



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

**Independent Auditor's Report  
and Financial Statements**

December 31, 2024 and 2023



**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Contents**  
**December 31, 2024 and 2023**

---

<b>Independent Auditor's Report</b> .....	1
<b>Management's Discussion and Analysis (Unaudited)</b> .....	4
<b>Basic Financial Statements</b>	
Statements of Net Position.....	12
Statements of Revenues, Expenses, and Changes in Net Position .....	14
Statements of Cash Flows .....	16
Notes to the Financial Statements .....	18
<b>Supplementary Information</b>	
Schedule of Revenues, Expenditures, and Changes in Funds Available – Budget and Actual (Non-GAAP Budgetary Basis) – 2024 .....	31
Reconciliation of Non-GAAP Budgetary Basis (Actual) to Statements of Revenues, Expenses, and Changes in Net Position – 2024.....	32
Schedule of Revenues, Expenditures, and Changes in Funds Available – Budget and Actual (Non-GAAP Budgetary Basis) – 2023 .....	33
Reconciliation of Non-GAAP Budgetary Basis (Actual) to Statements of Revenues, Expenses, and Changes in Net Position – 2023.....	34

## Independent Auditor's Report

Board of Commissioners  
Arapahoe County Public Airport Authority  
Englewood, Colorado

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the financial statements of the Arapahoe County Public Airport Authority (the Authority), a component unit under Arapahoe County, Colorado, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Emphasis of Matter***

As discussed in Note 10 to the financial statements, in 2024, Arapahoe County Public Airport Authority adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

***Forvis Mazars, LLP***

**Denver, Colorado  
May 14, 2025**

**Arapahoe County Public Airport Authority  
(A Component Unit under Arapahoe County, Colorado)  
Management's Discussion and Analysis (Unaudited)  
Years Ended December 31, 2024 and 2023**

---

This section of the Arapahoe County Public Airport Authority's (the Authority) annual financial report presents our narrative and analysis of the Authority's financial performance during the years ended December 31, 2024 and 2023. Please read it in conjunction with the financial statements.

***Financial Highlights***

- The number of operations decreased by -5.8% from 2023. The number of gallons of fuel sold decreased by -2.8% from 2023. Building and land rentals increased from 2023 to 2024. Fuel and aircraft parking fees decreased from 2023 to 2024. Overall, operating revenues for 2024 decreased compared to 2023. The Authority's operating expenses exceeded operating revenues in 2024.
- The Authority adopted and implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This adoption of GASB No. 101 impacted the Authority's financial statements. Sick time is now required to be accrued, therefore increasing the compensated absences liability.
- The Authority was awarded several federal grants in 2024, including \$851,000 for Roadways and Main Parking Lot (BIL), \$8.0 million for Major Repairs ATCT (BIL), \$4.9 million for Taxiway C and D Rehabilitation, and \$92,465 for a Zero Emissions Vehicle – SUV. Work on these grant projects continues into 2025.
- During 2024, the Authority incurred \$268,168 in costs associated with the Unleaded AvGas (UL94) transition. The Authority was awarded a UL94 state grant on August 10, 2024 which reimburses for 90% of costs incurred. From August 10 through December 31, the Authority received \$113,356 of reimbursements under this state grant.
- The assets of the Authority exceeded its liabilities as of December 31, 2024 by \$95.6 million (net position). Of the net position balance, \$19.7 million is unrestricted and available to meet the Authority's ongoing obligations. Net position increased by \$6.0 million, or 6.67%, from 2023.
- The Authority's operating revenues decreased by \$1.5 million, or -15.29%, compared to 2023, mostly from no construction fees. Operating expenses, less depreciation, increased by \$1.0 million, or 19.15%, compared to 2023. Depreciation increased by 15.55% compared to 2023. This resulted in net operating income of \$2.2 million, before other nonoperating revenue, nonoperating expense, depreciation, grants, and capital contributions in 2024.
- In 2024, the Authority had a loan outstanding at year-end for construction of the Aviation Community & Administrative Facility in the amount of \$3.4 million. Construction of this building was completed in 2020.
- During 2024, the Authority made capital investments of \$17.7 million.

***Overview of the Financial Statements***

This annual report is comprised of three parts:

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

***Required Financial Statements***

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

***Statements of Net Position***

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Management’s Discussion and Analysis (Unaudited)**  
**Years Ended December 31, 2024 and 2023**

**Statements of Revenues, Expenses and Changes in Net Position**

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

**Statements of Cash Flows**

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

**Financial Analysis of the Authority**

**Net Position**

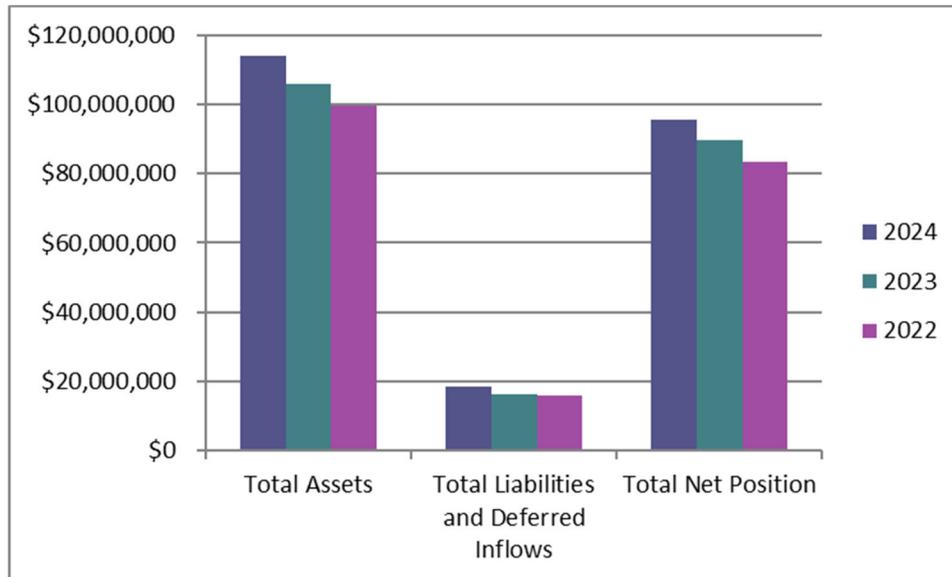
**Condensed Statements of Net Position**

