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Revenue bonds, Series 2016A and 2016B	$ 13,805,000	$ -	$ (880,000)	$ 12,925,000	$ 920,000
Bond premium	564,591	-	(122,545)	442,046	103,802
2023 SIB loan	3,411,549	-	(335,812)	3,075,737	345,886
2025 SIB loan	-	6,500,000	-	6,500,000	554,069
Total direct borrowings and direct placements principal outstanding	$ 17,781,140	$ 6,500,000	$ (1,338,357)	$ 22,942,783	$ 1,923,757

	Interest Expense
Revenue bonds, Series 2016A and 2016B	$ 622,683
Bond premium	(122,546)
2023 SIB loan	94,791
2025 SIB loan	113,750
Total	$ 708,678

Note 6 - Long-term Debt (Continued)

Colorado SIB Loans

The Authority entered into two loan agreements with the Colorado State Infrastructure Bank (CO SIB) on March 15, 2023 and June 18, 2025. The loans are payable in annual installments beginning on March 15, 2024 and June 20, 2026 of $438,158 and $781,569, including interest at 3.0 percent and 3.5 percent, respectively. The loans' terms end on March 15, 2033 and June 20, 2035.

The debt service requirements to maturity, excluding any unamortized premium, are as follows:

Years Ending	Principal	Interest	Total
2026	$ 899,955	$ 319,772	$ 1,219,727
2027	929,724	290,003	1,219,727
2028	960,483	259,244	1,219,727
2029	992,265	227,462	1,219,727
2030	1,025,105	194,622	1,219,727
2031-2035	4,768,205	454,116	5,222,321
Total	$ 9,575,737	$ 1,745,219	$ 11,320,956

2016 Bonds

The Authority issued Airport Revenue Bonds, Series 2016A and 2016B, dated November 22, 2016, in the amount of $19,670,000, for the purpose of refunding the 2007 Series bonds. The bonds are secured by net operating revenue by the Authority. As of December 31, 2023, the 2016B Series bonds were repaid in full. The Series 2016A bonds bear interest at rates ranging from 3.125 percent to 5.0 percent, with interest payable semiannually on June 1 and December 1 and principal payable annually on December 1 and maturing on December 1, 2036. The bonds are subject to certain restrictive covenants.

The debt service requirements to maturity, excluding any unamortized premium, are as follows:

Years Ending December 31	Principal	Interest	Total
2026	$ 920,000	$ 582,350	$ 1,502,350
2027	965,000	536,350	1,501,350
2028	1,015,000	488,100	1,503,100
2029	1,065,000	437,350	1,502,350
2030	1,120,000	384,100	1,504,100
2031 - 2035	6,385,000	1,138,000	7,523,000
2036 - 2040	1,455,000	50,925	1,505,925
Total	$ 12,925,000	$ 3,617,175	$ 16,542,175

Revenue Pledged

The Authority has pledged substantially all of the net operating revenue of the Authority, net of operating expenses (before depreciation), to repay the Series 2016A and 2016B bonds. A portion of the proceeds were used to refund the 2007 Series bonds used to finance the construction of Walker Field Drive improvements, and new project funds of approximately $9,000,000 included in the issuance were used to help finance terminal improvements and runway replacement project costs. The bonds are payable solely from the net revenue of the Authority. The remaining principal and interest to be paid on the bonds is $16,542,175 as of December 31, 2025. For the year ended December 31, 2025, net revenue of the Authority pledged for debt service was approximately $5,359,669, compared to the annual debt requirements of $1,502,683.

Note 7 - Leases

The Authority leases certain building spaces to various third parties under regulated and nonregulated lease agreements. The assets leased include specific areas in the terminal, hangar space, ramp area, air traffic control tower, and unimproved land.

