



Certified Public Accountants

METROPOLITAN TOPEKA AIRPORT AUTHORITY

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

METROPOLITAN TOPEKA AIRPORT AUTHORITY
 FINANCIAL STATEMENTS
 Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Metropolitan Topeka Airport Authority (the Authority) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2020 and 2019, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the accompanying table of contents, including the budgetary comparison schedules, the schedules of revenue and general expenses, the schedules of passenger facility charges collected and expensed, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary 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. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021 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.

BT + Co., P.A.

May 11, 2021
Topeka, Kansas

**Metropolitan Topeka Airport Authority
Management Discussion and Analysis
Years Ended December 31, 2020 and 2019**

INTRODUCTION

Board of Directors

Lisa D. Stubbs, Chair
Thomas E. Wright, Vice-Chair
Michael R. Munson, Secretary
Jim Rinner
Erica Garcia-Babb

Executive Staff

Eric M. Johnson, President
Cheryl A. Trobough, Director of Administration and Finance
Col. John T. O'Grady, Chief of Police & Fire
Maj. Gregory D. Dunn, Asst. Chief of Police & Fire
Rod L. Niehaus, Director of Maintenance
Terry L. Poley, Assistant Director of Maintenance

Overview

In 1978 the Metropolitan Topeka Airport Authority (MTAA), formed under KSA 27-327 through 27-330, was instituted as an autonomous agency responsible for the administration of Forbes Field, the Philip Billard Airport and the Topeka Air Industrial Park (TAIP) located at Forbes Field, in Topeka, Kansas. In 2012, the Board of Directors voted to rename the commercial airport/industrial park from Forbes Field/Topeka Air Industrial Park to Topeka Regional Airport and Business Center, maintaining the name of Forbes Field for the airfield as it was dedicated in the memory of Maj. Daniel H. Forbes in 1949. The area administered by the MTAA under its mandate covers in excess of 4,000 acres with the Business Center covering 450 acres.

The MTAA receives its operational and capital funding from certain state and local tax programs, including a Shawnee County property tax mil levy, as well as from self-generated income such as land leases, landing fees, fuel flowage fees, etc. Various government grant funds are also received to help offset the cost of various airport improvements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance and activity of the MTAA is to provide an introduction to and an understanding of the basic financial statements of the MTAA for the years ended December 31, 2020 and 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto.

Goals

MTAA's continued goal for the year 2020 was to increase self-generated revenues, such as land lease revenues, building revenues, fuel flowage fees etc. so as to reduce the level of public support necessary to keep its facilities in operation. In budgeting for the year 2020, management stressed keeping expenses at a conservative yet realistic level and setting achievable levels for non-tax revenue increases. The reconstruction of the primary runway at Topeka Regional Airport was necessary for the continued operation of the airport to its full capability. Due to the funding required for the multi-year major construction project, the mil levy imposed by the MTAA significantly increased in 2014 and has remained steady with the mil levy for 2020 at 2.032. As in the past, management felt that several Government grants had to be obtained in order to make necessary capital improvements to the MTAA's facilities.

A Look Back at 2020

The fiscal year 2020 proved to be a challenging year for the MTAA, maybe not as challenging as it was for a large part of the business world. We were able to maintain normal business hours, retaining full-staff on payroll while maneuvering through obstacles of COVID-quarantine periods. With the vast reduction in air traffic, we experienced reduction in landing fees, flowage fees and Passenger Facility Charges. Our tenants, for the most part, survived the financial struggles of the pandemic in 2020. We are hopeful for the country's financial recovery as we move into 2021.

Activity Highlights

Capital Improvements

- Federal Grants received:
 - Topeka Regional Airport and Philip Billard Airport received a total of \$16,897,555 as a portion of the Coronavirus Aid, Relief, and Economic Security (CARES) Act from the Federal Aviation Administration. Planning got underway for the projects to be accomplished with this funding, including a Snow Removal Equipment (SRE) building at Topeka Regional Airport; replacement of the Airport Terminal building at Philip Billard Airport; and replacement of aviation fuel farm at Topeka Regional Airport. In 2020 \$23,508 was earned from this grant.
- Federal grant cash receipts totaling \$2,539,937 were received from the FAA through the Airport Improvement Program (AIP) for Topeka Regional Airport and Philip Billard Airport in 2020. The funds received were reimbursement for projects as follows:

Topeka Regional Airport (FOE):

- FAA AIP #3-20-0113-37 – FAA grant revenue of \$360,116 was received for the Phase 2 construction of the Reconstruction of Runway 13-31. (In addition to the FAA grant revenue, there was also \$438,684 of Federal revenue received from US DOD on behalf of the National Guard Bureau and the 190th Air Refueling Wing of the Kansas Air National Guard for Phase 2 construction of the Reconstruction of Runway 13-31).