	<b>December 31,</b>		
	<b>2024</b>	<b>As Restated 2023</b>	<b>2022*</b>
Current assets	\$ 20,334,777	\$ 26,641,388	\$ 30,683,822
Capital assets	81,535,325	69,578,883	59,506,058
Other assets	12,155,909	9,701,719	9,549,064
<b>Total assets</b>	<b>114,026,011</b>	<b>105,921,990</b>	<b>99,738,944</b>
Current liabilities	3,698,995	3,273,357	2,255,241
Noncurrent liabilities	2,771,190	3,762,787	4,592,589
<b>Total liabilities</b>	<b>6,470,185</b>	<b>7,036,144</b>	<b>6,847,830</b>
Deferred inflows of resources	11,958,123	9,268,771	9,337,809
Net investment in capital assets	75,901,482	63,552,485	53,359,493
Unrestricted	19,696,221	26,064,590	30,193,812
<b>Total net position</b>	<b>\$ 95,597,703</b>	<b>\$ 89,617,075</b>	<b>\$ 83,553,305</b>

\*2022 has not been restated for implementation of GASB 101.

**Arapahoe County Public Airport Authority  
(A Component Unit under Arapahoe County, Colorado)  
Management’s Discussion and Analysis (Unaudited)  
Years Ended December 31, 2024 and 2023**

**Comparison of Condensed Statements of Net Position**



**2024**

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

**2023**

As can be seen from the condensed statements of net position and the chart above, the total net position increased by \$6.1 million in 2023 to \$89.6 million. This is up from \$83.5 million in 2022. The chart also shows that the 2023 change in net position is a result of the changes in total assets which increased by \$6.2 million and total liabilities and deferred inflows of resources, which increased by \$0.1 million. Total assets increased primarily from grants and contributions and strong construction fees and investment income. Total liabilities and deferred inflows of resources remained stable from 2022.

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Management’s Discussion and Analysis (Unaudited)**  
**Years Ended December 31, 2024 and 2023**

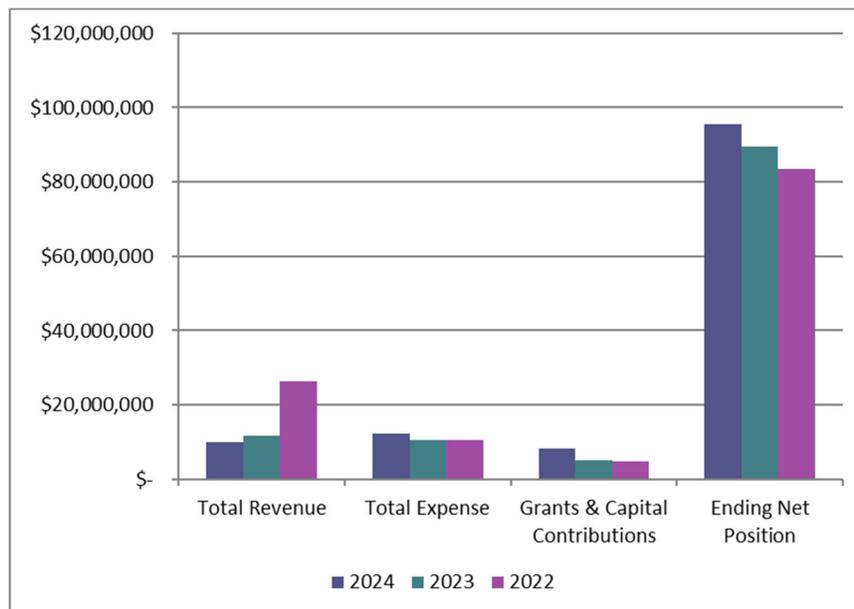
**Revenues, Expenses and Changes in Net Position**

**Condensed Statements of Revenues, Expenses and Changes in Net Position**

	Years Ended December 31,		
	2024	As Restated 2023	2022*
Operating revenues	\$ 8,515,959	\$ 10,052,883	\$ 9,831,508
Nonoperating revenues	1,568,650	1,593,899	16,407,411
<b>Total revenues</b>	<b>10,084,609</b>	<b>11,646,782</b>	<b>26,238,919</b>
Depreciation and amortization expense	5,698,953	4,931,916	4,951,651
Other operating expenses	6,365,760	5,342,627	5,591,442
Nonoperating expenses	200,660	151,858	159,689
<b>Total expenses</b>	<b>12,265,373</b>	<b>10,426,401</b>	<b>10,702,782</b>
Grants and capital contributions	8,161,392	5,000,230	4,926,763
Change in net position	5,980,628	6,220,611	20,462,900
Beginning net position	89,617,075	83,396,464	63,090,405
<b>Ending net position</b>	<b>\$ 95,597,703</b>	<b>\$ 89,617,075</b>	<b>\$ 83,553,305</b>

\*2022 has not been restated for implementation of GASB 101.

**Comparison of Revenues, Expenses, Grants and Fund Net Position**



**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Management’s Discussion and Analysis (Unaudited)**  
**Years Ended December 31, 2024 and 2023**

*2024*

While the statement of net position shows the change in net position, the statement of revenues, expenses and changes in net position provides answers as to the nature and source of these changes. As can be seen in the condensed statements of revenues, expenses and changes in net position as well as the chart above, ending net position increased by \$6.0 million in 2024. This is primarily from grants and contributions and strong investment income.