Lease payments received in exchange for the contracted use of leased assets are paid to the Authority monthly and are based on fixed rental amounts; rental amounts are variable during the lease term based on changes in the Consumer Price Index (CPI), variable amounts directly related to the gross revenue generated by the tenant/operator from the leased assets, or a combination of both fixed and variable amounts. The discount rates applicable to these leasing arrangements range from 1.82 percent to 3.67 percent.

During the year ended December 31, 2025, the Authority recognized the following related to its lessor agreements:

Lease revenue	$ 1,035,251
Interest income related to its leases	271,984
Revenue from variable payments not previously included in the measurement of the lease receivable - Amounts related to gross revenue generated by the tenant	460,248

Regulated Leases

Regulated leases are leases that are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation (DOT) and the Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users through various policies and guidance, including the FAA's Rates and Charges Policy and Federal Grant Assurances. In accordance with GASB 87, the Authority does not recognize a lease receivable and a deferred inflow of resources for regulated leases.

Regulated lease assets include designated areas within the air traffic control tower and portions of airport land. The areas subject to preferential or exclusive use by counterparties under these agreements represent the following proportions of the respective asset classes:

- Land: 2.7 percent of total airport land
- Air Traffic Control Tower: 51.4 percent of total tower space

During the year ended December 31, 2025, the Authority recognized revenue from regulated leases in the amount of $2,518,127. The Authority did not recognize any revenue from variable payments not included in the schedule of expected future minimum payments.

Note 7 - Leases (Continued)

Future expected minimum payments related to the Authority's regulated leases at December 31, 2025 are as follows:

Years Ending	Expected Future Minimum Payments
2026	$ 2,663,621
2027	2,663,621
2028	2,596,457
2029	2,613,248
2030	2,578,229
2031-2035	5,280,245
2036-2040	2,761,990
2041-2045	2,472,210
2046-2050	2,328,859
2051-2055	1,594,356
2056-2060	59,357
Total	$ 27,612,193

In addition to those leases included within the lease receivable and regulated leases disclosed above, the Authority has certain short-term leases that are excluded from the guidance in GASB 87. Payments on short-term leases are recognized as inflows of resources when due. Revenue recognized on short-term leases during the year ended December 31, 2025 totaled $322,804.

Note 8 - Concession Agreements

In April 2011, the Authority renewed an agreement with Republic Parking System Inc. (Republic), a privately held corporation part of the Reef network, under which Republic will operate, maintain, and retain fees from the airport's terminal building public parking areas through March 2016. In January 2016, the agreement was extended for one additional five-year term, terminating on March 31, 2021 at the mutual agreement of the Authority and Republic. In April 2021, the agreement was extended for an additional three-year term, then further extended for two additional one-year terms beginning on April 1, 2024. Republic is required to operate and maintain the public parking areas in accordance with the Parking Lot Operating Agreement (the "Agreement"); the Agreement also regulates the parking rates and fees that may be charged. In consideration of its operating rights hereunder, Republic shall pay the Authority the greater of (a) the applicable percentage of annual gross revenue or (b) the minimum annual guarantees for each year the Agreement is in effect as amended. The term "applicable percentage of annual gross revenue" means 80.45 percent of gross revenue from $0 up to and including $500,000 plus 91.50 percent of gross revenue in excess of $500,000. The term "minimum annual guarantees" means for each year the Agreement is in effect, as amended, and the guarantees shall be $350,000 each year.

Note 8 - Concession Agreements (Continued)

Effective April 1, 2025, the Authority entered into non-exclusive concession and lease agreements with various rental car concessionaires to utilize terminal counter and office space, ready/return parking stalls, and quick turnaround facilities. The initial term of the contracts expire on March 31, 2030 and there are two one-year extension options beyond the initial term.

Under the agreements, rental car concessionaires are required to pay a monthly fixed rent for facility space and the greater of ten percent of concessionaire’s gross revenue or a Minimum Annual Guarantee (MAG). Because these fixed payments are contractually guaranteed over the lease term, the Authority has recognized a lease receivable and a corresponding deferred inflow of resources in accordance with the provisions of GASB 87.

