Grand Junction Regional Airport Authority

Date: **July 21, 2026**

Location:
GRAND JUNCTION REGIONAL AIRPORT
2828 WALKER FIELD DRIVE
GRAND JUNCTION, CO 81506
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM
or
Electronic Meeting
Link: https://us02web.zoom.us/j/86199120424

Time: 11:30 AM

REGULAR MEETING AGENDA

I. **Call to Order**

II. **Pledge of Allegiance**

III. **Approval of Agenda**

IV. **Commissioner Comments**

V. **Citizens Comments**

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please e-mail your comment to the Board Clerk (boardclerk@gjairport.com) 15 minutes prior to the meeting. Comments not related to specific agenda items will be addressed during the citizen comment section of the agenda. Citizen comments related to a specific action item will be addressed during the discussion of that action item. The Board Chair will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chair, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

VI. **Consent Agenda**

A. June 16, 2026 Meeting Minutes 1

- Approve the June 16, 2026 Board Meeting Minutes.

B. Second Amendment to Amended and Restated Airport Facilities Lease and Concession Agreement - Tailwind 2

- Approve the second amendment to Amended and Restated Airport Facilities Lease and Concession Agreement with Tailwind, GJT, LLC to allow the sale of sealed alcohol within the post security gift shop area, add a fourth tier to the percentage rent for liquor sales, and amend the Exhibit depicting the exclusive space occupied by Tailwind and authorize the CEO to sign the amendment.

VII. Action

A. 2025 Audit Acceptance 3

- Accept the 2025 audited financial statements and supplemental schedules of the Grand Junction Regional Airport Authority.

B. Airport Parking Management Agreement – LAZ Parking 4

- Approve the Airport Parking Management Agreement between the Authority and Laz Parking Midwest, LLC (LAZ) to grant LAZ the exclusive right and privilege to manage and operate the public parking facilities at the Airport and authorize the CEO to sign the agreement.

VIII. Staff Reports

A. Project Report (Colin Bible)
B. Finance Report (Sarah Menge) 5

IX. Any other business which may come before the Board

X. Adjournment

Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
June 16, 2026

REGULAR BOARD MEETING

I. Call to Order

Mr. Chris West, Board Vice Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 11:30 AM on June 16, 2026 in Grand Junction, Colorado and in the County of Mesa. The meeting was hosted in the 3rd floor conference room as well as electronically.

Commissioners Present:	**Guests:**
Chris West (Vice Chairman)	Jeremy Lee, Mead & Hunt
Dan Meyer	Kalen McCain, Daily Sentinel
Lee Kleinman	Colin Bible, Garver
Cody Davis	Lance Kramer, FCI
Cody Kennedy	Harrison Earl, CMT
Quint Shear	
Airport Staff:	
Angela Padalecki (CEO)	
Dan Reimer (Counsel) - Virtual	
Victoria Hightower (Clerk)	
Sarah Menge	
Travis Portenier	
Lucas Smith	

II. Pledge of Allegiance

III. Approval of Agenda

Commissioner Kleinman made a motion to approve the June 16, 2026 Board Agenda. Commissioner Shear seconded the motion. Voice Vote: All Ayes; motion carries.

IV. Commissioner Comments

Vice Chairman West and Angela Padalecki recognized Operations Specialist Lucas Smith for 5 years of service.

V. Citizen Comments

VI. Consent Agenda

A. May 19, 2026 Meeting Minutes
- Approve the May 19, 2026 Board Meeting Minutes.

B. Aeronautical Use Ground Lease Amendment – State of Colorado, Division of Parks and Wildlife
- Authorize the CEO to sign Lease Amendment 1 to the State of Colorado, Department of Natural Resources Colorado Parks and Wildlife Aeronautical Use Ground Lease authorizing the first five-year extension option, incorporating new provisions required by Colorado Revised Statutes, and formally replacing the map exhibit with a previously board approved map.

C. General Services Administration Public Building Lease Amendment for the Transportation Security Administration (TSA) Office Lease
- Authorize the CEO to sign Lease Amendment No. DFC26 to incorporate language from Federal Acquisition Regulations to the General Services Administration, Public Buildings Service lease related to the space occupied by TSA in the terminal building.

D. Seventh Addendum to the Parking Lot Operating Agreement
- Approve the seventh addendum to the Parking Lot Operating Agreement with Republic Parking to extend the existing contract term for an additional one (1) month, expiring on July 1, 2026, and authorize the Chief Executive Officer to sign the addendum.

Commissioner Kennedy made a motion to approve the Consent Agenda as amended. Commissioner Shear seconded the motion. Voice Vote: All Ayes; motion carries.

VIII. Action

A. Gensler Work Authorization for Design Services for Phase 2 and 3 of the Air Traffic Control Tower (ATCT) Modernization Project
- Approve Gensler Work Authorization No. 018 in the amount of $369,800 plus reimbursable expenses not-to-exceed $5,500 for the design, construction documentation and bidding/permitting related to the next phase of ATCT Improvements and authorize the CEO to sign the agreement.

Commissioner Klainman made a motion to approve Gensler Work Authorization No. 018 in the amount of $369,800 plus reimbursable expenses not-to-exceed $5,500 for the design, construction documentation and bidding/permitting related to the next phase of ATCT Improvements and authorize the CEO to sign the agreement. Commissioner Kennedy seconded the motion. Voice Vote: All Ayes; motion carries. The motion carries.

B. FCI Construction Contract for Rental Car Roof and RTU Replacement Project

- Authorize the Chief Executive Officer to execute a task order with FCI under the on-call General Contractor contract for the roof over the curbside area and rental car offices and RTUs over the rental car offices, up to a maximum project cost of $640,000.

Commissioner Kennedy made a motion to authorize the Chief Executive Officer to execute a task order with FCI under the on-call General Contractor contract for the roof over the curbside area and rental car offices and RTUs over the rental car offices, up to a maximum project cost of $640,000. Commissioner Davis seconded the motion. Voice Vote: Commissioner Shear: Abstain. Five Ayes; motion carries. The motion carries.

C. FCI Construction Contract for 'Terminal Amenities' Project

- Authorize the Chief Executive Officer to execute a task order with FCI under the on-call General Contractor contract for the 'Terminal Amenities' Project, up to a maximum project cost of $3,326,000, including a 20% owner's contingency.

Commissioner Davis made a motion to authorize the Chief Executive Officer to execute a task order with FCI under the on-call General Contractor contract for the 'Terminal Amenities' Project, up to a maximum project cost of $3,326,000, including a 20% owner's contingency. Commissioner Kennedy seconded the motion. Voice Vote: Commissioner Shear: Abstain. Five Ayes; motion carries. The motion carries.

IX. Staff Reports

A. CEO Report (Angela Padalecki)
B. Finance Report (Sarah Menge)
C. Project Report (Colin Bible)

X. Any other business which may come before the Board

Commissioner Kennedy noted that a concern had been raised regarding the placement of fire hydrants on the airfield for truck refilling. He stated that the current hydrant location is a considerable distance away and suggested evaluating the feasibility of adding a more centrally located hydrant.

Angela noted that she will be attending the July meeting remotely.

XI. Adjournment

Commissioner Davis made a motion to adjourn the meeting. Commissioner Kennedy seconded the motion. Voice Vote: All Ayes. Motion carries.

The meeting adjourned at approximately 12:56 p.m.

Audio recording of the complete meeting can be found at https://gjairport.com/Board_Meetings

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Linde Marshall, Board Chairman

ATTEST:

Victoria Hightower, Clerk to the Board

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Second Amendment to Amended and Restated Airport Facilities Lease and Concession Agreement - Tailwind
PURPOSE:	Information ☐ Guidance ☐ Decision ☒
RECOMMENDATION:	Approve the second amendment to Amended and Restated Airport Facilities Lease and Concession Agreement with Tailwind, GJT, LLC to allow the sale of sealed alcohol within the post security gift shop area, add a fourth tier to the percentage rent for liquor sales, and amend the Exhibit depicting the exclusive space occupied by Tailwind and authorize the CEO to sign the amendment.
SUMMARY:	The proposed second amendment to the Lease and Concession Agreement would: • Authorize Tailwind to sell sealed alcoholic beverages in the post-security gift shop, subject to all applicable laws, regulations, and licensing requirements. Tailwind intends to feature locally produced wine and spirits, providing passengers an opportunity to purchase items that cannot be carried through security. • Establish a fourth tier for percentage rent on liquor sales once total gross sales exceed $1.4 million, allowing the Authority to share in anticipated additional revenue. Food, beverage, and retail sales would remain at the current 14% share to avoid creating incentives that could increase passenger food costs. • Remove the exhibit identifying the current pre-security storage location. Storage spaces commonly move within the terminal based on changing needs and opportunities. The existing storage space will move as part of the upcoming Terminal Amenities project, as an example. This change maintains the commitment of the airport to provide storage space while providing the flexibility to move that space as needed in the future.
REVIEWED BY:	CEO and Legal Counsel
FISCAL IMPACT:	The existing agreement provides for Tailwind to pay the Authority on a "Percentage Rent" basis which requires a minimum annual guarantee equal to the lesser of $120,000 or 85% of the prior contract year revenues. While an increase in revenue is anticipated from adding the retail sale of alcohol, the amount has not been estimated by Authority staff. Total airport revenue from this contract in 2025 was approximately $311,000.
ATTACHMENTS:	Second Amendment to Amended and Restated Airport Facilities Lease and Concession Agreement - Tailwind
STAFF CONTACT:	Sarah Menge 970-248-8584 smenge@gjairport.com

Second Amendment to
Amended and Restated Airport Facilities Lease and Concession Agreement

This Second Amendment to the Amended and Restated Airport Facilities Lease and Concession Agreement by and between the Grand Junction Regional Airport Authority ("Lessor") and Tailwind GJT, LLC ("Lessee") shall be effective upon execution by the Parties and commence as of July 21, 2026.

Recitals

Whereas the Parties entered into the Amended and Restated Airport Facilities Lease and Concession Agreement, effective on May 1, 2022, as amended on June 1, 2025 (together the "Lease");

Whereas the Parties wish for Lessee to be able to market and sell sealed alcohol in the post-security Gift Shop as a passenger amenity and to promote the vibrant wineries of the Western Slope of Colorado;

Whereas Lessee has applied for and received the necessary state and local licenses necessary to sell sealed alcohol for off-premise consumption; and

Whereas the Parties agree to amend the Lease to explicitly permit retail liquor sales in designated locations.

Now therefore, in consideration of the promises, conditions, and agreements herein contained, Lessor and Lessee agree as follows:

Agreement

Section 1. The first sentence of Section 2.1.1 of the Lease is deleted and replaced in its entirety as follows:

2.1.1 For purposes of this Lease, food and beverage concessions shall include sit-down, counter service, carry-out/take-away, food delivery and vending service within the Terminal. Food and beverage concessions include the sale of beer, wine, spirits and mixed drinks for on-site or off-site consumption, provided Lessee has secured the appropriate liquor license or licenses from the authorized regulatory agency or agencies and maintains liquor liability insurance as part of, or in addition to, the commercial general liability insurance required hereunder. Convenience retail shall include the retail sale, including vending or automated retail, of merchandise including, for example and without limitation, newspapers, magazines, books, bottled water and other bottled and canned beverages, candy, pre-packaged snacks and similar food items, and souvenirs.

Section 2. In Section 2.3, the last sentence shall be replaced in its entirety as follows:

Lessor grants Lessee use of the following space in the Terminal: exclusive use of the space identified in the attached **Exhibit A**, plus no less than 70 square feet of storage space at a mutually-agreed location, consisting of approximately 2,642.5 total square feet.

The remaining sentences of Section 2.3 shall remain in full force and effect.

Section 3. Section 3.1.3 is deleted and replaced in its entirety as follows:

3.1.3 As used herein, the term "Percentage Rent" means:

Gross sales up to $1,000,000.00:
Food, beverage and retail – 10%
Liquor – 12%

Gross sales between $1,000,000.01 and $1,200,000.00:
Food, beverage and retail – 12%
Liquor – 14%

Gross sales between $1,200,000.01 and $1,400,000.00:
Food, beverage and retail – 14%
Liquor – 16%

Gross sales of $1,400,000.01 and above:
Food, beverage and retail – 14%
Liquor – 20%

Section 4. New Section 3.3.4 shall be added to read as follows:

3.3.4 Liquor Sales

3.3.4.1 Lessee shall be solely responsible for compliance with the terms and conditions of each liquor license issued to Lessee for the sale of alcoholic beverages at the Airport and to renew and pay associated license fees to maintain the liquor license(s) throughout the term hereof.

3.3.4.2 Lessee shall be solely responsible for compliance with applicable requirements of Colorado law and regulation in the sale of alcoholic beverages, including without limitation Colorado Revised Statute ("C.R.S.") Title 44, Article 3 (Alcohol Beverages).

3.3.4.3 Without limiting the generality of the foregoing, Lessee shall be solely responsible for compliance with applicable law and regulation concerning the sale of alcoholic beverages to minors, including C.R.S. Section 44-3-901.

3.3.4.4 Lessee shall advise customers upon inquiry that the carrying of alcohol onto aircraft for the purpose of consumption is strictly prohibited.

3.3.4.5 Lessee shall pay all sales and excise taxes when due associated with the sale of alcoholic beverages in the Terminal.

Section 5. Exhibit A, is deleted and replaced in its entirety with the revised exhibit.

Section 6. All other terms and conditions of the Lease shall remain unchanged and in full force and effect.

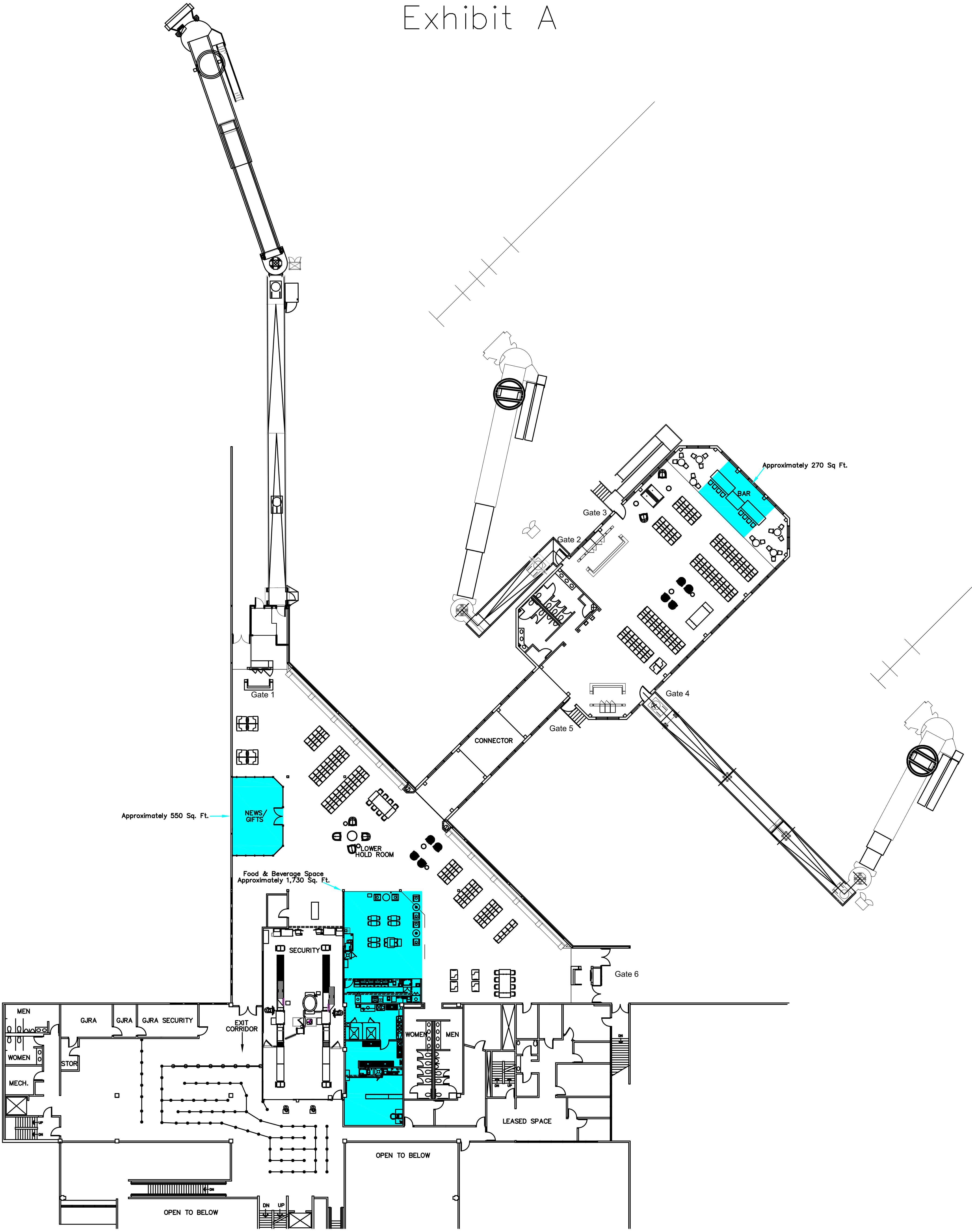
GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

