



COMPREHENSIVE ANNUAL FINANCIAL REPORT

SALINA AIRPORT AUTHORITY

A Component Unit of the

City of Salina, Kansas

For the Fiscal Years Ended December 31, 2023 and 2022

Prepared by the Management
of the
Salina Airport Authority
www.salinaairport.com

CUSIP #794760XXX

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
of the
SALINA AIRPORT AUTHORITY**

**A Component Unit of the
City of Salina, Kansas**

For the Fiscal Years Ended December 31, 2023 and 2022



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For the Fiscal Years Ended December 31, 2023 and 2022**

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Executive Director Pieter Miller, C.M.

Dir. of Administration & Finance Michelle R. Swanson, C.M. Dir. of Facilities & Construction Maynard Cunningham Dir. of Operations David Sorell
Business & Communications Manager Kasey L. Windhorst Board Attorney Greg A. Bengtson Airport Admin. Specialist Michelle Moon

January 15, 2025

Salina Airport Authority Board of Directors
3237 Arnold Ave.
Salina, KS 67401

To the Board of Directors of the Salina Airport Authority:

The Annual Comprehensive Financial Report of the Salina Airport Authority (the "Authority") for the fiscal years ended December 31, 2023, and 2022, is hereby submitted in accordance with the Kansas Statutes Annotated (K.S.A. 27-324). As required by the statute, the City of Salina will be furnished with copies of the Authority's 2023 Annual Comprehensive Financial Report. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Executive Director of the Authority. To the best of our knowledge and belief, the data as presented is accurate in all material aspects, is presented in a manner designed to fairly set forth the fiscal position and results of the operation of the Authority as measured by its financial activity, and all disclosures necessary to enable the reader to gain maximum understanding are included in the report.

This Annual Comprehensive Financial Report is presented in accordance with generally accepted accounting principles (GAAP) and pursuant to K.S.A. 27-324, an audit of the books, accounts, and financial statements has been completed by the Authority's independent certified public accountants, AdamsBrown, LLC. The independent audit is in accordance with the Kansas Municipal Audit and Accounting Guide. GAAP requires that management provide an overview and analysis to accompany the financial statements in the form of a Management Discussion and Analysis (MD&A). It is recommended that this letter of transmittal be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditor in the Financial Section of this report.

REPORTING ENTITY

The Salina Airport Authority is a body corporate and politic. The Authority was created by the City of Salina in April 1965 (Sec. 4-16, Salina City Code) pursuant to the authority granted by the City by the surplus property and public airport authority act of the State of Kansas (K.S.A. 27-315 et seq.) The Authority was created for the purpose of accepting as surplus property, portions of the former Schilling Air Force Base, which was closed by the United States Department of Defense in June 1965. By quitclaim deed the Authority received over 2,900 acres of land and numerous buildings for the purpose of operating and developing the Salina Regional Airport and the Salina Airport Industrial Center. The Authority is managed and controlled by a five-member Board of Directors appointed by the Salina City Commission.

The Board appoints the Executive Director, who is the chief executive officer of the Authority. The Executive Director hires the remaining employees of the Authority. The Executive Director and his staff of sixteen full-time employees manage and operate the Salina Regional Airport and the Salina Airport Industrial Center.

The Salina Regional Airport is the only commercial service airport serving Salina/Saline County and the 24-county area, which comprises north central Kansas. The Airport provides dual hub service with daily flights to both Chicago and Denver. The Airport also services the corporate, business, private aviation, and flight training needs of industry, business, and individuals in the area. The Airport is also used by Kansas State University-Salina (KSUS). The Aerospace and Technology Campus of KSUS is located adjacent to the Airport and is one of the nation's top five aviation programs. The college offers degrees in professional flight training, airframe and power plant maintenance, and avionics technology.

The Salina Regional Airport and Airport Industrial Center is home to over 120 businesses and organizations as of December 31, 2023. Over 75 of the businesses and organizations are tenants of the Authority. One of the primary functions of the Authority is to facilitate the continued growth of jobs and payroll at the Airport and Airport Industrial Center. The Authority works in partnership with the City of Salina, Saline County, Salina Area Chamber of Commerce, and the Salina Community Economic Development Organization for the retention of existing business and industry and the recruitment of new business and industry.

ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The City serves as a 24-county regional trade center for north central Kansas. Many individuals and businesses within a 70-mile radius travel to the city to purchase consumer goods and services. This designation as a regional trade center is supported by the fact that the City had the fifth highest "trade pull factor" of all Kansas first class cities in a report published in October 2023 by the Kansas Department of Revenue Office of Policy and Research. City trade pull factor is computed by dividing the per capita sales tax of a city by the statewide per capita sales tax.

Saline County, located in central Kansas, remains a vital contributor to the state's agricultural economy. According to the 2022 Census of Agriculture, the county had 513 farms covering approximately 43.6% of its total land area, with an average farm size of 612 acres. Livestock production also plays a significant role, contributing to Kansas's total cattle inventory of 6.15 million head as of January 2024. Agriculture continues to be a key economic driver in Saline County, contributing to the state's \$81.2 billion agricultural output in 2023, which represents 14% of Kansas's Gross Regional Product and supports over 253,000 jobs statewide. Recent investments, such as Beck's new research and distribution facility featuring a 96,000-square-foot building and 100 acres for Practical Farm Research studies, highlight the county's commitment to advancing agronomic support and economic growth.

Salina, Kansas, serves as a regional industrial hub, hosting approximately 100 manufacturing and processing companies. To attract and support industrial development, the city collaborates with Saline County, the Chamber of Commerce, the Salina Community Economic Development Organization, and the Salina Airport Authority to offer various economic incentives. These incentives include property tax abatements for basic industries, waivers of building permit and inspection fees, sales tax refunds on machinery and equipment, and workforce training programs through institutions like Salina Area Technical College and Kansas State University Salina Aerospace and Technology Campus. Additionally, the Salina Airport Industrial Center provides "build-to-suit-tenant" agreements, offering 100% financing for land and building costs to accommodate aviation, manufacturing, and distribution businesses.

In recent years, Salina has undertaken significant revitalization efforts, including a \$160 million downtown redevelopment project initiated in April 2018. This public-private partnership, one of the largest in the city's history, has led to the completion of streetscape and utility improvements, as well as the construction of new amenities such as the Salina Fieldhouse, Homewood Suites by Hilton, Old Chicago Pizza & Taproom, The Alley entertainment center, and the Lee Buildings redevelopment. Future plans include a river renewal

project aimed at restoring the Smoky Hill River channel through downtown, enhancing both ecological health and recreational opportunities.

The community offers 1,200 acres of industrial sites in North Salina, the South Industrial District, and the Airport Industrial Center, with parcels ranging from 1 to 240 acres. These sites are equipped to support aviation, manufacturing, distribution, and warehouse operations, providing ample space for businesses seeking to establish or expand their presence in the region.

Economic Condition of the Airport and Airport Industrial Center

According to a report published in April 2021 by the Docking Institute of Fort Hays State University, as of December 31, 2020, over 100 businesses and organizations were located at the Salina Regional Airport and Airport Industrial Center. These entities included private businesses, educational institutions, military units, and public institutions. The total level of economic activity generated by the Airport and Airport Industrial Center for 2020 was \$1,297,934,889, contributing approximately 42.5% of Saline County's total economic activity for that year. This activity supported 7,005 jobs, representing 17.6% of total county employment.

As of December 31, 2023, the Salina Regional Airport and Airport Industrial Center continue to serve as critical economic drivers for the region. With continued investments in infrastructure and expansion initiatives, such as the development of additional build-to-suit facilities and enhanced logistical capabilities, the area remains a hub for aviation, manufacturing, and education. The addition of cutting-edge programs and workforce training at institutions like Kansas State University Salina Aerospace and Technology Campus ensures the center's sustained growth and relevance in the regional economy.

Future Economic Outlook

The future economic outlook for both Salina and the Salina Airport Authority remains highly favorable, with continued growth anticipated in the service, retail, and manufacturing sectors. Salina Regional Airport businesses, including 1 Vision Aviation, Kansas State University Salina Aerospace and Technology Campus, and the Kansas Army National Guard, are actively pursuing facility expansion projects to meet growing operational demands. Additionally, the development of the Aviation Innovation and Maintenance (AIM) Center of Excellence underscores the Authority's commitment to addressing the critical demand for aviation maintenance workers. This state-of-the-art facility is designed to attract, train, and retain highly skilled aviation technicians, ensuring that the airport remains a leader in aviation services.

Businesses and organizations within the Salina Airport Industrial Center, such as Schwan's Food Manufacturing Inc., Kansas Erosion Products, Universal Forest Products, Superior Plumbing and Heating Co., and Salina Area Technical College, are advancing plans for facility improvements and expansions. Recognizing the increasing demand for logistical support, the Salina Airport Authority is working closely with economic development partners and private developers to construct essential warehouse and industrial space. This initiative is aimed at supporting current industries and attracting new businesses seeking modern and efficient facilities.

Salina Regional Airport continues to thrive as a hub for aviation businesses, military operations, and special mission activities. Its strategic proximity to the Smoky Hill Air National Guard Bombing Range positions the airport as a premier training site for military units nationwide, further strengthening its role in national defense readiness.

The Salina Airport Authority, in collaboration with the Salina Area Chamber of Commerce, Salina Community Economic Development Organization, the City of Salina, and Saline County, is implementing a comprehensive economic development strategy. This plan focuses on achieving measurable goals, including

job creation, increased primary employment, payroll growth, new capital investments, and the leasing of available space within the Airport Industrial Center. These efforts, along with the targeted expansion of workforce training and infrastructure, are solidifying Salina's position as a dynamic economic hub for the region.

FINANCIAL CONTROLS

The Authority follows generally accepted accounting principles applicable to governmental unit enterprise funds. Accordingly, the financial statements are prepared on an accrual basis.

Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

LONG-TERM FINANCIAL PLANNING

Increasing the Authority's unreserved, undesignated fund balance remains a priority of the organization. The Authority's Board of Directors has a stated objective of maintaining a cash reserve fund of \$1.8 million or more. This financial discipline has ensured that the Authority has sufficient liquidity to respond swiftly to opportunities, such as facility and infrastructure improvements needed to attract new businesses and industries to the Airport.

During 2023, the Authority received \$1.9 million in grants to support various critical projects. This funding included resources for the design of a state-of-the-art above-ground storage tank facility with over 150,000 gallons of capacity, replacing an outdated underground facility. This new infrastructure reinforces Salina's role as "America's Fuel Stop," enhancing operational efficiency and environmental safety. Additional funding supported the design of the rehabilitation of the crosswind Runway 12/30, ensuring the airport's infrastructure remains robust and capable of meeting aviation demands. The Authority also received FEMA funding related to storm damage sustained by aircraft hangars during the December 2021 windstorm, as well as initial funding from the State of Kansas to establish the Aviation Innovation and Maintenance (AIM) Center of Excellence, which aims to address the growing demand for skilled aviation maintenance workers.

In 2022, the Authority secured \$5.4 million in state and federal grants. A significant portion of these funds were dedicated to the rehabilitation of the airport's primary runway, a critical infrastructure project that ensures continued safe and efficient operations. FEMA provided additional funding in 2022 as part of ongoing efforts to repair damage from the 2021 windstorm. These successful grant awards reflect the Authority's commitment to maintaining and enhancing its infrastructure to support aviation operations and economic growth.

The Authority continues to achieve strong results in obtaining state and federal grants, which play a vital role in advancing strategic projects and maintaining the airport's position as a key aviation and economic hub for the region.

As part of its ongoing strategic plan to recruit business and industry to the Airport, the Authority has continued its systematic evaluation of potential projects. This includes applying clearly defined criteria such as trigger points, lease pro-forma requirements, lease calculation methodologies, and qualitative factors

before committing to capital improvement projects. This disciplined approach has been instrumental in filling available facilities with a diverse customer base and continues to guide decisions on new developments.

In addition, the Authority has begun focusing on broader financial sustainability efforts, including building partnerships to expand the Airport Industrial Center and planning for future infrastructure investments that align with regional economic growth. By maintaining a strong financial foundation, the Authority is well-positioned to capitalize on new opportunities while supporting its mission to drive economic development in the region.

GFOA CERTIFICATE OF ACHIEVEMENT

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salina Airport Authority for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

ACKNOWLEDGEMENTS

The support of the Authority's Board of Directors and Audit Committee has been instrumental in the preparation of this report. The Board has been actively involved in the preparation and review of this report and is committed to responsible and progressive financial reporting.

Also acknowledged is the assistance of the Authority's auditor, AdamsBrown, LLC, the Authority's accounting advisor, Larry Harris, Woods & Durham, Chartered., Saline County Clerk's Office, the Salina Area Chamber of Commerce, Debbie Pack, Director of Finance for the City of Salina, and the University of Kansas Institute for Public Policy and Business Research and the Kansas Department of Human Resources Labor Market Information Services, in the preparation of this report.

Respectfully submitted,



Pieter Miller, C.M.
Executive Director
Salina Airport Authority



Michelle R. Swanson, C.M.
Director of Administration and Finance
Salina Airport Authority

cc: The City of Salina Board of Commissioners



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Salina Airport Authority
Kansas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

SALINA AIRPORT AUTHORITY

PRINCIPAL OFFICERS AS OF DECEMBER 31, 2023

BOARD OF DIRECTORS



*Front row, left to right: Tod Roberg, Chairman; Stephanie Carlin, Vice-Chairman; Kristin Gunn, Past Chairman; Tim Rogers, Executive Director.
Back row, left to right: Donald Boos, Treasurer; John O'Brien, Secretary.*

AUTHORITY'S COUNSEL

Greg A. Bengtson
Clark, Mize & Linville, Chartered
Salina, Kansas

AUTHORITY'S BOND COUNSEL

Gilmore & Bell
Kansas City, Missouri

AUTHORITY'S FINANCIAL ADVISOR

Stifel, Nicolaus & Company, Inc.
Kansas City, Missouri

AUTHORITY'S AUDITOR

AdamsBrown, LLC
1520 Kansas Ave
P.O. Drawer J
Great Bend, KS 67530

SALINA AIRPORT AUTHORITY

Staff Members as of December 31, 2023

ADMINISTRATIVE STAFF

Timothy F. Rogers, A.A.E.	Executive Director
Pieter Miller, C.M.	Deputy Director
Michelle R. Swanson, C.M.	Director of Administration and Finance
Maynard Cunningham	Director of Facilities and Construction
Kasey L. Windhorst	Business and Communications Manager
David Sorell	Operations Manager
Michelle Moon	Airport Administration Specialist

FACILITY MAINTENANCE and OPERATIONS

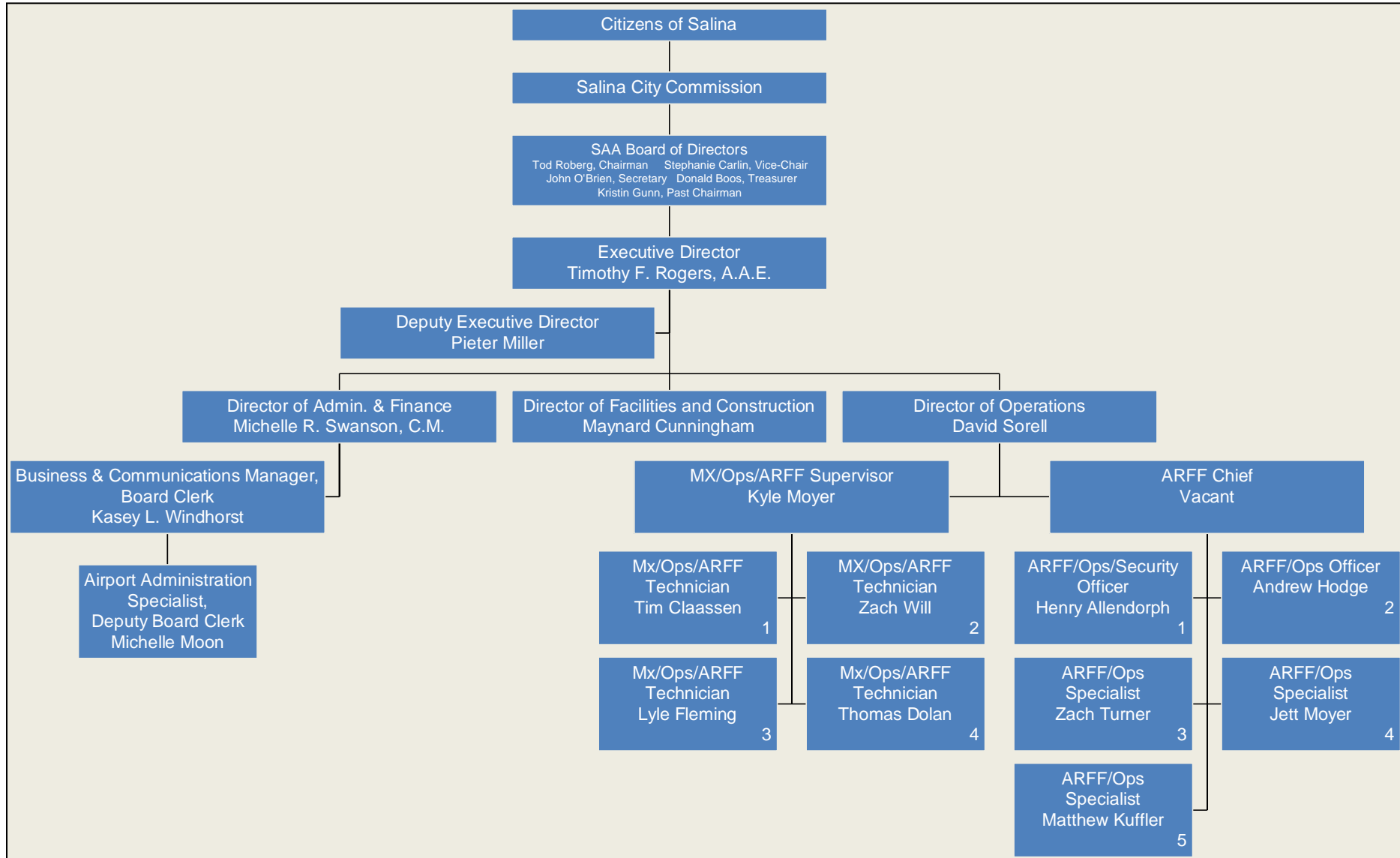
Kyle Moyer	Tim Classen
Zack Will	Lyle Fleming
Thomas Dolan	

AIRCRAFT RESCUE AND FIREFIGHTING and SAFETY and SECURITY

Henrey Allendorph-Habig	Andrew Hodge
Zach Turner	Jett Moyer
Matthew Kuffler	

SALINA Airport Authority

December 31, 2023



SALINA Airport *Authority*



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Salina Airport Authority
Salina, KS

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of **Salina Airport Authority**, a component unit of the City of Salina, Kansas, as of and for the year ended December 31, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of **Salina Airport Authority**, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the *Kansas Municipal Audit and Accounting Guide*, 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 Auditors' 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 opinions.