The lease receivables were measured at the present value of the future fixed payments expected to be received over the remaining lease terms. The Authority utilized an incremental borrowing rate of 3.67% as the discount rate to calculate the present value. The lease receivable and deferred inflow of resources from leases are included in the amounts disclosed in Note 7.

In May 2016, the Authority entered into a service agreement with a concession company. Under the agreement and subsequent amendments, including an amendment dated May 5, 2022, the company is granted the right to operate a restaurant and retail space in the airport through April 30, 2027 with an option to extend for an additional five years. In consideration of its operating rights, the company shall pay the Authority the guaranteed minimum annual fee of $120,000, prorated monthly, or a graduated percentage of gross revenue for each such period of the concession term, whichever is the greater amount. The agreement is currently reported as a lease in Note 7.

In 2025, the minimum concession fees from rental car and restaurant concessionaires were $120,000 and $200,275, respectively. The minimum annual guarantee for Republic parking in 2025 was $350,000.

Note 9 - Pension Plans

Plan Description

The Authority participates in the Local Government Division Trust Fund (the "LGDTF"), a cost-sharing multiple-employer defined benefit pension fund administered by PERA. Plan benefits are specified in Title 24 of the Colorado Revised Statutes (C.R.S.) and applicable provisions of the federal Internal Revenue Code. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the LGDTF that can be obtained at www.copera.org/investments/pera-financial-reports. The report can also be obtained by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203 or by calling PERA at 1-800-759-PERA (7372) or 303-832-9550.

The LGDTF provides retirement, disability, and survivor benefits for members or their beneficiaries. Retirement benefits are based upon a number of factors, including retirement age, years of credited service, and highest average salary. Retirement eligibility is specified in tables set forth in the Colorado Revised Statutes. The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is generally the greater of the following:

- Highest average salary multiplied by 2.5 percent and then multiplied by the credited years of service
- The value of the retiring employee’s member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

Note 9 - Pension Plans (Continued)

In all cases, the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code. Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers, waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained, and the benefit structure under which contributions were made.

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and meet the definition of a disability. These benefits are divided into a two-tier disability program consisting of a short-term disability program and a disability retirement benefit. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is appropriately adjusted. Generally, the disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure under which service credit was obtained, and the qualified survivor who will receive the benefits.

Funding Policy

Eligible employees and the Authority are required to contribute to the LGDTF at a rate set by Colorado statute. The contribution requirements of plan members and the Authority are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The contribution rate was 9.00 percent of covered salary for the year ended December 31, 2025 for eligible employees. The Authority's contribution requirements as a percentage of employee salaries for the year ended December 31, 2025 are summarized in the table below:

Employer contribution rate apportioned to the LGDTF	9.98 %
Amortization equalization disbursement (AED)	2.20
Supplemental amortization equalization disbursement (SAED)	1.50
Defined contribution supplement	0.11
Total employer contribution rate to the LGDTF	13.79 %

The Authority’s contributions are recognized by the LGDTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions to the LGDTF. The Authority's contributions to the LGDTF for the year ended December 31, 2025 were $323,025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the Authority reported a net pension liability of $1,266,874 for its proportionate share of the net pension liability. The net pension liability as of December 31, 2025 was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined as of December 31, 2023 and rolled forward using standard rollforward techniques in actuarial valuations to December 31, 2024. The Authority's proportion of the net pension liability for the year ended December 31, 2025 was based on the Authority's contributions to the LGDTF for the calendar year 2024 relative to the total contributions of participating employers to the LGDTF. At December 31, 2025, the Authority's proportion was 0.2065 percent, which was a decrease of 0.0226 percent from its proportion measured as of December 31, 2024. For the year ended December 31, 2025, the Authority recognized pension expense recovery of $27,429.