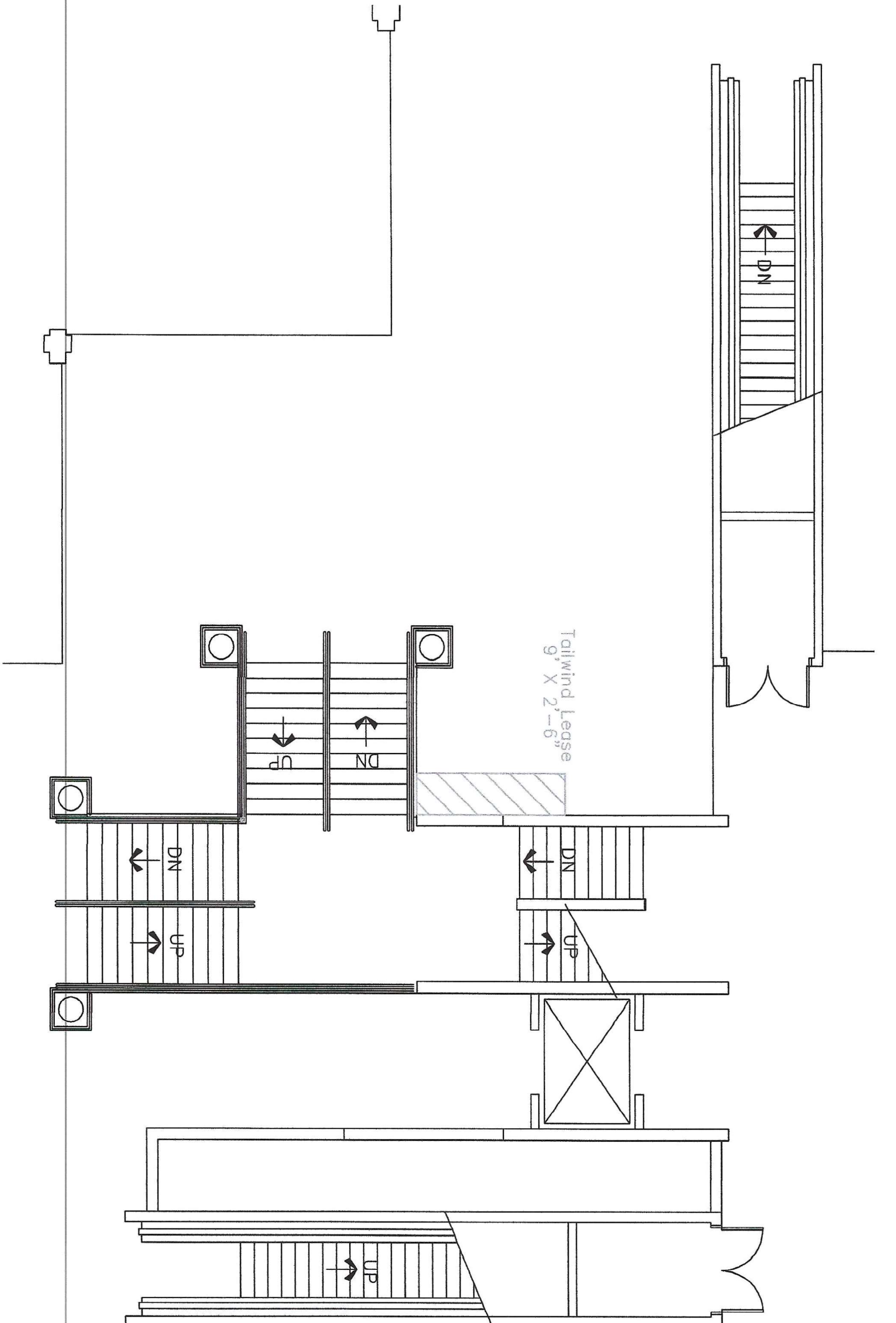
By:________________________________ Date: ____________________
Angela Padalecki, Chief Executive Officer

TAILWIND GJT, LLC

By: _______________________________ Date: ____________________
Jeff Switzer, Chief Operating Officer

Exhibit A


Approximately 270 Sq Ft.
BAR
Gate 3
Gate 2
Gate 1
Gate 4
Gate 5
CONNECTOR
Approximately 550 Sq. Ft.
NEWS/ GIFTS
LOWER HOLD ROOM
Food & Beverage Space Approximately 1,730 Sq. Ft.
SECURITY
Gate 6
MEN
GJRA
GJRA
GJRA SECURITY
EXIT CORRIDOR
WOMEN
STOR
MECH.
WOMEN
MEN
LEASED SPACE
OPEN TO BELOW
OPEN TO BELOW
DN
UP



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Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	2025 Audit Acceptance
PURPOSE:	Information ☐ Guidance ☐ Decision ☒
RECOMMENDATION:	Accept the 2025 audited financial statements and supplemental schedules of the Grand Junction Regional Airport Authority.
SUMMARY:	The Airport staff and the Finance and Audit Committee have reviewed the draft and recommend acceptance of the reports from Plante Moran. The following is a summary of significant audit findings and opinions issued with the 2025 financial statement audit: - Plante Moran is issuing an unmodified opinion. - There were no material weaknesses identified - There were no findings reported under Uniform Grant Guidance (Airport Improvement Program) - There were no findings reported over the Passenger Facility Charge Program - No financial statement adjustments were identified during the audit that required posting to the financial statements. Following acceptance by the Board, the Audited financial statements will be provided to the Office of the State Auditor, the Federal Audit Clearing House, the Federal Aviation Administration, and the Electronic Municipal Market Access system to satisfy all regulatory requirements.
REVIEWED BY:	Chief Executive Officer and Finance and Audit Committee
FISCAL IMPACT:	N/A
ATTACHMENTS:	Final Draft of the Audited Financial Statements
STAFF CONTACT:	Sarah Menge 970-248-8584 smenge@gjairport.com

Grand Junction Regional Airport Authority

Financial Report
with Supplementary Information
December 31, 2025

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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.

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.

Management's Discussion and Analysis

Year Ended December 31, 2025

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	747,230
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	2,462,148

Other	119,389	92,665
Total non-aeronautical revenue	6,021,472	5,397,960
Total operating revenue	9,848,497	8,563,952

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.

Management's Discussion and Analysis

Year Ended December 31, 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

<u>Non-Capital Assets</u>

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:	
Non-passenger 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**

See notes to financial statements.

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

See notes to financial statements.

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 invstments 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.

See note to required supplementary information.

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.

See note to required supplementary information.

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

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 June 23, 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.

June 23, 2026

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.

To the Board of Commissioners
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 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.

June 23, 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 - 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

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.

June 16, 2026

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	17,676,393
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**	**325,962**	**337,171**	**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.

July 21, 2026

To the Board of Commissioners
Grand Junction Regional Airport Authority

We have audited the financial statements of Grand Junction Regional Airport Authority (the “Authority” or GJRAA) as of and for the year ended December 31, 2025 and have issued our report thereon dated July 21, 2026. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Informational Items

Section I includes information that we are required to communicate to those individuals charged with governance of the Authority. This section communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the Authority in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

We would like to take this opportunity to thank the Authority’s staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This information is intended solely for the use of the board of commissioners and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Rumzei Abdallah
Partner

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 3, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of GJRAA. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of GJRAA's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of GJRAA, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated July 21, 2026 regarding our consideration of GJRAA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated April 10, 2026.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by GJRAA are described in Note 2 to the financial statements.

We noted no transactions entered into by GJRAA during the year for which there is a lack of authoritative guidance or consensus.

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was as follows:

- **Management's Estimates of the Pension and OPEB Liabilities and the Related Disclosures** - Management's estimates of the unfunded liability for the pension plan and the OPEB liability were calculated by multiplying the fund's portions of the contributions made to the respective plans by the total liability of the plans provided by an independent actuary and the Colorado Public Employees' Retirement Association (PERA). The independent actuary used a number of assumptions to determine the overall unfunded liability of the plans.

We evaluated the key factors and assumptions used to develop the estimates of the pension and OPEB liabilities and the related disclosures in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 21, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Other Informational Items

TSA Cybersecurity Emergency Amendment

Cybersecurity-related incidents continue to increase as hackers become more sophisticated and our systems become more connected. Recent incidents involving the websites of many airports have put an increased spotlight on the airport industry and provide a reminder of the importance of good cybersecurity hygiene. Additionally, the Transportation Security Administration (TSA) has issued a new cybersecurity amendment on an emergency basis for TSA-regulated entities. This includes a requirement for those entities to develop an approved implementation plan that describes measures taken to improve cybersecurity resilience and prevent disruption/degradation to their infrastructure. Specifically, the amendment includes development of network segmentation policies, creation of access control measures, continuous monitoring and detection, and ensuring systems are appropriately updated with available security patches. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Inflation Reduction Act (IRA)

Significant legislation was enacted in 2022 that has dramatically expanded the available tax credits, tax incentives, and other funding opportunities related to the green energy sector. Several of these are built on previously existing programs, but many are new and widely applicable. A key provision of the IRA is the introduction of new monetization mechanisms, including direct (cash) payments and credit transferability, which allow public sector entities like the Authority to realize the value of tax credits despite not having federal income tax liability. Subsequent legislative changes, including the One Big Beautiful Bill (OBBB), have modified certain credits and accelerated phaseouts; however, opportunities remain available and may still provide meaningful benefits with proper planning. The breadth of qualifying activities is significant, including, in most cases, the production of electricity; production of solar, wind, and energy equipment; installation of energy-efficient upgrades to businesses and homes; and the acquisition of electric vehicles (EVs) and charging equipment. We are happy to discuss any questions or potential tax credit opportunities with you, and please also feel free to visit our IRA tax credits articles and webinars at https://www.plantemoran.com/explore-our-thinking/areas-of-focus/inflation-reduction-act-tax-credits.

Monitoring Lease, SBITA, and PPP Activity

GASB Statements No. 87, *Leases*; No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs); and No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*, were effective in fiscal years 2022 and 2023. Although significant analyses were performed to determine the applicability of the new standards and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease, SBITA, and PPP activity. When the Authority enters into new leases, SBITAs, or PPPs; existing agreements are modified; or other facts and circumstances change, consideration must be given to the impact those changes will have on lease, SBITA, and PPP accounting. In order to do so, the Authority must ensure there is a process in place to identify and appropriately account for new leases, SBITAs, or PPPs or changes to existing agreements on an ongoing basis or at least at the end of each year.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the Authority. In addition to the summaries below and to stay up to date, Plante & Moran, PLLC issues a biannual GASB accounting standard update. The most recent update and a link to previous fall and spring updates are available here.

GASB Statement No. 103 - Financial Reporting Model Improvements

This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis (MD&A); 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. This statement requires that the MD&A be limited to the five topics noted in the standard and provides further guidance on how the MD&A should be written. For proprietary fund financial reporting, the statement defines nonoperating revenue and expense and introduces the concept of subsidies. It also requires new subtotals to present total noncapital subsidies and income or loss, including both operating activities and noncapital subsidies. The statement prescribes that the required budgetary comparison schedules be reported only in the required supplementary information section of the statements and dictates what variance information should be included. Next, the statement removes the option to present discretely presented component unit information as condensed information in the notes rather than in the statements. Lastly, the statement outlines how unusual or infrequent items should be presented separately on the financial statements. This new accounting pronouncement will be effective for fiscal years ending December 31, 2026 and thereafter.

GASB Statement No. 104 - Disclosure of Certain Capital Assets

This new accounting pronouncement 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. The statement also requires additional disclosures for capital assets held for sale. This new accounting pronouncement will be effective for fiscal years ending December 31, 2026 and thereafter.

GASB Statement No. 105 - Subsequent Events

This new accounting pronouncement defines subsequent events, including the subsequent events time frame, and establishes accounting and financial reporting requirements related to subsequent events. The provisions of this statement supersede the guidance on subsequent events found in GASB 56, paragraph 8-15. This new accounting pronouncement will be effective for fiscal years ending December 31, 2027 and thereafter.

Significant GASB Proposals Worth Watching

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. The GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step categorization process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions. The exposure draft for this project is expected in two phases - one in early 2027 and another in 2028.

Plante & Moran, PLLC has spent significant time digesting this new proposed standard and testified to the GASB about our feedback. We strongly encourage the Authority to monitor developments with this standard, as the potential impact is quite broad.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Airport Parking Management Agreement – LAZ Parking
PURPOSE:	Information ☐ Guidance ☐ Decision ☒
RECOMMENDATION:	Approve the Airport Parking Management Agreement between the Authority and Laz Parking Midwest, LLC (LAZ) to grant LAZ the exclusive right and privilege to manage and operate the public parking facilities at the Airport and authorize the CEO to sign the agreement.
SUMMARY:	The Authority with InterVISTAS and Dan Reimer developed a Request for Proposal (RFP) and management agreement for on-airport parking services. The RFP was published on April 3, 2026 and final proposals were due May 22, 2026. A pre-proposal meeting gave prospective proposers the opportunity to tour the facilities, meet with staff, and ask questions as part of the process. All proposals were evaluated using the stated criteria: proposed personnel qualifications and references; management and operations plan; experience designing, acquiring, and installing new PARCS (parking access and revenue control system); recommendations to improve customer service and net airport revenues; and financial offer value. Following the initial review, the evaluation committee shortlisted three finalists and conducted interviews. Based on the interviews and final evaluations, the committee recommends LAZ as the apparent best proposer. The proposed contract changes the arrangement type from a concession model, under which revenue was shared with the parking operator, to a management agreement. Under the proposed agreement, eligible expenses will be reimbursed, and revenue increases will remain with the Authority. The agreement includes an initial three-year term from August 1, 2026 to July 31, 2029 with two one-year extension options. The total cost of the first contract-year is $481,142, excluding any additional reimbursable expenses incurred. For comparison, the current parking operator's share of 2025 parking revenue was approximately $422,000. While the costs are higher than the current level, under the new agreement format, the Airport will retain all additional revenues generated by parking and the management fees anticipate the planned installation of a new PARCS, differentiation of products and additional services.
REVIEWED BY:	CEO and Legal Counsel
FISCAL IMPACT:	First year Cost - $481,142
ATTACHMENTS:	Airport Parking Management Agreement
STAFF CONTACT:	Sarah Menge 970-248-8584, smenge@gjairport.com

AIRPORT PARKING MANAGEMENT AGREEMENT

Between

Grand Junction Regional Airport

Authority and

Laz Parking Midwest, LLC

Grand Junction Regional Airport
Grand Junction, Colorado

Effective Date: July 21, 2026

Commencement Date: August 1, 2026

AIRPORT PARKING MANAGEMENT AGREEMENT

Grand Junction Regional Airport

THIS AIRPORT PARKING MANAGEMENT AGREEMENT ("Agreement") is made effective as of July 21, 2026 ("Effective Date"), by and between the Grand Junction Regional Airport Authority, (the "Authority") and LAZ Parking Midwest, LLC, a Connecticut limited liability company (the "Operator" and together the "Parties").

In consideration of the terms set forth in the proposal submitted by Operator to be the exclusive manager of public parking facilities at the Grand Junction Regional Airport pursuant to an April 3, 2026 Request for Proposals, the Authority's acceptance of said proposal, and the mutual promises set forth below, the Parties hereby agree as follows:

1. OPERATOR'S PRIVILEGES AND RESPONSIBILITIES

1.1 By its execution of this Agreement, the Authority hereby grants to Operator the exclusive right and privilege to manage and operate the public parking facilities at the Grand Junction Regional Airport ("Airport") consisting of the designated public parking lots for motor vehicles that exist as of the Commencement Date and that may be constructed during the term hereof (together the "Public Parking Facilities").

1.2 Operator shall be responsible to deliver the Scope of Services set forth in **Exhibit A** ("Services") for the compensation set forth in Section 6. Authority's Chief Executive Officer and Operator's authorized representative may agree to amend **Exhibit A** to adjust the Services, and make corresponding changes in the eligible reimbursable expenses; provided however that any change in the Management Fee or other material change shall require amending this Agreement in accordance with Section 14.13 hereof. The Services shall consist of the following:

1.2.1 On-site management of the Public Parking Facilities during approved operating hours, which, as of the Commencement Date, shall be two hours prior to the first scheduled flight each day through one hour after the last actual arrival of a scheduled commercial flight. The Services shall be provided each day during the year, including holidays. Operator shall provide after-hours remote support for customers and a manager or other employee available to respond to the Airport in the event of an emergency within thirty minutes. Authority and Operator may agree to a change in the operating hours during the term hereof.

1.2.2 Collection of all Gross Revenues from Public Parking Facilities and daily deposits into the Authority accounts.

1.2.3 Operation of the existing parking access and revenue control system

("PARCS") and, following installation, the Airport's new PARCS.

1.2.4 Maintenance of existing PARCS hardware and software, up to Level 1 maintenance as defined herein.

1.2.5 Providing staff, vehicles and equipment required to deliver the Services.

1.2.6 Preparation and delivery of financial and operational reports related to public parking operation.

1.2.7 Providing customers with an experience consistent with Authority goals.

1.3 Operator agrees to charge for public parking in the Public Parking Facilities according to the pricing established by the Authority. Operator shall have no right to mark up or discount parking except as may be authorized by the Authority. The Authority shall establish parking rates in its schedule of rates and charges approved by the Authority Board of Directors and submit such schedule to Operator upon adoption or amendment; provided, however, Authority may elect to implement dynamic pricing, the details of which shall be communicated to Operator in a timely manner.

1.4 Within thirty (30) days of the Effective Date, Operator shall provide the planned requirements and schedule to procure new PARCS for the Airport. Authority will approve the final selection.

1.5 PARCS Investment Reimbursement. In the event this Agreement is terminated or expires prior to the end of the then-current Initial Term or Renewal Term, the Authority shall reimburse Operator for the unamortized portion of any investment made by Operator in the procurement, installation, or implementation of the PARCS that was approved in writing by the Authority. "Unamortized portion" means the original approved cost of the investment, less straight-line amortization calculated over the then-current Initial Term or Renewal Term in which the investment was made, prorated through the effective date of termination or expiration. Operator shall provide documentation supporting each investment for which reimbursement is sought within sixty (60) days of termination or expiration. This provision shall survive the termination or expiration of this Agreement.

1.6 Operator shall not have authority to construct or install any improvements, other than new PARCS, upon the Public Parking Facilities without the Authority's prior written approval.

1.7

Operator shall have the right to the use of reasonably adequate vehicular parking facilities for its employees at the Airport in common with other employees. Operator's employees assigned to perform Services under this Agreement shall not be charged for parking at the Airport during their scheduled work hours. The

Authority reserves the right to assess a reasonable charge for employee parking in all other circumstances. Such charge for Operator employee parking shall not exceed that which is charged to other commercial tenants in the Terminal.