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 the 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. 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 generally accepted 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 generally accepted auditing standards 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 required supplementary information listed 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, 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 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Salina Airport Authority's** basic financial statements. The introductory section, supplemental information section as outlined in the table of contents, statistical section, and single audit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 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.



ADAMSBROWN, LLC

Certified Public Accountants

Great Bend, Kansas

January 15, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Salina Airport Authority offers the readers of the Authority's audited financial statements this narrative overview and analysis of the financial activities of the Salina Airport Authority for the fiscal year ended December 31, 2023.

In 2022, the Salina Air Traffic Control Tower (ATCT) managed 68,262 aircraft operations, marking a 15.7% decrease from 2021's total of 80,970 operations. This decline followed a significant 34% increase in 2021 over 2020, reflecting the volatile air traffic patterns during the COVID-19 pandemic. The fluctuations were largely due to the pandemic's impact, with a sharp decline in 2020, a robust rebound in 2021, and a stabilization toward pre-pandemic levels in 2022. The decrease in 2022 was observed across various categories, including air carriers, air taxi, and general aviation operations. Military operations, which had surged in 2020, returned to expected levels in 2021 and remained steady in 2022. Despite these challenges, Salina Regional Airport continued to support military training exercises for all branches of the armed forces and served as an Airport of Embarkation/Debarcation (APOE/APOD) for Kansas' Fort Riley military installation. The airport's traffic mix and growth have been influenced by record enrollment in Kansas State University Salina's professional pilot program. The expansion of this program has contributed to increased air traffic in recent years, alongside a rise in commercial business operations. In 2021, the 34% year-over-year increase in operations elevated Salina Regional Airport to the top position among FAA contract towered airports in Kansas for air traffic operations and fuel delivered. By the end of 2022, Salina maintained its leading position in fuel delivery and ranked second in the state for operations. Nationally, in 2022, Salina's ATCT was ranked 111th out of 256 federal contract towered airports.

In 2023, Salina Regional Airport experienced a resurgence in activity. By December 2023, the ATCT recorded 81,719 operations, a 20% increase compared to 2022. This growth returned Salina to the second-highest operations total among Kansas contract towered airports, trailing only New Century AirCenter, which managed 88,476 operations. Salina remained a leader in fuel delivery, further solidifying its position as a key aviation hub in Kansas. Overall, Salina Regional Airport continues to adapt to changing aviation dynamics, driven by its strategic location, growing partnerships with educational institutions and the military, and its role as a critical asset for the state's aviation sector. The upward trend in 2023 highlights the airport's resilience and its ongoing contribution to both the state and national aviation landscape.

Salina Regional Airport continues to thrive as a premier mid-continent refueling destination, proudly earning its reputation as "America's Fuel Stop." At the end of 2023, Avflight Corporation completed its tenth year as the Fixed Based Operator (FBO) at the airport, providing world-class fueling and ground services to a diverse mix of air traffic, including business jets, air carriers, military, and general aviation. As part of the Avfuel-branded network of over 650 independently owned FBOs worldwide, Avflight ensures Salina remains a critical hub for aviation activity. In 2023, fuel sales reached 2.1 million gallons, reflecting a steady demand for the airport's fueling services. While this marked a 13% decrease from 2022's 2.37 million gallons, the decrease was primarily due to the extraordinary demand generated in 2022 by hosting Jaded Thunder and numerous other military and civilian exercises. The Airport regularly supports operations for a wide range of organizations, including NASA, NOAA, and civilian aircraft flight test centers, in addition to its extensive military partnerships. These activities contribute significantly to the airport's fuel sales and highlight its strategic importance as a base for diverse aviation operations.

Since Avflight assumed fueling operations in 2014, Salina Regional Airport has experienced several years of double-digit year-over-year growth in fuel sales, further cementing its role as a vital resource for the aviation community. With its strategic location, state-of-the-art facilities, and proven ability to support high-demand missions, Salina Regional Airport remains a leader in fueling services for both military and civilian aviation sectors.

Commercial airline service at the Salina Regional Airport is provided through the Department of Transportation's (DOT) Essential Air Service (EAS) program. On December 21, 2017, the DOT selected SkyWest Airlines to operate EAS at Salina using 50-passenger Canadair Regional Jet CRJ200 aircraft. The service, branded as United Express, began in April 2018, offering 12 weekly roundtrips to Denver International Airport (DEN) and Chicago O'Hare

International Airport (ORD). The introduction of 50-seat jet service in 2018 marked a significant turning point, resulting in a 46.6% increase in enplanements compared to 2017, bringing the total to 20,299 enplanements. This milestone also enabled the airport to exceed 10,000 annual enplanements, securing \$1 million in Federal Aviation Administration entitlement funding for capital improvements.

Passenger growth continued into 2019, with a 4.4% increase over 2018, driven by SkyWest's strong performance and the local market's positive response. Salina also benefited from serving as an Airport of Embarkation/Debarcation (APOE/APOD) for Fort Riley, enhancing military and charter flight activity. By December 2019, monthly roundtrip enplanements reached 2,712, more than double December 2018 levels. However, the onset of the COVID-19 pandemic in 2020 resulted in a 50.2% decline in enplanements compared to 2019, dropping the total to 10,561. As the effects of the pandemic subsided, air travel rebounded sharply. Enplanements increased 83.8% from 2020 to 2021, reaching 19,407. However, this figure still reflected a 8.4% decrease when compared to the pre-pandemic total of 2019. In March 2022, SkyWest filed a notice of intent to terminate service at Salina and 29 other EAS communities due to pilot shortages, but the airline later withdrew its notice, maintaining its commitment to Salina. Despite schedule adjustments and ongoing challenges, enplanements rose by 9.2% in 2022, ending the year with over 21,183 enplanements.

In 2023, SkyWest faced continued scheduling hurdles due to the pilot shortage, resulting in fewer available seats and a decline in load factor. Nevertheless, Salina recorded approximately 28,000 roundtrip enplanements, demonstrating strong regional demand for air service. Efforts to address these challenges include collaboration with SkyWest to improve schedules, enhance connecting options through DEN and ORD, and restore critical links to major markets. These actions are expected to recapture lost passengers and attract incremental growth in 2024. Salina's air service achievements highlight the airport's role as a regional hub for both commercial and military aviation, reinforcing its strategic importance within the national EAS network and its value to the local community.

The changes in the Authority's major airport activity indicators for the past three years are as follows:

	2023	2022	2021
Enplanements - Scheduled Air Carrier & Charter Flights	15,080	21,183	19,407
% increase / (decrease)	-28.81%	9.15%	83.76%
Aircraft Operations - All Categories	81,719	68,262	80,970
% increase / (decrease)	19.71%	-15.69%	33.95%
Fuel Flowage - (gallons delivered)	2,069,378	2,371,173	2,096,198
% increase / (decrease)	-12.73%	13.12%	-8.66%

AIRPORT INDUSTRIAL CENTER ACTIVITY AND HIGHLIGHTS

The Authority owns over 1.2 million square feet of manufacturing, warehouse, and office space at the Airport Industrial Center. Building and land revenue generated by the Authority's leasing activity constitutes a significant portion of the annual operating revenue budget. During 2023, building and land rents totaled \$1,784,108, accounting for 54.6% of operating revenue. This represents an increase from 2022, when building and land rents were \$1,692,642, comprising 57.7% of operating revenue.

At the end of 2023, the Authority's occupancy rate stood at 84%, reflecting a temporary decrease from 89% in 2022. The drop in occupancy was due to the strategic decision to take back a 47,000-square-foot hangar for renovation, transitioning it from warehouse use to aeronautical activities. This project aligns with the Authority's mission to support the growing demand for aviation facilities and services at the Airport Industrial Center.

Despite this temporary reduction, the Authority continues to make significant progress in re-leasing a substantial portion of the 484,003 square feet of property vacated by Hawker Beechcraft Corporation in 2012. Strategic investments and proactive tenant engagement have enabled the Authority to maintain strong revenue generation through tenant diversification and position itself as a key economic driver in the region.

SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

The Authority's financial condition remained strong in 2022 and 2023, reflecting its resilience and effective management in the face of evolving economic conditions. The broader aviation industry reported improving financial results in 2023 as well, driven by steady demand for travel and cargo services, despite challenges such as pilot shortages and cost pressures. The Authority effectively managed significant cost increases, including employee health benefits, medical insurance premiums, utility costs, and commercial property insurance, while continuing to support its operations and maintain facilities.

Since 2012, the Authority has diversified its tenant base by adding more than 20 new tenants, offsetting the termination of four major operating revenue leases representing nearly \$850,000 in annual revenue. Operating revenues reached a historic high of \$3.11 million in 2022 and increased to \$3.26 million in 2023, reflecting a 4.7% year-over-year increase. These results highlight the Authority's ability to navigate economic shifts while maintaining a stable financial foundation.

SUMMARY OF OPERATIONS HIGHLIGHTS

Significant items affecting the Summary of Operations and Changes in Net Position for 2023, 2022 and 2021 are as follows:

	2023	2022	2021
Operating revenues	\$ 3,264,954	\$ 3,118,576	\$ 2,833,667
Operating expenses	<u>(3,155,885)</u>	<u>(3,136,163)</u>	<u>(2,810,996)</u>
Excess of revenues over expenses before depreciation	109,069	(17,587)	22,671
Depreciation	<u>(3,839,916)</u>	<u>(3,472,824)</u>	<u>(3,065,984)</u>
Loss before non-operating revenues and expenses	(3,730,847)	(3,490,411)	(3,043,313)
Non-operating revenues and (expenses), net	<u>1,640,997</u>	<u>1,885,570</u>	<u>2,013,449</u>
Loss before capital contributions	(2,089,850)	(1,604,841)	(1,029,864)
Capital contributions and extraordinary items	<u>1,941,858</u>	<u>5,292,019</u>	<u>2,717,177</u>
Net position			
Increase (decrease) in net position	(147,992)	3,687,178	1,687,313
Total net position, beginning of year as Stated	26,609,044	22,921,866	21,197,183
Prior Period Restatement			37,370
Net position, Beginning of Year, As Restated	<u>-</u>	<u>-</u>	<u>21,234,553</u>
Total net position, end of period	<u>\$ 26,461,052</u>	<u>\$ 26,609,044</u>	<u>\$ 22,921,866</u>

- **Operating Revenues:** Operating revenues have increased in recent years due to new tenants, re-leasing properties, and diversifying the tenant base. In 2023, operating revenues reached \$3,264,954, a 4.7% increase from 2022's total of \$3,118,576, and a significant rise from \$2,833,667 in 2021. Fuel flowage fees, a key component of revenue, decreased by 12.73% in 2023 to 2,069,378 gallons, following a strong 13.12% increase in 2022 due to large military training exercises such as "Jaded Thunder 22.2." The Airport continues to benefit from steady military activity, which generates hangar rent, fuel flowage, and other rental revenues.
- **Operating Expenses:** Operating expenses increased modestly by 0.6% in 2023, totaling \$3,155,885, compared to \$3,136,163 in 2022. This followed a 13.7% increase in 2021. The uptick in 2022 expenses was primarily attributed to increased leasing activity and higher building occupancy rates. The 2023 stability reflects cost control efforts despite continued inflationary pressures in areas such as utilities, property insurance, and employee benefits.
- **Capital Grants and Contributions:** In 2023, capital grants and contributions totaled \$1,941,858, a notable decrease from \$5,292,019 in 2022, as fewer large-scale projects were completed during the year. Major capital projects in 2022 included the rehabilitation of Runway 17/35. Federal COVID-relief grants, such as CARES, CRRSAA, and ARPA, contributed \$1.2 million in 2021 and \$75,272 in 2022, partially offsetting airport operating expenses and equipment acquisition costs.
- **Mill Levy Revenue:** Ad-valorem tax revenue (mill levy) increased to \$2,719,303 in 2023, a 11.8% increase from \$2,431,667 in 2022. This revenue stream helps support the Authority's debt service and state and federal grant matching fund requirements.
- **Depreciation:** Depreciation expense rose in 2023 to \$3,839,916, reflecting continued investments in capital-intensive projects, including building renovations and airfield improvements. Depreciation was \$3,472,824 in 2022, up from \$3,065,984 in 2021.

FINANCIAL POSITION SUMMARY

The Statement of Net Position provides a snapshot of the Authority's financial position as of December 31 and reflects the residual difference between all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net position represents the residual interest in the Authority's assets after deducting liabilities.

At the close of 2023, the Authority's net position was \$26,461,052, a decrease of \$147,992 from December 31, 2022. This change reflects the impact of reduced capital contributions, which totaled \$1.94 million in 2023 compared to \$5.29 million in 2022. In 2022, the net position was \$26,609,044, an increase of \$3.69 million from 2021, driven by significant capital contributions for major infrastructure projects, including the rehabilitation of Runway 17/35.

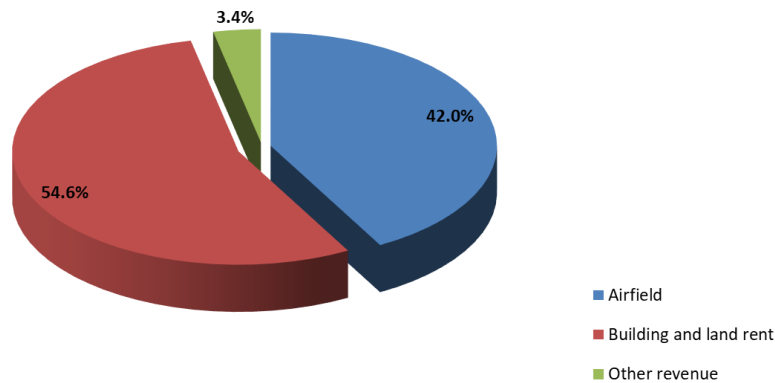
The Authority's net position reflects its heavy investment in capital assets including land, buildings, airfield infrastructure and machinery and equipment, less any related debt used to acquire those assets that are still outstanding. The Authority uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A condensed summary of the Authority's total net position on December 31st for the previous three years is shown on the following page.

	2023	2022	2021
ASSETS			
Current assets	\$ 5,021,535	\$ 4,111,095	\$ 7,823,760
Non-current assets	67,282,925	52,153,754	45,858,523
Total Assets	72,304,460	56,264,849	53,682,283
DEFERRED OUTFLOWS OF RESOURCES	982,048	1,147,779	1,085,654
LIABILITIES			
Long-term debt outstanding	\$ 31,487,717	\$ 16,532,831	\$ 23,927,207
Other liabilities	10,164,171	10,648,966	3,488,150
Total Liabilities	41,651,888	27,181,797	27,415,357
DEFERRED INFLOWS OF RESOURCES	5,173,568	3,621,787	4,430,714
NET POSITION			
Net investment in capital assets	23,698,045	24,694,502	20,063,412
Unrestricted	2,763,007	1,914,542	2,858,454
Net Position	\$ 26,461,052	\$ 26,609,044	\$ 22,921,866

REVENUES

The following chart shows the major sources and the percentage of total operating revenues for the year ended December 31, 2023:



A summary of revenues for the past three years is shown below. Total revenue increased by 14.2% from 2022 to 2023, rising from \$5,724,703 to \$6,536,991, reflecting the Authority's continued ability to grow both operating and non-operating revenue streams. This follows a 0.96% increase from 2021 to 2022 and a 7.11% increase from 2020 to 2021.