*2023*

While the statement of net position shows the change in net position, the statement of revenues, expenses and changes in net position provides answers as to the nature and source of these changes. As can be seen in the condensed statements of revenues, expenses and changes in net position as well as the chart above, ending net position increased by \$6.1 million in 2023. This is primarily from grants and contributions and strong construction fees and investment income.

**Capital Assets**

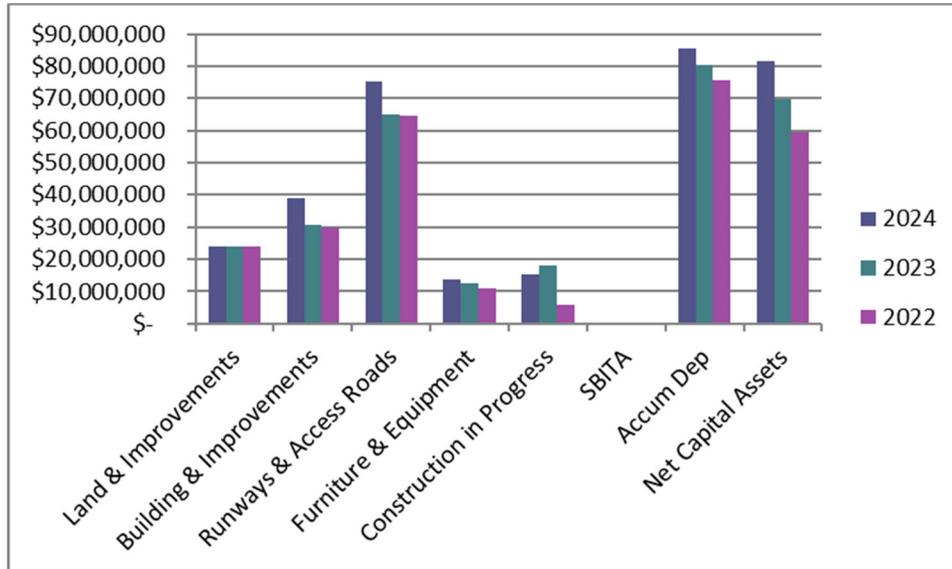
During 2024, the Authority invested \$17.7 million in a broad range of capital improvements. As shown in the following schedule and chart, the Authority continues to maintain and improve its infrastructure and equipment to meet the demands of one of the busiest general aviation airport in the nation. During 2023, the Authority invested \$15.0 million in a broad range of capital improvements.

**Capital Assets**

	<b>December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Land and site improvements	\$ 23,892,099	\$ 23,849,951	\$ 23,849,953
Buildings and improvements	38,990,966	30,548,906	29,926,689
Runways, taxiways and ramps	75,291,414	64,961,985	64,545,420
Furniture and equipment	13,694,133	12,361,507	10,776,810
Construction in progress	15,073,655	18,031,892	5,802,126
SBITA	21,619	299,128	277,554
Subtotal	166,963,886	150,053,369	135,178,552
Less accumulated depreciation	85,428,561	80,474,486	75,672,494
Net capital assets	<u>\$ 81,535,325</u>	<u>\$ 69,578,883</u>	<u>\$ 59,506,058</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Management’s Discussion and Analysis (Unaudited)**  
**Years Ended December 31, 2024 and 2023**

**Comparison of Capital Assets**



**Major Improvements to the Airport in 2024:**

- Airport improvements implemented with grant funds included:
  - Rehabilitation of runway 17R/35L, taxiway B, north run-up, and construction of a mid-field run-up
  - Part 150 noise study
  - Main parking lot and roadways
  - New ATCT siting and design
  - Major Repairs ATCT
  - Taxiway C & D rehabilitation
  - Multi-function snow removal equipment
  
- Other major capital investments during the year included:
  - Expansion of snow removal equipment maintenance facility
  - Upgrade perimeter fence
  - Design and engineering for major repairs ATCT
  - Ramp/taxilane rehabilitation
  - Upgrade airfield signage
  - Airfield striping, rubber removal & seal coat
  - Peoria circle improvements
  - Upgrade security gates and cameras
  - Upgrade computers, software and servers
  - Rehabilitate taxiway C
  - Concrete pad at ARFF training site
  - Runway closure markers
  - Skid steer
  - Peoria street digital sign
  - Airport vehicles
  - Furniture and fixtures
  - Various other equipment

**Arapahoe County Public Airport Authority  
(A Component Unit under Arapahoe County, Colorado)  
Management's Discussion and Analysis (Unaudited)  
Years Ended December 31, 2024 and 2023**

---

**Long-Term Debt**

At the end of 2024 and 2023, the Authority had total debt outstanding of \$3,438,708 and \$4,246,613, respectively. This amount represents a note that is secured by the deed of trust on the building financed with the loan proceeds.

**Budgetary Highlights**

As required by State Law, the Authority adopts a budget and appropriates funds for the following year by December 15th of each year. If an amendment is necessary, the Board will approve a supplemental appropriation at a public hearing and file it with the State of Colorado. There were no supplemental appropriations in 2024. The Authority's budget to actual statements are included as supplementary information to the audited financial statements.

The total revenue in 2024 was \$12.4 million less than budgeted primarily due to:

- Grants and contributions were less than budgeted.
- Other airport operator fees, particularly construction fees, were less than budgeted.
- Customs fees were less than budgeted.

The following revenue areas were greater than budgeted during 2024:

- Building and land rentals were greater than budgeted.
- Fuel and aircraft parking fees were greater than budgeted.
- Investment income was greater than budgeted.