Note 9 - Pension Plans (Continued)

The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 95,596	$ -
Changes in assumptions	37,389	-
Net difference between projected and actual earnings on pension plan investments	119,218	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	-	56,155
Employer contributions to the plan subsequent to the measurement date	323,025	-
Total	$ 575,228	$ 56,155

The Authority reports deferred outflows of resources related to pensions resulting from the Authority's contributions to the plan subsequent to the measurement date. Amounts reported as deferred outflows as of December 31, 2025 were $323,025, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31	Net Amortization
2026	$ 188,044
2027	289,682
2028	(201,790)
2029	(79,888)
Total	$ 196,048

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

- Actuarial cost method: Entry age
- Price inflation: 2.30 percent
- Real wage growth: 0.70 percent
- Wage inflation: 3.00 percent
- Salary increases (including inflation): 3.20 - 11.30 percent
- Long-term investment rate of return (net of plan investment expenses, including price inflation): 7.25 percent
- Discount rate: 7.25 percent

Note 9 - Pension Plans (Continued)

- Mortality:
  - Active members - PubG-2010 Employee Table with generational projection using scale MP-2021
  - Postretirement nondisabled - PubG-2010 Healthy Retiree Table with adjustments
  - Disabled retirees - PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2021
- Postretirement benefit increases:
  - PERA benefit structure hired prior to January 1, 2007 and DPS benefit structure (automatic) - 1.00 percent compounded annually
  - PERA benefit structure hired after December 31, 2006 (ad hoc, substantively automatic) - Financed by the Annual Increase Reserve
- The actuarial assumptions used in the December 31, 2023 valuation were based on the 2020 experience analysis for the period January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's board on November 20, 2020.
- Based on the 2024 experience analysis for the period January 1, 2020 through December 31, 2023, revised actuarial assumptions were adopted by PERA's board on January 17, 2025 and were effective as of December 31, 2024. These assumptions were reflected in the rollforward calculation of the total pension liability from December 31, 2023 to December 31, 2024.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent for the year ended December 31, 2025. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

Note 9 - Pension Plans (Continued)

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25 percent to 1.00 percent, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021 and effective July 1, 2022.

Based on the above assumptions and methods, the LGDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

Investment Rate of Return

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020 PERA board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption remained unchanged at 2.30 percent per year.
- Real rate of investment return assumption remained unchanged at 4.95 percent per year, net of investment expenses.
- Wage inflation assumption remained unchanged at 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the LGDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent adoption of the long-term expected rate of return by the PERA board, the target asset allocation and best estimates of geometric real rates of return for each major asset class for December 31, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	51.00 %	5.00 %
Fixed income	23.00	2.60
Private equity	10.00	7.60
Real estate	10.00	4.10
Alternatives	6.00	5.20

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Note 9 - Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Authority's proportionate share of the net pension liability as of December 31, 2025	$ 2,772,934	$ 1,266,874	$ 1,613

Detailed information about the pension plan's fiduciary net position is available in PERA's Annual Comprehensive Financial Report, which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 10 - Other Postemployment Benefit Plan

Plan Description

In addition to the defined benefit pension plan, employees of the Authority are provided with OPEB through the Health Care Trust Fund (the "HCTF"), a cost-sharing multiple-employer health care trust administered by PERA. The HCTF provides a health care premium subsidy to eligible PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, assigns the authority to establish the HCTF benefit provisions to the PERA board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado state law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org; by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, CO 80203; or by calling PERA at 1-800-759-PERA (7372) or 303-832-9550.

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans; however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

Enrollment in PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

The maximum service-based premium subsidy is $230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

Note 10 - Other Postemployment Benefit Plan (Continued)

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) (CRS) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B, and the difference in premium cost is paid by the HCTF on behalf of benefit recipients not covered by Medicare Part A.

Contributions

In accordance with the C.R.S., certain contributions are apportioned to the HCTF. The Authority is required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF. Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Authority is statutorily committed to pay the contributions. The Authority's contributions to the HCTF for the year ended December 31, 2025 were $25,327.