Operating revenue in 2023 reached a ten-year high of \$3,264,954, a 4.7% increase over the \$3,118,576 recorded in 2022. This growth was driven by increases in airfield revenue, which rose 5.8% from \$1,295,416 in 2022 to \$1,370,318 in 2023, and building and land rent, which increased 5.4%, from \$1,692,642 to \$1,784,108. Other operating revenue declined slightly from \$130,518 in 2022 to \$110,528 in 2023.

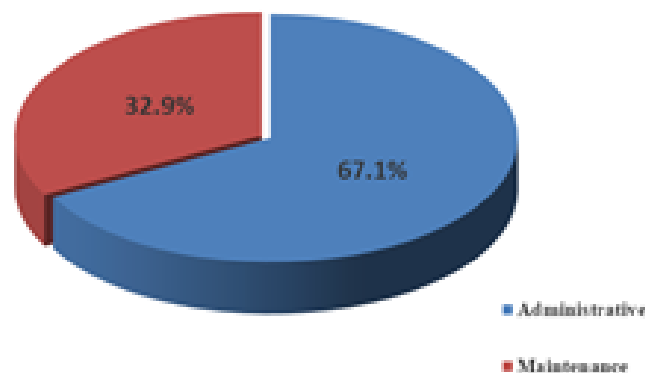
Non-operating revenue also saw significant growth in 2023, rising 25.5%, from \$2,606,127 in 2022 to \$3,272,037. This increase was driven by higher mill levy revenue, which rose 11.8%, and a substantial increase in interest income from \$8,383 in 2022 to \$317,703 in 2023, reflecting improved market conditions. Additionally, interest income from leases grew from \$105,299 in 2022 to \$219,533 in 2023.

The positive trends in both operating and non-operating revenues underscore the Authority's ability to effectively diversify and grow its revenue base and capitalize on short-term leasing opportunities, even in a dynamic economic environment.

	2023	2022	2021
Operating Revenue:			
Airfield	\$ 1,370,318	\$ 1,295,416	\$ 1,077,955
Building and land rent	1,784,108	1,692,642	1,634,639
Other revenue	110,528	130,518	121,073
Total Operating	3,264,954	3,118,576	2,833,667
Non-Operating Income:			
Mill levy	2,719,303	2,431,667	2,570,657
Interest income	317,703	8,383	1,311
Interest income - leases	219,533	105,299	109,922
Gain on sale of assets	15,498	60,778	154,774
Total Non-Operating	3,272,037	2,606,127	2,836,664
TOTAL REVENUE	\$ 6,536,991	\$ 5,724,703	\$ 5,670,331

EXPENSES

The following chart shows the major expense categories and the percentage of total operating expenses for the year ended December 31, 2023:



A summary of expenses for the past three years is shown below. Total expenses increased by 24.1% in 2023, rising from \$3,856,720 in 2022 to \$4,786,925, following a 6.1% increase in 2022 and a 7.2% increase in 2021. Operating expenses alone rose modestly in 2023 by 0.6%, totaling \$3,155,885, compared to \$3,136,163 in 2022. This follows

an 11.6% increase in 2022 and a 13.7% increase in 2021. The administrative category of operating expenses grew by 5.9% in 2023, reflecting higher personnel-related costs, while maintenance expenses decreased by 8.7%, reflecting the completion of several large-scale deferred maintenance projects in 2022.

Non-operating expenses rose significantly in 2023, increasing by 126.4% to \$1,631,040, driven by bond issue costs of \$464,709, compared to \$11,640 in 2022. Additionally, the Authority incurred \$188,843 in costs related to the Aviation Innovation and Maintenance (AIM) Center in 2023, a new initiative supporting aviation maintenance workforce development. Interest expense also increased by 37.8%, from \$708,917 in 2022 to \$977,488 in 2023, reflecting higher debt service costs associated with new financing.

Prior to 2017, the Authority maintained a rigorous focus on reducing operating expenses, achieving year-over-year reductions from 2011 through 2017 by completing more facility maintenance projects in-house and curtailing administrative costs such as travel and meetings. Since 2020, however, the Authority has strategically increased spending to address deferred maintenance needs, including fire suppression system testing and preventative maintenance for several large aircraft hangars, ensuring safety and operational readiness.

	2023	2022	2021
Operating Expenses			
Administrative	\$ 2,118,519	\$ 1,999,924	\$ 1,734,025
Maintenance	1,037,366	1,136,239	1,076,971
Total Operating	<u>3,155,885</u>	<u>3,136,163</u>	<u>2,810,996</u>
Non-Operating Expenses			
Interest Expense	977,488	708,917	738,945
Bond Issue Costs	464,709	11,640	84,270
AIM Center Costs	188,843	-	-
Total Non-Operating	<u>1,631,040</u>	<u>720,557</u>	<u>823,215</u>
TOTAL EXPENSES	<u>\$ 4,786,925</u>	<u>\$ 3,856,720</u>	<u>\$ 3,634,211</u>

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Capital grants and contributions during 2023 totaled \$1,956,562, reflecting a significant decrease from \$5,447,345 in 2022. Funding in 2023 included contributions through the Federal Aviation Administration's Airport Improvement Program (AIP) and the Federal Emergency Management Agency (FEMA). These grants supported key projects such as the continued rehabilitation of airfield infrastructure and repairs to storm damaged facilities.

In 2022, capital grants included \$4.12 million in federal contributions, with the majority allocated to the rehabilitation of the south 7,500 feet of the primary runway under the FAA's AIP, which provided 100% funding. Additionally, the Authority secured \$1.3 million in state funding through the KDOT EDP for the rehabilitation of the north 4,800 feet of the primary runway. FEMA funding of \$74,448 assisted in repairs to facilities damaged during the December 2021 windstorm.

The Authority acquired \$7,868,648 in capital assets during 2023, compared to \$11,223,482 in 2022. In 2023, investments included significant airfield upgrades and continued progress on construction projects. In 2022, airfield improvements accounted for more than \$6.5 million, including runway rehabilitation and upgrades to LED airfield lighting. Within the Airport Industrial Center, the Authority invested \$2 million in the rehabilitation of a 20,000 sq. ft. warehouse.

Capital asset acquisitions exceeding \$1,000 are capitalized at cost and depreciated over their useful lives, excluding land. These acquisitions are financed using a combination of federal and state grants, debt issuance, and Authority revenues. Additional details are available in Notes III(F) and I(G) of the financial statements.

DEBT ADMINISTRATION

The outstanding long-term debt of the Authority was \$32,571,108, net of unamortized bond discounts and current maturities, as of December 31, 2023. This debt consists of general obligation bonds, temporary notes, and a lease purchase agreement. Maturities range from 2024 through 2043, with both principal and interest payable from the Authority's mill levy and operating revenues. Details of the Authority's debt, including schedules of annual maturities, can be found in Note III (G) in the notes to the financial statements.

REQUEST FOR INFORMATION

This Management's Discussion and Analysis is designed to provide detailed information on the Authority's operations and the financial results of those operations to all those with an interest in the Authority's financial affairs. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Administration and Finance by e-mail: shellis@salair.org or in writing to, Salina Airport Authority, 3237 Arnold Ave., Salina, KS 67401.

Respectfully submitted,



Pieter Miller, C.M.
Executive Director



Michelle R. Swanson, C.M.
Director of Administration and Finance

SALINA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2023 and December 31, 2022

<u>ASSETS AND DEFERED OUTFLOWS OF RESOURCES</u>	December 31	
	2023	2022
CURRENT ASSETS		
Cash	\$ 2,739,348	\$ 2,807,817
Accounts Receivable, Net of Allowance for Uncollectibles	1,367,877	594,360
Leases Receivable, Current Portion	889,401	682,175
Interest Receivable - Leases	3,589	7,997
Prepaid Expenses	21,320	18,746
Total Current Assets	5,021,535	4,111,095
NON-CURRENT ASSETS		
Restricted Cash	10,377,982	780,590
Capital Assets		
Land	9,906,611	9,920,765
Buildings, Improvements and Equipment, Net of Depreciation	34,871,796	37,967,015
Construction in Progress	7,599,367	475,414
Leases Receivable, Net of Current Portion	4,527,169	3,009,970
Total Non-Current Assets	67,282,925	52,153,754
TOTAL ASSETS	72,304,460	56,264,849
DEFERRED OUTFLOWS OF RESOURCES		
Deferred KPERS Pension Funds	337,232	381,567
Deferred KPERS OPEB	11,503	5,788
Deferred Advanced Refunding	633,313	760,424
Total Deferred Outflows of Resources	982,048	1,147,779
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 73,286,508</u>	<u>\$ 57,412,628</u>

SALINA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2023 and December 31, 2022
(continued)

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>	December 31	
	2023	2022
CURRENT LIABILITIES		
Accounts Payable	\$ 1,593,477	\$ 697,635
Accrued Payroll	41,318	32,717
Accrued Property Tax	69,696	61,614
Unearned Rental and Marketing Income	48,334	160,482
Accrued Interest	492,290	194,893
Compensated Absences	32,105	25,304
Current Maturities of Bonds, Notes Payable, and Lease Purchase Agreement	<u>6,803,560</u>	<u>8,397,157</u>
Total Current Liabilities	<u>9,080,780</u>	<u>9,569,802</u>
NON-CURRENT LIABILITIES		
Bonds, Notes Payable, and Lease Purchase Agreement, Less Current Maturities	31,487,717	16,532,831
Net Pension Liability	961,197	942,015
Net OPEB Liability	9,618	9,003
Security Deposits Returnable	<u>112,576</u>	<u>128,146</u>
Total Non-Current Liabilities	<u>32,571,108</u>	<u>17,611,995</u>
Total Liabilities	<u>41,651,888</u>	<u>27,181,797</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred KPERS Pension Funds	29,988	24,205
Deferred KPERS OPEB	17,065	17,499
Deferred Leases	<u>5,126,515</u>	<u>3,580,083</u>
Total Deferred Inflows of Resources	<u>5,173,568</u>	<u>3,621,787</u>
NET POSITION		
Net Investment in Capital Assets	23,698,045	24,694,502
Unrestricted	<u>2,763,007</u>	<u>1,914,542</u>
Net Position	<u>26,461,052</u>	<u>26,609,044</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 73,286,508</u>	<u>\$ 57,412,628</u>

SALINA AIRPORT AUTHORITY
 STATEMENTS OF REVENUES, EXPENSES and CHANGES IN NET POSITION
 For the Years Ended December 31, 2023 and December 31, 2022

	January 1 to December 31 2023	2022
Operating Revenues		
Airfield	\$ 1,370,318	\$ 1,295,416
Building and Land Rent	1,784,108	1,692,642
Other Revenue	110,528	130,518
Total Operating Revenues	<u>3,264,954</u>	<u>3,118,576</u>
Operating Expenses		
Administrative	2,118,519	1,999,924
Maintenance	1,037,366	1,136,239
Total Operating Expenses	<u>3,155,885</u>	<u>3,136,163</u>
Revenues Over (Under) Expenses Before Depreciation	109,069	(17,587)
Depreciation	<u>(3,839,916)</u>	<u>(3,472,824)</u>
Operating Loss Before Non-Operating Revenues and Expenses	<u>(3,730,847)</u>	<u>(3,490,411)</u>
Non-Operating Revenues and (Expenses)		
Mill levy	2,719,303	2,431,667
Interest on Investments	317,703	8,383
Interest Income - Leases	219,533	105,299
Interest Expense	(977,488)	(708,917)
Bond Issuance Costs	(464,709)	(11,640)
AIM Center Costs	(188,843)	-
Gain on Sale of Assets	15,498	60,778
Net Non-Operating Revenues and (Expenses)	<u>1,640,997</u>	<u>1,885,570</u>
Loss Before Capital Contributions and Extraordinary Item	(2,089,850)	(1,604,841)
Capital Contributions	1,956,562	5,447,345
Wind Damage Repairs	<u>(14,704)</u>	<u>(155,326)</u>
Net Position		
Increase (Decrease) in Net Position	(147,992)	3,687,178
Net Position, Beginning of Year	<u>26,609,044</u>	<u>22,921,866</u>
Net Position, End of Year	<u>\$ 26,461,052</u>	<u>\$ 26,609,044</u>

SALINA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(DIRECT METHOD)

For the Years Ended December 31, 2023 and December 31, 2022

	January 1 to December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Providing Services	\$ 2,317,852	\$ 4,036,881
Cash Paid to Employees for Services	(1,125,459)	(1,004,205)
Cash Paid to Suppliers for Goods and Services	<u>(2,639,106)</u>	<u>(2,405,022)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,446,713)</u>	<u>627,654</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Property, Plant and Equipment	(6,468,902)	(8,832,973)
Proceeds from Capital Grants	1,956,562	5,447,345
Proceeds from Property Tax	2,719,303	2,431,667
Proceeds from Sale of Capital Assets	29,653	79,445
Principal Payments on Debt	(8,395,824)	(1,708,019)
Proceeds of New Borrowing	21,757,112	1,000,000
Wind Damage Repairs	(14,704)	(155,326)
Interest Received on Lease Receivable	219,533	105,299
Bond Issuance Costs	(464,709)	(11,640)
Interest Paid on Long-Term Debt	<u>(680,091)</u>	<u>(707,195)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>10,657,933</u>	<u>(2,351,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Deposits	<u>317,703</u>	<u>8,383</u>
CHANGE IN CASH	9,528,923	(1,715,360)
CASH BALANCE - January 1	<u>3,588,407</u>	<u>5,303,767</u>
CASH BALANCE - December 31	<u><u>\$ 13,117,330</u></u>	<u><u>\$ 3,588,407</u></u>
Cash	\$ 2,739,348	\$ 2,807,817
Restricted Cash	\$ 10,377,982	\$ 780,590
CASH BALANCE - December 31	<u><u>\$ 13,117,330</u></u>	<u><u>\$ 3,588,407</u></u>
Non Cash Capital and Related Financing Activities		
Fixed Asset Additions In Accounts Payable at Year End	\$ 1,399,746	\$ 494,195

SALINA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(DIRECT METHOD)

(continued)

For the Years Ended December 31, 2023 and December 31, 2022

RECONCILIATION OF OPERATING LOSS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

	January 1 to December 31 2023	2022
OPERATING LOSS	\$ (3,730,847)	\$ (3,490,411)
ADJUSTMENTS RECONCILING OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	3,839,916	3,472,824
AIM Center Costs	(188,843)	-
Decrease (Increase) in Operating Assets		
Accounts Receivable	(773,517)	951,129
Leases Receivable	(1,724,425)	586,553
Interest Receivable - Leases	4,408	1,750
Prepaid Expenses	(2,574)	(1,681)
Change in Deferred Outflows of Resources	165,731	(62,125)
Increase (Decrease) in Operating Liabilities		
Accounts Payable (Operations)	(503,906)	(566,275)
Accrued Payroll	8,601	1,623
Accrued Property Tax and Special Assessments	8,082	6,327
Compensated Absences	6,801	3,170
Unearned Rental Income	(112,148)	70,004
Security Deposits	(15,570)	36,375
Net Pension Liability	19,797	427,318
Deferred KPERS Pension Funds	5,783	(194,573)
Deferred KPERS OPEB	(434)	6,773
Deferred Leases	1,546,432	(621,127)
Total Adjustments	2,284,134	4,118,065
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,446,713)	\$ 627,654

SALINA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Salina Airport Authority (Authority) was established by the City of Salina, pursuant to Chapter 27, Article 3, of the Kansas Statutes Annotated for the purpose of acquiring surplus federal government property, specifically the former Schilling Air Force Base, located near the City of Salina. The Authority operates, maintains, and develops the Salina Regional Airport and the Salina Airport Industrial Center. The Authority is controlled by a five-member Board of Directors appointed by the Salina City Commission and, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, the Authority is considered to be a component unit of the City of Salina. The Authority is discreetly presented in the City's financial statements.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments in the United States of America.

The Authority consists of a single enterprise fund. Enterprise funds are classified as proprietary funds by the GASB and are accounted for using a total economic resource measurement focus. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Authority is that the costs of providing services on a continuing basis be recovered through user fees and rents. The financial statements are prepared on the accrual basis of accounting. Under the accrual basis, revenues are recognized as earned and expenses as incurred.