There was also a repayment of funds received from the FAA relating to a reimbursable agreement with FAA Technical Operations in the amount of (\$80,544).

The Runway 13-31 project has been completed and project close-out will be done in 2021.

Philip Billard Airport (TOP):

- FAA AIP #3-20-0082-21 - FAA grant revenue of \$2,260,365 was received for the construction phase of the Taxiway Bravo & Charlie Reconstruction.
- Other improvements to the infrastructure included the MTAA's continued repair and building maintenance on property throughout the complex to expand leasing opportunities.

Topeka Regional Business Center:

- 6540 SE Johnston St. – Partnered with the long-time tenant, Blue Jazz Java, LLC, on building renovations and the installation of a new HVAC system;
- 6424 SE Johnston St. – Some building renovations (i.e. new lighting; office and bathroom remodel; and roof repairs) were completed in this 2,720 square foot building and the building was leased to a new tenant, Phoenix Recovery of Kansas, LLC. Metal siding was purchased and the MTAA Maintenance Department will complete installation in 2021;

Topeka Regional Airport:

- 740 SE Airport Drive – Construction was completed on the restroom renovations for the secure passenger seating area.

➤ Pavement Projects at Topeka Regional Business Center:

- The 2020 pavement project involved the reconstruction of SE Axton Street. This project included full-width replacement of the entire length of the street with the addition of curb and gutters. Construction was set to take place in two phases to allow the tenants to continue business operations. Sunflower Paving, Inc. began construction in mid-July and completed in mid-October. Project costs, including all engineering services and the construction of a loading dock on the south-side of Bldg. #170, were \$585,829.

➤ The 2020 Equipment Procurement included:

- Police & Fire Department –
 - PPE Fire Turn-out Gear was purchased through a grant from the Shawnee County Cares funding received through the CARES Act;
 - 2020 Ford F150 Crew Cab pickup was purchased and a 2015 Chevrolet Tahoe was acquired through Kansas State Surplus for use as patrol vehicles;
 - 1994 International Pierce Pumper was purchased from Shawnee Heights Fire District; and
 - Extrication equipment.
- Airport Operations Department –
 - 2020 Ford F150 Crew Cab pickup was purchased for daily airfield inspections and winter airfield condition inspections; and
 - Bowmonk Decelerometers were purchased to assist both Airport Operations and the Police & Fire Department for reporting airfield conditions during winter storms.
- Maintenance Department –
 - A 2020 Case 105A Tractor was purchased for each airport with the Philip Billard tractor equipped with a front loader bucket and snowblower;
 - Three Grasshopper ZTR Mowers were purchased for trim mowing in the business center; and
 - A blower and ag sprayer were purchased to assist with airfield pavement maintenance.

Summary of Operations and Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 2,386,851	\$ 2,444,477	\$ 2,201,972
Operating expenses	<u>(4,069,627)</u>	<u>(3,741,099)</u>	<u>(3,739,034)</u>
Excess before depreciation and other non-operating income and expenses	(1,682,776)	(1,296,622)	(1,537,062)
Depreciation	<u>(1,556,839)</u>	<u>(1,576,446)</u>	<u>(2,048,440)</u>
Excess (loss) before other non-operating income and expense	(3,239,615)	(2,873,068)	(3,585,502)
Other non-operating income (expense), net	<u>3,939,482</u>	<u>3,941,769</u>	<u>3,769,514</u>
Gain (Loss) before capital contributions	699,867	1,068,701	184,012
Capital contributions	<u>3,360,648</u>	<u>1,907,551</u>	<u>14,825,111</u>
Increase (decrease) in net position	<u>\$ 4,060,515</u>	<u>\$2,976,252</u>	<u>\$15,009,123</u>

Significant items affecting operations and the change in net position for 2020 are as follows:

- Operating results for 2020 were similar when compared to 2019 with revenues decreasing by \$57,626 or 2.357% and expenses increasing by \$328,528 or 8.781%.
- Depreciation expense, when compared to 2020 showed a decrease of \$19,607 or 1.243%.
- Net non-operating income (expense) decreased 0.058%.
- Capital contributions received in the form of grants from the Federal Aviation Administration, Shawnee County Emergency Management and ANG project funds totaled \$3,360,648, a significant increase from 2019 of \$1,453,097 due to COVID-related funds granted.