The total expenditures in 2024 were \$23.3 million less than budgeted primarily due to:

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

**Economic Factors**

- High uncertainty continues to surround the global economic outlook, primarily related to the Russia-Ukraine war and conflict in the middle east. Additionally, tariffs, trade tensions, inflation, economic instability, supply chain issues, and policy uncertainty continue to impact the global economy. The *IMF World Economic Outlook Update (4/2025)* estimates 2.8 percent growth of the global economy in 2025 and 3.0 percent growth in global economy in 2026. Growth in advanced economies is projected to be 1.4 percent in 2025. The economic outlook depends on the path of ongoing global and domestic issues and the policies and actions taken to counteract these problems.
- The national unemployment rate, according to the *Bureau of Labor Statistics Data*, increased during 2024 compared to 2023. The rate at the end of 2024 was 4.1%, which was higher than the 3.7% rate at the end of 2023, which was higher than the 3.5% rate at the end of 2022. The highest unemployment rate during the pandemic was 14.7% in April 2020.
- Inflation continued to alleviate during 2024, but is still an area of concern. According to the *Bureau of Labor Statistics Data*, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased by 2.9% at the end of 2024 compared to 2023.
- The Authority continues to be eligible for FAA grants. New grants awarded in 2024 under the Airport Improvement Program are expected to require a five to ten percent match.
- Most major airport tenants are well capitalized and are continuing to recover from the impact of the pandemic.

**Arapahoe County Public Airport Authority  
(A Component Unit under Arapahoe County, Colorado)  
Management's Discussion and Analysis (Unaudited)  
Years Ended December 31, 2024 and 2023**

---

In 2024, business activity continued to grow. The Authority's income streams have remained steady and consistent performance is expected in 2025. Liquidity is expected to remain stable. The Authority has sufficient cash reserves to maintain the status quo but is prepared to make adjustments when necessary. The Authority is keeping expenses in line with the revenue stream.

***Contact Information***

If you have questions or need additional information please contact:

Mike Fronapfel  
Executive Director  
303.790.0598 (main)  
303.218.2903 (direct)

Andrew Gillespie  
Chief Financial Officer  
303.790.0598 (main)  
303.218.2908 (direct)

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Net Position**  
**December 31, 2024 and 2023**

	<u>2024</u>	<u>As Restated 2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 15,156,626	\$ 22,470,501
Receivables		
Leases	151,849	120,598
Trade	836,090	1,584,360
Grants	3,207,034	1,421,038
Note	57,262	56,851
Due from other governments	199,811	284,640
Interest	183,418	103,426
Prepaid expenses	542,687	599,974
<b>Total Current Assets</b>	<u>20,334,777</u>	<u>26,641,388</u>
<b>Noncurrent Assets</b>		
Capital assets		
Nondepreciable	37,932,263	40,856,056
Depreciable	129,031,623	109,197,313
<b>Total Capital Assets</b>	166,963,886	150,053,369
Accumulated depreciation and amortization	<u>(85,428,561)</u>	<u>(80,474,486)</u>
<b>Net Capital Assets</b>	<u>81,535,325</u>	<u>69,578,883</u>
Other assets		
Investments restricted for deferred compensation plan	149,429	312,944
Lease receivable - long-term	11,806,274	9,148,173
Note receivable - long-term	200,206	240,602
<b>Total Other Assets</b>	<u>12,155,909</u>	<u>9,701,719</u>
<b>Total Noncurrent Assets</b>	<u>93,691,234</u>	<u>79,280,602</u>
<b>Total Assets</b>	<u>\$ 114,026,011</u>	<u>\$ 105,921,990</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Net Position**  
**December 31, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>As Restated 2023</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts and contracts payable	\$ 2,342,694	\$ 1,873,139
Accrued liabilities	89,600	90,948
Accrued interest payable	50,403	62,799
Subscription payable (current)	-	102,444
Unearned revenue	39,110	46,665
Compensated absences	349,086	289,457
Note payable	828,102	807,905
<b>Total Current Liabilities</b>	<u>3,698,995</u>	<u>3,273,357</u>
<b>Noncurrent Liabilities</b>		
Note payable, less current maturities	2,610,606	3,438,708
Deferred compensation plan liability	149,429	312,944
Deposits	11,155	11,135
<b>Total Noncurrent Liabilities</b>	<u>2,771,190</u>	<u>3,762,787</u>
<b>Total Liabilities</b>	<u>6,470,185</u>	<u>7,036,144</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Leases	<u>11,958,123</u>	<u>9,268,771</u>
<b>NET POSITION</b>		
Net investment in capital assets	75,901,482	63,552,485
Unrestricted	<u>19,696,221</u>	<u>26,064,590</u>
<b>Total Net Position</b>	<u>\$ 95,597,703</u>	<u>\$ 89,617,075</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>As Restated 2023</u>
Operating revenues		
Building and land rental	\$ 3,354,410	\$ 3,212,559
Fuel and aircraft parking fees	3,956,748	4,256,682
Concession fees	325,688	325,036
Other airport operator fees	75,842	1,642,846
Customs fees	482,832	315,522
Other operating revenues	320,439	300,238
Total operating revenues	<u>8,515,959</u>	<u>10,052,883</u>
Operating expenses		
Depreciation and amortization	5,698,953	4,931,916
Salaries and related payroll expenses	3,397,991	3,064,359
Maintenance, repairs and operating supplies	1,149,786	803,215
Customs expense	553,296	325,971
Telephone and utilities	486,994	467,717
Insurance	218,571	189,471
Public relations	121,534	97,151
Travel and meetings	125,344	113,354
Firefighting services	203	4,022
Legal	38,536	44,873
Accounting and audit	66,375	45,145
Noise expense	65,963	49,871
Office expense	94,585	87,526
Office and equipment expense	28,747	21,871
Miscellaneous	17,835	28,081
Total operating expenses	<u>12,064,713</u>	<u>10,274,543</u>
Operating loss	<u>(3,548,754)</u>	<u>(221,660)</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended December 31, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>As Restated 2023</u>
Nonoperating revenues (expenses)		
Investment income	1,064,891	1,326,706
Lease interest income	242,235	232,095
Interest expense	(94,494)	(114,091)
Subscriptions interest expense	(4,042)	(13,024)
Gain on disposition of asset sale	91,304	16,364
Centennial Airport CAF income	170,220	18,734
Centennial Airport CAF expense	(102,124)	(24,743)
Total nonoperating revenues (expenses)	<u>1,367,990</u>	<u>1,442,041</u>
Gain (loss) before grants and capital contributions	(2,180,764)	1,220,381
Grants and capital contributions	<u>8,161,392</u>	<u>5,000,230</u>
Change in net position	5,980,628	6,220,611
Total net position, beginning of year, as previously reported	<u>89,617,075</u>	<u>83,553,305</u>
Change in accounting principle	<u>-</u>	<u>(156,841)</u>
Total net position, beginning of year, as restated	<u>89,617,075</u>	<u>83,396,464</u>
Total net position, end of year	<u><u>\$ 95,597,703</u></u>	<u><u>\$ 89,617,075</u></u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>As Restated 2023</u>
<b>Cash Flows from Operating Activities</b>		
Cash received		
Services provided	\$ 6,157,313	\$ 5,976,665
Building and land rentals	3,354,410	3,212,558
Cash payments		
Suppliers of goods and services	(3,060,826)	(2,273,056)
Employees for services	(3,339,709)	(3,063,087)
<b>Net Cash Provided by Operating Activities</b>	<u>3,111,188</u>	<u>3,853,080</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition of capital assets	(15,466,446)	(13,308,462)
Asset acquisitions from subscriptions	(45)	(21,574)
Principal paid on subscriptions	(102,444)	(91,548)
Interest paid on subscriptions	(4,766)	(12,300)
Payment of payables incurred for capital asset acquisition	(1,677,341)	(917,760)
Interest paid on long-term debt	(106,165)	(125,814)
Proceeds from grants and capital contributions	6,375,396	4,497,088
Principal paid on notes payable	(807,905)	(788,200)
Proceeds from disposition of capital assets	97,533	19,000
Loan to finance construction of Taxilane Sierra (WOTR)	-	(250,000)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(11,692,183)</u>	<u>(10,999,570)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	1,056,920	1,326,706
Lease interest income	170,214	220,715
Note receivable Parcel 50 Ramp	6,653	6,980
Note receivable Taxilane Sierra (WOTR)	33,333	-
<b>Net Cash Provided by Investing Activities</b>	<u>1,267,120</u>	<u>1,554,401</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(7,313,875)</u>	<u>(5,592,089)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>22,470,501</u>	<u>28,062,590</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 15,156,626</u>	<u>\$ 22,470,501</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>As Restated 2023</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (3,548,754)	\$ (221,660)
Depreciation expense and amortization	5,698,953	4,931,916
Foundation activity	68,096	(6,009)
Changes in operating assets and liabilities		
Accounts receivable	833,099	(892,120)
Prepaid expenses	57,287	(41,118)
Accounts payable	(48,239)	71,092
Accrued liabilities	(1,348)	(18,374)
Compensated absences	59,629	19,646
Deposits	20	(20)
Unearned revenue	(7,555)	9,727
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 3,111,188</u>	<u>\$ 3,853,080</u>
<b>Supplemental Cash Flows Information</b>		
<b>Noncash Capital and Related Financing Activities</b>		
Accounts payable incurred for purchase of capital assets	\$ 1,487,756	\$ 497,877
Earned retainage	\$ 707,379	\$ 1,179,464