2. BID DOCUMENTS

The Bid Documents pursuant to which this Agreement is being executed consist of the Proposal submitted by Operator, the Request for Proposals, and any addenda issued prior to the opening of proposals. Copies of the Bid Documents are attached collectively as **Exhibit B** and incorporated herein by this reference. Operator shall manage and operate the Public Parking Facilities in accordance with, and subject to, all of the terms and conditions of this Agreement and the Bid Documents. In the event of a conflict between the Bid Documents and this Agreement, this Agreement shall control.

3. ACCESS RIGHTS

3.1 The Authority hereby grants Operator the right to use and occupy the Public Parking Facilities, including the exit booths, office space and bathroom.

3.2 Operator shall have the right of ingress to, egress from and access to the Public Parking Facilities to perform the Services, for its and its employees, agents and invitees, and their machinery, equipment and vehicles and other property over aprons, drives, foot walks, ramps and roadways now or hereafter in existence, provided that Operator's ingress to, egress from and access to the Public Parking Facilities do not materially interfere with the safe, secure and efficient operations of the Airport.

3.3 The rights conferred by this Agreement are in the nature of an access right. Nothing herein shall be considered to grant Operator any interest in real property at the Airport.

3.4 The Authority and its authorized officers, employees, agents, contractors, and other representatives shall have the right (at such times as may be reasonable under the circumstances and with as little interruption of Operator's operations as is reasonably practicable) to enter upon and in the Public Parking Facilities for the purpose of performing Authority's obligations set forth in Section 4; to ensure Operator's compliance with the terms of this Agreement, and for any other purpose.

4. AUTHORITY'S OBLIGATIONS AND RESERVATIONS

4.1 The Authority shall provide the following in support of Operator and the Services:

4.1.1 Parking lot lights, pavement, trash receptables and landscaping

4.1.2 Snow removal and deicing

4.1.3 Signage, including entry, exits and in-lot signs

4.1.4 Exit lane booths, office space and bathroom

4.1.5 Major maintenance and repair of exit booth interior and exterior

4.1.6 Utilities, including electric, water, sewer, and trash removal

4.1.7 Parking for Operator's on-site employees

4.1.8 Current PARCS maintenance and repair costs

4.1.9 Coordination and management for special events

4.2 The Authority reserves the right to maintain and keep in repair the landing area of the Airport and all Authority-owned facilities of the Airport, together with the right to direct and control operations on or about the Airport.

4.3 The Authority reserves the right to further develop or improve the landing area and all Authority-owned air navigation facilities of the Airport as it sees fit, regardless of the desires or views of Operator, and without interference or hindrance of or by Operator.

4.4 The Authority reserves the right to take any action considered necessary to protect the aerial approaches of the Airport against obstruction or hazard, together with the right to prevent Operator from erecting, or permitting to be erected, any building or other structure on the Airport which in the opinion of the Authority or the Federal Aviation Administration would limit the usefulness of the Airport or constitute a hazard to air navigation.

4.5 During time of war or national emergency, the Authority shall have the right to enter into an agreement with the United States government for military use of all or part of the landing area, the Authority-owned air navigation facilities and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with the provisions of the agreement with the federal government, shall be suspended during the duration of such war or national emergency and for a reasonable time thereafter.

4.6 It is understood and agreed that the rights granted by this Agreement will not be construed, interpreted, or exercised in such a way as to interfere with or adversely affect the use, operation, maintenance or further development, expansion or extension of the Airport.

4.7 This Agreement shall be subordinate to provisions of any existing or future agreement between the Authority and the United States of America or any agency thereof relative to the improvement, expansion, extension, operation, development or maintenance of the Airport. Should the Authority receive a determination or order from the Federal Aviation Administration or a court of competent jurisdiction concluding that any provision of this Agreement is inconsistent with any such agreement between the Authority and the United States, the Parties shall amend this Agreement as necessary to resolve the inconsistency. If the Parties are unable to agree on the required amendments, the Authority shall have the right to unilaterally amend this Agreement to resolve the inconsistency.

5. TERM

5.1 Initial Term. The initial term of this Agreement shall be for a period of three (3) years, commencing at midnight on August 1, 2026 (the "Commencement Date"), and terminating at 11:59 p.m., July 31, 2029, subject to earlier termination pursuant to the terms and conditions of this Agreement ("Initial Term").

5.2 Renewal Term. Authority may request Operator to continue past the Initial Term for two (2) separate one-year extensions ("Renewal Term"), provided that (i) Authority requests such extension in writing at least one hundred twenty (120) days prior to the expiration of the Initial Term or first Renewal Term; and (ii) Operator agrees to continue to provide the Services according to the terms of this Agreement and any amendments hereto. Together, the Initial Term and Renewal Term(s) shall be referred to as the "Term".

5.3 Holdover

5.3.1 The Authority may permit Operator to hold over beyond the expiration of this Agreement in order for the Authority to conclude a solicitation process or to prepare for a follow-on agreement either with Operator or another business or businesses selected by the Authority. The Authority will notify Operator in writing of the Authority's offer of a holdover tenancy. Within thirty (30) days of receipt of the Authority's notice, Operator shall notify the Authority in writing as to Operator's acceptance of said holdover tenancy. If Operator fails to so notify the Authority in writing within said thirty-day period, Operator shall be deemed to have rejected the Authority's offer of holdover tenancy.

5.3.2 If the Authority permits Operator to holdover, such a holding over shall not be deemed a renewal or extension of this Agreement but shall create a month-to-month agreement on the same terms and conditions of this Agreement in effect immediately prior to the commencement of the holding over. The Authority may terminate the holdover upon thirty (30) days' written notice to Operator. Other than as specified in this Section, Operator may not otherwise continue to manage and operate the Public Parking Facilities for any reason beyond expiration of the Term.

5.4 Surrender. Operator shall, on the expiration date of the Term, or upon the earlier termination hereof, peaceably relocate from the Public Parking Facilities. No more than seven (7) days after the expiration of the Term, Operator shall remove any and all of Operator's tangible movable personal property, except those specifically identified by the Authority to be retained. All such costs of removal shall be borne by Operator, without contribution by the Authority.

6. FEES PAID TO OPERATOR

6.1 Management Fee. For Operator's performance of the Services, Authority will pay Operator the annual Management Fee set forth in Exhibit B (Cost Proposal Form A), payable in twelve (12) equal monthly installments.

6.2 Reimbursable Expenses. In addition to the Management Fee, Authority will pay Operator for the following reimbursable expenses:

6.2.1 All-inclusive salary for the Site Manager as set forth in Exhibit B (Cost Proposal Form A). The submitted annual salary shall include all labor costs such as wages, overtime, paid time off, benefits and payroll taxes. Authority shall not be obligated to pay Operator more than the agreed upon annual salary regardless of the actual compensation paid by Operator to the Site Manager.

6.2.2 All-inclusive hourly rates for onsite Supervisors, In-Field staff, and other customer-facing positions as set forth in Exhibit B (Cost Proposal Form A). The hourly rates shall include all labor costs such as wages, paid time off, benefits and payroll taxes. Overtime shall be paid at the submitted hourly rates. Authority shall not be obligated to pay Operator more than the agreed upon hourly rates regardless of the actual compensation paid by Operator to its employees.

6.2.3 Credit card processing transaction fees included in Exhibit B (Cost Proposal Form A)

6.2.4 PARCS paper stock and access credentials

6.2.5 PARCS replacement costs, on terms agreed to by the Parties by separate writing

6.2.6 PARCS maintenance costs contracted with the PARCS provider

6.2.7 Routine PARCS equipment maintenance, beyond the warranty period

6.2.8 PARCS software licensing, recurring fees and updates

6.2.9 Frequent shopper service by company, as requested and selected by

Authority

6.3 Ineligible Expenses. All expenses other than the reimbursable expenses enumerated above are considered non-reimbursable expenses, and are to be included as part of the Management Fee if at all, including the following examples:

6.3.1 All non-customer facing labor costs

6.3.2 Company overhead, home-office costs and indirect costs

6.3.3 Unauthorized expenditures

6.3.4 Uniforms

6.3.5 Vehicles

6.3.6 Radios and chargers

6.3.7 Mobile phones, landline phones and services, telephone answering machine/service

6.3.8 Internet service

6.4 Payment to Operator

6.4.1 Within 15 days following the end of each month, Operator shall submit to the Authority an itemized statement of all approved reimbursable expenses incurred and paid during the preceding month. The statement must include evidence of all paid expenses.

6.4.2 Authority shall pay Operator for the Management Fee and undisputed and documented reimbursable expenses within thirty (30) days after receipt of the statement and proof of expenses.

6.4.3 For disputed items, the Authority shall provide Operator with its objection (and supporting reasons) to such item or items within thirty (30) days. Operator shall have the right within thirty (30) days from the receipt of such notice of dispute to provide an explanation of the disputed item or items and any additional documentation Operator wishes to provide. Authority's decision in any matter pertaining to disputed invoices or charges shall be final. If approved, a disputed charge shall be added to the next statement submitted to Authority by Operator.

6.5 Books and Records. Operator must maintain full and accurate books of account and records from which Gross Revenues can be determined, according to standard and accepted accounting practices. The books of account and records that Operator must maintain must include, but need not be limited to, sales slips, cash register tapes, credit card invoices, monthly sales tax returns, sales and disbursement journals, general ledgers, bank statements, bank books, bank deposit slips, and annual federal income tax returns. In lieu of maintaining the books of account and records required herein, Operator may maintain computer records, provided that the Authority determines, in its reasonable discretion, in advance, that said computer records are a reasonably equivalent alternative to the maintenance of the books and records otherwise required herein. All such books and records shall be maintained on a current basis.

6.6 Audits. The Authority reserves the right to conduct audits of Operator's books of account and records, which audits may be conducted only upon reasonable notice to Operator and during Operator's normal weekday business hours. In performing said audits, Authority shall be entitled to review, and Operator shall be obligated to provide to the Authority, all of the books of account and records that Operator is obligated to maintain pursuant to subsection 6.5, above, as well as such other documents and files in Operator's possession, custody or control at the time Authority advises Operator of its desire to audit Operator's records, that the Authority, or its auditor, believe, in their sole discretion, relevant or necessary to determine the correct amount of Gross Revenues received by Operator for the concession period involved. Should Operator fail to maintain the books of account and records required to be maintained pursuant to subsection 6.5, above, or should Operator fail to permit the Authority or its auditor to review Operator's books and records, and other documents and files, as required by this Section, said default shall be deemed a material breach of this Agreement. If any audit shows Gross Revenues that should have been remitted to the Authority by the Operator pursuant to this Agreement were understated or underpaid, Operator shall, within thirty (30) days' notice of any such deficiency, pay to the Authority the full amount underpaid, plus one and one-half percent (1.5%) interest per month on said underpayment from the time said underpayment should have been paid to the time said underpayment is fully paid. If the audit discloses overpayment of the Gross Revenues remitted to the Authority by Operator, the Authority shall refund the amount of overpayment to Operator within thirty (30) days of said audit. The Authority shall hold all information obtained from any such audit in confidence, except as may be necessary to enforce the Authority's rights under this Agreement, except with respect to tax proceedings, and except with respect to any legal requirements or Court Order to disclose said information.

7. <u>COMPLIANCE WITH LAW</u>

7.1 Operator shall comply with all applicable federal, state, and local laws, regulations, ordinances, and directives governing the Airport or activities performed or engaged in at the Airport, including without limitation requirements imposed by the FAA, TSA, Department of Homeland Security ("DHS"), U.S. Environmental Protection Agency, Occupational Health and Safety Administration, State of Colorado, Mesa County and the City of Grand Junction (collectively referred to as "Applicable Laws").

7.2 Operator shall comply with those reasonable and not unjustly discriminatory rules, regulations and directives promulgated by the Authority or the Chief Executive Officer for the orderly use of the Airport by Operator and other tenants, users, guests, and passengers of the Airport, as may be adopted, amended, modified or supplemented from time to time ("Airport Rules and Regulations"). In the event of a direct conflict between the terms and conditions of this Agreement and the Airport Rules and Regulations, the terms and conditions of this Agreement shall control. At the time of execution of this Agreement, the Authority is in the process of adopting and revising the Airport Rules and Regulations. Authority shall provide a copy of proposed Airport Rules and Regulations to Operator. Such revised Airport Rules and Regulations shall be effective after reasonable notice and the opportunity for comment.

7.3 Operator agrees to comply with applicable provisions of the Authority's approved Airport security program. Operator must comply strictly and faithfully with any and all rules, regulations and directives which the Authority, the FAA or the TSA may issue from time to time with regard to security and safety of the Airport ("Security and Safety Rules") and must promptly report suspected violations in accordance with such requirements.

7.4 Operator shall implement and maintain a program for the proper collection, handling, storage and disposal of customer data, including personal identifying information, in accordance with federal and state data protection laws and regulations ("Data Protection Rules") and best industry standards and practice.

7.5 The obligations hereunder to comply with Applicable Laws, Airport Rules and Regulations, Security and Safety Rules, and Data Protection Rules shall include any amendments to Applicable Laws, Airport Rules and Regulations, Security and Safety Rules and Data Protection Rules adopted or promulgated after the Effective Date and any new enactments governing the Airport or activities performed or engaged in at the Airport.

7.6 Whenever any Applicable Law relating to environmental protection requires Operator to notify, make a report, or submit any documents to a governmental unit with respect to the Airport or its operation at the Airport, Operator shall comply therewith and shall promptly notify the Authority and make available to the Authority copies of such notices, reports, or documents submitted to the governmental unit.

7.7 This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 C.F.R Part 23. Operator agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 C.F.R Part 23. Operator agrees to include the above statements in any subsequent concession agreement or contract covered by 49 C.F.R Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

7.8 Operator agrees that it shall manage and operate the Public Parking Facilities in accordance with the Americans with Disabilities Act, 42 U.S.C. Section 12101 *et seq*. (hereafter collectively the “ADA”), including, without limitation, modifying Operator’s policies, practices, and procedures, and providing auxiliary services to disabled persons. Operator acknowledges that, pursuant to the ADA, programs, services, and other activities provided by a public entity, whether directly or through a contractor, must be accessible to disabled persons. Operator shall provide the services specified in this Agreement in a manner that complies with the ADA and all other applicable federal, state or local disability rights legislation. Operator agrees not to discriminate against disabled persons in the provision of services, benefits, or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Operator shall constitute a material breach of this Agreement.

7.9 Operator shall participate in the Authority’s language assistance program to ensure that persons with limited English proficiency have equal access to the Public Parking Facilities.

7.10 Operator agrees to cooperate fully with investigations by regulatory agencies and law enforcement including but not limited to the Federal Bureau of Investigation, National Transportation Safety Board, Department of Transportation, FAA, DHS and TSA.

7.11 Should Operator, or Operator’s board members, officers, agents, employees, customers, guests, invitees, subtenants, assigns, contractors, or subcontractors violate any local, State, or Federal law, rule, or regulation applicable to the Airport, and should said violation result in a damage award, citation, or fine against the Authority, then Operator shall fully reimburse the Authority for said damage award, citation, or fine and for all costs and expenses, including reasonable attorney's fees, incurred by the Authority in defending against or satisfying the award, citation or fine. Should any governmental entity claim that Operator, its customers, agents, employees, officers, guests, invitees, contractors or subcontractors, violated said rules and regulations, and seek to fine or penalize the Authority as a result of said violation, then Operator shall fully reimburse the Authority for all costs and expenses, including reasonable attorney's fees, incurred by the Authority in defending against, settling or satisfying the fine or other penalty.

8. INSURANCE AND INDEMNIFICATION

8.1 At all times during the term of this Agreement, Operator agrees to maintain insurance in the amounts and coverages as follows:

8.1.1 Commercial General Liability - $2,000,000 per occurrence.

8.1.2 Professional/E&O/Crime Liability - $1,000,000 per claim/$1,000,000 aggregate

8.1.3 Automobile Liability - $1,000,000 per accident

8.1.4 Bodily Injury and Property Damage - $1,000,0000

8.1.5 Cyber-Security - $2,000,000 each incident, $2,000,000 aggregate

8.1.6 Garage Keepers Liability - $1,000,000

8.1.7 Workers' Compensation and Employer's Liability – in accordance with the laws of Colorado.

8.2 In the event Operator uses a subcontract for performance of any part of the Services, Operator must require the subcontractor to provide Workers' Compensation and Employer's Liability insurance for all of the subcontracted workers. Further, Operator must require the subcontractor have other insurance coverage appropriate for the work it will perform, including but not limited to general liability coverage.

8.3 The Grand Junction Regional Airport Authority and the Grand Junction Regional Airport shall be named as an additional insured under each such policy or policies of insurance required under this Agreement, except for Workers' Compensation and Employer's Liability Insurance, and said policy or policies shall include the separation of insured's condition.

8.4 Operator shall provide a certificate of insurance to the Authority of the kinds and amounts of all insurance coverages required hereunder, and shall acquire policies that shall not be subject to cancellation without at least thirty (30) days advance written notice to the Authority. Such policies shall also provide that such policies may not be materially changed or altered by the insurer during its term without first giving at least ten (10) days written notice to the Authority.

8.5 Operator shall indemnify and hold harmless the Authority, its Board members, officers, agents and employees, from and against any and all liabilities, obligations, claims, damages, costs and expenses, including attorney's fees, incurred by or asserted against the Authority, its Board members, officers, agents and employees, by any person or entity whatsoever, resulting from the acts, omissions, or wrongful conduct of the Operator, its members, officers, employees, agents, contractors, subcontractors, or any third party acting under its direction or control.

8.6 Limitation of Liability. Except for Operator's indemnification obligations under Section 8.5 and claims covered by insurance required under Section 8, Operator's aggregate liability under this Agreement shall not exceed the total Management Fee paid to Operator during the twelve (12) months preceding the event giving rise to the claim. Neither party shall be liable to the other for indirect, incidental, consequential, or punitive damages arising out of or related to this Agreement.

8.7 No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.*

9. UTILITIES AND MAINTENANCE

9.1 Utilities. The Authority shall provide, at its expense, light, heat, air-conditioning, and electricity for the Public Parking Facilities.

9.2 Maintenance. Operator agrees that it will keep the Public Parking Facilities in a neat, clean, safe, sanitary and orderly condition at all times; that it will keep such areas free at all times of all paper, rubbish and debris; and that it will deposit all trash and debris resulting from operations in its office and exit booths in containers provided by the Authority.