Revenues from airlines, fuel flowage fees, building and land rents, and rental car commissions are reported as operating revenues. Transactions, which are capital, financing or investing related, and the sale of assets, related to economic development, are reported as non-operating revenues. All expenses related to operating the Airport and Industrial Center are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Income and expenses related to the Aviation Innovation and Maintenance (AIM) Center of Excellence, launched in 2023, are also reported as non-operating activities. This classification aligns with the nature of the AIM initiative, which is funded primarily through grants and supports workforce development and regional economic growth.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect certain reported amounts and disclosures that can affect these financial statements. Actual results could differ from those estimates.

D. Property Taxes

The Authority has the ability by statute to levy up to three mills with approval from the governing body of the City for operational purposes. An additional one mill may be levied in order to match grants, subject to a notice and protest period. These mills do not apply to the Authority's ability to levy unlimited taxes for the repayment of its general obligation debt.

E. Adopted Accounting Pronouncements

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs), which is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this statement had no effect on previously reported amounts.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. See Note 7 for additional information on the implementation of this new standard.

GASB issued Statement No. 99, Omnibus 2022, provides clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, information on disclosures related to nonmonetary transactions, and updates to terminology related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement has been partially adopted as only paragraphs 26-32 were effective for the current year. All the applicable changes have been made to the financial statements.

F. Pending Accounting Pronouncements

The Authority is preparing to implement the following Statements of Governmental Accounting Standards, established by the Governmental Accounting Standards Board (GASB)

on or before the required implementation date. Management is currently evaluating the effect that the standards will have on the financial statements.

- GASB Statement No. 99, *Omnibus 2022*. Portions of the requirements for this statement are effective for periods beginning after June 15, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The requirements for this statement are effective for periods beginning after June 15, 2023.
- GASB Statement No. 101, *Compensated Absences*. The requirements for this statement are effective for periods beginning after December 15, 2023.
- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements for this statement are effective for periods beginning after June 15, 2024.

G. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position.

1. Cash and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

2. Receivables

Accounts Receivable. The Authority records revenues when services are provided. All receivables are shown net of an allowance for uncollectibles.

Leases Receivable. The Authority is the lessor under numerous lease agreements. The Authority recognizes a lease receivable and a deferred inflow of resources 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.

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.

3. Inventories

The Authority maintains no significant inventory of office and maintenance supplies. These items are expensed as purchased and no inventory is recorded in these financial statements. The Authority uses the consumption approach in valuing inventories of Avgas sold for retail. That is, the purchase is recorded as a current asset on the cost basis and the expenditure is deferred until the inventory is consumed under the weighted average cost method.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital Contributions

Airport Improvement Program - Certain expenditures for airport capital improvements are significantly funded through the Federal Aviation Administration's Airport Improvement Program (AIP) and the Kansas Department of Transportation's Airport Improvement Program (KAIP), with certain matching funds of the Authority. Capital funding provided under the AIP grant programs are considered earned as the related allowable expenditures are incurred. Grants received under the AIP programs are reported in the Statement of Revenues, Expenses and Changes in Net Position, as non-operating revenues and expenses as capital contributions.

Defense Reutilization Marketing Office Program - The Authority is a participant in the Defense Reutilization Marketing Office (DRMO) program. The DRMO entity disposes of United States military surplus property. The property is first offered for reutilization with the Department of Defense, transferred to other federal agencies or donated to state and local governments.

The Authority's policy is to record capital assets having a cost (or by implication fair value) in excess of \$1,000 at acquisition. The Authority's capitalization policy with respect to capital assets is to expense capital assets costing \$1,000 or less. Freight or other expenses necessary to put the asset into service equal to or greater than \$1,000, are capitalized.

The Authority estimates the United States military donated items to have a value equal to 20% of cost. Items having an original cost by the military of less than \$5,000 will be valued at \$1 with memo of original cost. Items having an original cost of more than \$5,000 will be valued at 20% of original cost rounded to the nearest \$1,000 with a memo to the file of the original cost.

The Authority keeps record of the military donated assets having an original cost by the military of \$5,000 or less in order to meet the tracking requirement and will treat as a consumable because the Authority believes the fair value of these is less than \$1,000 each.

If the Authority receives reliable written information indicating this procedure has produced a value significantly different from fair value, an adjustment to that value will be made.

Donated DRMO property with a value in excess of \$1,000 is reported in the Statement of Revenues, Expenses and Changes in Net Position, as non-operating revenues and expenses as capital contributions.

The Federal Aviation Administration, as the oversight agency, requires that the Airport track all the contributed property and the property must be held for at least one year prior to disposition.

6. Capital Assets

Capital assets purchased or constructed are recorded at cost. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not included in capital assets cost. Capital assets donated to the Authority are recorded at their estimated acquisition value at the date of donation. Donated assets include property and equipment transferred to the Authority from the United States of America, September 9, 1966 and recorded at acquisition value at that date. The Authority maintains a capitalization threshold of \$1,000.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	5 – 50
Equipment	5 – 10
Vehicles	7 – 10
Airfield	10 – 30

7. Compensated Absences

Substantially all full-time employees receive compensation for vacations, holidays, illness and certain other qualifying absences. The number of days compensated for various categories of absence is generally based on length of service. Liabilities relating to these absences are recognized as incurred and included in accrued expenses. Per the Authority's compensation policy, the paid time off is not able to accrue beyond a one-year period, therefore all such liabilities are recorded as current.

8. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority currently reports deferred charges on early retirement on debt refunding. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Authority also reports a collective deferred outflow of resources related to pensions and deferred outflows for OPEB, which is described further in Note IV A and Note IV G, respectively.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reports a collective deferred inflow of resources related to leasing activities, pensions, OPEB, which are described further in Note III C, Note III D, Note III E, Note IV A, and Note IV G, respectively.

9. Net Position

In proprietary fund financial statements net position is classified into three components:

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Authority first utilizes restricted resources to finance qualifying activities.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Cash-Basis Law (KSA 10-1113)

The Authority was in compliance with this law at all times during the year.

B. Depository Security (KSA 9-1402)

The Authority's funds were adequately secured at all times during the year.

III. DETAILED NOTES

A. Deposits

As of December 31, 2023 and 2022, the Authority had cash and cash equivalents as listed below:

	<u>2023</u>	<u>2022</u>
Gross Cash Balances		
Cash	\$ 13,116,355	\$ 3,588,407
Less: Deposits in Transit and Petty Cash	(1,832)	(2,955)
Add: Uncleared Checks	<u>83,743</u>	<u>29,019</u>
Bank Balance	13,198,266	3,614,471
Less: FDIC Coverage	<u>531,699</u>	<u>525,757</u>
Balances Securable by Collateral	<u>\$ 12,666,567</u>	<u>\$ 3,088,714</u>
Security Provided by Depositories	<u>\$ 15,056,673</u>	<u>\$ 3,954,912</u>

Restricted cash includes bond proceeds designated for disbursement for the acquisition of noncurrent assets.

The Authority had the following investments and maturities:

Year	Investment Type	Fair Value	Maturities Less than 1		Rating U.S.
			Year		
2023	Kansas Municipal Investment Pool	\$ 975	\$ 975		AAAf/S1+
2022	Kansas Municipal Investment Pool	\$ -	\$ -		AAAf/S1+

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

The Authority's policies relating to deposits and investments are governed by various Kansas Statutes (KSA). Those statutes specify the type of deposits and investments as well as the securing of those deposits and investments.

Interest rate risk – In accordance with Kansas Statute 12-1675, the Authority manages its exposure to interest rate fluctuations by limiting all time investments to maturities of less than two years.

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The Authority's policy is to place idle funds in certificates of deposit, United States obligations, and the Kansas Municipal Investment Pool (KMIP). The KMIP was rated AAAf/S1+ by Standard & Poor's as of the date of this report. The KMIP is permitted to invest in fully collateralized certificates of deposit, certain

obligations of the United States, certain repurchase/reverse repurchase agreements, and other types of investments. Maturity information released by the KMIP showed that the investment pool consisted of investment with a maturity date of 365 days or less.

Custodial credit risk deposits– The Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Kansas Statutes 9-1402 and 9-1405 require that governments obtain security for all deposits. The Authority manages its custodial credit risk by requiring the financial institutions to grant a security interest in securities held by third-party custodial banks. Monies in the Kansas Municipal Investment Pool are not required to have pledged securities.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

Concentration of credit risk – This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Authority manages this risk by placing funds with financial institutions only after contacting all eligible institutions in the taxing area and monies in the Kansas Municipal Investment Pool are diverse according to the policies of the investment pool. 100% of the Authority’s investments is in KMIP, which results in a concentration of credit risk.

B. Accounts Receivable

Receivables as of year-end, including the applicable allowance for uncollectible accounts, are as follows:

	<u>2023</u>	<u>2022</u>
Receivables		
Accounts	\$ 125,133	\$ 91,730
Grants	1,244,244	504,130
Less: Allowance for Uncollectibles	<u>(1,500)</u>	<u>(1,500)</u>
Total	<u><u>\$ 1,367,877</u></u>	<u><u>\$ 594,360</u></u>

C. Lease Receivables

The Authority leases terminal space, buildings, land, and airfield space on both a fixed and contingent rental (percent of revenue) to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2024 through 2061. Payments for most of the leases increase periodically based on reappraisals or a defined formula. The formulas that utilize the Consumer Price Index (Index), are based upon the index at lease commencement.

Revenue recognized under lease contracts during the years ended December 31, 2023 and 2022, was \$1,373,568 and \$1,131,447, respectively, which includes both lease revenue and interest. The Authority recognized lease revenue of \$1,154,035 and \$1,026,148 for the years ended December 31, 2023 and 2022, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Authority's leases that are included in the measurement of the lease receivable as of December 31, 2023:

Year	Principal	Interest	Total
2024	\$ 889,401	205,710	1,095,111
2025	796,611	170,615	967,226
2026	517,404	143,294	660,698
2027	504,443	119,799	624,242
2028	475,059	97,078	572,137
2029-2033	1,300,410	237,090	1,537,500
2034-2038	483,184	116,589	599,773
2039-2043	246,230	54,652	300,882
2044-2048	105,571	30,590	136,161
2049-2053	30,493	20,861	51,354
2054-2058	39,139	12,180	51,319
2059-2061	28,625	2,144	30,769
Total	\$ 5,416,570	1,210,602	6,627,172

D. Regulated Leases

The Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB Statement No. 87 and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2024 through 2061. Payments for most of the leases increase periodically based on a defined formula. Rates and fees charged by the Authority for the use of its facilities are required by terms of individual leases to be sufficient to cover operating expenses, debt service and general obligation debt but not depreciation and amortization. The Authority leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. The majority of the leases allow the lessee the exclusive use of the premises. However, aircraft and vehicles may traverse the space and the Authority has the right to grant third party privileges at their discretion.

Revenue recognized for fixed payment under regulated lease contracts during the years ended December 31, 2023 and 2022, was \$893,832 and \$596,112, respectively.

The following is a schedule by year of expected future minimum payments to be received under the Authority's regulated leases as of December 31, 2023:

<u>Year</u>	<u>Future Payments</u>
2024	\$ 893,423
2025	882,707
2026	883,172
2027	884,078
2028	884,604
2029-2033	4,326,302
2034-2038	4,082,479
2039-2043	1,349,118
2044-2048	607,710
2049-2053	311,461
2054-2058	15,000
2059-2061	<u>6,500</u>
Total	\$ <u>15,126,554</u>

E. Sublease

On July 29, 2020, the Authority subleased land and a building with a term of September 1, 2020 through August 31, 2025, with the option to renew. The sublease requires an original fixed payment of \$5,185 per month. For the years ended December 31, 2023 and 2022, the Authority received \$59,226 in lease revenue and \$24,042 and \$24,979 in interest revenue, respectively.

F. Capital Assets

The following is a summary of the changes in capital assets during the current and preceding year:

	Balance January 1, 2023	Additions	Dispositions	Balance December 31, 2023
Capital Assets				
Non-Depreciable				
Land	\$ 9,920,765	\$ -	\$ (14,154)	\$ 9,906,611
Construction in Progress	475,414	7,123,953	-	7,599,367
Total Non-Depreciable	10,396,179	7,123,953	(14,154)	17,505,978
Depreciable				
Buildings and Improvements	35,231,991	398,614	-	35,630,605
Airfield and Improvements	50,115,169	162,210	-	50,277,379
Equipment	6,073,576	183,873	-	6,257,449
Total Depreciable	91,420,736	744,697	-	92,165,433
Total Non-Depreciable & Depreciable	101,816,915	7,868,650	(14,154)	109,671,411
Accumulated Depreciation				
Buildings and Improvements	(18,868,875)	(1,320,171)	-	(20,189,046)
Airfield and Improvements	(30,388,119)	(2,214,314)	-	(32,602,433)
Equipment	(4,196,727)	(305,431)	-	(4,502,158)
Total Accumulated Depreciation	(53,453,721)	(3,839,916)	-	(57,293,637)
Total Capital Assets	<u>\$48,363,194</u>	<u>\$ 4,028,734</u>	<u>\$ (14,154)</u>	<u>\$ 52,377,774</u>

	Balance January 1, 2022	Additions	Dispositions	Reclassify	Balance December 31, 2022
Capital Assets					
Non-Depreciable					
Land	\$ 9,920,765	\$ -	\$ -	\$ -	\$ 9,920,765
Construction in Progress	1,985,221	386,507	-	(1,896,314)	475,414
Total Non-Depreciable	11,905,986	386,507	-	(1,896,314)	10,396,179
Depreciable					
Buildings and Improvements	30,983,067	4,288,924	(40,000)	-	35,231,991
Airfield and Improvements	43,608,918	6,506,251	-	-	50,115,169
Equipment	6,031,776	41,800	-	-	6,073,576
Total Depreciable	80,623,761	10,836,975	(40,000)	-	91,420,736
Total Non-Depreciable & Depreciable	92,529,747	11,223,482	(40,000)	(1,896,314)	101,816,915
Accumulated Depreciation					
Buildings and Improvements	(17,658,310)	(1,231,898)	21,333	-	(18,868,875)
Airfield and Improvements	(28,464,793)	(1,923,326)	-	-	(30,388,119)
Equipment	(3,879,127)	(317,600)	-	-	(4,196,727)
Total Accumulated Depreciation	(50,002,230)	(3,472,824)	21,333	-	(53,453,721)
Total Capital Assets	\$42,527,517	\$ 7,750,658	\$ (18,667)	\$ (1,896,314)	\$ 48,363,194

G. Long-Term Liabilities

Following is a summary of changes in long-term liabilities during the current and preceding year:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Current Maturities December 31, 2023
Long-Term Liabilities					
Compensated Absences	\$ 25,304	\$ 7,847	\$ 1,046	\$ 32,105	\$ 32,105
General Obligation Bonds	24,590,000	21,725,000	8,355,000	37,960,000	6,760,000
Less: Unamortized Discount	(39,270)	32,112	(1,334)	(5,824)	-
Lease Purchase Agreement	379,258	-	42,157	337,101	43,560
Net Pension Liability and OPEB	951,018	19,797	-	970,815	-
Security Deposits Returnable	128,146	8,845	24,415	112,576	-
Total Long-Term Liabilities	\$26,034,456	\$21,793,601	\$ 8,421,284	\$39,406,773	\$ 6,835,665
Current Maturities	(8,422,461)			(6,835,665)	
Long-Term Liability Net	\$17,611,995			\$32,571,108	

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Current Maturities December 31, 2022
Long-Term Liabilities					
Compensated Absences	\$ 22,135	\$ 3,169	\$ -	\$ 25,304	25,304
General Obligation Bonds	25,260,000	1,000,000	1,670,000	24,590,000	8,355,000
Less: Unamortized Discount	(42,051)	-	(2,781)	(39,270)	-
Lease Purchase Agreement	420,058	-	40,800	379,258	42,157
Net Pension Liability and OPEB	523,700	427,318	-	951,018	-
Security Deposits Returnable	91,771	36,375	-	128,146	-
Total Long-Term Liabilities	<u>\$26,275,613</u>	<u>\$ 1,466,862</u>	<u>\$ 1,708,019</u>	<u>\$26,034,456</u>	<u>\$ 8,422,461</u>
Current Maturities	<u>(1,764,028)</u>			<u>(8,422,461)</u>	
Long-Term Liability Net	<u>\$24,511,585</u>			<u>\$17,611,995</u>	

The following is a detailed listing of the Authority's long-term debt including general obligation bonds, lease purchase agreements, and special assessment debt at December 31, 2023:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Bonds Outstanding</u>
General Obligation Debt			
General Obligation 2015-A, due 2025	\$ 3,075,000	1.50-3.55%	\$ 175,000
General Obligation 2017-A, due 2030	10,255,000	1.61-3.35%	8,895,000
General Obligation 2017-B, due 2031	4,835,000	2.00-3.00%	4,685,000
General Obligation 2019-A, due 2029	675,000	2.10-3.10%	425,000
General Obligation 2021-A, due 2036	2,345,000	0.25-2.00%	2,055,000
Taxable General Obligation 2023-A, due 2032	1,000,000	4.30%	1,000,000
General Obligation 2023-B, due 2039	8,870,000	4.00-5.25%	8,870,000
General Obligation 2023-C, due 2043	6,855,000	4.00%	6,855,000
General Obligation Temporary Notes 2023-1, due 2024	5,000,000	5.01%	5,000,000
Plus Unamortized Bond Premium			39,318
Less Unamortized Bond Discount			(45,142)
Total General Obligation Debt			<u>37,954,176</u>
Taxable Lease Purchase Agreement - Direct Borrowing			
Bldg. 824 Lease Purchase, due 2030	460,000	3.30%	<u>337,101</u>
Total Long Term Debt			<u>\$ 38,291,277</u>
Interest Expense in 2023 is as follows:			
General Obligation Bonds			\$ 837,447
Lease Purchase Agreement			11,591
Amortization of Bond Discount, Premium and Deferred Refundings			<u>128,450</u>
Total Debt Interest Expense			<u>\$ 977,488</u>

Annual debt service requirements to maturity for general obligation bonds and temporary notes to be paid with tax levies and rental revenue as follows:

Year	Bonds Outstanding	Interest Due	Total
2024	\$ 6,760,000	\$ 1,549,554	\$ 8,309,554
2025	1,810,000	1,098,683	2,908,683
2026	1,865,000	1,051,196	2,916,196
2027	1,905,000	999,756	2,904,756
2028	1,960,000	944,976	2,904,976
2029-2033	8,665,000	3,832,491	12,497,491
2034-2038	7,045,000	2,414,530	9,459,530
2039-2043	7,950,000	978,600	8,928,600
	<u>\$ 37,960,000</u>	<u>\$ 12,869,786</u>	<u>\$ 50,829,786</u>

The Authority's outstanding 2023-1 temporary note will be refinanced in 2024 with Authority issued general obligation bonds.