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

**Note 1. Summary of Significant Accounting Policies**

***Reporting Entity***

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

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

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

	<u>2024</u>	<u>2023</u>
Assets	\$ 117,514	\$ 42,917
Liabilities	<u>16,500</u>	<u>10,000</u>
Net position	<u>\$ 101,014</u>	<u>\$ 32,917</u>
Revenue	\$ 170,220	\$ 18,734
Expenses	<u>102,124</u>	<u>24,743</u>
Change in net position	<u>\$ 68,096</u>	<u>\$ (6,009)</u>

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

***Measurement Focus and Basis of Accounting***

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

***Operating Revenues and Expenses***

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

***Budgets***

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

***Investments***

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

***Leases***

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

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

***Subscription Assets***

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

***Capital Assets***

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

Estimated useful lives are:

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

***Compensated Absences***

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

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

***Operating Revenues***

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

One large fixed based operator (FBO) accounted for 24% and 21% of total operating revenues for the years ended December 31, 2024 and 2023, respectively. In addition, this same FBO accounts for 22% and 30% of year-end accounts receivable at December 31, 2024 and 2023, respectively.

***Cash and Cash Equivalents***

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

***Use of Estimates***

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

**Note 2. Cash Deposits and Investments**

***Cash Deposits***

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

The Authority has noninterest-bearing transaction accounts which are covered under the FDIC Temporary Liquidity Unlimited Coverage for noninterest-bearing transaction accounts program. FDIC insurance limits as of December 31, 2024 and 2023 is \$250,000.

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

***Custodial Credit Risk***

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

At December 31, 2024 and 2023, the Authority’s cash deposits and cash on hand had carrying balances of \$467,068 and \$716,473, respectively. The bank balances were as follows:

	<u>2024</u>	<u>2023</u>
Insured or collateralized deposits	\$ 460,157	\$ 2,582,948

***Investments***

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

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers’ acceptances of certain banks
- Commercial paper limited to securities with highest rating category by at least one nationally recognized rating agency at time of purchase
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

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

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

The Authority had the following investments at December 31, 2023:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST (unrestricted)	N/A	\$ 21,754,028
Total investments		<u>\$ 21,754,028</u>
Statement of net position classification		
Cash and cash equivalents		<u>\$ 21,754,028</u>
Total		<u>\$ 21,754,028</u>

***Recurring Measurements***

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

The Authority had no recurring fair value measurements as of December 31, 2024 or 2023.