10. DAMAGE TO AIRPORT

Operator shall be liable for any damage to the Airport, including any improvements and additions on the Public Parking Facilities or elsewhere on the Airport, caused by Operator, its board members, officers, agents, employees, contractors, subcontractors, customers, guests, invitees, or anyone acting under its direction and control, ordinary wear and tear excepted. All repairs for which Operator is liable shall be made by Authority at Operator’s expense.

11. TAXES AND ASSESSMENTS

Operator shall pay all sales and other taxes measured by or related to the payments hereunder; all license fees; and any and all other taxes, charges, imports or levies of any nature, whether general or special, which may, at any time, be in any way imposed by local, state, or federal authorities other than Authority, or that become a lien upon Operator, Authority, by reason of this Agreement or Operator’s activities in, or improvements upon, the Public Parking Facilities pursuant to this Agreement. Authority warrants and represents that it shall not impose any taxes, assessments, or charges upon Operator during the term of this Agreement, other than assessments and charges authorized by this Agreement. Operator shall have the right, by giving written notice to Authority of its intention to do so, to resort to any available legal or administrative proceeding to contest or obtain the review of any such tax, charge, or assessment at any time before such tax, charge, or assessment becomes delinquent. At Operator's request, Authority shall join in such proceeding. The expenses of such proceeding, including all of Authority's costs and attorney's fees incurred in protecting its own interests in such proceeding and in assisting Operator in such proceeding, shall be paid by Operator irrespective of whether Authority participates in such proceeding. For the avoidance of doubt, Operator shall not be required to remit sales or use tax on Gross Revenues collected on behalf of the Authority from the operation of the Public Parking Facilities, it being understood that such revenues are the property of the Authority and Operator acts solely as the Authority's collection agent.

12. <u>DEFAULT AND REMEDIES</u>

12.1 Authority may terminate this Agreement for its convenience upon providing no less than ninety (90) days' prior written notice to Operator. Operator shall cease performing the Service hereunder as of the date identified by the Authority. Authority agrees to pay Operator for the Management Fee and any reimbursable expenses incurred prior to the termination date.

12.2 The following shall constitute events of default by Operator:

12.2.1 Any failure by Operator to perform any covenant or obligation required by this Agreement, including the Services as set forth in **Exhibit A**; the Bid Documents attached as **Exhibit B**; or by any other agreement between Authority and Operator;

12.2.2 The acquisition of Operator's interest in this Agreement by execution or other process of law;

12.2.3 A change of control of Operator, meaning a transaction or series of related transactions resulting in a transfer of more than fifty percent (50%) of the ownership interests in Operator to a person or entity that is not an affiliate of Operator as of the Effective Date, without the prior written consent of the Authority (which consent shall not be unreasonably withheld). Internal reorganizations that do not result in a change of control shall not constitute a default under this subsection;

12.2.4 Termination or suspension of any license, certificate or permit necessary for Operator to provide the Services at the Airport;

12.2.5 Operator files a petition for bankruptcy, reorganization, or arrangement under any federal or state statute, or makes an assignment for the benefit of creditors; the utilization of the benefits of any insolvency act, or the appointment of a permanent receiver or trustee in bankruptcy for Operator's property;

12.2.6 Abandonment by Operator at the Airport, which shall be defined as Operator's failure to conduct regular and continuing operations at the Airport in accordance with the requirements of this Agreement for five (5) consecutive days.

12.3 Notwithstanding the foregoing, in the event of a default by Operator under subsection 12.2 above, the Authority shall provide Operator with written notice specifying the nature of the default. Operator shall have thirty (30) days from receipt of such notice to cure the default, or, if the default is of a nature that cannot reasonably be cured within thirty (30) days, to commence cure within such period and diligently pursue completion. If Operator fails to cure within the applicable period, the Authority may exercise any remedy available hereunder. This cure period shall not apply to defaults under subsections 12.2.2 through 12.2.6 above.

12.4 If Operator defaults, the Authority may utilize any one or more of the following remedies against Operator. These remedies shall be considered cumulative and not in the alternative:

12.4.1 The Authority may obtain specific performance;

12.4.2 The Authority may recover all damages incurred by the Authority, including incidental damages, consequential damages and attorney's fees;

12.4.3 The Authority may terminate this Agreement, and, at the option of the Authority, any other agreement in effect between the Authority and Operator. The termination of these agreements, however, shall only be effective upon written notice of same provided by the Authority to Operator. In no event shall this Agreement be construed to be terminated unless and until such notice is provided. The termination may be effective immediately upon provision of said notice, or at any other time specified in the notice. If this Agreement is terminated, Operator shall continue to be liable for the performance of all terms and conditions and to remit all Gross Revenues due hereunder prior to the effective date of said termination, in addition to all damages, including attorney's fees and other expenses of collection, incurred by Authority as a result of any default;

12.4.4 The Authority may utilize any other remedy provided by law or equity as a result of Operator's default(s).

13. NON-DISCRIMINATION

13.1 Operator shall comply with the following FAA required provisions as interpreted from time to time by the United States Department of Transportation (“USDOT”) or the FAA. The terms "Contractor", “Offeror”, “Applicant” and “Successful Bidder” as used in this Section 17 shall refer to the Operator. In the event of conflict between the terms and conditions of Section 17 and any other provision of this Agreement, the term and conditions of this Section 17 shall control. In the event the FAA changes any of the Federal Contract Provisions, the Parties shall incorporate the change in an amendment hereto.

13.2 In its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. This provision binds the Contractor and Subcontractors from the bid solicitation period through the completion of the contract.

13.3 During the performance of this Agreement, the Contractor, for itself, its assignees and successors in interest agrees as follows: Civil Rights – Title VI Assurances – Compliance with Nondiscrimination Requirements. During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “Contractor”), agrees as follows:

13.3.1 **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

13.3.2 **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin, creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

13.3.3 **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

13.3.4 **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

13.3.5 **Sanctions for Noncompliance:** In the event of Contractor's noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

- Withholding payments to the Contractor under the contract until the Contractor complies; and/or

- Cancelling, terminating, or suspending a contract, in whole or in part.

13.3.6 **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

13.4 During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

13.4.1 Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq*., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

13.4.2 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

13.4.3 The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

13.4.4 Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq*.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

13.4.5 The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq*.) (prohibits discrimination on the basis of age);

13.4.6 Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

13.4.7 The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

13.4.8 Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

13.4.9 Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

13.5 Operator for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Operator will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

14. MISCELLANEOUS

14.1 Governing Law. This Agreement shall be performable and enforceable in Mesa County, Colorado, and shall be construed in accordance with the laws of the State of Colorado. Any lawsuit related to or arising out of disputes under this Agreement shall be commenced and tried in Mesa County, Colorado. Prior to, and as a condition of seeking judicial relief, Operator shall submit a written petition to the Authority's Chief Executive Officer identifying the specific dispute and Operator's position, and the CEO shall thereafter make a timely finding and proposed resolution of the dispute. Operator and Authority waive the right to a jury on all claims or demands that arise from the terms and conditions of this Agreement, or the performance of this Agreement.

14.2 Authorization. The Authority represents that it has the authority to enter into this Agreement and grant the rights contained herein to Operator. If Operator is a limited liability company, the undersigned warrants and represents that (1) he/she is a managing member or manager of said limited liability company; (2) his/her execution of this Agreement has been authorized by the members of the limited liability company pursuant to the terms of its operating agreement and is in the usual course of the limited liability company's business; and (3) by his/her execution of this Agreement, the limited liability company shall be deemed a signatory to this Agreement. If Operator is a corporation, the undersigned warrants and represents that (1) he/she is an officer or agent of the corporation; (2) he/she is authorized to execute this Agreement on the corporation's behalf; and (3) the corporation shall be bound as a signatory to this Agreement by his/her execution of it.

14.3 Waiver. Should Operator breach any of its obligations hereunder, the Authority nevertheless may thereafter continue this Agreement in effect, without in any way waiving the Authority's right to exercise its default rights hereunder, or any other remedies provided by law, for said breach. In addition, any waiver by the Authority of any default, breach, or omission of Operator under this Agreement shall not be construed as a Waiver of any subsequent or different default, breach, or omission.

14.4 Force Majeure. Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, terrorist activities, pandemic, epidemic, war, riot, strike, fire, storm, flood, windstorm, discovery or uncovering of hazardous or toxic materials or causes beyond the reasonable control of such party, provided that prompt written notice of such delay or suspension, and the reasons therefore, are given by the delayed party to the other party. Upon receipt of said notice, if necessary, the time for performing shall be extended for a period of time reasonably necessary to overcome the effect of such delays, but the delayed party shall continue to perform to the extent its performance is not so delayed.

14.5 Notices. All notices by either party to the other shall be made by depositing such notice (a) in the registered or certified mail, of the United States of America, or (b) with a nationally recognized overnight courier service such as, but not limited to Federal Express or UPS, and such notice shall be deemed to have been delivered and received on the date of such depositing correctly addressed and postage and/or delivery fees prepaid.

All notices to the Authority shall be mailed to:

Airport Administration
Attn: Chief Executive Officer
Grand Junction Regional Airport
Authority 2828 Walker Field Dr.,
Suite 301
Grand Junction, Colorado 81506

All notices to Operator shall be mailed to:

Christopher Howley
Regional Vice President
LAZ Parking Midwest, LLC
633 17th Street, Suite 1650
Denver, CO 80202

The parties from time to time may designate changes in the address stated, by providing written notice of said change in address in accordance with the notice provisions set forth above.

14.6 Relationship of Parties. It is understood that the Authority is not in any way or for any purpose partner or joint venture with, or agent of, Operator in the use of the Public Parking Facilities or Operator's operations conducted under this Agreement.

14.7 Partial Invalidity. If any term or condition of this Agreement or the application thereof to any person or event shall to any extent be deemed invalid and unenforceable, the remainder of this Agreement and the application of such term, covenant, or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant and condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

14.8 Successors. The provisions, covenants and conditions of this Agreement shall bind, and inure to the benefit of, the legal representatives, successors and authorized assigns of each of the parties.

14.9 Assignment. Operator shall not assign its interest herein without the written consent of the Authority, which consent shall not be unreasonably withheld. If an assignment is made, the Operator-Assignor shall continue to be liable, jointly and severally, with the Assignee for the fulfillment of all terms and conditions arising under this Agreement subsequent to the Assignment, unless the Authority specifically releases Operator-Assignor from said future liability. The release shall be effective only if made in writing. All subsequent assignors and assignees shall be subject to this Section as if they were the original Operator.

14.10 Collateralization Rights

14.10.1 Operator is hereby authorized to utilize as collateral any of its personal property used or stored on the Airport and any monies to which it may be entitled to be paid from Authority under the terms of this Agreement.

14.10.2 Operator shall not utilize as collateral this Agreement itself, its operating rights under this Agreement, any improvements or fixtures it constructs or installs on the Airport or its right to occupy or use those improvements or fixtures. If Operator assigns this Agreement, or its operating rights under this Agreement, or its right to occupy or use any improvements or fixtures it constructs or installs on the Airport to a third party as collateral for a loan Operator obtains from said third party, or to secure performance of Operator's obligations under an agreement with said third party, or for any other reason whatsoever, said assignment shall be deemed a material breach of this Agreement. Furthermore, said collateralization shall not be binding upon the Authority, and the assignee or lienor shall have no interest in this Agreement, nor shall assignee or lienor enjoy any operating rights upon the Airport, or any right to occupy or use any improvement or fixture upon the Airport, should Operator default in the payment of its loan, or performance of its agreement, with said third party.

14.10.3 Should Operator encumber any improvements or trade fixtures it constructs or installs upon the Airport, Operator shall be responsible for eliminating said lien or encumbrance, and holding the Authority harmless from said encumbrance, at the time said improvements and trade fixtures are conveyed to the Authority, following the expiration or sooner termination of this Agreement.

14.11 Attorney's Fees. Should Operator breach this Agreement, Operator shall pay the Authority all reasonable attorney's fees, costs and other expenses incurred by the Authority in enforcing its rights as a result of said breach.

14.12 Headings. The headings contained in this Agreement are inserted only as matter of convenience and for reference and do not define or limit the scope or intent of any provision of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction of said terms and provisions.

14.13 Entire Agreement; No Effect Beyond Term. This writing, together with all of the attached Exhibits, constitutes the entire agreement of the parties. This Agreement supersedes all prior concession agreements, if any, between the parties, and no representation, warranties, inducements, or oral agreements that may have been previously made between the parties shall continue in effect unless stated herein. This Agreement shall not be modified except in writing, signed by Authority and Operator. Except as specifically set forth in this Agreement, this Agreement only applies to the relationship between the parties during the term of this Agreement and shall not be construed to grant Operator any rights after the expiration or sooner termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY:	OPERATOR:
	DocuSigned by: 48E026D3E809401...
By:	By: Antonio DiPaolo
Date:	7/16/2026
	Antonio DiPaolo
	President

AIRPORT PARKING MANAGEMENT AGREEMENT

EXHIBIT A – SCOPE OF SERVICES

For the facilities described below in Section A, the Operator will operate the Public Parking Facilities and provide parking management services on behalf of the Authority as described in this Scope of Services and in accordance with the other terms and conditions of the Agreement. The Authority will retain ownership of all facilities, equipment, data, and revenues to be derived therefrom.

Public Parking Facilities

1. The Airport has one (1) Public Parking Facility, which is a 1,271-space paved surface lot serving the Airport terminal building. This facility is currently offered as a single parking product. The Authority is in the process of covering approximately 100 spaces to offer a covered parking product, with an estimated opening date of August 1, 2026. The Authority plans to differentiate parking into at least three products following the installation of a new PARCS system: close-in uncovered parking, close-in covered parking, and economy parking in the lot located furthest from the terminal building. **Exhibit C** shows a map of the existing Airport Public Parking Facility.
2. The Public Parking Facility has two (2) East entry lanes, one (1) West entry lane, and one (1) exit plaza with three (3) lanes. DataPark is the Parking Access and Revenue Control System (PARCS) that will be replaced after award of this contract. All entry lanes are equipped with entry stations that dispense tickets and AVI readers used by airport operating vehicles. The exit plaza has three (3) exit lanes, two (2) equipped with cashier booths and one (1) equipped with an exit station that accepts credit card payments. One (1) booth has an attached restroom and the other booth includes the parking office located in the back.
3. The future PARCS will have the same entry lane hardware, two (2) exit booths equipped with cashier stations, and all three (3) exit lanes equipped with exit stations to accept credit card payments. License plate recognition will be included in all lanes of the new PARCS.

General

Operator will provide all labor, supervision, materials, supplies, equipment, vehicles and all other items necessary for the operation and management of public parking facility services at the Grand Junction Regional Airport.

Facilities and Services

1. Keep entry and exit lanes clean and free from debris.

2. Keep the exit plaza, cashier booths (including the office and bathroom), and booth windows neat and clean.
3. Provide a cell phone, required to be answered twenty-four (24) hours per day, seven (7) days per week, for at least one (1) staff member for the Authority to contact.
4. Provide business equipment and supplies including but not limited to desks, facsimile machines, copiers, computers, printers, toner cartridges, paper, drinking water, cleaning supplies and any other supplies necessary to support the operation of Operator's office at the Airport. This obligation does not include providing computers and related equipment necessary to support the existing or future PARCS.
5. Customer vehicle assistance
   a. Provide, at its cost, equipment and supplies necessary to jump start motor vehicles, provide air to vehicle tires and provide up to one (1) gallon of gas per vehicle in any area at the Airport.
   b. Provide assistance to customers who have locked keys in their cars.
   c. The Operator is not obligated to provide any other mechanical service, but should make all reasonable efforts to facilitate the resolution of customer's motor vehicle problems.
6. Identify vehicles needing towed and provide vehicle towing services to remove these vehicles, with the Authority's approval.
7. Provide at least one vehicle for Operator staff to patrol and assist customers. The vehicle must:
   a. Be a car or truck that is current or recent model year at the Effective date of the contract.
   b. Be equipped with a yellow emergency light and an electronic device for warning when the vehicle is being driven in reverse.
   c. Be equipped with an operational battery jump start unit, equipment to provide air for disabled vehicles, and fuel container(s) to provide fuel to customers.
   d. Display the Operator name, logo, and phone number on both sides of the vehicle. Vehicle color and side graphics will be approved by the Authority.
   e. At all times, keep the vehicle clean, in good working order, and free of interior or exterior body damage.
8. All equipment shall be kept clean and in good operating condition at all times.
9. The Authority shall have the right at all times, but not the obligation, to examine all equipment, vehicles, tools, and supplies used by the Operator, or by its officers, employees, subcontractors, or agents in the performance of the Operator's obligations under this Contract. If any of the above is found to be unsafe or not in good working condition, the Authority has the right to direct the Operator to, and the Operator shall, remove it from service and repair or replace it promptly.
10. Operator is responsible for risk of loss, damage or theft to supplies and equipment provided by the Authority.

11. Operator shall be responsible for the security of keys to the booths and PARCS equipment at all times, shall promptly report lost or missing keys to the Authority and will return all keys to the Authority at the end of the contract.
12. Facilitate facility closures for routine maintenance, scheduled cleaning, and minor repairs.