Net OPEB Liability

At December 31, 2025, the Authority reported a liability of $78,495 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. Standard update procedures were used to roll forward the total OPEB liability to December 31, 2024.

The Authority's proportion of the net OPEB liability for the year ended December 31, 2025 was based on the Authority's contributions to the HCTF for the calendar year 2024 relative to the total contributions of participating employers to the HCTF. At December 31, 2024, the Authority’s proportion was 0.0164 percent, which was a decrease of 0.0018 percent from its proportion measured as of December 31, 2023.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the Authority recognized OPEB expense recovery of $32,661.

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 17,314
Net difference between projected and actual earnings on OPEB plan investments	266	-
Changes in assumptions	900	25,091
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	9,674	17,767
Employer contributions to the plan subsequent to the measurement date	25,327	-
Total	$ 36,167	$ 60,172

Note 10 - Other Postemployment Benefit Plan (Continued)

The Authority reports deferred outflows of resources related to OPEB resulting from the Authority's contributions to the plan subsequent to the measurement date. Amounts reported as deferred outflows as of December 31, 2025 were $25,327, which will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as an expense recovery as follows:

Years Ending December 31	Net Amortization
2026	$ (5,040)
2027	(5,221)
2028	(5,221)
2029	(5,433)
2030	(18,404)
Thereafter	(10,013)
Total	$ (49,332)

Actuarial Assumptions

The total OPEB liability for the HCTF in the December 31, 2023 actuarial valuation was determined using the same assumptions as the LGDTF for the following assumptions: mortality tables, actuarial cost method, price inflation, real wage growth, wage inflation, and salary increases.

The health care cost trend rates used to measure the total OPEB liability are as follows:

- PERACare Medicare plans - 16.00 percent in 2024, then 6.25 percent in 2025 gradually decreasing to 4.50 percent in 2034
- Medicare Part A premiums - 3.50 percent in 2024 gradually increasing to 4.50 percent in 2033
- Medicare Advantage Prescription Drug PPO plan - 105 percent in 2024, then 8.55 percent in 2025 gradually decreasing to 4.50 percent in 2034.

The following health care costs assumptions were updated and used in the rollforward calculation for the trust fund:

- Per capita health care costs in effect as of the December 31, 2023 valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits were updated to reflect costs for the 2024 plan year.
- The health care cost trend rates applicable to health care premiums were revised to reflect the current expectation of future increases in those premiums. A separate trend rate assumption set was added for MAPD PPO #2, as the first year rate is still below the maximum subsidy and the assumption set reflects the estimated impact of the Inflation Reduction Act for that plan option.
- The Medicare health care plan election rate assumptions were updated effective as of the December 31, 2023 valuation date based on an experience analysis of recent data.

The actuarial assumptions used in the December 31, 2023 valuation were based on the 2020 experience analysis for the period from January 1, 2016 through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's board on November 20, 2020.

Note 10 - Other Postemployment Benefit Plan (Continued)

Based on the 2024 experience analysis for the period from January 1, 2020 through December 31, 2023, revised actuarial assumptions were adopted by PERA's board on January 17, 2025 and were effective as of December 31, 2024. These assumptions were reflected in the rollforward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25 percent at December 31, 2025. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2024 measurement date
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the trust fund representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits
- Benefit payments and contributions were assumed to be made at the middle of the year.
- As of the December 31, 2024 measurement date, the FNP and related disclosure components for the HCTF reflect additional payments related to the disaffiliation of Tri-County Health as a PERA-affiliated employer effective December 31, 2022. The additional employer disaffiliation payment allocations to the HCTF were $20.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and, therefore, the discount rate is 7.25 percent.

Investment Rate of Return

The long-term expected return on OPEB plan investments is the same as the long-term expected return on the LGDTF investments described above and is reviewed as part of regular experience studies prepared every four or five years for PERA.

In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25 percent.