***Investment Risk Factors***

There are many factors that can affect the value of investments, some of which are custodial credit risk, credit risk, interest rate risk and foreign currency risk. The Authority follows Colorado State Statutes for investing. The Authority's investment portfolio consists of certificates of deposit which vary in maturity, all of which exceed three months.

As of December 31, 2024 and 2023, the Authority had \$12,855,011 and \$21,754,028, respectively, invested in COLOTRUST (the Trust); an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The Trust is a local government investment pool with a stable net asset value. The State Securities Commissioner administers and enforces all state statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00, although not guaranteed. Investment objectives and strategies focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. The Trust may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities and certain obligations of U.S. government agencies. The Trust does not have any limitation or restrictions on participant investments.

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

***Credit Risk***

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

COLOTRUST PRIME and COLOTRUST PLUS+ were rated AAAM by Standard and Poor's as of December 31, 2024 and 2023.

**Concentration of Credit Risk**

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

**Interest Rate Risk**

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

At December 31, 2024 and 2023, the cash and investments are reflected on the statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents, unrestricted	\$ 15,156,626	\$ 22,470,501
Total cash and investments	<u>\$ 15,156,626</u>	<u>\$ 22,470,501</u>

At December 31, 2024 and 2023, cash and cash equivalents are comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash deposits, certificates of deposits, money markets and cash on hand	\$ 467,068	\$ 716,473
Wells Fargo Sweep Account	1,834,547	-
COLOTRUST	<u>12,855,011</u>	<u>21,754,028</u>
Total cash and cash equivalents	<u>\$ 15,156,626</u>	<u>\$ 22,470,501</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

**Note 3. Capital and Subscription Assets**

A summary of changes to capital assets for the year ended December 31, 2024 follows:

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

A summary of changes to capital assets for the year ended December 31, 2023 follows:

	<b>Balance 1/1/2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance 12/31/2023</b>
<b>Capital Assets, Not Depreciated</b>					
Construction in progress	\$ 5,802,126	\$ 13,167,059	\$ -	\$ (937,292)	\$ 18,031,893
Land	21,824,163	-	-	-	21,824,163
Restrictive covenant on land	1,000,000	-	-	-	1,000,000
<b>Total Capital Assets, Not Depreciated</b>	<b>28,626,289</b>	<b>13,167,059</b>	<b>-</b>	<b>(937,292)</b>	<b>40,856,056</b>
<b>Capital Assets, Being Depreciated</b>					
Site improvements	1,025,790	-	-	-	1,025,790
Buildings and improvements	29,926,689	246,855	(5,700)	381,061	30,548,905
Runways, taxiways and ramps	64,545,420	-	-	416,563	64,961,983
Furniture and equipment	10,776,810	1,571,830	(126,801)	139,668	12,361,507
Subscription assets	277,554	21,574	-	-	299,128
<b>Total Capital Assets, Being Depreciated</b>	<b>106,552,263</b>	<b>1,840,259</b>	<b>(132,501)</b>	<b>937,292</b>	<b>109,197,313</b>
<b>Site Improvements</b>	<b>(771,386)</b>	<b>(26,004)</b>	<b>-</b>	<b>-</b>	<b>(797,390)</b>
Buildings and improvements	(17,606,598)	(660,877)	4,845	-	(18,262,630)
Runways, taxiways and ramps	(48,839,658)	(3,413,277)	-	-	(52,252,935)
Furniture and equipment	(8,371,290)	(740,210)	125,079	-	(8,986,421)
Subscription assets	(83,562)	(91,548)	-	-	(175,110)
<b>Total Accumulated Depreciation</b>	<b>(75,672,494)</b>	<b>(4,931,916)</b>	<b>129,924</b>	<b>-</b>	<b>(80,474,486)</b>
<b>Net Capital Assets, Being Depreciated</b>	<b>30,879,769</b>	<b>(3,091,657)</b>	<b>(2,577)</b>	<b>937,292</b>	<b>28,722,827</b>
<b>Total Capital Assets, Net</b>	<b>\$ 59,506,058</b>	<b>\$ 10,075,402</b>	<b>\$ (2,577)</b>	<b>\$ -</b>	<b>\$ 69,578,883</b>

**Note 4. Noncurrent Liabilities**

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

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

A summary of changes in noncurrent liabilities, exclusive of deposits, for the year ended December 31, 2023 follows:

	<b>Balance January 1, 2023 As Restated</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2023</b>	<b>Amounts Due in One Year</b>
Note payable	\$ 5,034,813	\$ -	\$ 788,200	\$ 4,246,613	\$ 807,905
Subscription payable	\$ 193,992	\$ -	\$ 91,548	\$ 102,444	\$ 102,444

**Notes Payable**

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

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 828,102	\$ 85,968	\$ 914,070
2026	848,805	65,265	914,070
2027	870,025	44,045	914,070
2028	891,776	22,294	914,070
Total	<u>\$ 3,438,708</u>	<u>\$ 217,572</u>	<u>\$ 3,656,280</u>

**Subscription Liabilities (GASB 96)**

The Authority has various subscription-based information technology arrangements (SBITAs), the terms of which expire in various years through 2024. The SBITAs do not have any associated variable payments. At December 31, 2024 the Authority had no subscription liabilities. Reported subscriptions were prepaid thus there is no liability.