The Authority has entered into a lease agreement as the lessee for financing the Building 824 – Transportation Facility Expansion. During 2023, \$20,694 was included in depreciation expense. This lease agreement qualifies as a lease purchase agreement and therefore has been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Building 824 - Transportation Facility Expansion	\$ 413,874
Less Accumulated Depreciation	<u>(72,428)</u>
Net Book Value	\$ <u>341,446</u>

Annual debt service requirements to maturity for a taxable lease purchase agreement will be paid with building and land rental revenues as follows:

Year	Lease Purchase Outstanding	Interest Due	Total
2024	\$ 43,560	\$ 10,768	\$ 54,328
2025	45,009	9,319	54,328
2026	46,507	7,821	54,328
2027	48,055	6,273	54,328
2028	49,653	4,675	54,328
2029-2030	104,317	4,338	108,655
	<u>\$ 337,101</u>	<u>\$ 43,194</u>	<u>\$ 380,295</u>

H. Capital Contributions

Since its inception, the Authority has received capital contributions through Federal and State grants as follows:

	Inception to Date	2023	2022
Federal	\$ 44,064,722	\$ 1,950,166	\$ 4,117,075
State	3,800,663	30,329	1,304,485
Total	\$ 47,865,385	\$ 1,980,495	\$ 5,421,560

The Authority has designated \$90,000 to be used as an insurance increase reserve or to accelerate future debt service payments. As of December 31, 2023, the reserve had been funded but not used.

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Description of Pension Plan. The Authority participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

Public employees, which includes:

- State/School employees
- Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by KPERS. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the Authority are included in the Local employees group.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits. Benefits are established by statute and may only be changed by the Legislature. Member employees with ten or more years of credited service may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. The monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A cash balance retirement plan (KPERs 3) was created for new hires starting after January 1, 2015. Normal retirement age for KPERs 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERs employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2023.

The actuarially determined employer contribution rates (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rates are as follows:

	Local Employees	
	Actuarial Employer Rate	Statutory Employer Capped Rate
2023	8.87%	8.87%
2022	8.90%	8.90%

Member contribution rates as a percentage of eligible compensation for the fiscal year 2023 are 6.00% for local employees. Contributions to the pension plan for the Authority were \$91,951 and \$86,877 for the years ended December 31, 2023 and 2022, respectively.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer.

The allocation percentages for the Authority's share of the collective pension amounts as of December 31, 2023 and 2022, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2023 and 2022.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2023, the Authority's proportion for the local employees group was 0.045817%, which was a decrease of .0016% from its proportion measured at June 30, 2022.

Net Pension Liability. At December 31, 2023 and 2022, the Authority reported a liability of \$961,197 and \$942,015, respectively, for its total proportionate share of the net pension liability.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2022, which was rolled forward to June 30, 2023, using the following actuarial assumptions:

<u>Assumptions</u>	<u>Rate</u>
Price inflation	2.75%
Salary increases, including wage increases	3.50% to 12.00% including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the RP-2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are 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. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 7, 2020, as provided by KPERS' investment consultant, are summarized in the following table:

Asset class	Long-term target allocation	Long-term expected real rate of return
U.S. Equities	23.50%	5.20%
Non-U.S. Equities	23.50	6.40
Private Equity	8.00	9.50
Private Real Estate	11.00	4.45
Yield Driven	8.00	4.70
Real Return	11.00	3.25
Fixed Income	11.00	1.55
Short Term Investments	4.00	0.25
Total	100.00%	

Discount Rate. The discount rate used to measure the total pension liability for the years ended December 31, 2023 and 2022 was 7.00%.

The projection of cash flows used to determine the discount rate was based on member and employer contributions. The local groups are contributing at the full actuarial contribution rate. Based on legislation first passed in 1993 and subsequent legislation, the employer contribution rates certified by the Board may not increase by more than the statutory cap. The statutory cap was 1.2%.

Sensitivity of the Authority's proportionate share 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 7.00%, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

Year	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
2023	\$ 1,378,254	\$ 961,197	\$ 613,745
2022	\$ 1,353,235	\$ 942,015	\$ 599,409

Pension Expense. For the years ended December 31, 2023 and 2022, the Authority recognized pension expense of \$161,251 and \$140,538, respectively, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions:

	2023		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	\$ 79,903	\$ 135	\$ 35,631	\$ 1,689
Net Differences Between Projected and Actual Earnings on Investments	\$ 56,139	\$ -	79,742	-
Changes in Proportion	48,235	29,853	70,327	22,516
Changes in Assumptions	101,875	-	150,577	-
Contributions Made After Measurement Date	51,080	-	45,290	-
Total	\$ 337,232	\$ 29,988	\$ 381,567	\$ 24,205

The \$51,080 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources
2024	\$ 81,075
2025	56,500
2026	104,582
2027	13,723
2028	284
Total	\$ 256,164

B. Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan ("Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are transferred to a plan agent in a custodial trust and are not available to the claims of the Authority's general creditors.

C. Flexible Benefit Plan (I.R.C. Section 125)

The Authority has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All Authority employees working more than 20 hours per week are eligible to participate in the Plan beginning after thirty days of employment.

Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various insurance and disability benefits.

D. Risk Management

The Authority is exposed to various levels of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There has been no significant reduction in the Authority's insurance coverage from the previous year. In addition, there have not been settlements in excess of the Authority's coverage in any of the prior three years.

E. Contingent Liabilities

The Authority receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the Authority at December 31, 2023 and 2022.

F. Other Postemployment Benefits (OPEB)

As a component unit of the City of Salina, the Authority participates in the City's defined benefit health care plan that is administered by the City. The Employee Benefit Plan (the Plan) provides medical and dental benefits to eligible early retirees and their spouses. K.S.A 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan. As a component unit of the primary government, the Authority is not required to make contributions to the plan.

The OPEB cost, actuarial valuations of the ongoing plan and net OPEB obligations for the Authority as a sub-group of the plan, are calculated and recorded in the City's Annual Comprehensive Financial Report.

G. Other Postemployment Healthcare Benefits (KPERS)

Plan Description. The Authority participates in the KPERS Long-Term Disability plan, a single-employer defined benefit other postemployment benefit (OPEB) plan (the Plan), which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-4925. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. At the valuation date, the following members were covered by the benefit terms:

	2023	2022
Active Employees	14	15
Disabled Employees	-	-
Total	14	15

Total OPEB Liability. The Authority's total KPERS OPEB liability of \$9,618 and \$9,003 for December 31, 2023 and 2022, respectively, which was measured as of June 30, 2023 and 2022 and was determined by an actuarial valuation as of December 31, 2022 and 2021, which was rolled forward to June 30, 2023 and 2022, using the following actuarial assumptions:

Discount Rate	3.65% for 2023 and 3.54% for 2022
Implicit Inflation Rate	2.75%
Mortality Rates	Local Males: 90% of RP-2014 M Total Dataset +2 Local Females: 90% of RP-2014 F Total Dataset +1 Generational mortality improvements were projected for future years using MP-2021 Post-disability mortality rates are included in long-term disability claim termination rates.

Salary Increases	3.50% to 10.00% based on years of service
Payroll Growth	3.00%
Actuarial Cost Method	Entry Age Normal

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

The actuarial assumptions used in the December 31, 2022 and 2021 valuation were based on the results of an actuarial experience study for the period of January 1, 2016 through December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 9,003
Changes for the Year:	
Service Cost	2,344
Interest on Total OPEB Liability	402
Effect of Economic/Demographic Gains or Losses	(2,094)
Effect of Assumptions Changes or Inputs	(37)
Benefit Payments	-
Net Changes	615
Balance at December 31, 2023	\$ 9,618

Sensitivity of the Total KPERS OPEB Liability to Changes in the Discount Rate. The following presented the total KPERS OPEB liability of the Authority, as well as what the Authority's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

2023		
1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
\$ 9,954	\$ 9,618	\$ 9,243
2022		
1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
\$ 9,277	\$ 9,003	\$ 8,692

Sensitivity of the Total KPERS OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presented the total KPERS OPEB liability of the Authority calculated using the current healthcare cost trend rates as well as what the Authority's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% Decrease	Health Cost Trend Rates	1% Increase
2023	\$ 9,618	\$ 9,618	\$ 9,618
2022	\$ 9,003	\$ 9,003	\$ 9,003

For the year ended December 31, 2023 and 2022, the Authority recognized OPEB expense of \$285 and \$1,969, respectively.

Deferred Outflows of Resources and Deferred Inflows of Resources. The Authority reported deferred outflows and inflows related to other postemployment benefits from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,616	\$ -	\$ 14,767
Changes of assumptions	595	2,449	699	2,732
Contributions made after measurement date	10,908	-	5,089	-
Total	<u>\$ 11,503</u>	<u>\$ 17,065</u>	<u>\$ 5,788</u>	<u>\$ 17,499</u>

The \$10,908 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2024. Amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Year Ended December 31,</u>	
2024	\$ (2,461)
2025	(2,461)
2026	(2,453)
2027	(2,311)
2028	(1,975)
Thereafter	<u>(4,809)</u>
Total	<u>\$ (16,470)</u>

H. Environmental Matter

The U.S. Department of Defense transferred property located at the former Schilling Air Force Base (the Base or Site) to the Authority on or about September 9, 1966. The property is now known to contain areas of extensive soil and groundwater contamination, which is a result of the use and disposal of chlorinated solvents during military operations at the Base from 1942 until Base closure in 1965. The U.S. Department of Defense is responsible for the investigation and remediation of contamination caused by military activities at current and former military bases. The U.S. Army Corps of Engineers (Corps) is the lead agency for the Department at formerly used defense sites. The Corps has investigated the soil and groundwater contamination at the Site under the regulatory oversight of the U.S. Environmental Protection

Agency (EPA) and the Kansas Department of Health and Environment (KDHE). The Site is not designated as a National Priority List Superfund site, but investigation and remediation are required to be in compliance with the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

A November 23, 2020, Consent Decree approved by the U.S. District Court for the District of Kansas provides the Salina Public Entities the funds necessary to undertake the cleanup of the former Schilling AFB environmental contamination without requiring local matching funds.

The project will be administered by means of November 3, 2020 Former Schilling Air Force Base Site Environmental Project Management Agreement approved by the Salina Public Entities' respective governing boards. The management agreement provides for the administrative structure necessary to enable the Salina Public Entities to collectively complete the cleanup activities detailed in the KDHE CAD.

On January 6, 2021, the U.S. Treasury transferred \$65,900,000 to the City of Salina's "Former SAFB Environmental Project Fund" established by City ordinance for the purpose of segregating the settlement proceeds from all other City funds.

In March 2021, KDHE approved an amended Consent and Final Order (CAFO) that reaffirms the KDHE's July 2019, Corrective Action Decision (CAD) scope of work for final Remedial Design (RD) and Remedial Action (RA). The final RD and RA work will be funded by funds on deposit in the Former SAFB Environmental Project Fund. Once the remedial action is completed the site will be CERCLA compliant.

During the calendar year 2022, the project's environmental consulting and engineering firm completed drafting the RD/RA Work Plan Nos. 1, 2, and 3 that are awaiting KDHE approvals which are expected by mid-2023. By mid-2023 KDHE approved the Plume B work plan. Plume B Remedial Action (RA) work started during October 2023. Additional Remedial Action (RA) work will start during CY 2024 as KDHE approves work plans.

Based on the terms of the Court-approved Consent Decree and presently known information concerning total estimated costs for the project, the Authority does not expect but acknowledges the potential for future financial liability. At this time, however, that potential liability is regarded by the Authority as sufficiently contingent that no reasonable estimate of the potential liability can be made. Therefore, no liability related to the matter has been recorded.

I. Major Customers

The Authority received significant operating revenue from Avflight Salina, Kansas Erosion Products, LLC., 1 Vision Aviation, Stryten Salina, LLC, and Universal Forest Products. Rent from these five tenants equals 49.21% of operating revenue for the year ended December 31, 2023. For the year ended December 31, 2022, the Authority's top five tenants Avflight Salina, Kansas Erosion Products, LLC., 1 Vision Aviation, Stryten Salina, LLC, and SFC Global Supply Chain. Rent from these five tenants equals 43.61% of operating revenue.

J. Non-Operating Revenue and (Expenses)

Net non-operating revenue and expense consisted of the following for the years ended December 31, 2023 and 2022:

	December 31,	
	2023	2022
Mill Levy	\$ 2,719,303	\$ 2,431,667
Interest on Investments	317,703	8,383
Interest Income - Leases	219,533	105,299
Gain on Sale of Assets	15,498	60,778
Total	<u>3,272,037</u>	<u>2,606,127</u>
Interest Expense		
General Obligation Bonds and Temporary Notes	(837,447)	(566,313)
Lease Purchase Agreement	(11,591)	(12,967)
Bond Issuance Costs	(464,709)	(11,640)
Amortization of Bond Discount	(128,450)	(129,637)
AIM Center Costs	(188,843)	-
Total	<u>(1,631,040)</u>	<u>(720,557)</u>
Net Non-Operating Revenue and (Expenses)	<u>\$ 1,640,997</u>	<u>\$ 1,885,570</u>

K. Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

L. Subsequent Events**2025 General Obligation Bonds/Temporary Notes**

During 2024, the City of Salina and the Salina Airport Authority (SAA) authorized the issuance of general obligation bonds/temporary notes not to exceed \$13 million to support critical infrastructure and development initiatives. The bonds will be sold in 2025 and proceeds will be allocated as follows:

1. Temporary Financing for Industrial Development Improvements. Approximately \$7.5 million has been designated for temporary financing to construct street and utility improvements for an 80-acre industrial development tract. A Special Assessment Benefit District has been established to allocate the costs of these improvements to the benefiting property owners. The City of Salina plans to repay the temporary financing with the issuance of permanent long-term bonds.
2. Matching Funds for State Grant. A portion of the bond proceeds, totaling \$2 million, will provide matching funds for a state grant. The combined funding will be used for development costs associated with enhancements to the airport's infrastructure to support growth in the aircraft maintenance, repair, and overhaul (MRO) sector.

3. Acquisition of Aircraft Hangar. Approximately \$460,000 will be used to acquire a 9,000-square-foot aircraft hangar located on the airport premises. This acquisition aligns with the Authority's strategic goals to enhance operational capacity and support aviation-related businesses.

This subsequent event does not require adjustment to the financial statements for the year ended December 31, 2023, as the bond authorization pertains to conditions arising after the reporting date. However, it represents a significant development that will impact the Salina Airport Authority's financial position and operations in future periods.

Aviation Innovation and Maintenance (AIM Center of Excellence)

In 2023, the Salina Airport Authority (SAA) was awarded a \$3.325 million grant from the State of Kansas to establish the Aviation Innovation Maintenance (AIM) Center of Excellence, an initiative designed to recruit and train the next generation of Aircraft Maintenance Technicians (AMT). While the grant was awarded during 2023, the first disbursement of funds was received in early 2024, with the inaugural AIM Center class held in January 2024.

The AIM Center of Excellence aims to address the growing demand for a skilled AMT workforce by offering advanced training programs and fostering workforce development. This program is a cornerstone of the Authority's strategic plan to strengthen its role in the aviation industry and contribute to the region's economic growth.