Note 10 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability of the Authority, calculated using the discount rate of 7.25 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Proportionate share of the net OPEB liability as of December 31, 2025	$ 96,197	$ 78,495	$ 63,234

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the proportionate share of the net OPEB liability of the Authority, calculated using the current health care cost trend rates applicable to the PERA benefit structure, as well as what the Authority's net OPEB liability would be if it were calculated using health care cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease in Trend Rates	Current Health Care Cost Trend Rates	1 Percentage Point Increase in Trend Rates
Net OPEB liability as of December 31, 2025	$ 76,380	$ 78,495	$ 80,888

Note 11 - Defined Contribution Pension Plan

Employees of the Authority who are also members of the LGDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the plan provisions to the PERA board of trustees. PERA issues a publicly available ACFR, which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the CRS, as amended. In addition, the Authority has agreed to match employee contributions up to 4 percent of covered salary determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions, and investment earnings. For the year ended December 31, 2025, the Authority made matching contributions of $78,211.

Note 12 - Commitments

Tax, Spending, and Debt Limitations

In November 1992, voters passed an amendment to the Constitution of the State of Colorado, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The amendment excludes enterprises from its provisions. Enterprises, defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10 percent of their annual revenue in grants from all state and local governments combined, are excluded from the provisions of the amendment. It is the Authority's opinion that it qualifies for the exclusion and is, therefore, excluded from the provisions of the amendment.

Note 12 - Commitments (Continued)

Federally Assisted Grant Programs

The Authority participates in federally assisted grant programs. These programs are subject to the provisions of the Single Audit Act of 1996 and the Uniform Grant Guidance. The amount, if any, of expenditures that may be disallowed by the granting agency cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Required Supplementary Information

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net Pension Liability (Asset)
Local Government Division Trust Fund
Administered by the Colorado Public Employees' Retirement Association

Last Ten Plan Years

Measurement Periods Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability (asset)	0.20647 %	0.22906 %	0.21030 %	(0.21460)%	0.23507 %	0.24171 %	0.22102 %	0.22859 %	0.22504 %	0.25758 %
Authority's proportionate share of the net pension liability (asset)	$ 1,266,874	$ 1,681,428	$ 2,108,343	$ (183,991)	$ 1,225,007	$ 1,767,875	$ 2,778,666	$ 2,545,148	$ 3,038,815	$ 2,837,459
Authority's covered payroll	$ 1,981,267	$ 2,046,657	$ 1,730,984	$ 1,601,532	$ 1,674,993	$ 1,683,336	$ 1,449,631	$ 1,442,006	$ 1,363,996	$ 1,462,822
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	53.97 %	82.15 %	121.80 %	(11.49)%	73.14 %	105.02 %	191.68 %	176.50 %	222.79 %	193.97 %
Plan fiduciary net position as a percentage of the total pension liability	90.45 %	88.03 %	82.99 %	101.49 %	90.88 %	86.26 %	75.96 %	79.37 %	73.65 %	76.87 %

See note to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Local Government Division Trust Fund
Administered by the Colorado Public Employees' Retirement Association

Last Ten Fiscal Years

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 323,025	$ 270,449	$ 278,697	$ 232,334	$ 210,946	$ 214,762	$ 211,066	$ 183,815	$ 182,848	$ 172,959
Contributions in relation to the statutorily required contribution	323,025	270,449	278,697	232,334	210,946	214,762	211,066	183,815	182,848	172,959
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's Covered Payroll	$ 2,347,565	$ 1,981,267	$ 2,046,657	$ 1,730,984	$ 1,601,532	$ 1,674,993	$ 1,683,336	$ 1,449,631	$ 1,442,006	$ 1,363,996
Contributions as a Percentage of Covered Payroll	13.76 %	13.65 %	13.62 %	13.42 %	13.17 %	12.82 %	12.54 %	12.68 %	12.68 %	12.68 %

See note to required supplementary information.