Revenues

A summary of revenues for the past three years is shown below. Total Revenue decreased 1.341% from 2019 to 2020. The following chart depicts the sources of revenues for 2020:

	2020	2019	2018
Operating revenue			
Building and land rent	\$ 2,098,620	\$ 2,006,430	\$ 1,918,037
Landing and fuel flowage fees	70,021	154,386	58,065
Water and sewer sales, net of cost of sales	162,997	152,547	170,534
Other	<u>55,213</u>	<u>131,114</u>	<u>55,336</u>
Total operating revenue	<u>2,368,851</u>	<u>2,444,477</u>	<u>2,201,972</u>
Non-operating revenue			
Taxes and assessments	3,863,592	3,793,066	3,692,192
Interest income	60,035	113,184	65,793
Other	<u>24,077</u>	<u>51,725</u>	<u>33,611</u>
Total non-operating revenue	<u>3,947,704</u>	<u>3,957,975</u>	<u>3,791,596</u>
Total revenue	<u>\$ 6,316,555</u>	<u>\$ 6,402,452</u>	<u>\$ 5,993,568</u>

Expenses

A summary of expenses for the past three years is shown below. Total Expenses increased by 8.5% from 2019 to 2020. The following chart depicts the major expense categories for 2020:

	2020		2019	2018
Operating expenses				
Personnel	\$ 2,928,262		\$ 2,652,084	\$ 2,445,966
Facilities support	653,432		655,213	831,112
Equipment support	144,379		175,868	171,174
Other	<u>343,554</u>		<u>257,934</u>	<u>290,782</u>
Total operating expenses	<u>4,069,627</u>		<u>3,741,099</u>	<u>3,739,034</u>
Non-operating expenses				
Interest	<u>8,222</u>		<u>16,206</u>	<u>22,082</u>
Total expenses	<u>\$ 4,077,849</u>		<u>\$ 3,757,305</u>	<u>\$ 3,761,116</u>

The MTAA ended 2020 with favorable budget variances for both revenues and expenditures.

Summary of Financial Position

The MTAA's assets exceeded its liabilities by \$69,597,428 at the end of 2020. A condensed summary of total net position follows:

	2020	2019	2018
Assets & Deferred Outflows of Resources			
Current and other assets	\$ 10,396,821	\$ 9,826,344	\$ 9,027,309
Noncurrent assets	3,165	13,797	24,428
Capital assets	65,256,193	61,926,650	62,231,615
Deferred outflow of resources	<u>612,522</u>	<u>327,966</u>	<u>424,982</u>
Total assets & deferred outflows of resources	<u>76,268,701</u>	<u>72,094,757</u>	<u>71,708,334</u>
Liabilities & Deferred Inflows of Resources			
Long-term debt outstanding	38,019	198,944	470,961
Net pension & OPEB liability	1,917,563	1,624,991	1,760,220
Other liabilities	920,735	1,021,801	3,354,416
Deferred inflow of resources	<u>3,794,956</u>	<u>3,712,108</u>	<u>3,562,076</u>
Total liabilities & deferred inflows of resources	<u>6,671,273</u>	<u>6,557,844</u>	<u>9,147,673</u>
Net position			
Invested in capital assets, net of related debt	65,066,799	61,499,217	61,541,538
Restricted Passenger Facility Charge revenue	1,434	6,170	5,425
Unrestricted	<u>4,529,195</u>	<u>4,031,526</u>	<u>1,013,698</u>
Total net position	<u>\$ 69,597,428</u>	<u>\$ 65,536,913</u>	<u>\$ 62,560,661</u>

93.5% of the MTAA's net position relates to its investment in capital assets including land, buildings, airfield infrastructure and machinery and equipment, net of accumulated depreciation and less any related debt used to acquire those assets still outstanding.