The following is a schedule by year of payments under subscription liabilities as of December 31, 2024:

<b>Year Ended December 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 102,444	\$ 4,766	\$ 107,210

**Note 5. Lease Revenue**

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

The total amount of revenue recognized for regulated and non-regulated leases for the years ended December 31, 2024 and 2023 is as follows:

<u>2024</u>	<u>Regulated</u>	<u>Non-Regulated</u>	<u>Total</u>
Land and building rent	\$ 2,754,495	\$ 276,402	\$ 3,030,897
Interest revenue	\$ -	\$ 242,235	\$ 242,235
Other lease revenue	\$ 8,449	\$ 315,064	\$ 323,513
<u>2023</u>	<u>Regulated</u>	<u>Non-Regulated</u>	<u>Total</u>
Land and building rent	\$ 2,723,030	\$ 196,964	\$ 2,919,994
Interest revenue	\$ -	\$ 232,095	\$ 232,095
Other lease revenue	\$ 7,825	\$ 284,740	\$ 292,565

The Authority has entered into lease agreements with the FAA to lease approximately 2,100 square feet of the Authority's tower and approximately 4,050 square feet of the Authority's tower office space. On December 1, 2020, the Authority entered into a lease agreement with the FAA to lease the Authority's tower office space. On December 14, 2023, the Authority entered into a lease agreement with the FAA to lease the Authority's tower. Income under these leases amounted to \$183,700 and \$149,461 during 2024 and 2023, respectively. The earning stream from these agreements is included in the amounts disclosed above.

***Non-Regulated Leases***

The Authority recognized revenue of \$255,064 and \$224,740 for variable and other payments from non-regulated leases not previously recognized in the lease receivable for the years ended December 31, 2024 and 2023, respectively. The following is a schedule of future minimum payments under non-regulated leases that are included in the measurement of the lease receivable:

<u>Year</u>	<u>Year Ending December</u>	<u>Total to be Paid</u>	<u>Principal</u>	<u>Interest</u>
Year 1	2025	\$ 442,620	\$ 151,849	\$ 290,771
Year 2	2026	411,415	117,713	293,702
Year 3	2027	423,898	133,413	290,485
Year 4	2028	437,541	150,699	286,842
Year 5	2029	451,453	168,698	282,755
Year 6-10	2030-2034	2,452,743	1,115,964	1,336,779
Year 11-15	2035-2039	2,137,444	952,330	1,185,114
Year 16-20	2040-2044	1,622,503	508,496	1,114,007
Year 21-25	2045-2049	1,773,188	743,533	1,029,655
Year 26-30	2050-2054	1,863,000	938,066	924,934
Year 31-35	2055-2059	2,153,107	1,376,415	776,692
Year 36-40	2060-2064	2,582,921	2,024,057	558,864
Year 41-45	2065-2069	2,983,456	2,733,888	249,568
Year 46-50	2070-2074	855,586	843,002	12,584
Total		<u>\$ 20,590,875</u>	<u>\$ 11,958,123</u>	<u>\$ 8,632,752</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

***Regulated Leases***

The Authority recognized revenue of \$8,449 and \$7,825 for variable and other payments from regulated leases not previously included in expected future minimum payments for the years ended December 31, 2024 and 2023, respectively. The following is a schedule of future minimum payments under regulated leases:

<u>Year</u>	<u>Year Ending December</u>	<u>Total to be Paid</u>
Year 1	2025	\$ 2,363,758
Year 2	2026	2,361,088
Year 3	2027	2,321,708
Year 4	2028	2,349,362
Year 5	2029	2,377,682
Year 6-10	2030-2034	11,735,490
Year 11-15	2035-2039	12,206,827
Year 16-20	2040-2044	15,711,289
Year 21-25	2045-2049	16,623,814
Year 26-30	2050-2054	16,570,028
Year 31-35	2055-2059	15,648,446
Year 36-40	2060-2064	14,501,314
Year 41-45	2065-2069	14,676,933
Year 46-50	2070-2074	14,161,938
Year 51-55	2075-2079	15,350,963
Year 56-60	2080-2084	22,666,480
Year 61-65	2085-2089	22,785,545
Year 66-70	2090-2094	22,536,447
Year 71-75	2095-2099	8,409,839
	Total	<u>\$ 235,358,951</u>

**Note 6. Federal Aviation Administration Grants**

The Authority has grant agreements with the Federal Aviation Administration (the FAA) for funding airport improvement and security research and development projects. The Authority was awarded \$13,852,966 and \$5,405,235 in FAA funding in 2024 and 2023, respectively. This does not include possible grants that the Airport has applied for and not yet received. The Authority has construction commitments related to grant funding of \$9,649,576 and \$3,344,630 at December 31, 2024 and 2023, respectively.

In addition, the Authority had incurred costs and recorded a receivable for capital grant monies due from the FAA, which are included in grants receivable, as of December 31, 2024 and 2023 of \$3,138,203 and \$1,323,141, respectively.

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

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

**Note 7. Defined Contribution Plan**

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

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

	<u>2024</u>	<u>2023</u>
Total payroll for the year	\$ 2,554,789	\$ 2,329,372
Base salary for contribution calculation	\$ 2,354,989	\$ 2,115,135
Employee contributions	\$ 231,491	\$ 206,773
Authority contributions	\$ 160,839	\$ 144,254

***Executive Benefit Plan***

Effective November 8, 2012, the Authority adopted a non-qualified deferred compensation plan, (the Plan) covering certain key employees. Under this Plan, the Authority may elect to contribute to the Plan in accordance with limits specified within the Plan. The Authority authorized contributions to the Plan of \$70,000 and \$60,000 in 2024 and 2023, respectively. As the Plan assets are subject and available to the Authority's creditors the related assets and liabilities have been included in the Authority's financial statements.