Required Supplementary Information
Schedule of the Authority's Proportionate Share of the Net OPEB Liability
Health Care Trust Fund
Administered by the Colorado Public Employees' Retirement Association

Last Nine Plan Years*

Measurement Periods Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net OPEB liability	0.01642 %	0.01821 %	0.01698 %	0.01668 %	0.01795 %	0.01851 %	0.01714 %	0.01776 %	0.01727 %
Authority's proportionate share of the net OPEB liability	$ 78,495	$ 129,975	$ 138,641	$ 143,852	$ 170,587	$ 208,079	$ 233,195	$ 230,836	$ 223,970
Authority's covered payroll	$ 1,981,267	$ 2,046,657	$ 1,730,984	$ 1,601,532	$ 1,674,993	$ 1,683,336	$ 1,449,631	$ 1,442,006	$ 1,363,996
Authority's proportionate share of the net OPEB liability as a percentage of its covered payroll	3.96 %	6.35 %	8.01 %	8.98 %	10.18 %	12.36 %	16.09 %	16.01 %	16.42 %
Plan fiduciary net position as a percentage of total OPEB liability	59.83 %	46.16 %	38.57 %	39.40 %	32.78 %	24.49 %	17.03 %	17.53 %	16.72 %

*The required supplementary information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Required Supplementary Information
Schedule of OPEB Contributions
Health Care Trust Fund
Administered by the Colorado Public Employees' Retirement Association

Last Nine Fiscal Years*

Years Ended December 31

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 25,327	$ 20,826	$ 23,952	$ 17,953	$ 16,647	$ 17,276	$ 16,978	$ 14,786	$ 14,708
Contributions in relation to the contractually required contribution	25,327	20,826	23,952	17,953	16,647	17,276	16,978	14,786	14,708
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Authority's Covered Payroll	$ 2,347,565	$ 1,981,267	$ 2,046,657	$ 1,730,984	$ 1,601,532	$ 1,674,993	$ 1,683,336	$ 1,449,631	$ 1,442,006
Contributions as a Percentage of Covered Payroll	1.08 %	1.05 %	1.17 %	1.04 %	1.04 %	1.03 %	1.01 %	1.02 %	1.02 %

*The required supplementary information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

Pension and OPEB Information

Benefit Changes

There were no changes of pension or OPEB benefit terms in 2025.

Changes in Assumptions

During 2025, the following assumption changes were reflected in the rollforward calculation of the total pension liability from December 31, 2023 to December 31, 2024:

- Salary scale assumptions were revised to better reflect recent experience.
- Rates of termination/withdrawal, retirement, and disability were updated to more closely reflect actual experience.
- Updates were made to the mortality assumptions, including changes to the projection scale (from MP-2019 to MP-2021) and related mortality table adjustments.
- The assumed administrative expense as a percentage of covered payroll was increased from 0.40 percent to 0.45 percent.

During 2025, the following assumption changes were reflected in the rollforward calculation of the total OPEB liability from December 31, 2023 to December 31, 2024:

- Per capita health care costs for certain PERACare Medicare enrollees (including those not eligible for premium-free Medicare Part A under the PERA benefit structure) were updated to reflect costs for the 2024 plan year.
- Health care cost trend rates applicable to health care premiums were revised to reflect current expectations of future increases, and a separate trend rate assumption set was added for MAPD PPO #2 (including consideration of the estimated impact of the Inflation Reduction Act).
- Medicare health care plan election rate assumptions were updated based on experience analysis of recent data.
- MAPD premium cost assumptions were modified such that MAPD premium costs are no longer age graded.
- The credibility adjustments applied to Pub-2010 mortality tables were updated, and mortality was projected using an updated MP-2021 projection scale for the rollforward assumptions.

Changes in Size or Composition of the Covered Population

There were no significant changes in size or composition of the covered population in 2025.

Other Supplementary Information

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

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*

Independent Auditor's Report

To Management and the Board of Commissioners
Grand Junction Regional Airport Authority

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 Grand Junction Regional Airport Authority (the "Authority") as of and for the year ended December 31, 2025 and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 21, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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*.