Management & Staffing

1. Provide 24/7, 365 days per year management of all Public Parking Facilities. After operating hours, a staff member shall be on-call to respond to Authority or customer phone calls within fifteen (15) minutes.
2. Operating Hours: The parking office shall be staffed seven (7) days per week from two hours prior to the first departing commercial flight until one hour after that last arrival. The Authority will share the commercial flight schedule one month in advance for the Operator to plan staffing.
3. Perform the following functions:
    a. Process public parking transactions and cash and credit card payments in the exit lanes.
    b. Answer intercom call from customers in the entry and exit lanes.
    c. Perform remote transaction processing as necessary.
    d. Monitor the facility occupancy status.
    e. Monitor the entry and exit lanes equipment status and immediately dispatch appropriate staff to areas needing assistance.
    f. Maintain a log of daily occurrences including but not limited to maintenance, equipment malfunctions, lane closures, traffic management issues, and customer complaints. This log shall be in an electronic format and be available for the Authority to review on at least a weekly basis.
    g. Provide a timely response to all telephone calls for parking information, directions, etc. and direct all other calls to the proper extension.
    h. Research PARCS for license plates, exception transactions, or other data as requested by the Authority.
    i. Manage permit cards in the current and new PARCS for the Operator and Authority staff permitted access to the Public Parking Facilities. This is a small group of users and there is no revenue collection associated with these permits.
    j. Hire, supervise, and train all onsite parking staff.
    k. Develop and manage customer service enhancement programs.
    l. Operate, manage, and maintain a parking operation with consistently high levels of customer service.
    m. Minimize or eliminate any need for the Authority to intervene in operational activities.
    n. Minimize loss of revenue and keep operating costs at levels that the Authority views as appropriate.
    o. Provide revenue control, quality control, and audit functions.

p. Analyze data and report trends.
q. Ensure that all personnel delivering the Scope of Work are adequately trained to meet the reasonable demands of the parking customers.
r. Ensure that all Operator personnel, including subcontractors and suppliers, shall at all times follow applicable Airport rules and regulations.
s. Provide uniforms, jackets and identification badges for all employees that interact in-person with customers as part of the Scope of Work. Uniforms, jackets, and badges are subject to prior and continued approval of the Authority.
t. If directed by the Authority, and to the extent the termination would not be in violation of federal or state employment law, terminate (or transfer away from the Airport) any Operator employee.
u. Provide and implement Standard Operating Procedures. Submit the Standard Operating Procedures document to the Authority prior to the Commencement Date.
v. If implemented by the Authority during the Term of this Agreement, manage prebooking product and / or a frequent parker program. Operator responsibilities and associated costs will be reflected in an amendment to this Agreement.

4. Appoint a Corporate Manager who will have overall authority for this Contract.
   a. This position cost is not a reimbursable expense and shall be included in the management fee.
   b. The Corporate Manager will monitor site performance and be onsite a minimum of one day per quarter, to observe the operation, meet with Operator staff, and meet with the Authority to review financial, operational, and customer service performance for the prior month.
5. Appoint one (1) full-time Site Manager who is the primary point of contact for the Authority
   a. This is a salaried position but is reimbursed by the Authority in accordance with the all-inclusive salary submitted on the Price Proposal Form.
   b. Shall devote his/her time exclusively to managing Operator's operations at the Airport.
   c. Must be an on-site employee and shall be able to be onsite at the Airport within sixty (60) minutes of being contacted by the Authority to be onsite.
   d. As the primary point of contact for the Authority, all instructions and notices given by the Authority to the Site Manager (or Acting Manager) shall be as binding as if given to the Operator, and all statements made by the Site Manager or (Acting Manager) shall be as binding as if made by the Operator.
   e. Authorized to represent and act on behalf of the Operator in matters pertaining to Operator's operations and activities and otherwise carry out the provisions of this Agreement on a daily basis.
   f. Has overall daily responsibility for the parking operation and for the work to be performed by the Operator under this Agreement.
   g. Conducts bi-weekly operational meetings with Airport management.

h. Makes cash deposits, performs the daily revenue reconciliation, and prepares daily reports or designates the preparation on days not scheduled.
i. Performs other tasks defined in this scope of work as needed.
j. Meets minimum qualifications as identified in the Contractor's proposal.
k. The Authority reserves the right to request a replacement Site Manager and the Operator shall provide an approved replacement within sixty (60) days of the Authority's written request submitted to the Operator.

6. Provide other Customer-facing staff required to successfully deliver the Scope of Work.
   a. These are hourly positions that are reimbursed by the Authority in accordance with the all-inclusive hourly rates submitted on the Cost Proposal Form.
   b. Must be an on-site employee.
   c. Performs cashier functions, responds to customer calls, addresses in-lane issues, provides Level 1 PARCS maintenance.
   d. Of these staff, the Contractor must identify the staff member who is the Authority's primary point of contact when the Site Manager is not onsite. This person may also make operational and customer-related decisions when the Manager is unavailable (i.e. serves as Acting Manager).
   e. Other staff should be able to prepare and make cash deposits, perform the daily revenue reconciliation, and prepare daily reports. However, a staff member cannot perform these tasks on days when he/she is also performing cashiering duties.
   f. Performs other tasks defined in this scope of work as needed.
   g. Operator must have a sufficient number to staff at least one exit lane during all operating hours and to meet the performance requirements defined herein.
7. In the event of an emergency, or as the Authority may from time-to-time request, Operator shall be required to provide additional staff. Compensation to Operator for such additional staff shall be reimbursed in accordance with Contract terms and conditions
8. The Authority will endeavor to provide reasonable advance notice to Operator of changes in staffing or schedule requirements.

Parking Operational Procedures and Standards Manual

1. Within sixty (60) days of the Effective date, develop, submit, and implement a comprehensive Parking Operational Procedures and Standards Manual tailored to the Grand Junction Regional Airport that incorporates the management and operations plan submitted in the Operator's proposal. The manual shall include procedures and standards for the overall operation and management of the Public Parking Facilities proposed by the Operator and approved by the Authority.
2. The manual shall include job responsibilities and processes for each position including but not limited to:
   a. Management.
   b. Maintenance.

c. Auditing and revenue reconciliation.
d. Cashiering – include operating procedures such as opening/closing a shift, cash handling, PARCS regular and exception transaction processing, completing required documents and forms.
e. Customer service – include procedures such as monitoring the PARCS status, remote transaction processing, remotely assisting customers in the lane using the PARCS software, assisting customers in the lane, required documents and forms.
f. Offline processes – include procedures for collecting, documenting, and auditing exit transactions that occur when the PARCS is offline.

Performance Requirements

1. Entry and Exit Functions
   a. All entry lanes shall be stocked with tickets and all exit stations shall be stocked with receipt paper at all times.
   b. The Operator shall respond to lane malfunctions and broken gate arms within fifteen (15) minutes of notification.
   c. The Operator shall collect the fees and charges from all exiting vehicles. It is the responsibility of the cashier to record detailed information from all vehicles that attempt to exit without payment and contact the Manager or Supervisor for handling.
   d. Lane intercom calls shall be answered within ten (10) seconds of receiving the call and immediately assist the customer.
   e. There shall be no more than six (6) vehicles in an exit lane at any given time unless all exit lanes are open.
2. Parking Operations
   a. Operator shall monitor and manage all parking activities in the Public Parking Facilities.
   b. The Operator shall monitor and manage traffic which includes but is not limited to: directing traffic to available parking spaces, lanes, and parking facilities; placing and removing cones, A-frames or barricades; opening and closing of lanes.
   c. The Operator shall change all directional signage as appropriate.
   d. Promptly report any suspicious or illegal activity or the presence of unauthorized persons to on-site security.
   e. Immediately notify the Authority within two (2) hours and by written report within 24 hours of every reported or known incident involving accidental injury or criminal activity, and keep a record of such incidents.
   f. Protect the customers and employees from any observed hazardous conditions by placing a sufficient number of orange cones and/or barriers to clearly mark the area and report such conditions immediately to the Authority for repairs. The items noted shall also be included in the daily operational report for record keeping.

g. Perform a daily vehicle inventory count until the new PARCS is installed. With the new PARCS, physical counts will be performed to confirm that variances to PARCS reports of overnight occupancy are minimal at which point the Authority and Operator may agree on a revised schedule for performing physical vehicle inventory counts.

Revenue Control & Financial Management

1. Operate existing revenue control system until the new PARCS hardware/software is installed.
2. Train all personnel operating the PARCS so that they will be fully trained in the proper operation and use of the equipment prior to their assumption of duties, and all such training shall conform to the standards and requirements set forth in the Parking Operational Procedures and Standards Manual. Operator shall provide additional training to its personnel where new equipment is installed by the Authority in accordance with training materials provided by the Authority.
3. In the event that PARCS fails to function properly, Operator shall manually process the collection and accounting of all parking tickets payments in accordance with Parking Operational Procedures and Standards Manual and generally accepted accounting principles.
4. Assist the Authority with the design, procurement, and installation of new PARCS, fully operational no later than January 1, 2027.
5. Collect and deposit all public parking gross revenues.
   a. Daily cash Gross Receipts shall be transported for deposit to the Authority's designated depository within twenty-four (24) hours of receipt or no later than the end of the next Business Day.
6. Gross receipts will be deposited in the Authority's bank daily.
7. Operator will issue refunds and submit monthly with backup. Operator staff performing cashiering duties shall not have the ability to issue refunds.
8. Operator will research chargebacks and submit monthly with backup. Operator staff performing cashiering duties shall not have the ability to issue chargebacks.
9. Operator will reconcile revenue for daily activity and submit reports to the Authority via email within one (1) week following the activity.
   a. For cash: Include the daily PARCS report showing total cash collected with a copy of the bank deposit slip. Provide detail for any discrepancies.
   b. For credit cards: Include the daily PARCS credit card summary report of revenue by credit card type and the corresponding payment gateway summary report of revenue by credit card type. Provide detail for any discrepancies and adjustments such as chargebacks and refunds.
10. Operator shall assume all risks and responsibility for loss of funds, including, but not limited to, loss by damage, destruction, disappearance, theft, fraud, counterfeit

bills/coins, or dishonesty, until all fees and charges collected by the Operator on behalf of the Authority are deposited in the Authority's bank.

11. Operator shall be responsible for losses of revenue to the Airport as a result of its employees charging customers less than the amount due as determined by the difference between the amount of revenue recorded by PARCS and the actual amount collected and turned in by the employee at the end of each employee's shift. Operator shall prepare and submit to the Authority on a monthly basis a listing of such undercharge transactions showing the date, time, exit booth and transaction involved.
12. Operator shall be responsible and liable to the Authority for all losses resulting from Operator's failure to correctly process and/or collect the parking fees as a result of its employee undercharges, and/or errors in collection of funds, including, without limitation, all losses resulting from employee dishonesty, forgery, alteration, theft, disappearance, destruction, robbery and/or burglary. The entire amount of such uncollected parking fees shall be deducted from the Airport's monthly payment of management fee otherwise due to Operator pursuant to the Agreement. Any losses, undercharges and overcharges shall be reconciled and determined according to the difference between the amount of revenue recorded by PARCS and the amount of collections remitted by Operator's employee(s) at the end of each employee work shift. All overcharges accrue to the benefit of the Authority and shall not be offset against any undercharges.
13. In the event that a Customer exits by unauthorized means without paying, Operator shall make reasonable efforts to gather vehicle information and immediately notify the Authority. Operator shall immediately prepare a report of such incident and forward it to the Authority.
14. Operator shall be fully and strictly liable to the Authority for any loss(es) of revenue to the Airport as a result of Operator's acceptance of credit card(s) in any manner which is inconsistent with any provision of applicable law, the Contract or according to procedures as may be specified to Operator from time to time in writing by the Authority. The Authority may deduct the full amount of any such loss(es) of revenue upon notice to Operator from Airport's monthly payment of management fee otherwise due to Operator pursuant to the Agreement.
15. Operator shall settle and reimburse any fees, Gross Receipts or revenue lost to the Authority within thirty (30) days of occurrence.
16. Operator shall be the Merchant on Record to process credit card transactions.
    a. Require contracts with the existing payment gateway and the processor (aka clearinghouse). The new PARCS will determine which payment gateway is available for their system.
    b. The current and new payment processors shall interface with the Authority's bank, which is Home Loan State Bank, for the daily credit card deposits.

c. Allow the Authority access to the payment gateway website to view activity and confirm deposits and credit adjustments.
d. Operate in compliance with Payment Card Industry (PCI) Data Security Standard (DSS) and perform required duties to maintain such compliance.
e. Monitor credit card connectivity to the payment gateway and clearinghouse and coordinate with these providers and the PARCS provider as needed to resolve issues.

Revenue Reporting

1. Provide timely and accurate financial reporting.
2. Provide real-time dashboards and access for Airport management (occupancy, revenue, transaction details).
3. Provide daily revenue and deposit emailed reports and all other daily reports within one (1) week following the activity.
4. Provide monthly reports by the 15th of the month for the preceding month.
5. Provide real-time access to the new PARCS to view activity and generate/download reports.
6. Provide daily and monthly cash and credit card revenue reconciliations including adjustments to revenue.
7. Track daily adjustments to revenue by type (such as chargebacks, refunds) and provide a monthly report showing the daily adjustments by type with totals for the month.
8. Provide daily Cashier Shift reports and shift reconciliation documents. Retain for ninety (90) days.
9. Provide daily and monthly reports of the number and dollar amount of exception transactions by type, such as lost tickets, unreadable tickets, and manually overridden transactions; include supporting PARCS reports.
10. Provide daily and monthly reports of peak vehicle accumulation and average overnight stays for each public parking product. If the current PARCS does not provide this information, this requirement will be deferred until the new PARCS is installed.
11. Provide an annual Gross Revenue report that reconciles to the monthly revenue and activity reports within ninety (90) days after year end. The Authority reserves the right to request the annual report be certified by an independent accounting firm.
12. For the new PARCS, provide preventative maintenance reports and services reports showing the number and type of maintenance performed, by device, and the number and type of service calls made, by device. These reporting requirements should be included in the new PARCS requirements.
13. Provide monthly payroll records to support the number of hours worked for each reimbursable position.
14. Accommodate reasonable ad-hoc report requests from the Authority.
15. All reports must be straightforward and if applicable are reconcilable to the PARCS reports.

Annual Budget

1. Prepare and submit an Annual Budget, for Authority review and approval, within thirty (30) days of the Effective Date for the first year of the Agreement.
2. For subsequent Agreement years, prepare and submit the Annual Budget, for Authority review and approval, by October 1.
3. Annual Budgets shall include all expenses and group them as reimbursable and non-reimbursable expenses as defined in Section F of the Agreement.
4. The approved Annual Budget may be revised by the Authority from time to time to address changes in the economic environment and business levels as the Authority deems such revisions necessary and appropriate. The Authority may request that Operator prepare and submit a revised mid-year annual budget to evaluate expenses for the remainder of the year.

Operational Reporting

1. Provide monthly operating reports by the 15th of the month for the preceding month. This includes:
   a. Peak and average occupancy by day of week.
   b. Duration and fee report showing the number of transactions by time increment including revenue by time increment.
   c. Number of manual gate vends by day and by lane, with reasons for the gate vends.
   d. Number and type of Customer vehicle assists performed.
   e. Abandoned vehicle reports showing vehicle tag, registration, days parked, and monies owed.
   f. Customer service comments/complaints.
   g. Accident/Incident/Damage reports.
   h. Lost and Found activity.
2. Provide other operational data as requested by the Authority.

Signage & Rate Changes

1. Authority will manage all public signage.
2. Authority will advise Operator at least fifteen (15) days before rate changes.
3. Operator will manage rate changes in the PARCS.

PARCS Maintenance

1. The Operator shall be responsible for operating the PARCS utilized by the Authority in each area of the Public Parking Facilities. Operator shall be familiar with all components of the PARCS utilized by the Airport and understands and is capable of demonstrating efficient operational knowledge of the PARCS.
2. The PARCS and all its associating equipment in use at the Airport shall remain the property of the Authority.

3. Operator acts as the Authority's representative and coordinates with the PARCS provider as needed for preventative maintenance, system repairs, upgrades and added equipment and features, and rate changes.
4. Operator meets at least bi-weekly with the PARCS provider to review outstanding service tickets and discuss system and service performance.
5. Operator performs Level 1 maintenance – replace gate arms, load stock, clear receipt jams, rebooting, exterior cleaning.
6. Notwithstanding the foregoing, any maintenance or repairs required to be performed on the PARCS as a result of damage caused by the Operator's misuse, abuse or negligent operation of the PARCS shall be performed at the Operator's sole cost and expense.
7. Operator contacts the PARCS provider for service and submits and tracks service tickets.
8. Operator monitors the PARCS provider's performance of contractual service levels for repair response times, repair completion times, and amount of scheduled preventative maintenance that is completed.
9. Operator obtains reports from the PARCS provider of scheduled and completed preventative maintenance by lane, and the number of repair service calls by issue and by lane device when applicable. These reports are submitted to the Authority each month. If these reports are not contractually required with the current PARCS, this requirement is only required for the new PARCS.
10. Operator manages and maintains the PARCS spare inventory.

New PARCS Procurement, Installation, & Support Services

1. After award, within thirty (30) days of the Effective Date, the Operator will begin the process of defining the new PARCS requirements to procure the new PARCS for Authority approval. Within sixty (60) days the Operator will obtain pricing from three (3) Authority-approved PARCS providers for pricing. The Authority will approve the final selection.
2. New PARCS features will include:
    a. Equip entrances with barcode ticket dispensers with intercoms, AVI readers, LPR cameras, loops, and UPS thirty (30)-minute backup batteries
    b. Equip all exits with exit stations that include a barcode ticket scanner (external scanner so that the ticket is not ingested), EMV tap/insert credit card terminal, receipt printer, help button, and intercom; AVI readers, LPR cameras, loops and UPS thirty (30)-minute backup battery. Equip all booths with a single drawer cashier station that processes cash, credit cards, and validations. Include a receipt printer and fee display.
    c. EMV/NFC credit card terminals that allow the credit cards to be inserted or tapped and accepts American Express, MasterCard, Visa, and via Apple Pay and Google Pay and Samsung Pay.

d. E-validations that allow validations to be applied to the ticket record by any authorized user using a browser-based application and allow barcode validations to be mailed and also printed and distributed to users.
e. Parking office software that allows the Operator to assist customers from the office for lost and unreadable tickets, look up license plates and tickets, and send a fee to the exit station. Also provides lane equipment functionality to open/close a lane or gate from the parking office. Allows AVI tag lookup and status resets to resolve associated lane issues.
f. Cloud-hosted primary and redundant servers.
g. Power and communication (fiber, switches) needed for the new PARCS.
h. Electronic documentation pertaining to the configuration, installation, maintenance, repair and operation of the PARCS hardware and software.
i. Service agreement for preventative maintenance and repairs with defined response times.