Although the grant award occurred in 2023, the associated activities, including funding disbursement and program commencement, occurred after year-end and thus do not require adjustment to the financial statements. This disclosure provides context for the Authority's ongoing efforts to expand its operations and workforce capabilities.

SALINA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Kansas Public Employees Retirement System
December 31, 2023

Measurement Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.045817%	0.047384%	0.042484%	0.041281%	0.045289%	0.043452%	0.041662%	0.037666%	0.041581%
Proportionate share of the collective net pension liability	\$ 961,197	\$ 942,015	\$ 509,789	\$ 715,670	\$ 632,856	\$ 605,630	\$ 603,456	\$ 582,704	\$ 545,977
Covered payroll from the period July 1 - June 30 ^	\$ 993,697	\$ 952,391	\$ 819,071	\$ 778,919	\$ 830,413	\$ 777,734	\$ 708,538	\$ 645,485	\$ 694,613
Net pension liability as a percentage of covered payroll	96.73%	98.91%	62.24%	91.88%	76.21%	77.87%	85.17%	90.27%	78.60%
Plan fiduciary net position as a percentage of the total pension liability	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

Notes to the Schedule

Changes in assumptions.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:

- The price inflation assumption was lowered from 3.00% to 2.75%.
- The investment return assumption was lowered from 8.00% to 7.75%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The payroll growth assumption was lowered from 4.00% to 3.00%.

Changes from the November 2016 experience study that impacted individual groups are listed below:

- The post-retirement health mortality assumption was changed to the RP-2014 Mortality Table, with adjustments to better fit the observed experience for the various KPERS groups. The most recent mortality improvement scale, MP-2016, is used to anticipate future mortality improvements in the valuation process through the next experience study.
- The active member mortality assumption was modified to also be based on the RP-2014 Employee Mortality Table with adjustments.
- The retirement rates for the select period (when first eligible for unreduced benefits under Rule of 85) were increased, but all other retirement rates were decreased.
- Disability rates were decreased for all three groups.
- The termination of employment assumption was increased for all three groups.
- The interest crediting rate assumption for KPERS 3 members was lowered from 6.50% to 6.25%.

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:

- The investment return assumption was lowered from 7.25% to 7.00%.
- The general wage growth assumption was lowered from 3.50% to 3.25%.
- The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:

- Retirement rates were adjusted to partially reflect observed experience.
- Termination rates were increased for most KPERS groups.
- Disability rates were reduced.
- Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
- The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

*Information reported above is as of the KPERS measurement date of June 30. GASB 68 requires a presentation of 10 years. As of June 30, 2023, only nine years of information was available.

^ Covered payroll is measured as of the measurement date ending June 30.

SALINA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	\$ 86,160	\$ 84,617	\$ 71,580	\$ 75,190	\$ 83,638	\$ 78,940	\$ 66,198	\$ 61,622	\$ 70,005	\$ 68,904
Contributions in relation to the contractually required contribution	(86,160)	(84,617)	(71,580)	(75,190)	(83,638)	(78,940)	(66,198)	(61,622)	(70,005)	(68,904)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll [^]	<u>\$ 1,090,756</u>	<u>\$ 976,150</u>	<u>\$ 892,259</u>	<u>\$ 782,417</u>	<u>\$ 847,208</u>	<u>\$ 840,466</u>	<u>\$ 758,750</u>	<u>\$ 652,874</u>	<u>\$ 672,878</u>	<u>\$ 709,510</u>
Contributions as a percentage of covered payroll	7.90%	8.67%	8.02%	9.61%	9.87%	9.39%	8.72%	9.44%	10.40%	9.71%

[^] Covered payroll is measured as of the fiscal year ended December 31.

REQUIRED SUPPLEMENTAL INFORMATION FY 2023

SALINA AIRPORT AUTHORITY SCHEDULE OF CHANGES IN THE DEATH AND DISABILITY TOTAL OPEB LIABILITY AND RELATED RATIOS December 31, 2023

Measurement Date	2023 June 30, 2023	2022 June 30, 2022	2021 June 30, 2021	2020 June 30, 2020	2019 June 30, 2019	2018 June 30, 2018
Total OPEB Liability						
Service Cost	\$ 2,344	\$ 3,837	\$ 3,797	\$ 3,430	\$ 2,843	\$ 2,825
Interest Cost	402	382	392	587	541	533
Effect of Economic/Demographic Gains or Losses	(2,094)	(6,203)	(4,212)	(4,295)	(1,324)	(4,199)
Effect of Assumption Changes or Inputs	(37)	(2,924)	10	864	152	(87)
Benefit Payments	-	-	-	-	-	-
Net Change in Total Liability - Beginning of Year	615	(4,908)	(13)	586	2,212	(928)
Total OPEB Liability - Beginning of Year	9,003	13,911	13,924	13,338	11,126	12,054
Total OPEB Liability - End of Year	<u>\$ 9,618</u>	<u>\$ 9,003</u>	<u>\$ 13,911</u>	<u>\$ 13,924</u>	<u>\$ 13,338</u>	<u>\$ 11,126</u>
Covered-Employee Payroll	<u>\$ 925,642</u>	<u>\$ 879,557</u>	<u>\$ 800,448</u>	<u>\$ 801,486</u>	<u>\$ 826,640</u>	<u>\$ 706,882</u>
Total OPEB liability as a percentage of covered employee payroll	1.04%	1.02%	1.74%	1.74%	1.61%	1.57%
Actuarially determined contribution	<u>\$ 10,908</u>	<u>\$ 5,089</u>	<u>\$ -</u>	<u>\$ 3,831</u>	<u>\$ 4,219</u>	<u>\$ 2,137</u>
Actual contribution	<u>\$ 10,908</u>	<u>\$ 5,089</u>	<u>\$ -</u>	<u>\$ 3,831</u>	<u>\$ 4,219</u>	<u>\$ 2,137</u>
Contributions as a percentage of covered-employee payroll	1.18%	0.58%	0.00%	0.48%	0.51%	0.30%

Notes to Schedule

Changes of Assumptions and Other Inputs

Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 3.58% on June 30, 2017, 3.87% on June 30, 2018, 3.5% on June 30, 2019, 2.21% on June 30, 2020, 2.16% on June 30, 2021, 3.54% on June 30, 2022, and 3.65% on June 30, 2023.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

*GASB 75 requires presentation of ten years. Until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION

For the Years Ended December 31, 2023 and December 31, 2022

	January 1 to December 31 2023	2022
Operating Revenues		
Airfield		
Fuel Flowage Fees	\$ 188,330	\$ 213,067
Hangar Rent	1,080,230	976,846
Landing Fees	25,866	39,249
Ramp Rent	75,892	66,254
Total Airfield	<u>1,370,318</u>	<u>1,295,416</u>
Building and Land Rent		
Agri Land Rent	67,120	63,863
Building Rents	1,437,609	1,368,488
Land Rents	264,481	245,650
Tank Rent	14,898	14,640
Total Building and Land Rents	<u>1,784,108</u>	<u>1,692,641</u>
Other Revenue		
Airport Marketing	20,000	20,000
Commissions	31,750	26,619
ARFF Training	4,320	5,610
Other Income	54,458	78,290
Total Other Revenue	<u>110,528</u>	<u>130,519</u>
Total Operating Revenues	<u>\$ 3,264,954</u>	<u>\$ 3,118,576</u>

(continued)

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION

For the Years Ended December 31, 2023 and December 31, 2022

(continued)

	January 1 to December 31	
	<u>2023</u>	<u>2022</u>
Operating Expenses		
Administrative		
A/E, Consultants, Brokers	\$ 70,573	\$ 89,315
Airport Promotion	279,899	254,191
Bad Debt Expense	-	-
Computer Network Administration	48,190	40,734
Dues and Subscriptions	27,152	34,724
Employee Retirement	166,625	142,507
FICA and Medicare	79,111	72,480
Industrial Development	57,500	57,500
Insurance, Property	201,689	198,527
Insurance, Medical	218,263	217,830
Kansas Unemployment Tax	1,080	978
Legal and Accounting	54,532	58,383
Office Salaries	693,164	615,897
Office Supplies	7,605	11,015
Other Administrative	12,452	12,646
Postage	1,650	1,503
Property Taxes	167,760	147,174
Special Events	1,099	1,554
Telephone	18,656	21,287
Training	5,464	7,970
Travel and Meetings	6,055	13,709
Total Administrative Expenses	<u>\$ 2,118,519</u>	<u>\$ 1,999,924</u>

(continued)

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For the Years Ended December 31, 2023 and December 31, 2022
(continued)

	January 1 to December 31 2023	2022
Maintenance Expenses		
Airfield Maintenance	\$ 51,436	\$ 56,476
Airport Security	1,648	377
Building Maintenance	204,372	230,196
Equipment Fuel and Repairs	86,366	84,585
Fire Services	19,646	21,018
Grounds Maintenance	14,980	17,687
Maintenance Salaries	416,893	383,515
Other Maintenance Expenses	19,349	26,463
Snow Removal Expense	5,494	22,135
Utilities	217,182	293,787
Total Maintenance Expenses	<u>1,037,366</u>	<u>1,136,239</u>
Total Operating Expenses	<u>3,155,885</u>	<u>3,136,163</u>
Surplus (Deficit) of Revenues over Expenses Before Depreciation	109,069	(17,587)
Depreciation	<u>(3,839,916)</u>	<u>(3,472,824)</u>
Operating Loss Before Non-Operating Revenues and Expenses	<u>(3,730,847)</u>	<u>(3,490,411)</u>
Non-Operating Revenues and (Expenses)		
Mill Levy	2,719,303	2,431,667
Interest Income on Investments	317,703	8,383
Interest Expense	(977,488)	(708,917)
Interest Income - Leases	219,533	105,299
Bond Issuance Costs	(464,709)	(11,640)
AIM Center Costs	(188,843)	-
Gain (Loss) on Sale of Assets	15,498	60,778
Total Non-Operating Revenue (Expenses)	<u>1,640,997</u>	<u>1,885,570</u>
Loss Before Capital Contributions	(2,089,850)	(1,604,841)
Capital Contributions	1,956,562	5,447,345
Wind Damage Repairs	<u>(14,704)</u>	<u>(155,326)</u>
Net Position		
Increase (Decrease) in Net Position	(147,992)	3,687,178
Net Position, Beginning of Year	26,609,044	22,921,866
Net Position, End of Year	<u><u>\$ 26,461,052</u></u>	<u><u>\$ 26,609,044</u></u>

SALINA AIRPORT AUTHORITY
CAPITAL EXPENDITURES
January 1 to December 31

	<u>2023</u>
AIRFIELD IMPROVEMENTS	
AIP 42 - Rehabilitation of South 7500 Rwy. 17/35 construction	\$ 8,947
ARFF Station overhead door	2,469
B702 ARFF Station - HVAC Roof top unit	11,939
Terminal Bldg. ramp improvements	14,058
Taxiway, runway, apron improvements (heaves)	39,100
Perimeter Gate N3 (20') replacement	4,007
Taxiway Echo pavement (heaves)	22,530
General Aviation public restrooms lighting and HVAC upgrades	2,032
High intensity LED Airport beacon	13,547
LED airport ramp lighting	43,581
Total Airfield Improvements	<u>\$ 162,210</u>
BUILDINGS	
Terminal building - Power improvements for CTX machine	\$ 7,200
Bldg. 412 Improvements	36,475
Bldg. 520 marque & bldg. signage	708
Bldg. 595 Rehabilitation	238,369
Bldg. 394 - HVAC rooftop unit	9,737
Bldg. 520, Unit A HVAC unit	1,631
Bldg. 520 HVAC blower motor	1,442
Bldg. 120 - Lennox HVAC blower mower and wheel	1,121
Bldg. 207 Maintenance shed electrical improvements	5,673
Bldg. 824 Access Road Improvements	9,820
Bldg. 820 replace valve on main water service Line	1,955
Bldg. 520, Unit A - 3-phase heat pump	8,178
Hangar 606 - RPZ Backflow Preventer	2,708
Bldg. 620 - HVAC Imps.	2,200
Hangar 959 Infrared Paint Bay Heaters	58,750
Bldg 700 hot water heater	4,370
H409, Southeast hangar door motor	3,206
PH305 overfill alarm switches	5,071
Total Building Improvements	<u>\$ 398,614</u>
EQUIPMENT	
2008 Bobtail Tug (DRMO)	\$ 2,223
Snow Plow #4 Oshkosh M-line 2002 Pressure protection valve	7,988
ARFF #4 2019 Oshkosh Global Striker motor	1,732
ARFF 4 roof turret elkahart monitor	4,837
ARFF #2 (1992 E-ONE TITAN 4x4) valve replacement	8,219
ARFF 1 - 2004 Rosenbauer Panther 4 x 4 Foam system upgrades	4,198
ACU1000 Repeater	2,896
ATCT - elex touch Screen ower light solution	14,099
Ops Manager - Lenova laptop PC	3,074
XD Lenova desktop computer	2,326
Ops Manager Lenova desktop computer	1,961
Lenova laptop PC	3,074
Savin printer/coper for H600, room 100	2,370

(continued)

SALINA AIRPORT AUTHORITY
CAPITAL EXPENDITURES
January 1 to December 31
(continued)

Hangar 509 & 600 48-port switches	4,948
ARFF Station wireless network Aurba switch and access point	1,049
Spectator bleachers (2-sets)	3,800
2021 Bobcat S66 Skid Steer - replace pump	4,433
Abrasive Blast Cabinet	2,613
48" 16 Gauge Box & Pan Brake & 52" Foot Shear	8,467
Composite curing hot bonder kit	91,666
2022 Industrias America 100R grader blade	7,900
Total Equipment Additions	\$ 183,873
CONSTRUCTION IN PROGRESS	
AIP 47 - New aviation fuel farm design	\$ 226,155
AIP - 48 Rwy. 12/30 rehabilitation design	212,161
AIP 49 Fuel Farm construction	1,359,805
AIP 50-51 Two MB snow plow carrier vehicles design	15,893
AIP-48 Terminal Parking rehab/expansion design	26,660
AIP-55 Terminal Bldg. rehab/expansion design	52,259
AFFF to F3 transition design	6,816
Above ground aviation fuel facility - Fuel Farm Bldg. 300	32,953
13 General Aviation box hangars	1,849,846
K-AIRES Center preliminary engineering	3,000
Hangar 509 restroom rehabilitation	9,220
Hangar 504 improvements	25,916
Hangar 626 Rehabilitaiton	3,303,269
Total Construction in Progress	\$ 7,123,953
TOTAL CAPITAL EXPENDITURES	\$ 7,868,650

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2015-A
December 31, 2023

Date of issue:	August 28, 2015
Amount of issue:	\$ 3,075,000
Interest rate:	1.50-3.55%
Maturity date:	September 1, 2025
Principal paid:	\$ 2,900,000
Outstanding balance:	\$ 175,000

Schedule of Bond Interest and Principal Payments

Due in <u>Year</u>	Bond <u>Interest</u>	Bond <u>Principal</u>
2024	\$ 6,043	\$ 85,000
2025	3,195	90,000
	\$ 9,238	\$ 175,000

Projects Funded:

Refunded Series 2005-A [Hangars 509 and 703 imps., Bldg. 1021 imps. and Bldg. 700 (FBO Terminal) construction]

Refunded Series 2007-A [Hangars 409 and 509 imps., executive hangar design, acquisition of air ambulance modular office]

MJ Kennedy Air Terminal Bldg. imps.

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2017-A
December 31, 2023

Date of issue:	July 12, 2017
Amount of issue:	\$ 10,255,000
Interest rate:	1.61-3.35%
Maturity date:	September 1, 2030
Principal paid:	\$ 1,360,000
Outstanding balance:	\$ 8,895,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 265,600	1,440,000
2025	228,160	1,475,000
2026	187,598	1,335,000
2027	148,883	1,100,000
2028	115,332	1,130,000
2029-2030	121,612	2,415,000
	\$ 1,067,185	\$ 8,895,000

Projects Funded:

Refunded Series 2009-B (Pumphouse 305 improvements, Bldgs. 120, 313, and 394 improvements; improvements to Hangar 409 and 703; General aviation hangar design and aircraft paint hangar design. Bldg. 814, 816, 1103 and 1088 demolition)

Refunded Series 2011-A (Hangar 600 construction, Hangar 606 renovation, Bldg. 620 renovation, Bldg. 655 and 620 improvements)

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2017-B
December 31, 2023

Date of issue:	July 17, 2017
Amount of issue:	\$ 4,835,000
Interest rate:	2.0-3.0%
Maturity date:	September 1, 2031
Principal paid:	\$ 150,000
Outstanding balance:	\$ 4,685,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 140,550	25,000
2025	139,800	25,000
2026	139,050	310,000
2027	129,750	585,000
2028	112,200	605,000
2029-2031	226,650	3,135,000
	\$ 888,000	\$ 4,685,000

Projects Funded:

Refunded Series 2009-A [Airfield capital improvements including helipad construction, Taxiway A pavement rehabilitation, security fence installation, perimeter road improvements, Rapid Intervention Vehicle and sweeper acquisition and Airport Industrial Center Subdivision watermain relocation]

Refunded Series 2011-B [Bldg. 702 construction and equipment (Aircraft Rescue and Fire Fighting Station), West Beechcraft Road improvements, Rwy 35 Precision Approach Path Indicator (PAPI) Pavement rehabilitation on Txy A, F & H.]