To Management and the Board of Commissioners
Grand Junction Regional Airport Authority

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

July 21, 2026

plante moran

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Commissioners
Grand Junction Regional Airport Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Grand Junction Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 type of compliance requirement of a federal 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 type of compliance requirement of a federal 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Commissioners
Grand Junction Regional Airport Authority

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

July 21, 2026

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Grant Number or Pass-through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation, Federal Aviation Administration - Direct Programs - Airport Improvement Program	20.106	Various	$ -	$ 24,186,784
U.S. Department of Transportation, Office of the Secretary - Direct Programs - Payments for Small Community Air Service Development	20.930	DOT-OST-2019-0071-0020	-	950,000
Total			**$ -**	**$ 25,136,784**

See notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

Year Ended December 31, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Grand Junction Regional Airport Authority (the "Authority") under programs of the federal government for the year ended December 31, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has elected not to use the *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended December 31, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ____ Yes __X__ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.106	Airport Improvement Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $1,000,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Financial Statement Audit Findings

Current Year None

Section III - Federal Program Audit Findings

Current Year None

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance as Required by the Passenger Facility Charge Audit Guide for Public Agencies

Independent Auditor's Report

To the Board of Directors
Grand Junction Regional Airport Authority

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Grand Junction Regional Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide") that could have a direct and material effect on the Authority's passenger facility charge program for the year ended December 31, 2025. The Authority's passenger facility charge program is identified in the schedule of passenger facility charge collections and expenditures (the "Schedule").

In our opinion, the Authority 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, 2025.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's passenger facility charge program.

To the Board of Directors
Grand Junction Regional Airport Authority

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. 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, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the passenger facility charge program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 type of 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 type of 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 a combination of deficiencies, in internal control over compliance with a type of 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 internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Directors
Grand Junction Regional Airport Authority

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.

Plante & Moran, PLLC

July 21, 2026

Grand Junction Regional Airport Authority

Schedule of Passenger Facility Charge Collections and Expenditures

Year Ended December 31, 2025

Collections	Date Approved	Amount Approved for Use	Cumulative Total - December 31, 2024	Quarter 1 January - March	Quarter 2 April - June	Quarter 3 July - September	Quarter 4 October - December	Year Ended December 31, 2025	Cumulative Total - December 31, 2025
Passenger facility charge collections			16,432,018	267,476	319,063	328,118	329,719	1,244,376	17,676,394
Interest earned			271,754	4,264	6,898	9,052	6,524	26,739	298,493
	Total passenger facility charge collections received		**16,703,772**	**271,740**	**325,961**	**337,170**	**336,243**	**1,271,115**	**17,974,887**
Application 2006-07-C	March 22, 2006	15,857,760	14,721,008	-	-	230,834	905,918	1,136,752	15,857,760
Application 2018-08-C	February 1, 2018	11,530,025	1,616,341	-	-	-	32,886	32,886	1,649,227
	Total passenger facility charge collections expended	**27,387,785**	**16,337,349**	**-**	**-**	**230,834**	**938,804**	**1,169,638**	**17,506,987**

Notes to Schedule of Passenger Facility Charge Collections and Expenditures

Year Ended December 31, 2025

Note 1 - Basis of Presentation

The accompanying schedule of passenger facility charge collections and expenditures (the "Schedule") includes agreements entered into directly between Grand Junction Regional Airport Authority (the "Authority") and the Federal Aviation Administration (FAA). The information in the Schedule is prepared on the cash basis of accounting and is presented in accordance with the provisions of the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the FAA in September 2000. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Passenger Facility Charges

Revenue consists of passenger facility fees and investment earnings on restricted cash related to passenger facility charges. Expenditures represent principal, which is payments made by the Authority on the revenue bonds that were used to finance the construction of certain airport improvements. Unliquidated passenger facility charges represent the net restricted cash as of year end.