**Note 8. Risk Management**

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

**Note 9. Net Investment in Capital Assets**

	<u>2024</u>	<u>2023</u>
Capital assets, net	\$ 81,535,325	\$ 69,578,883
Notes payable - current portion	(828,102)	(807,905)
Notes payable - noncurrent portion	(2,610,606)	(3,438,708)
Subscription liability	-	(102,444)
Accounts payable incurred for capital asset purchases	(1,487,756)	(497,877)
Earned retainage	(707,379)	(1,179,464)
	<u>\$ 75,901,482</u>	<u>\$ 63,552,485</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Notes to the Financial Statements**  
**December 31, 2024 and 2023**

---

**Note 10. Implementation of New Accounting Standard**

As of January 1, 2023, the Authority adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered compensated absence and provide guidance for a consistent recognition and measurement of the compensated absence liability. Under the provisions of this standard, a compensated absence is leave for which employees may receive one or more of 1) cash payments when the leave is used for time off, 2) other cash payments, such as payment for unused leave upon termination of employment, or 3) noncash settlements, such as conversion to defined postemployment benefits. The guidance provides that a compensated absence liability should be recognized if the leave is attributable to services already rendered, it accumulates and it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Authority provides two forms of accumulated employee leave (vacation and sick) but has previously only recorded a liability for vacation leave. Sick leave is earned at a rate of 8 hours per month, accumulates up to a cap of 480 hours for full-time staff and carries over at the end of the year. Employees who are not full-time (part-time or temporary) will accrue one hour of paid sick leave for every 30 hours worked up to a 48-hour cap in a year, with carryover year to year, but at no time will exceed the 48-hour Cap. Unused sick leave is not paid upon termination; therefore, the Authority did not record a liability for the accrued sick time that is not paid upon termination in previous years. The standard requires the Authority to estimate the amount of this accumulated sick time that is more likely than not to be used and to record a liability for that value. The financial statements for 2023 have been retroactively restated for the change, which resulted in a decrease in change in net position and a decrease in beginning net position for 2023 of \$19,647 and \$156,841, respectively. Net position has been adjusted for the effect of retroactive application of the new standard prior to the beginning of 2023. The change had an effect on the following line items for 2023:

	<b>December 31, 2023 As Previously Reported</b>	<b>Adjustment for Change in Accounting Principle</b>	<b>December 31, 2023 As Restated</b>
<b>Statement of Net Position</b>			
Compensated Absences	\$ 112,969	\$ 176,488	\$ 289,457
Unrestricted Net Position	\$ 26,241,678	\$ (176,488)	\$ 26,064,590
<b>Statement of Revenues, Expenses and Changes in Net Position</b>			
Salaries and payroll expenses	\$ 3,044,712	\$ 19,647	\$ 3,064,359

***Supplementary Information***

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

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

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

---

**Revenues**

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

**Total Revenues**

18,246,001

**Expenses**

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

**Total Expenses**

12,265,373

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

\$ 5,980,628

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Schedule of Revenues, Expenditures and Changes in Funds Available –**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended December 31, 2023**

	<u>Original and Final Budget</u>	<u>Actual As Restated</u>	<u>Variance - Favorable (Unfavorable)</u>
<b>Revenues</b>			
Grants and contributions	\$ 12,239,323	\$ 5,000,230	\$ (7,239,093)
Building and land rental	3,006,542	3,212,559	206,017
Fuel and aircraft parking fees	3,900,000	4,256,682	356,682
Concession fees	252,750	325,036	72,286
Other airport operator fees	2,269,127	1,642,846	(626,281)
Custom fees	480,000	315,522	(164,478)
Interest income	317,762	1,558,801	1,241,039
Note receivable principal payments Parcel 50 Ramp	6,400	6,980	580
Note receivable principal payments Sierra Taxilane	50,000	-	(50,000)
Other operating and non-operating income	285,148	300,238	15,090
<b>Total Revenues</b>	<u>22,807,052</u>	<u>16,618,894</u>	<u>(6,188,158)</u>
<b>Expenditures</b>			
Principal and interest	5,110,000	902,291	4,207,709
Airport Infrastructure Improvements Bank	1,000,000	-	1,000,000
Loan to tenant	250,000	250,000	-
Salaries and related payroll expense	3,313,618	3,064,359	249,259
Maintenance, repairs and operating supplies	1,035,150	803,215	231,935
Customs expense	365,000	325,971	39,029
Telephone and utilities	516,269	467,717	48,552
Insurance	197,710	189,471	8,239
Public relations	111,200	97,151	14,049
Travel and meetings	152,600	113,354	39,246
Firefighting services	20,000	4,022	15,978
Legal	100,000	44,873	55,127
Accounting and audit	54,715	45,145	9,570
Noise expense	151,600	49,871	101,729
Office expense	115,525	87,526	27,999
Office and equipment rental	39,214	21,871	17,343
Miscellaneous	73,300	28,081	45,219
Subscriptions principal and interest	-	104,572	(104,572)
Capital outlay	31,577,485	14,985,744	16,591,741
<b>Total Expenditures</b>	<u>44,183,386</u>	<u>21,585,234</u>	<u>22,598,152</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (21,376,334)</u>	<u>\$ (4,966,340)</u>	<u>\$ 16,409,994</u>

**Arapahoe County Public Airport Authority**  
**(A Component Unit under Arapahoe County, Colorado)**  
**Reconciliation of Non-GAAP Budgetary Basis (Actual) to Statements of Revenues,**  
**Expenses and Changes in Net Position**  
**Year Ended December 31, 2023**

---

**Revenues**

Total revenues (budgetary basis)	\$ 16,618,894
Note receivable principal payments	(6,980)
CAF income	18,734
Gain on disposition of capital assets	<u>16,364</u>

**Total Revenues**

16,647,012

**Expenses**

Total expenditures (budgetary basis)	21,585,234
Capital outlay	(14,985,744)
CAF expenses	24,743
Note principal payments	(788,200)
Loan to tenant	(250,000)
SBITA principal payments	(91,548)
Depreciation and amortization	<u>4,931,916</u>

**Total Expenses**

10,426,401

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

\$ 6,220,611