Debt Administration

The outstanding long-term debt of the MTAA totaled \$189,394 at December 31, 2020. This debt consists of a Kansas Water Pollution Control Revolving Fund loan from the Kansas Department of Health and Environment and a bank loan. These loans mature in 2022 and 2026, respectively. Both principal and interest are payable from lease revenue, the general revenues of the MTAA and mil levy revenue.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
 STATEMENTS OF NET POSITION
 December 31, 2020 and 2019

	2020	2019
<u>ASSETS AND DEFERRED</u>		
<u>OUTFLOWS OF RESOURCES</u>		
Current assets:		
Cash and cash equivalents	\$ 3,848,210	\$ 2,986,013
Certificates of deposit	2,261,069	3,000,000
Accounts receivable, net of allowance for doubtful accounts of \$ 9,104 in 2020 and 2019	136,720	36,392
Prepaid expenses	53,832	58,817
Grants receivable	494,638	180,808
Interest receivable	7,074	45,487
Taxes receivable	3,595,278	3,518,827
Total current assets	10,396,821	9,826,344
Capital assets, less accumulated depreciation	65,256,193	61,926,650
Noncurrent assets:		
Other assets	3,165	13,797
Total assets	75,656,179	71,766,791
Deferred outflows of resources - pension	433,184	172,168
Deferred outflows of resources - OPEB	179,338	155,798
Total deferred outflows of resources	612,522	327,966
Total assets and deferred outflows of resources	\$ 76,268,701	\$ 72,094,757

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
(Continued)
December 31, 2020 and 2019

	2020	2019
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>		
Current liabilities:		
Current portion of long-term debt	\$ 151,375	\$ 228,489
Accounts payable	126,608	180,272
Accrued vacation and benefits	206,751	195,765
Accrued salaries and payroll taxes	96,578	80,135
Accrued interest	4,968	4,968
Other current liabilities	23,773	24,091
Other unearned revenue	310,682	308,081
	920,735	1,021,801
Noncurrent liabilities:		
Long-term debt, less current maturities	38,019	198,944
Net pension liability	1,706,054	1,429,582
OPEB liability	211,509	195,409
	1,955,582	1,823,935
Total liabilities	2,876,317	2,845,736
Deferred inflows of resources - tax revenue	3,595,278	3,518,827
Deferred inflows of resources - pension	92,752	89,314
Deferred inflows of resources - OPEB	106,926	103,967
	3,794,956	3,712,108
Net position:		
Net investment in capital assets	65,066,799	61,499,217
Restricted	1,434	6,170
Unrestricted	4,529,195	4,031,526
	69,597,428	65,536,913
Total net position	69,597,428	65,536,913
Total liabilities, deferred inflows of resources, and net position	\$ 76,268,701	\$ 72,094,757

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2020 and 2019

	2020	2019
Operating revenue:		
Taxes and assessments	\$ 3,863,592	\$ 3,793,066
Revenue from services	2,223,854	2,291,930
Water sales and sewer charges	360,268	322,499
Other income	10,702	6,920
	6,458,416	6,414,415
Total operating revenue		
Operating expenses:		
General expenses	4,266,898	3,911,051
Depreciation	1,556,839	1,576,446
	5,823,737	5,487,497
Total expenses		
Operating income	634,679	926,918
Non-operating revenues (expenses):		
Federal grants in aid of construction	2,910,923	1,086,247
SNCO grant revenue	68,197	-
Passenger facility charge	8,253	11,370
ANG project funds	381,528	821,304
Gain on disposal of capital assets	5,122	33,435
Interest income	60,035	113,184
Interest expense	(8,222)	(16,206)
	3,425,836	2,049,334
Total non-operating revenues		
Change in net position	4,060,515	2,976,252
Net position at beginning of year	65,536,913	62,560,661
Net position at end of year	\$ 69,597,428	\$ 65,536,913

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 2,309,808	\$ 2,518,245
Cash received from taxes and assessments	3,863,592	3,793,066
Cash paid to employees	(2,132,598)	(1,904,661)
Cash paid to suppliers and others	(1,943,534)	(3,366,611)
Net cash flows from operating activities	<u>2,097,268</u>	<u>1,040,039</u>
Cash flows from investing activities:		
Net redemption (purchase) of certificates of deposit	738,931	(2,000,000)
Interest received	98,448	84,950
Net cash flows from investing activities	<u>837,379</u>	<u>(1,915,050)</u>
Cash flows from capital and related financing activities:		
Payments on long-term debt	(238,039)	(262,644)
Purchase of capital assets	(4,886,382)	(1,271,480)
Cash proceeds from disposal of capital assets	5,122	33,435
Cash proceeds from SNCO grant	68,197	-
Cash proceeds from airport improvement grants	2,539,937	1,008,199
Cash proceeds from ANG project funds	438,684	-
Cash proceeds from passenger facility charge	8,253	11,370
Interest paid	(8,222)	(16,206)
Net cash flows from capital and related financing activities	<u>(2,072,450)</u>	<u>(497,326)</u>
Net change in cash and cash equivalents	862,197	(1,372,337)
Cash and cash equivalents, beginning of year	<u>2,986,013</u>	<u>4,358,350</u>
Cash and cash equivalents, end of year	<u>\$ 3,848,210</u>	<u>\$ 2,986,013</u>