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2019-A
December 31, 2023

Date of issue:	July 10, 2019
Amount of issue:	\$ 675,000
Interest rate:	2.10-3.10%
Maturity date:	September 1, 2029
Principal paid:	\$ 250,000
Outstanding balance:	\$ 425,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 12,043	65,000
2025	10,385	70,000
2026	8,530	70,000
2027	6,605	70,000
2028	4,575	75,000
2029	2,325	75,000
	\$ 44,463	\$ 425,000

Projects Funded:

Permanently financed 2016-1 Temporary Notes (Rwy. 17/35 slurry seal, airfield markings and imps., Taxiway E rehabilitation (local match), Tank 784 painting, ARFF 4 Foam system retrofit)

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2021-A
December 31, 2023

Date of issue:	August 17, 2021
Amount of issue:	\$ 2,345,000
Interest rate:	0.25-2.00%
Maturity date:	September 1, 2036
Principal paid:	\$ 290,000
Outstanding balance:	\$ 2,055,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 30,305	145,000
2025	29,580	150,000
2026	28,455	150,000
2027	26,955	150,000
2028	25,305	150,000
2029-2036	112,870	1,310,000
	\$ 253,470	\$ 2,055,000

Projects Funded:

Hangars 959 and 504 improvements

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2023-A
December 31, 2023

Date of issue:	June 7, 2023
Amount of issue:	\$ 1,000,000
Interest rate:	4.30%
Maturity date:	September 1, 2032
Principal paid:	\$ -
Outstanding balance:	\$ 1,000,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 53,033	-
2025	43,000	-
2026	43,000	-
2027	43,000	-
2028	43,000	-
2029-2032	172,000	1,000,000
	<u>\$ 397,033</u>	<u>\$ 1,000,000</u>

Projects Funded:

Bldg. 595 Improvements

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS (Subject to AMT)
SERIES 2023-B
December 31, 2023

Date of issue:	June 7, 2023
Amount of issue:	\$ 8,870,000
Interest rate:	1.50-3.55%
Maturity date:	September 1, 2039
Principal paid:	\$ -
Outstanding balance:	\$ 8,870,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 456,780	-
2025	370,363	-
2026	370,363	-
2027	370,363	-
2028	370,363	-
2029-2039	2,913,363	8,870,000
	<u>\$ 4,851,593</u>	<u>\$ 8,870,000</u>

Projects Funded:

Above Ground Aviation Fuel Facility

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2023-C
December 31, 2023

Date of issue:	June 7, 2023
Amount of issue:	\$ 6,855,000
Interest rate:	4.00%
Maturity date:	September 1, 2043
Principal paid:	\$ -
Outstanding balance:	\$ 6,855,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2024	\$ 338,180	-
2025	274,200	-
2026	274,200	-
2027	274,200	-
2028	274,200	-
2029-2043	3,676,800	6,855,000
	\$ 5,111,780	\$ 6,855,000

Projects Funded:

Acquisition of land Schwan's expansion, GA Hangars and public restroom, Terminal concourse remodel Bldg. 595 warehouse remodel, Hangar 626 renovation, Hangar 606 and 626 aircraft apron and taxi land improvements

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023-1
December 31, 2023

Date of issue:	December 6, 2023
Amount of issue:	\$ 5,000,000
Interest rate:	5.01%
Maturity date:	December 1, 2024
Principal paid:	\$ -
Outstanding balance:	\$ 5,000,000

Schedule of Bond Interest and Principal Payments

Due in <u>Year</u>	Bond <u>Interest</u>	Bond <u>Principal</u>
2024	\$ 247,021	5,000,000

Projects Funded:

Above Ground Aviation Fuel Facility

SALINA AIRPORT AUTHORITY
TAXABLE LEASE PURCHASE AGREEMENT
2020
December 31, 2023

Date of issue:	August 12, 2020
Amount of issue:	\$ 460,000
Interest rate:	3.300%
Maturity date:	September 1, 2030
Principal paid:	\$ 122,899
Outstanding balance:	\$ 337,101

Schedule of Lease Interest and Principal Payments

Due in <u>Year</u>	Lease <u>Interest</u>	Lease <u>Principal</u>
2024	\$ 10,768	43,560
2025	9,318	45,009
2026	7,821	46,507
2027	6,274	48,054
2028	4,675	48,653
2029-2030	4,338	105,318
	<u>\$ 43,194</u>	<u>\$ 337,101</u>

Projects Funded:

Rehabilitation of Bldg. 824 and associated equipment yard for Durham School Services (transportation company)

SALINA AIRPORT AUTHORITY
INSURANCE IN FORCE
December 31, 2023

<u>Insurance Policy</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Old Republic Insurance Company Pol. #0CAV04369407	Worker's compensation and employer's liability	\$ 1,000,000
Old Republic Insurance Company Pol. #PR00262109	Bodily Injury & liability	\$ 2,000,000
	Hangar keepers	\$ 1,000,000
	Employee benefit liability	\$ 2,000,000
Zurich Pol. #ERP4509814-04	Deluxe property-building, contents, stock, business income	\$ 70,000,000
Cincinnati Insurance Companies Pol. #ENP0563029	Vehicles & equipment auto liability	
	Bodily injury/property damage	\$ 1,000,000
	Medical payments	\$ 5,000
	Uninsured motorists	\$ 1,000,000
	Underinsured motorist	\$ 1,000,000
	Physical damage, per schedule	
Cincinnati Insurance Companies Pol. #ENP0563029	Inland marine - equipment	\$ 1,966,535
Hartford Fire Insurance Company Pol. #37FA0293328-23	Crime policy	
	Employee theft, forgery, alteration, computer	\$ 250,000
ACE American Insurance Company Pol. #G71465974 005	Public officials and employment practices liability	
	Each claim	\$ 2,000,000
	Aggregate limit	\$ 2,000,000
Great American Alliance Ins. Co. Pol. # KST7882933-29	Underground storage tank liability	
	Each incident	\$ 1,000,000
	Aggregate limit	\$ 1,000,000
	Defense expense limit each incident	\$ 100,000
Beazley Insurance Company Pol. # W32033230201	Commercial Cyber Insurance	
	Each incident	\$ 2,000,000
	Aggregate limit	\$ 2,000,000

STATISTICAL Table of Contents

This part of the Salina Airport Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends 73-77

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Debt Capacity 78-79

This schedule presents information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Revenue Capacity 80-81

These schedules contain information to help the reader assess the government's revenue source.

Operating Information 82

This schedule contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Demographic and Economic Information 83-86

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

SALINA AIRPORT AUTHORITY
TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION HISTORY
FOR YEARS ENDED DECEMBER 31,

	2014	2015	2016
TOTAL REVENUES			
OPERATING REVENUES			
Airfield	\$ 572,681	\$ 529,973	\$ 530,889
Fuel flowage fees	150,110	189,532	145,280
Building and land rent	1,136,063	1,068,335	1,174,553
Other revenue	50,499	88,663	106,144
TOTAL OPERATING REVENUES	1,909,353	1,876,503	1,956,866
TOTAL EXPENSES			
OPERATING EXPENSES			
Administrative	1,198,445	1,253,045	1,183,681
Maintenance	860,760	698,173	714,188
TOTAL OPERATING EXPENSES	2,059,205	1,951,218	1,897,869
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(149,852)	(74,715)	58,997
DEPRECIATION	2,588,599	2,584,667	2,569,109
OPERATING LOSS	(2,738,451)	(2,659,382)	(2,510,112)
NON-OPERATING INCOME AND (EXPENSES)			
Mill levy	1,993,889	2,028,074	2,017,013
Interest on investments and financing lease	437	286	3,387
Interest expense	(1,087,440)	(1,109,013)	(964,113)
Interest income - leases	-	-	-
Bond Issue Costs	-	-	(8,329)
AIM Center Costs	-	-	-
Gain (loss) on sale of assets	50,904	48,289	6,903
TOTAL NON-OPERATING INCOME AND (EXPENSES)	957,790	967,636	1,054,861
LOSS BEFORE CAPITAL CONTRIBUTIONS AND EXTRAORDINARY	(1,780,661)	(1,691,746)	(1,455,251)
Capital Contributions	799,762	217,112	943,219
Wind Damage Repairs	-	-	-
INCREASE (DECREASE) IN NET POSITION	(980,899)	(1,474,634)	(512,032)
NET POSITION AT YEAR END COMPOSED OF:			
Net investment in capital assets	24,510,104	22,516,034	21,862,166
Restricted	-	-	-
Unrestricted	(262,584)	(280,767)	(138,931)
	\$ 24,247,520	\$ 22,235,267	\$ 21,723,235

SALINA AIRPORT AUTHORITY
TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION HISTORY
FOR YEARS ENDED DECEMBER 31,

2017	2018	2019	2020	2021	2022	2023
\$ 510,263	\$ 586,108	\$ 742,672	\$ 750,570	\$ 897,538	\$ 1,082,349	\$ 1,181,988
202,728	194,647	185,249	190,668	180,417	213,067	188,330
1,310,833	1,383,282	1,349,788	1,543,756	1,634,639	1,692,642	1,784,108
189,476	335,855	155,249	167,352	121,073	130,518	110,528
2,213,300	2,499,892	2,432,958	2,652,346	2,833,667	3,118,576	3,264,954
1,264,135	1,567,514	1,524,897	1,630,020	1,734,025	1,999,924	2,118,519
896,488	863,656	830,538	841,705	1,076,971	1,136,239	1,037,366
2,160,623	2,431,170	2,355,435	2,471,725	2,810,996	3,136,163	3,155,885
52,677	68,722	77,523	180,621	22,671	(17,587)	109,069
2,593,092	2,761,019	2,898,650	3,016,267	3,065,984	3,472,824	3,839,916
(2,540,415)	(2,692,297)	(2,821,127)	(2,835,646)	(3,043,313)	(3,490,411)	(3,730,847)
2,043,302	2,338,967	2,371,463	2,639,481	2,570,657	2,431,667	2,719,303
974	3,745	17,954	2,161	1,311	8,383	317,703
(573,533)	(827,143)	(840,390)	(771,821)	(738,945)	(708,917)	(977,488)
-	-	-	-	109,922	105,299	219,533
(147,664)	-	(73,185)	(44,885)	(84,270)	(11,640)	(464,709)
-	-	-	-	-	-	(188,843)
22,081	5,375	21,263	(2,395,710)	154,774	60,778	15,498
1,345,160	1,520,944	1,497,105	(570,774)	2,013,449	1,885,570	1,640,997
(1,195,255)	(1,171,353)	(1,324,022)	(3,406,420)	(1,029,864)	(1,604,841)	(2,089,850)
1,280,204	1,474,356	1,727,674	2,100,818	2,717,177	5,447,345	1,956,562
-	-	-	-	-	(155,326)	(14,704)
84,949	303,003	403,652	(1,305,602)	1,687,313	3,687,178	(147,992)
19,753,708	22,491,023	21,698,665	18,717,283	20,063,412	24,694,502	23,698,045
-	-	-	-	-	-	-
2,054,476	(391,890)	804,120	2,479,900	2,858,454	1,914,542	2,763,007
\$ 21,808,184	\$ 22,099,133	\$ 22,502,785	\$ 21,197,183	\$ 22,921,866	\$ 26,609,044	\$ 26,461,052

SALINA AIRPORT AUTHORITY
CHANGES IN CASH AND CASH EQUIVALENTS HISTORY
FOR YEARS ENDED DECEMBER 31,

	2014	2015	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from providing services	\$ 1,849,824	\$ 1,922,061	\$ 1,868,694
Cash paid to employees for services	(731,571)	(698,148)	(724,184)
Cash paid to suppliers for goods and services	(1,170,505)	(1,292,263)	(1,124,098)
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	(52,252)	(68,350)	20,412
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of property, plant and equipment	(1,348,143)	(301,637)	(1,489,872)
Acquisition of land subsequently donated (net)	-	-	-
Proceeds from capital grants	799,762	92,414	943,219
Change in grants receivable	-	-	(573,638)
Proceeds from property tax	1,993,889	2,028,074	2,017,013
Proceeds from sale of capital assets	81,652	48,289	20,489
Principal payments on debt	(972,729)	(1,007,271)	(1,095,956)
Proceeds of new borrowing	-	722,161	657,000
Wind damage repairs	-	-	-
Deferred advanced refunding	-	-	-
Interest received on lease receivable	-	-	-
Bond defeasance and issue costs paid	-	(43,159)	(8,329)
Interest paid on long-term debt	(1,099,052)	(1,042,465)	(972,452)
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	(544,621)	496,406	(502,526)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on deposits	437	286	3,387
NET INCREASE (DECREASE) IN CASH	(596,436)	428,342	(478,727)
CASH, beginning of year	887,178	290,742	719,084
CASH, end of year	\$ 290,742	\$ 719,084	\$ 240,357

SALINA AIRPORT AUTHORITY
CHANGES IN CASH AND CASH EQUIVALENTS HISTORY
FOR YEARS ENDED DECEMBER 31,

2017	2018	2019	2020	2021	2022	2023
\$ 2,162,372	\$ 2,621,123	\$ 1,730,112	\$ 3,109,625	\$ 1,629,283	\$ 4,036,881	\$ 2,317,852
(821,501)	(845,650)	(841,568)	(854,885)	(921,910)	(1,004,205)	(1,125,459)
(1,249,957)	(578,006)	(1,616,484)	(2,133,137)	(1,133,826)	(2,405,022)	(2,639,106)
90,914	1,197,467	(727,940)	121,603	(426,453)	627,654	(1,446,713)
(2,073,730)	(2,851,457)	(3,182,404)	(1,501,297)	(3,370,794)	(8,832,973)	(6,468,902)
-	-	-	(2,061,088)	-	-	-
1,280,204	1,474,356	1,727,674	2,100,818	2,717,177	5,447,345	1,956,562
573,638	-	-	-	-	-	-
2,043,302	2,338,967	2,371,463	2,639,481	2,570,657	2,431,667	2,719,303
32,990	5,375	55,120	-	193,240	79,445	29,653
(1,253,283)	(2,646,876)	(5,337,744)	(1,428,211)	(3,772,338)	(1,708,019)	(8,395,824)
2,831,470	-	6,380,000	2,560,000	5,866,454	1,000,000	21,757,112
-	-	-	-	-	(155,326)	(14,704)
(1,391,470)	-	-	-	-	-	-
-	-	-	-	109,922	105,299	219,533
(147,664)	-	(73,185)	(44,885)	(84,271)	(11,641)	(464,709)
(613,911)	(879,978)	(831,307)	(787,723)	(757,018)	(707,194)	(680,091)
1,281,546	(2,559,613)	1,109,617	1,477,095	3,473,029	(2,351,397)	10,657,933
974	3,745	17,954	2,161	1,311	8,383	317,703
1,373,434	(1,358,401)	399,631	1,600,859	3,047,887	(1,715,360)	9,528,923
240,357	1,613,791	255,390	655,021	2,255,880	5,303,767	3,588,407
\$ 1,613,791	\$ 255,390	\$ 655,021	\$ 2,255,880	\$ 5,303,767	\$ 3,588,407	\$ 13,117,330

Salina Airport Authority

CAPITAL EXPENDITURE HISTORY

Ten Years Ended December 31, 2023

<u>Fiscal Year</u>	<u>Equipment</u>	<u>Building Additions</u>	<u>Land</u>	<u>Airfield</u>	<u>Construction in Progress</u>	<u>Total Capital Expenditures</u>
2014	76,670	361,842	44,405	490,653	371,219	1,344,789
2015	144,676	57,048	20,379	30,131	71,623	323,857
2016	105,467	321,854	14,062	23,799	1,024,688	1,489,870
2017	226,478	140,422	30,617	385,751	1,290,462	2,073,730
2018	983,492	114,367	77,012	1,793,701	8,921	2,977,493
2019	388,382	2,461,044	201,006	8,675	123,297	3,182,404
2020	207,158	682,393	43,066	382,089	186,591	1,501,297
2021	931,013	485,934	46,198	128,021	1,779,630	3,370,796
2022	41,800	4,288,924	-	6,506,251	386,507	11,223,482
2023	183,873	398,612	-	162,210	7,123,953	7,868,648

Source: Salina Airport Authority Records

Salina Airport Authority
General Obligation Debt Service Coverage
Ten Fiscal Years Ended December 31, 2023

Fiscal Year	November Assessed Valuation	Motor Vehicle Valuation	Valuation Total	GO Bond Capacity of Valuation Total	General Obligation Debt	Revenue Bond Debt	Special Assessment Debt	Financing Leases / Other Loans Payable	GO Temporary Notes	Total Outstanding Debt (All Types)	Remaining GO Capacity	Percentage of Personal Income	Total Debt Per Capita
2014	407,454,378	48,865,900	456,320,278	45,632,028	22,974,555	-	48,949	107,966	-	23,131,470	22,657,473	1.00%	415
2015	416,174,805	50,350,566	466,525,371	46,652,537	22,791,329	-	30,465	55,696	-	22,877,490	23,861,208	0.95%	411
2016	425,040,911	51,833,505	476,874,416	47,687,442	21,770,268	-	11,268	-	657,000	22,438,536	25,260,174	0.91%	407
2017	430,490,209	50,970,796	481,461,005	48,146,101	21,910,515	-	9,207	-	2,097,000	24,016,722	24,138,586	0.94%	439
2018	434,451,245	53,336,676	487,787,921	48,778,792	20,705,792	-	7,054	-	657,000	21,369,846	27,416,000	0.81%	393
2019	454,467,318	54,687,311	509,154,629	50,915,463	20,157,297	-	4,805	-	2,250,000	22,412,102	28,508,166	0.81%	413
2020	456,352,518	54,589,132	510,941,650	51,094,165	18,731,436	-	2,455	460,000	4,350,000	23,543,891	28,012,729	0.85%	437
2021	459,861,906	56,545,812	516,407,718	51,640,772	19,572,949	-	-	420,058	5,645,000	25,638,007	26,422,823	0.86%	476
2022	503,880,021	54,903,252	558,783,273	55,878,327	17,905,730	-	-	379,258	6,645,000	24,929,988	31,327,597	0.81%	465
2023	531,447,506	55,673,641	587,121,147	58,712,115	32,954,176	-	-	337,101	5,000,000	38,291,277	20,757,939	1.19%	721

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.
The special assessment and financing lease/other loans payable debt figures are shown for informational purposes only and not required by statute to be included in the remaining capacity calculation.
See the Schedule of Demographic and Economic Statistics on page 84 for personal income and population data.