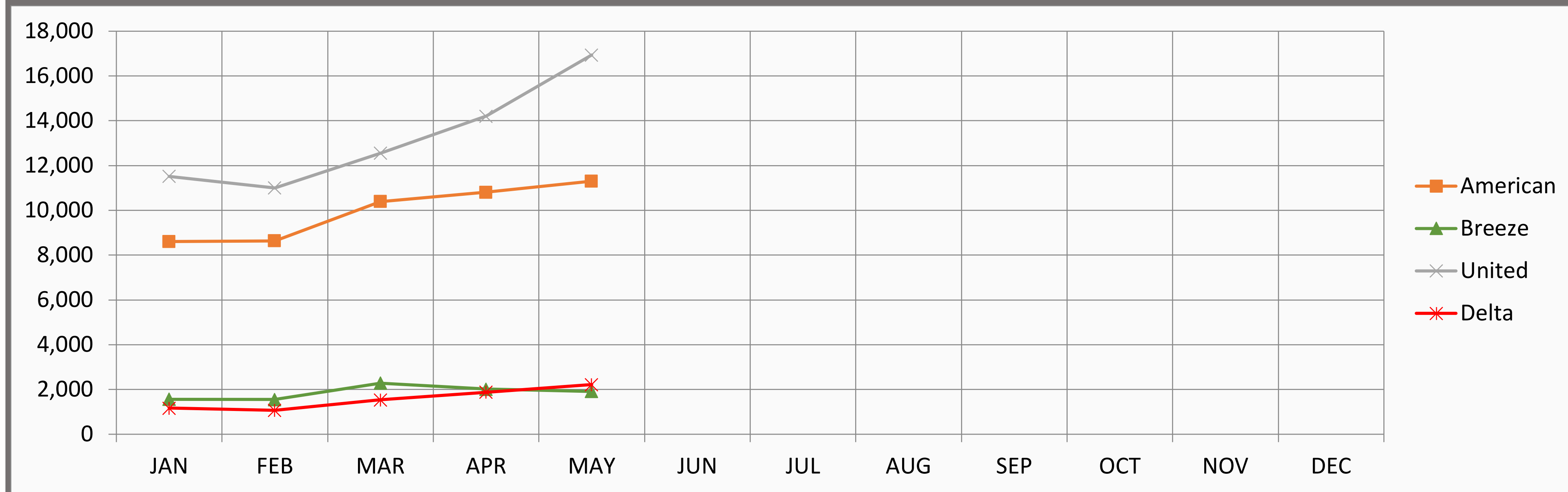
3. Operator coordinates PARCS staff training.
4. Operator updates the standard operating procedures reflecting changes from the new PARCS.
5. Operator manages the PARCS installation and participates in acceptance testing and project punch list closeout.
6. All new and current PARCS data is owned by the Authority and shall not be used by the Operator without prior written consent from the Authority.

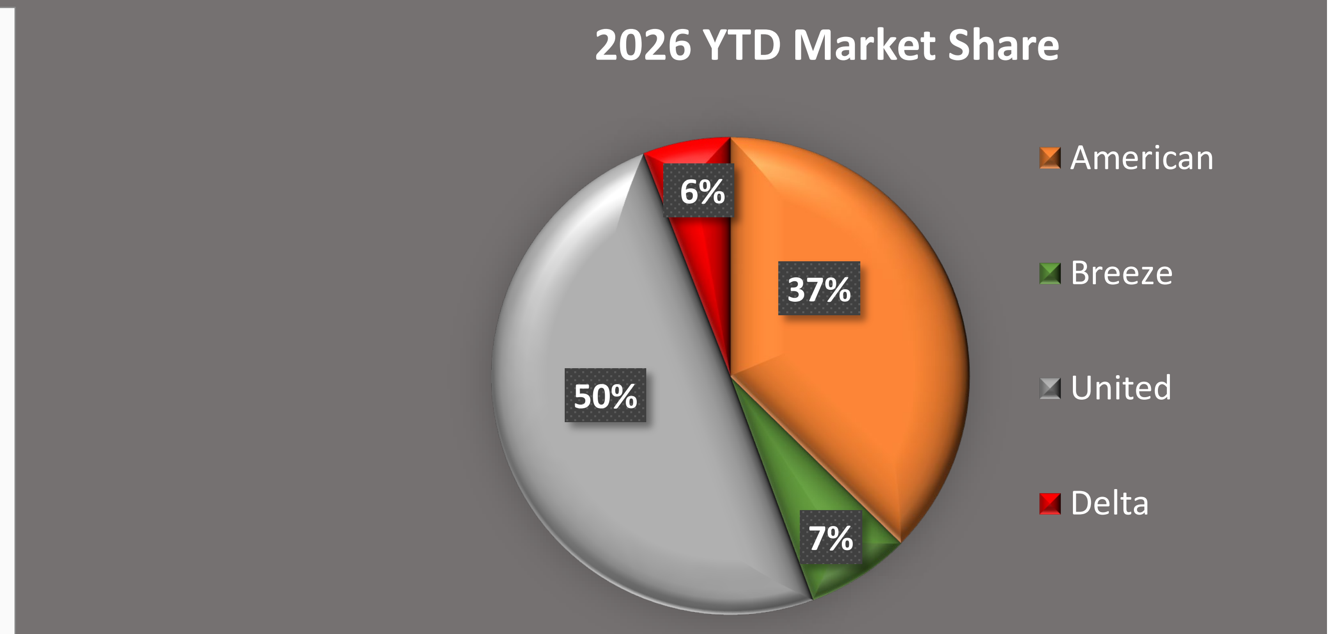
GRAND JUNCTION REGIONAL AIRPORT

May 2026

DATA & STATISTICS

Total Passenger Enplanements

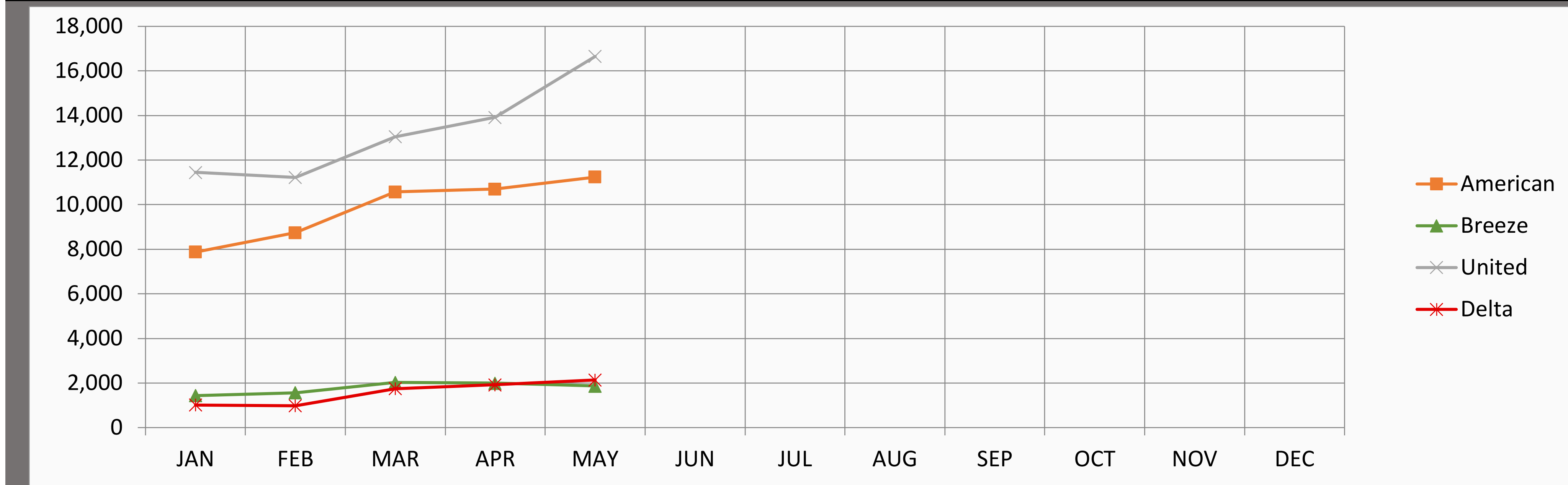


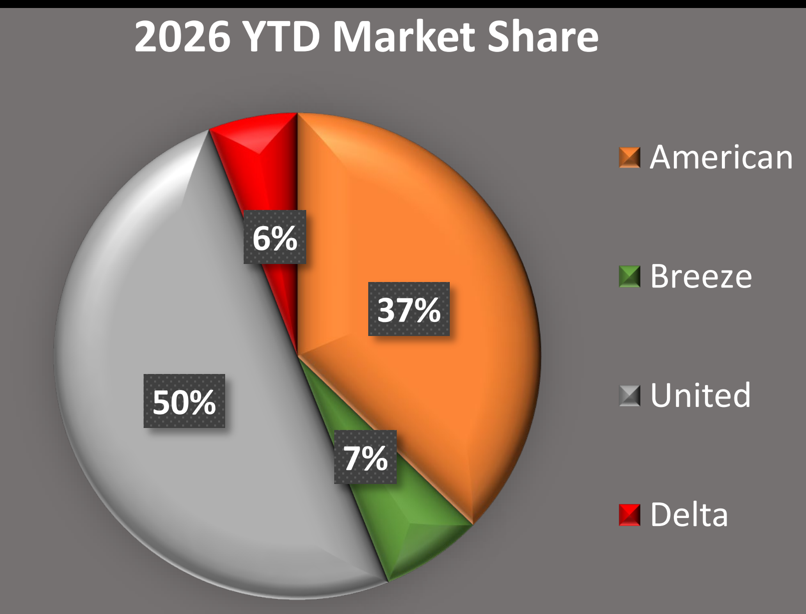


2026	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO, LAS)	United (DEN)	Delta (SLC)	Charters/ Diversions	Total	YTD % Change
JAN	0	8,607	1,563	11,521	1,163	0	22,854	5.0%
FEB	0	8,638	1,555	10,999	1,069	0	22,261	7.1%
MAR	0	10,389	2,280	12,553	1,533	168	26,923	10.6%
APR		10,811	2,019	14,203	1,880	182	29,095	11.5%
MAY		11,303	1,919	16,939	2,219	63	32,443	10.5%
JUN							0	
JUL							0	
AUG							0	
SEP							0	
OCT							0	
NOV							0	
DEC							0	
TOTAL	**-**	**49,748**	**9,336**	**66,215**	**7,864**	**413**	**133,576**	
Market Share		37.24%	6.99%	49.57%	5.89%	0.31%	100.00%	

2025	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO)	United (DEN)	Delta (SLC)	Charters/ Diversions	Total
JAN	200	8,128	616	11,111	1,721		21,776
FEB	0	6,878	641	11,113	1,712		20,344
MAR	0	7,486	799	12,752	1,893	59	22,989
APR	0	8,603	1,370	13,576	2,052	0	25,601
MAY	0	11,001	1,771	15,015	2,291	56	30,134
JUN	0	10,908	1,759	13,101	2,111	147	28,026
JUL	0	11,660	2,108	13,172	2,210	35	29,185
AUG	0	9,161	1,614	13,570	2,135		26,480
SEP	0	10,472	1,458	14,930	2,090		28,950
OCT	0	11,031	1,807	16,142	2,326	0	31,306
NOV	0	9,768	1,518	13,076	2,164	95	26,621
DEC	0	10,293	1,518	12,646	2,237	0	26,694
TOTAL	**200**	**115,389**	**16,979**	**160,204**	**24,942**	**392**	**318,106**
Market Share	0.06%	36.27%	5.34%	50.36%	7.84%	0.12%	100.00%

Total Passenger Deplanements

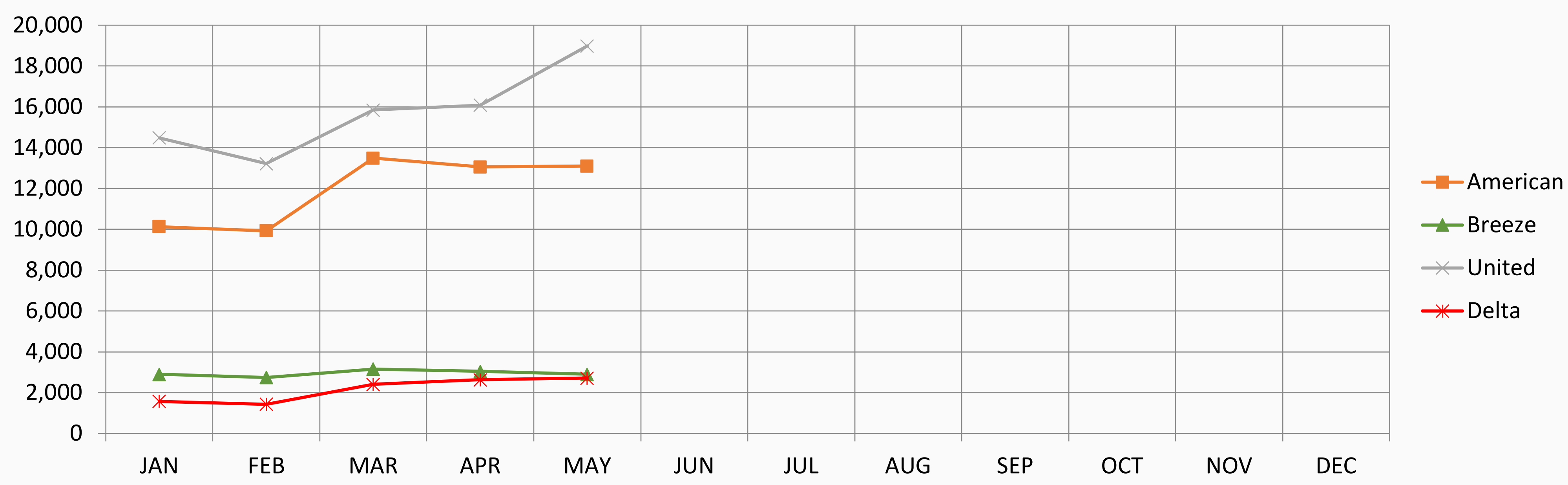


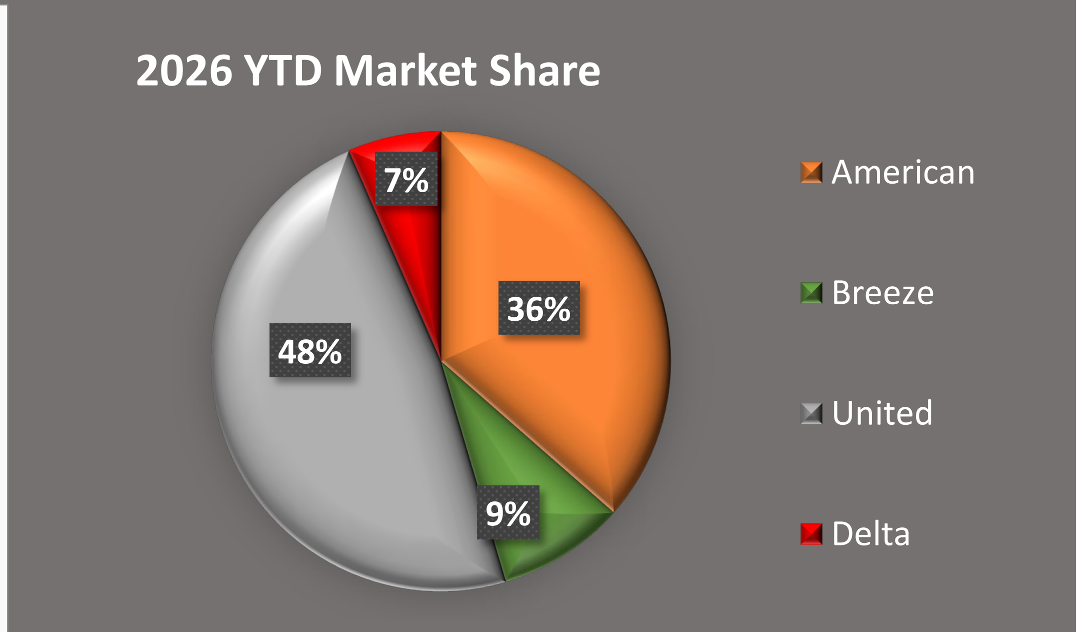


2026	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO, LAS)	United (DEN)	Delta (SLC)	Charters/ Diversions	Total	YTD % Change
JAN		7,873	1,434	11,447	1,013	503	22,270	-0.4%
FEB		8,740	1,567	11,222	979	506	23,014	2.8%
MAR		10,567	2,028	13,054	1,748	2,193	29,590	7.5%
APR		10,703	1,991	13,922	1,922	390	28,928	8.8%
MAY		11,236	1,869	16,650	2,137	94	31,986	8.7%
JUN							0	
JUL							0	
AUG							0	
SEP							0	
OCT							0	
NOV							0	
DEC							0	
TOTAL	**-**	**49,119**	**8,889**	**66,295**	**7,799**	**3,686**	**135,788**	
Market Share	0.00%	36.17%	6.55%	48.82%	5.74%	2.71%	100.00%	

2025	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO)	United (DEN)	Delta (SLC)	Charters/ Diversions	Total
JAN	197	7,766	575	11,068	1,589	1,165	22,360
FEB	0	6,781	658	11,041	1,535	1,659	21,674
MAR	0	7,614	860	13,154	2,040	1,947	25,615
APR	0	8,539	1,259	13,470	2,035	462	25,765
MAY	0	11,051	1,344	14,748	2,116	251	29,510
JUN	0	11,009	1,872	12,818	2,235	1,385	29,319
JUL	0	10,852	1,741	12,816	2,109	956	28,474
AUG	0	9,104	1,634	13,545	2,079	529	26,891
SEP	0	10,157	1,462	14,780	2,141		28,540
OCT	0	10,396	1,611	15,751	2,219	0	29,977
NOV	0	9,375	1,575	12,528	2,183	158	25,819
DEC	0	10,547	1,481	13,167	2,112	405	27,712
TOTAL	**197**	**113,191**	**16,072**	**158,886**	**24,393**	**8,917**	**321,656**
Market Share	0.06%	35.19%	5.00%	49.40%	7.58%	2.77%	100.00%