Salina Airport Authority

LOCAL GOVERNMENT MILL LEVY RATES, DIRECT AND OVERLAPPING

Ten Years Ended December 31, 2023

<u>Fiscal Year</u>	<u>Saline County</u>	<u>City of Salina</u>	<u>Unified School Dist. #305</u>	<u>Salina Airport Authority</u>	<u>Salina Public Library</u>	<u>State of Kansas</u>	<u>Other Special Taxing Districts</u>	<u>Total</u>
2014	38.047	27.080	55.605	4.486	6.034	1.5	1.285	134.037
2015	38.275	27.311	56.12	4.396	5.895	1.5	1.502	134.999
2016	37.508	27.603	55.743	4.396	5.893	1.5	1.51	134.153
2017	37.321	26.129	56.501	4.992	5.989	1.5	1.475	133.907
2018	38.437	28.394	57.522	4.998	6.014	1.5	1.476	138.341
2019	41.097	29.720	55.508	5.372	5.913	1.5	1.198	140.308
2020	40.606	30.650	55.454	5.037	5.88	1.5	1.206	140.333
2021	39.782	30.452	54.903	4.838	6.028	1.5	1.196	138.699
2022	38.860	30.348	53.425	4.968	5.51	1.5	1.111	135.722
2023	39.867	29.616	54.461	6.19	5.614	1.5	1.057	138.305

Note:

Funds generated from the Salina Airport Authority's 2023 mill levy become available during calendar year 2024 and are budgeted accordingly.

**Salina Airport Authority
Principal Customers
Current and Ten Years Ago**

Company	2023			2013		
	<u>Income</u>	<u>Rank</u>	<u>Percentage of Total Income</u>	<u>Income</u>	<u>Rank</u>	<u>Percentage of Total Income</u>
1 Vision Aviation	\$ 653,099	1	20.94%	\$ -	-	-
Avflight Salina	337,141	2	10.81%	-	-	-
Kansas Erosion Products, L.L.C.	283,413	3	9.09%	-	-	-
Stryten Salina, L.L.C.	218,505	4	7.01%	-	0	-
SFC Global Supply Chain	116,984	5	3.75%	106,645	5	5.16%
Universal Forest Products (UFP)	114,516	6	3.67%	48,980	9	2.37%
Kansas State University-Salina	112,170	7	3.60%	59,261	8	2.87%
1st Infantry Division - Fort Riley	68,730	8	2.20%	-	-	-
Garnter Refrigeration, Inc.	63,315	9	2.03%	-	-	-
Durham School Services, L.P.	61,050	10	1.96%	-	-	-
Kansas Military Board	-	-	-	632,215	1	30.57%
JRM Enterprises, Inc, d/b/a America Jet (formerly Moore's Midway Aviation)	-	-	-	133,703	2	6.47%
Flower Aviation	-	-	-	118,016	3	5.71%
Learjet Inc.	-	-	-	86,111	4	4.16%
Tischlerei-Fine Woodworking, LLC	-	-	-	69,719	6	3.37%
Two Rivers Vending Co., Inc.	-	-	-	60,505	7	2.93%
CAV Aerospace	-	-	-	41,903	10	2.03%
	<u>\$ 2,028,923</u>		<u>65.06%</u>	<u>\$ 1,357,058</u>		<u>65.64%</u>

Source: Salina Airport Authority Records

Salina Airport Authority

MILL LEVY REVENUE

Ten Years Ended December 31, 2023

<u>Fiscal Year</u>	<u>Mil Levy Revenue</u>
2014	1,993,889
2015	2,028,074
2016	2,017,013
2017	2,043,302
2018	2,338,967
2019	2,371,463
2020	2,639,481
2021	2,570,657
2022	2,431,667
2023	2,719,303

Source: Salina Airport Authority Records

Salina Airport Authority

AIR TRAFFIC, FUEL FLOWAGE AND ENPLANEMENT TRENDS

Ten Years Ended December 31, 2023

<u>Fiscal Year</u>	<u>Air Traffic Operations</u>	<u>Fuel Flowage Gallons</u>	Passenger Enplanements		<u>Total Enplanements</u>
			<u>Scheduled Air Carrier</u>	<u>Non-Scheduled Air Carrier</u>	
2014	91,101	1,971,061	2,138	418	2,556
2015	96,350	2,487,603	1,124	8,955	10,079
2016	77,111	1,860,912	3,257	710	3,967
2017	61,141	2,622,158	8,877	4,973	13,850
2018	69,293	2,414,825	14,642	5,657	20,299
2019	76,553	2,278,659	19,710	1,479	21,189
2020	60,448	2,295,009	6,331	4,230	10,561
2021	80,970	2,096,198	18,353	1,054	19,407
2022	68,262	2,371,173	18,458	2,725	21,183
2023	81,719	2,069,378	14,451	629	15,080

Note:

One air traffic operation equals one aircraft takeoff and landing

Sources:

Salina Airport Authority Records

Federal Aviation Administration Office of Airport Planning and Program

Salina Airport Authority

Principal Employers

Current Year and Ten Years Prior

Employer	2023			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Salina Regional Health Center	1,900	1	7.4%	1,662	1	5.7%
Unified School District No. 305	1,600	2	6.3%	1,547	2	5.4%
Great Plains Manufacturing	950	3	3.7%	672	4	2.3%
Schwan's Global Supply Chain, Inc.	900	4	3.5%	1,400	3	4.8%
Stryten Manufacturing (formerly Exide Technologies)	800	5	3.1%	672	5	2.3%
City of Salina	440	6	1.7%	424	7	1.5%
Salina Vortex	405	7	1.6%			
Saline County	335	8	1.3%			
St. Francis Ministries	300	9	1.2%			
Wal-Mart	250	10	1.0%	362	9	1.3%
Dillons Stores				415	8	1.4%
Philips Lighting Company				450	6	1.6%
Solomon Corporation				344	10	1.2%
Total	7,880		30.8%	7,948		27.5%

Source: Salina Area Chamber of Commerce

Salina Regional Airport and Salina Airport Industrial Center
 Airport/Industrial Center Information
 As of December 31, 2023

Airport Code SLN
Location: 3 miles Southwest of City of Salina
Elevation 1,288 ft.
Tower: Midwest ATC 0700 - 2300 -365
FBO: AvFlight

		<u>2013</u>	<u>2023</u>
Acreage +/-	Airport	2,502	2,502
	Airport Industrial Center	396	347
Runways :	35/17 North/South ILS/GPS/VOR/NDB	12,301 x 150 ft.	12,301 x 150 ft.
	30/12 Southeast/northwest GPS	6,510 x 100 ft.	6,510 x 100 ft.
	36/18 North/South	4,301 x 75 ft.	4,301 x 75 ft.
	22/4 West/East	3,648 x 75 ft.	3,648 x 75 ft.
Aircraft Rescue & Fire Fighting Facility	ARFF Station - sq.ft.	10,000	10,000
Commercial Air Service Terminal	M.J. Kennedy Air Terminal Bldg. - sq. ft.	10,750	14,993
	Vehicle parking spaces	123	331
	Number of Rental Car Agencies in Terminal	1	1
Apron	Commercial Service Ramp - sq. ft.	541,218	541,218
	FBO - sq. ft.	319,596	319,596
	KS National Guard - sq. ft.	261,523	261,523
	General Aviation / Other - sq. ft.	1,896,664	1,896,664
Buildings	Sq. Ft.	1,051,631	1,154,888
Employees	Airport Authority		
	Administration	5	5
	Operations	9	11
	Total Airport Authority Employees	<u>14</u>	<u>16</u>

Source: Salina Airport Authority Records

Salina Airport Authority
Saline County Demographic and Economic Statistics
 Last Ten Fiscal Years

<u>Year</u>	<u>Population¹</u>	<u>Per Capita Personal Income²</u>	<u>Total Personal Income²</u>	<u>Median Age³</u>	<u>Unemployment Rate⁴</u>	<u>K-12 Graduation Rate⁵</u>	<u>K-12 Enrollment⁵</u>
2014	55,755	43,552	2,323,471,000	36.5	4.3%	86.8%	8,895
2015	55,691	44,310	2,402,805,000	37.7	4.2%	87.1%	9,196
2016	55,142	46,020	2,458,069,000	37.6	3.7%	88.5%	9,114
2017	54,734	47,945	2,556,152,000	37.6	3.2%	84.4%	8,992
2018	54,401	47,945	2,633,996,000	37.9	3.1%	85.5%	8,975
2019	54,224	49,983	2,753,643,000	38.4	3.0%	87.2%	8,527
2020	53,926	53,320	2,781,462,000	38.4	6.7%	92.9%	8,167
2021	53,888	55,403	2,982,199,000	38.6	3.8%	91.8%	8,172
2022	53,596	57,343	3,061,475,000	39.9	2.2%	88.1%	8,506
2023	53,098	60,591	3,217,250,000	n/a	1.8%	83.8%	8,492

Data Sources:

¹Kansas Division of Budget

² Bureau of Economic Analysis

³U.S. Census Bureau

⁴ Bureau of Labor Statistics

⁵Kansas Department of Education

notes: n/a= information not yet available

Largest Taxpayers

According to the Saline County Clerk's Office, the following table lists the largest taxpayers in the City, their November 2023 assessed valuations, and the percentage each taxpayer comprised of the total assessed valuation of the City.

<u>Company</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u>
Evergy, Inc.	Utility	\$13,690,298	2.33%
SFC Global Supply Chain Inc	Manufacturing	7,345,168	1.25
Kansas Gas Service	Utility	5,935,323	1.01
RAF Salina LLC	Retail Shopping Center	3,986,505	0.68
Lighthouse Properties III Inc.	Hotel	3,234,863	0.55
S&B Motels	Motel	2,991,301	0.51
Salina Regional Health Properties	Medical	2,589,001	0.44
Union Pacific Railroad	Railroad	2,407,233	0.41
Dominion Resources LLC	Retail	2,163,076	0.37
Wal-Mart Real Estate	Retail	<u>2,030,050</u>	<u>0.35</u>
Total		\$46,372,818	7.90%

Property Tax Collections

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are penalized at a statutorily prescribed rate until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale in July of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal property taxes are assessed, due and may be paid in the same manner as real estate taxes. Motor vehicle property taxes are based on valuations provided by the Kansas Department of Revenue and the county average tax rate for the county in which the vehicle is registered. Motor vehicle taxes are payable to the county treasurer at the time of the vehicle's annual registration. Vehicle registration dates are assigned by the State in a manner such as to equal registration over a twelve-month period. Motor vehicle taxes are distributed by the county to the state, city and other taxing jurisdictions based on their proportionate tax levies. Delinquent personal and motor vehicle taxes are penalized at the same rate as delinquent real property taxes. The following is a summary of tax collections for the Authority in the years shown.

<u>Levy</u>	<u>Tax Year</u>	<u>Taxes Rate</u>	<u>Tax Collections Levied</u>	<u>Tax Collections Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	2023	5.208	\$3,264,797	\$3,207,336	98.24%	\$3,218,039	98.57%
	2022	4.968	2,491,633	2,450,285	98.34	2,479,869	99.53
	2021	4.838	2,214,613	2,177,974	98.35	2,211,495	99.86
	2020	5.037	2,273,827	2,251,285	99.01	2,266,239	99.67
	2019	5.372	2,413,660	2,356,433	97.63	2,412,115	99.94
	2018	4.998	2,152,299	2,107,328	97.91	2,151,410	99.96
	2017	4.992	2,132,134	2,082,567	97.68	2,131,568	99.97
	2016	4.396	1,841,679	1,802,833	97.89	1,841,353	99.98
	2015	4.396	1,804,238	1,768,092	98.00	1,803,974	99.99

*As of September 2024

Source: Saline County

SALINA AIRPORT AUTHORITY

Single Audit Information

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Salina Airport Authority
Salina, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* 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 the business-type activities of **Salina Airport Authority**, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise **Salina Airport Authority's** basic financial statements, and have issued our report thereon dated January 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Salina Airport 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 **Salina Airport Authority's** internal control. Accordingly, we do not express an opinion on the effectiveness of **Salina Airport 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 **Salina Airport 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

Salina Airport Authority

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disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC

Certified Public Accountants
Great Bend, Kansas

January 15, 2025

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Salina Airport Authority
Salina, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Salina Airport Authority's** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Salina Airport Authority's** major federal programs for the year ended December 31, 2023. **Salina Airport Authority's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Salina Airport Authority** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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; 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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Salina Airport 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 **Salina Airport 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 **Salina Airport Authority's** federal programs.

Auditors' 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 **Salina Airport 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 generally accepted auditing standards, *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 **Salina Airport Authority's** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 **Salina Airport 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 **Salina Airport 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 **Salina Airport 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies

Salina Airport Authority

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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.

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.

A handwritten signature in black ink that reads "Adams Brown, LLC". The signature is written in a cursive, flowing style.

ADAMSBROWN, LLC

Certified Public Accountants

Great Bend, Kansas

January 15, 2025

SALINA AIRPORT AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Transportation				
Direct Funding				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs	20.106	3-20-0072-042-2021	\$ -	184,496
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs	20.106	3-20-0072-047-2022	-	203,989
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airport Programs	20.106	3-20-0072-048-2023	-	178,957
Total U.S. Department of Transportation			-	567,442
U.S. Department of Homeland Security				
Passed Through Kansas Adjutant General Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4449-DR-KS	-	1,091,136
U.S. Department of the Treasury				
COVID-19 Funding				
Passed Through Kansas Department of Commerce Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24-ALO-SAL	-	291,589
Total Expenditures of Federal Awards			\$ -	1,950,167

SALINA AIRPORT AUTHORITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Salina Airport Authority** under programs of the federal government for the year ended December 31, 2023. The information in this 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* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the business-type activities of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance cost principles, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 4 – OTHER EXPENDITURES

The Authority did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended December 31, 2023.

SALINA AIRPORT AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? Yes X No
- Significant deficiency identified? Yes X None reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? X No
- Significant deficiency identified? X None reported

Type of auditors' report issued on compliance for major programs: Unmodified

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

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

SALINA AIRPORT AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted in current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.



Chair
Stephanie Carlin

Vice Chair
Donald Boos

Secretary
John O'Brien

Treasurer
Ryan Commerford

Past Chairman
Tod Roberg

Executive Director Pieter Miller, C.M.

Dir. of Administration & Finance Michelle R. Swanson, C.M. **Dir. of Facilities & Construction** Maynard Cunningham **Dir. of Operations** David Sorell
Business & Communications Manager Kasey L. Windhorst **Board Attorney** Greg A. Bengtson **Airport Admin. Specialist** Michelle Moon

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended December 31, 2022.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

SALINA Airport *Authority*

Salina Regional
SLN Airport

SALINA Airport
Industrial Center

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