Scheduled Capacity



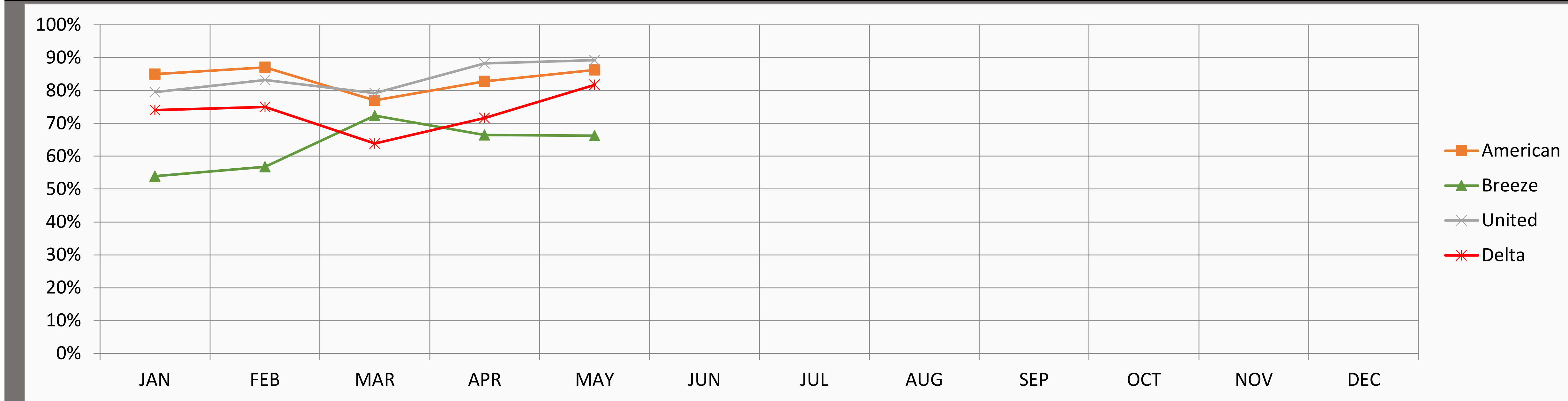


2026	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO, LAS)	United (DEN)	Delta (SLC)	Total	YTD % Change
JAN		10,130	2,898	14,482	1,570	29,080	-0.6%
FEB		9,924	2,740	13,222	1,426	27,312	2.8%
MAR		13,491	3,151	15,850	2,400	34,892	11.4%
APR		13,057	3,036	16,085	2,626	34,804	11.7%
MAY		13,097	2,898	18,982	2,716	37,693	11.7%
JUN						0	
JUL						0	
AUG						0	
SEP						0	
OCT						0	
NOV						0	
DEC						0	
TOTAL	**-**	**59,699**	**14,723**	**78,621**	**10,738**	**163,781**	
Market Share	0.00%	36.45%	8.99%	48.00%	6.56%	100.00%	

2025	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, SFO)	United (DEN)	Delta (SLC)	Total
JAN	312	10,421	966	14,728	2,826	29,253
FEB	0	8,366	1,104	13,642	2,504	25,616
MAR	0	8,125	1,242	14,901	2,807	27,075
APR	0	10,845	1,932	15,453	2,742	30,972
MAY	0	12,614	2,484	15,926	2,746	33,770
JUN	0	12,495	2,484	14,182	2,690	31,851
JUL	0	12,712	2,484	14,614	2,700	32,510
AUG	0	10,606	2,484	15,322	2,646	31,058
SEP	0	11,681	2,208	16,522	2,650	33,061
OCT	0	12,308	2,484	17,846	2,798	35,436
NOV	0	12,204	2,484	15,015	2,620	32,323
DEC	0	12,443	2,484	15,418	2,830	33,175
TOTAL	**312**	**134,820**	**24,840**	**183,569**	**32,559**	**376,100**
Market Share	0.08%	35.85%	6.60%	48.81%	8.66%	100.00%

Load Factor

*Includes Scheduled Flights ONLY



2026	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, LAS)	United (DEN)	Delta (SLC)	Total	YTD % Change
JAN	0%	85%	54%	80%	74%	79%	5.6%
FEB	0%	87%	57%	83%	75%	82%	4.1%
MAR	0%	77%	72%	79%	64%	77%	-0.6%
APR	0%	83%	67%	88%	72%	83%	-0.3%
MAY	0%	86%	66%	89%	82%	86%	-1.0%
JUN							
JUL							
AUG							
SEP							
OCT							
NOV							
DEC							
TOTAL	**0%**	**83%**	**63%**	**84%**	**73%**	**82%**	

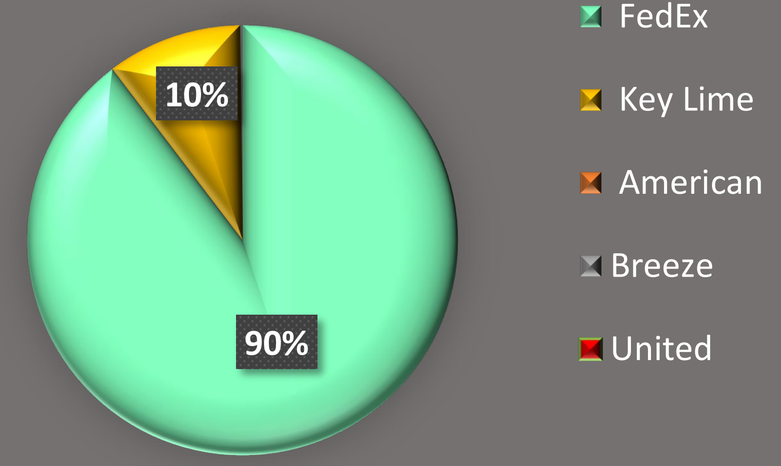
2025	Allegiant (LAX, AZA, LAS)	American (DFW, PHX)	Breeze (SNA, LAS)	United (DEN)	Delta (SLC)	Total
JAN	64%	78%	64%	75%	61%	74%
FEB		82%	58%	81%	68%	79%
MAR		92%	64%	86%	67%	85%
APR		79%	71%	88%	75%	83%
MAY		87%	71%	94%	83%	89%
JUN		87%	71%	92%	78%	88%
JUL		92%	85%	90%	82%	90%
AUG		86%	65%	89%	81%	85%
SEP		90%	66%	90%	79%	88%
OCT		90%	73%	90%	83%	88%
NOV		80%	61%	87%	83%	82%
DEC		83%	61%	82%	79%	80%
TOTAL	**64%**	**86%**	**68%**	**87%**	**77%**	**85%**

2026 Enplaned and Deplaned Airfreight - Lbs

2026 YTD		
Enplaned Freight	1,432,233	-4.46%
Deplaned Freight	2,161,939	-2.03%

2025 YTD	
Enplaned Freight	1,499,131
Deplaned Freight	2,206,703

2026 Market Share



Enplaned	FedEx	Key Lime	American	Breeze	United	Total	YTD Total	YTD % Change
JAN	252,066	10,827	114		67	263,074	263,074	-21.7%
FEB	299,365	14,671	6		14	314,056	577,130	-6.2%
MAR	311,752	13,650	30		-	325,432	902,562	-4.7%
APR	258,356	13,210	-		23	271,589	1,174,151	-4.3%
MAY	246,113	11,915	46		8	258,082	1,432,233	-4.5%
JUN						-		
JUL						-		
AUG						-		
SEP						-		
OCT						-		
NOV						-		
DEC						-		
TOTAL	**1,367,652**	**64,273**	**196**	**-**	**112**	**1,432,233**	**1,432,233**	
Market Share	95.49%	4.49%	0.01%	0.00%	0.01%	100.00%		

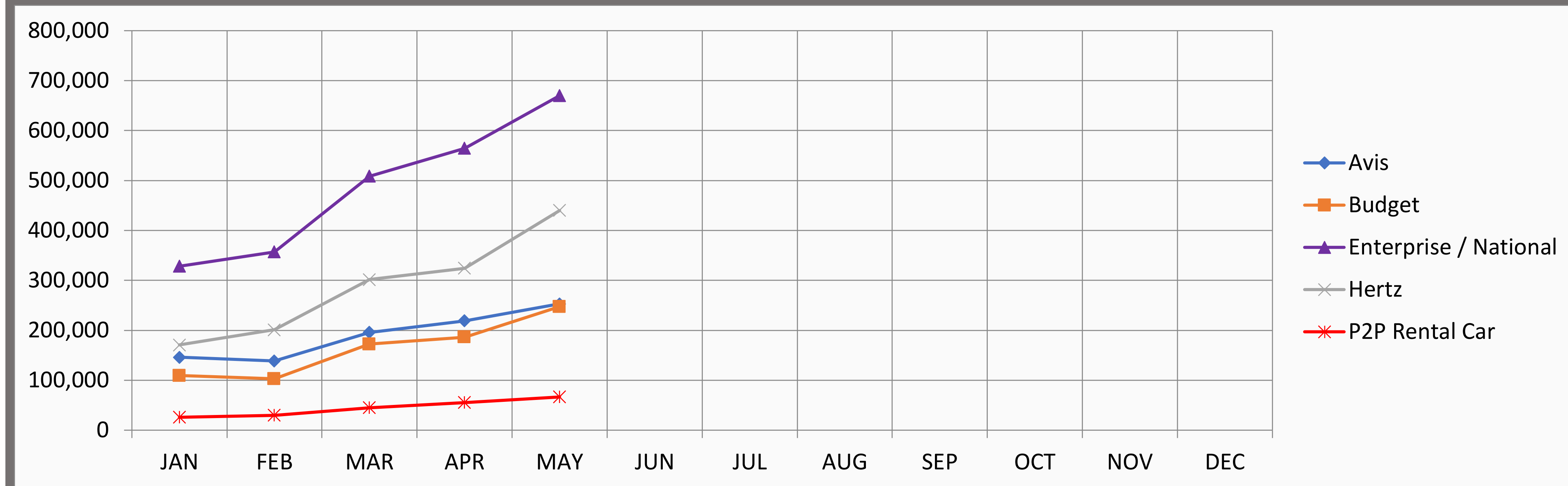
Deplaned	FedEx	Key Lime	American	Breeze	United	Total	YTD Total	YTD % Change
JAN	346,167	57,541	1,325		251	405,284	405,284	-7.9%
FEB	402,664	54,768	1,438		325	459,195	864,479	0.4%
MAR	384,940	64,865	2,604		164	452,573	1,317,052	1.7%
APR	341,895	63,220	220		327	405,662	1,722,714	-0.1%
MAY	379,977	58,855	60		333	439,225	2,161,939	-2.0%
JUN						-		
JUL						-		
AUG						-		
SEP						-		
OCT						-		
NOV						-		
DEC						-		
TOTAL	**1,855,643**	**299,249**	**5,647**	**-**	**1,400**	**2,161,939**	**2,161,939**	
Market Share	85.83%	13.84%	0.26%	0.00%	0.06%	100.00%		

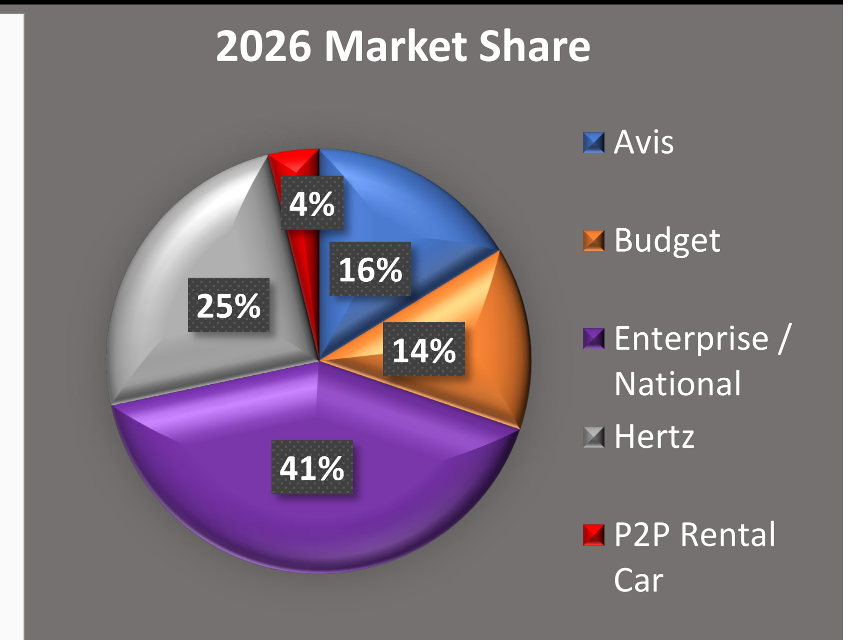
2026 Aircraft Operations

2026	Itinerant: Air Carrier	Itinerant: Air Taxi	Itinerant: General Aviation	Itinerant: Military	Itinerant: TOTAL ITINERANT	Local: Local Civilian	Local: Local Military	Local: TOTAL LOCAL	TOTAL
JAN	631	514	1,902	155	3,202	2,243	28	2,271	5,473
FEB	656	628	1,757	63	3,104	1,556	38	1,594	4,698
MAR	863	429	1,945	121	3,358	1,620	148	1,768	5,126
APR	776	467	1,744	75	3,062	1,570	38	1,608	4,670
MAY	755	715	1,695	79	3,244	1,354	66	1,420	4,664
JUN					0			0	0
JUL					0			0	0
AUG					0			0	0
SEP					0			0	0
OCT					0			0	0
NOV					0			0	0
DEC					0			0	0
TOTAL	**3,681**	**2,753**	**9,043**	**493**	**15,970**	**8,343**	**318**	**8,661**	**24,631**

Historical Data	2020	2021	2022	2023	2024	2025	2026	YOY Change by Mon	YTD % Change
JAN	3,713	4,904	4,477	4,054	5,138	5,712	5,473	-4.18%	-4.18%
FEB	4,378	4,195	4,672	3,457	5,169	5,327	4,698	-11.81%	-7.86%
MAR	3,241	4,710	4,636	4,390	5,135	5,348	5,126	-4.15%	-6.65%
APR	2,436	4,238	4,357	4,538	4,999	5,422	4,670	-13.87%	-8.45%
MAY	3,826	4,514	5,235	4,440	4,989	5,787	4,664	-19.41%	-10.74%
JUN	4,588	5,000	4,785	4,473	4,814	5,202	-		
JUL	4,784	5,014	4,039	5,356	5,703	6,302	-		
AUG	5,436	4,858	4,983	5,250	5,430	6,035	-		
SEP	4,777	5,355	4,890	6,450	5,699	5,237	-		
OCT	5,216	5,095	5,171	5,690	5,484	6,167	-		
NOV	4,612	4,841	3,974	5,078	5,290	6,411	-		
DEC	4,532	4,269	3,746	6,135	6,082	5,104	-		
TOTAL	**51,539**	**56,993**	**54,965**	**59,311**	**63,932**	**68,054**			

2026 Rental Car Revenues

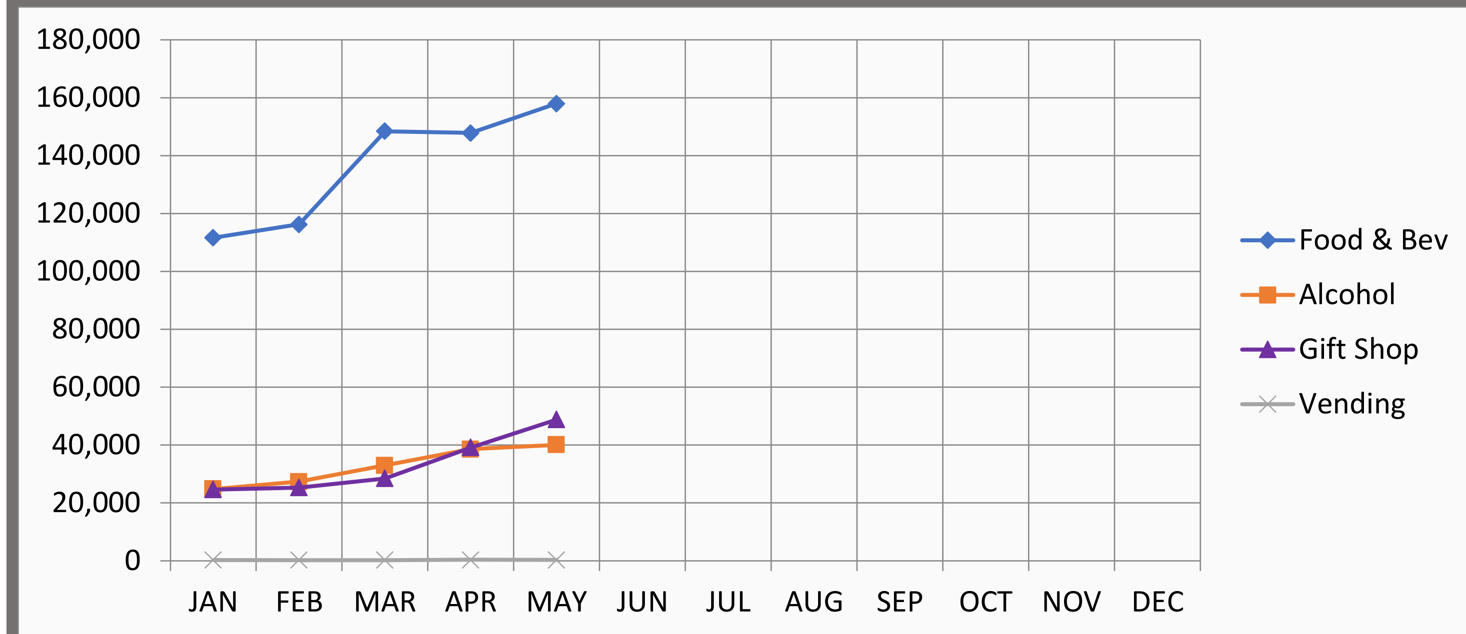


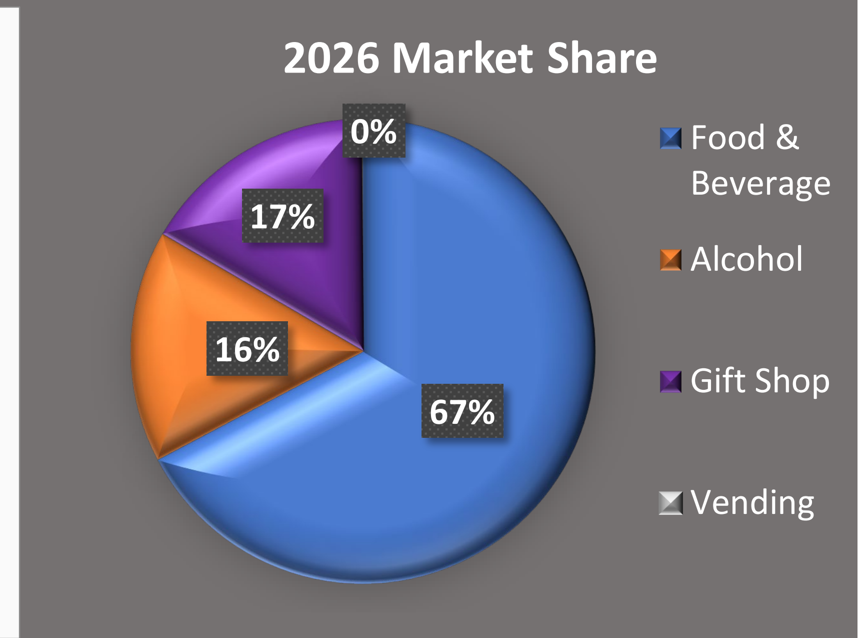


2026	Avis	Budget	Enterprise / National	Hertz	P2P Rental Car	Total	YTD Total	YTD % Change
JAN	146,125	109,238	328,306	170,850	25,834	780,353	780,353	-0.3%
FEB	138,647	102,906	357,142	201,090	30,066	829,850	1,610,203	2.3%
MAR	195,950	172,160	508,590	301,684	45,151	1,223,535	2,833,738	6.7%
APR	219,010	186,240	564,431	324,259	55,228	1,349,168	4,182,905	12.2%
MAY	253,023	247,396	669,897	439,850	66,491	1,676,657	5,859,563	15.1%
JUN						0		
JUL						0		
AUG						0		
SEP						0		
OCT						0		
NOV						0		
DEC						0		
TOTAL	**952,754**	**817,940**	**2,428,366**	**1,437,732**	**222,770**	**5,859,563**	**5,859,563**	
Market Share	16.26%	13.96%	41.44%	24.54%	3.80%	100.00%		

2025	Avis	Budget	Enterprise / National	Hertz	P2P Rental Car	Total	YTD Total
JAN	177,649	75,662	341,247	168,007	20,074	782,639	782,639
FEB	157,334	95,025	353,513	158,523	26,952	791,346	1,573,986
MAR	241,126	119,346	476,761	217,652	26,940	1,081,825	2,655,810
APR	207,418	136,870	502,279	188,756	37,238	1,072,561	3,728,371
MAY	238,913	193,958	617,220	273,829	39,906	1,363,827	5,092,198
JUN	228,754	234,461	483,526	300,657	44,138	1,291,536	6,383,735
JUL	262,715	243,337	517,319	346,342	41,708	1,411,421	7,795,156
AUG	285,099	264,597	607,866	344,831	53,009	1,555,401	9,350,557
SEP	286,411	259,136	624,589	370,617	57,673	1,598,427	10,948,984
OCT	262,174	210,647	696,506	383,441	62,954	1,615,722	12,564,705
NOV	166,973	130,869	412,309	230,016	32,740	972,907	13,537,612
DEC	129,925	94,130	321,614	193,633	16,090	755,391	14,293,003
TOTAL	**2,644,490**	**2,058,038**	**5,954,751**	**3,176,303**	**459,422**	**14,293,003**	
Market Share	18.50%	14.40%	41.66%	22.22%	3.21%	96.79%	

2026 Terminal Concessions Revenues





2026	Food & Beverage	Alcohol	Gift Shop	Vending	Total	YTD % Change
JAN	111,626	24,776	24,624	281	$ 161,307	4.3%
FEB	116,239	27,341	25,353	293	$ 169,226	7.7%
MAR	148,452	32,966	28,533	305	$ 210,256	11.8%
APR	147,851	38,615	39,213	327	$ 226,006	12.2%
MAY	158,015	40,061	48,799	329	$ 247,204	9.3%
JUN						
JUL						
AUG						
SEP						
OCT						
NOV						
DEC						
TOTAL	**682,183**	**163,759**	**166,522**	**1,535**	**1,013,999**	

2025	Food & Beverage	Alcohol	Gift Shop	Vending	Total
JAN	105,681	27,416	21,205	359	$ 154,661
FEB	104,248	26,277	21,406	321	$ 152,251
MAR	120,796	31,321	24,545	308	$ 176,969
APR	134,680	34,240	30,208	281	$ 199,409
MAY	161,823	41,443	41,115	279	$ 244,659
JUN	166,904	34,456	37,315	271	$ 238,946
JUL	165,767	36,377	38,649	271	$ 241,062
AUG	156,513	35,190	38,713	270	$ 230,686
SEP	140,169	38,278	36,988	275	$ 215,710
OCT	155,383	40,858	42,722	273	$ 239,236
NOV	124,208	30,578	30,972	275	$ 186,033
DEC	133,256	33,987	33,005	278	$ 200,526
TOTAL	**1,669,426**	**410,420**	**396,843**	**3,459**	**2,480,147**
Market Share	67%	17%	16%	0%	100%

Grand Junction Regional Airport Authority
Operating Income
Unaudited - subject to change

As of Date: 05/31/2026

		Month			Budget Variance		Prior Year Variance	
		05/31/2026	05/31/2026	05/31/2025				
		Budget	Actual	PY Actual	Budget $ Var	Budget % Var	PY $ Var	PY % Var
	Operating revenue							
	Aeronautical revenue							
	Passenger airline revenue							
1	Passenger airline landing fees	$ 101,118	$ 98,440	$ 88,119	$ (2,678)	-2.6%	$ 10,321	11.7%
2	Terminal rent	157,587	159,216	142,822	1,629	1.0%	16,394	11.5%
3	Other (boarding bridge)	3,251	5,887	3,078	2,636	81.1%	2,809	91.3%
	Total Passenger airline revenue	261,956	263,543	234,019	1,587	0.6%	29,524	12.6%
	Non-passenger airline revenue							
4	Non-passenger landing fees	20,456	25,198	14,239	4,742	23.2%	10,959	77.0%
5	Cargo and hangar rentals	5,801	5,748	5,597	(53)	-0.9%	151	2.7%
6	Fuel tax	28,667	40,199	24,001	11,532	40.2%	16,198	67.5%
7	Fuel Flowage Fees and Sales	31,599	34,574	29,980	2,975	9.4%	4,594	15.3%
8	Other (ramp parking, rapid refuel)	1,500	1,140	1,365	(360)	-24.0%	(225)	-16.5%
	Total Non-passenger airline revenue	88,023	106,859	75,182	18,836	21.4%	31,677	42.1%
	Total Aeronautical revenue	349,979	370,402	309,201	20,423	5.8%	61,201	19.8%
	Non-aeronautical revenue							
9	Land and building leases	63,649	63,377	59,059	(272)	-0.4%	4,318	7.3%
10	Terminal - restaurant & retail	22,951	25,489	25,267	2,538	11.1%	222	0.9%
11	Terminal - other	15,500	15,609	15,500	109	0.7%	109	0.7%
12	**Rental cars**	**168,463**	**215,681**	**180,299**	**47,218**	**28.0%**	**35,382**	**19.6%**
13	**Parking**	**234,697**	**260,231**	**239,891**	**25,534**	**10.9%**	**20,340**	**8.5%**
14	Ground Transportation	9,755	15,672	11,082	5,917	60.7%	4,590	41.4%
15	Other (advertising, security fee, vending, etc	10,130	9,189	7,807	(941)	-9.3%	1,382	17.7%
	Total Non-aeronautical revenue	525,145	605,248	538,905	80,103	15.3%	66,343	12.3%
	Total Operating revenues	875,124	975,650	848,106	100,526	11.5%	127,544	15.0%

Variance Explanations - May 2026 Revenue Compared to Budget- Preliminary Financial Statements (Unaudited)

	May-26 Budget	May-26 Actual	May-25 Actual	Budget Variance		PY Variance	
Seat Capacity	32,772	37,693	33,770	4,921	**15%**	3,923	**12%**
Passenger Landed Weight	37,642,897	37,303,093	38,204,019	(339,804)	**-1%**	(900,926)	**-2%**
Enplanements (Excluding Diversions)	26,515	32,443	30,134	5,928	**18%**	2,309	**8%**
Load Factor (Excluding Diversion Enpl)	81%	86%	89%		**5%**		**-3%**

Variance explanations and account explanations have been provided below for revenue accounts that have a budget-to-actual variance of more than 5% and where the revenue account makes up at least 5% of the monthly budgeted operating revenue for May ($44K), plus any other with impactful variances.

Operating Revenues: Total operating revenues exceeded budget by 12% ($101K). Aeronautical revenue exceeded budget by $20k, led by fuel tax payments from the state and non-passenger landing fees from fire-fighting activities. Non-aeronautical revenue exceeded budget by 15% ($80K) driven by more commercial airline activity and passengers than budgeted.

12 ***Rental Cars*** - Rental car revenues are ahead of budget by 28% ($47K) for the month. The rental car revenue is budgeted based on a spend per passenger and total passenger traffic in May and the spend per passenger surpassed expectations.

13 ***Parking*** - Parking revenue exceeded budget by 11% ($26K) driven by higher-than-expected passenger traffic.

Grand Junction Regional Airport Authority
Operating Income an Expense
Unaudited - subject to change

As of Date: 05/31/2026

		Year to Date			Budget Variance		Prior Year Variance	
		05/31/2026	05/31/2026	05/31/2025				
		Budget	Actual	PY Actual	Budget $ Var	Budget % Var	PY $ Var	PY % Var
	Operating revenue							
	Aeronautical revenue							
	Passenger airline revenue							
1	**Passenger airline landing fees**	**$ 420,141**	**$ 465,822**	**$ 386,323**	**$ 45,681**	**10.9%**	**$ 79,499**	**20.6%**
2	Terminal rent	781,608	792,766	707,577	11,158	1.4%	85,189	12.0%
3	Other (boarding bridge)	14,402	25,940	13,717	11,538	80.1%	12,223	89.1%
	Total Passenger airline revenue	1,216,151	1,284,528	1,107,617	68,377	5.6%	176,911	16.0%
	Non-passenger airline revenue							
4	Non-passenger landing fees	77,419	83,044	66,187	5,625	7.3%	16,857	25.5%
5	Cargo and hangar rentals	28,393	28,286	27,560	(107)	-0.4%	726	2.6%
6	**Fuel tax**	**143,335**	**126,327**	**112,800**	**(17,008)**	**-11.9%**	13,527	12.0%
7	Fuel Flowage Fees and Sales	192,139	171,674	158,902	(20,465)	-10.7%	12,772	8.0%
8	Other (ramp parking, rapid refuel)	7,500	6,487	5,438	(1,013)	-13.5%	1,049	19.3%
	Total Non-passenger airline revenue	448,786	415,818	370,887	(32,968)	-7.3%	44,931	12.1%
	Total Aeronautical revenue	1,664,937	1,700,346	1,478,504	35,409	2.1%	221,842	15.0%
	Non-aeronautical revenue							
9	Land and building leases	327,454	335,556	316,509	8,102	2.5%	19,047	6.0%
10	Terminal - restaurant & retail	122,092	135,145	123,135	13,053	10.7%	12,010	9.8%
11	Terminal - other	77,500	78,029	77,502	529	0.7%	527	0.7%
12	**Rental cars**	**687,197**	**788,332**	**695,005**	**101,135**	**14.7%**	**93,327**	**13.4%**
13	Parking	1,086,153	1,138,126	1,059,316	51,973	4.8%	78,810	7.4%
14	Ground Transportation	42,827	61,371	45,590	18,544	43.3%	15,781	34.6%
15	Other (advertising, security fee, etc.)	42,323	46,945	57,137	4,622	10.9%	(10,192)	-17.8%
	Total Non-aeronautical revenue	2,385,546	2,583,504	2,374,194	197,958	8.3%	209,310	8.8%
	Total Operating Revenues	$ 4,050,483	$ 4,283,850	$ 3,852,698	$ 233,367	5.8%	$ 431,152	11.2%
	Operating expenses							
16	Personnel compensation and benefits	$ 1,452,495	$ 1,453,070	$ 1,320,313	575	0.0%	132,757	10.1%
17	**Communications and utilities**	**166,886**	**193,725**	**165,814**	**26,839**	**16.1%**	27,911	16.8%
18	**Supplies and materials**	**305,489**	**417,208**	**278,648**	**111,719**	**36.6%**	**138,560**	**49.7%**
19	Contract services	425,861	438,351	354,846	12,490	2.9%	83,505	23.5%
20	**Repairs & maintenance**	**259,209**	**522,248**	**308,296**	**263,039**	**101.5%**	**213,952**	**69.4%**
21	Insurance	88,061	78,478	72,843	(9,583)	-10.9%	5,635	7.7%
22	Training, Travel, & Air Service Development	102,090	75,535	76,431	(26,555)	-26.0%	(896)	-1.2%
23	Other Expense (marketing, professional dues, etc.)	58,320	52,890	32,670	(5,430)	-9.3%	20,220	61.9%
	Total Operating expenses	2,858,411	3,231,505	2,609,861	373,094	13.1%	621,644	23.8%
	Excess of Operating revenue over (under) expense	**$ 1,192,072**	**$ 1,052,345**	**$ 1,242,837**	**$ (139,727)**	**-11.7%**	**$ (190,492)**	**-15.3%**

Variance Explanations - YTD May 2026 Preliminary Financial Statements (Unaudited)

Below are variance explanations for revenue and expense accounts with a budget variance of more than 5% and when the revenue or expense category makes up at least 5% of the YTD operating budget ($203K for revenue and $143K for operating expenses) and other impactful variances.

	YTD May 26 Budget	YTD May 26 Actual	YTD May 25 Actual	Budget Variance		PY Variance	
Seat Capacity	147,881	163,781	146,686	15,900	**11%**	17,095	**12%**
Passenger Landed Weight	160,726,128	174,127,073	163,541,642	13,400,945	**8%**	10,585,431	**6%**
Enplanements	116,813	133,576	120,844	16,763	**14%**	12,732	**11%**
Load Factor (Excl Diversion)	79%	82%	82%	3%		-1%	

YTD Operating Revenues: *Total operating revenues are ahead of budget by $233K (6%) and are $431K (11%) ahead of May 2025 YTD revenue. The most significant variances are due to higher-than-expected revenue from passenger airline landing fees and non-aeronautical revenue from passengers, primarily rental cars, driven by the increase in passenger traffic.*

1 ***Passenger Airline Landing Fees*** - Passenger landing fees exceeded budget by 11% ($46K) due to higher-than-budgeted passenger airline landed weight, primarily from scheduled service, not diversion activity.

6 ***Fuel Tax*** - Fuel tax revenue has been behind budget all year, however, the budget deficit is recovering as larger payments have been received by the state. The variance to budget was 25% in April, but is down to 12% unfavorable budget deficit through May. With the higher fuel taxes and activity, we anticipate that we will meet or exceed the budget for the year, however, the state has indicated that the funding remittance is behind schedule and this amount is recorded on a cash basis since we do not have all of the information available to make an accurate estimate at this time and given the fact that fuel tax revenue as a percent of total revenue is relatively small.

12 ***Rental Cars*** - Rental car revenues are ahead of budget by 15% ($101K) due to an increase in passenger traffic. The monthly rental car revenue budget was developed based on historical seasonal trends in spend per passenger.

13 ***Parking*** - Parking revenue is 5% ($52K) ahead of budget YTD through May. This positive variance is somewhat lower than expected given the increase in rates in June 2025 and the higher passenger traffic. Additional detailed analysis is being completed on parking revenue to understand the changes.

YTD Operating Expenses: *Operating expenses YTD through May are 13% (373K) over budget with the largest variance in repairs and maintenance which was budgeted on a straight line basis throughout the year, however, we incurred large repair costs in the first quarter. Through may, Supplies and materials and utilities are also over budget and all of these are being monitored by staff.*

17 ***Communications and Utilities*** – Communications and utilities expenses were 16% ($27K) above budget YTD through May. The monthly budget allocates expenses evenly across the year, however there is some seasonality in utility expenses and usage. Electrical expenses are over budget through May, but we do anticipate an increase in water expense with the new drought rates going into effect in June.

18 ***Supplies & Materials*** – Supplies and materials are 37% ($112K) ahead of budget. The monthly budget allocates funds evenly across the year, however, actual expenses are incurred on an as-needed basis. In May, the Authority bought new Self Contained Breathing Apparatus devices totaling $56k in one month which accounts for more than half of the variance in this account.

20 ***Repairs & Maintenance*** – Repairs and maintenance expenses are $263K ahead of budget due to the costs of some major improvement projects completed in the first quarter, including the up-escalator work. Staff are monitoring the budget for this account and working to prioritize planned projects as other unplanned expenses have come up.

June individual payments over $110K

Vendor	Check Amount	Project Notes	FAA Funding	CDOT Funding	GJRAA Funding
KELLEY TRUCKING INC.	$ 1,949,827	AIP 82, 83,85 Pavement Subbase Schedule 1 & 2,	$ 1,795,635	$ 16,724	$ 137,468
FCI CONSTRUCTORS, INC	$ 963,335	AIP 90 Air Traffic Control Tower Remodel	$ 915,168		$ 48,167
COLORADO DEPARTMENT OF TRANSPORTATION	$ 781,569	SIB Loan Payment			$ 781,569
GENSLER	$ 129,520	Level 2 Amenity Project	$ 116,568		$ 12,952
Total	**$ 3,824,251**		**$ 2,827,371**	**$ 16,724**	**$ 980,156**