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS

(Continued)

Years Ended December 31, 2020 and 2019

	2020	2019
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 634,679	\$ 926,918
Adjustments to reconcile operating income to net cash flows from operating activities:		
Depreciation	1,556,839	1,576,446
Decrease (increase) in operating assets:		
Accounts receivable	(100,328)	25,729
Prepaid expenses	4,985	(12,375)
Taxes receivable	(76,451)	(69,647)
Other assets	10,632	10,631
Change in deferred outflows of resources	(284,556)	97,016
Increase (decrease) in operating liabilities:		
Accounts payable	(53,664)	(1,568,352)
Accrued vacation and benefits	10,986	1,495
Accrued salaries and payroll taxes	16,443	5,517
Other current liabilities	(318)	1,370
Other deferred revenue	2,601	30,488
Net pension liability	276,472	(15,499)
OPEB liability	16,100	(119,730)
Change in deferred inflows of resources	82,848	150,032
Net cash flows from operating activities	\$ 2,097,268	\$ 1,040,039

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020 and 2019

1 - Summary of Significant Accounting Policies

Reporting Entity

The Metropolitan Topeka Airport Authority (the Authority) was established to operate the Philip Billard Municipal Airport, the Forbes Field Airport, and the Topeka Air Industrial Park. The financial statements are prepared on the accrual basis of accounting and are accounted for as a governmental enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises when the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed through user charges or when the periodic determination of net income or loss is deemed appropriate. The Authority has no component units.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Basis of accounting refers to when revenues, expenses, and the related assets, deferred outflows of resources, deferred inflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Measurement focus refers to what is being measured. The financial statements are prepared on the accrual basis of accounting and on an economic resource measurement focus in accordance with accounting principles generally accepted in the United States of America. With this measurement focus, all assets, deferred outflows of resources, deferred inflows of resources, and liabilities are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows provides information about how the Authority meets the cash flow needs of its activities.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with ongoing operations. The principal operating revenues of the Authority are property tax revenues, rents from lessees, and charges relating to the use of the Authority's facilities. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. Operating revenues as well as non-operating revenues are recognized when earned and when they are realized or realizable in accordance with accounting principles generally accepted in the United States of America.

Budgetary Information

In accordance with Kansas statutes, the Authority must establish and approve an annual operating budget. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.

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2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for 2020 or 2019.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. A budget comparison statement is presented showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Legal annual operating budgets are prepared using the regulatory basis of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Disbursements are adjusted for the prior year's accounts payable, and encumbrances. Encumbrances are commitments by the Authority for future payments and are supported by a document evidencing such commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

Spending which is not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

The following shows the major differences between the change in net position on budget basis and GAAP basis:

	2020	2019
Budget basis change in net position	\$ 464,003	\$ 467,693
Adjustments (net):		
Revenue accruals	3,341,133	1,868,936
Expenditure accruals	(4,528,305)	(1,918,144)
Change in encumbrances	(340,737)	1,023,643
Purchase of capital assets	4,886,382	1,271,480
Retirement of notes	238,039	262,644
	\$ 4,060,515	\$ 2,976,252
GAAP basis change in net position		

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. Cash does not include certificates of deposit with original maturities of more than three months.

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Accounts Receivable

The Authority grants credit to all qualified renters and customers. Accounts receivable are carried at cost less an estimate made for doubtful receivables, if an allowance is deemed necessary, based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts on a periodic basis by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as revenue when received.

Taxes Receivable

The Authority's property taxes are levied in November to fund the budget of the ensuing year. The Authority has recorded the full amount of taxes levied to fund the 2020 and 2019 years, by recording taxes receivable with an offsetting entry to deferred inflows, as of December 31, 2020 and 2019, respectively.

Capital Assets

Capital assets, which include property and equipment, are carried at historical cost. Those assets contributed by other entities are primarily recorded at acquisition value on the date of contribution as determined by appraisal. Depreciation is computed using the straight-line method. Buildings and related building improvements are being depreciated over a period of 2 to 40 years. Runways are being depreciated over a period of 5 to 30 years. Furniture, equipment, and vehicles have an estimated useful life ranging from 2 to 20 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the statement of revenues, expenses, and changes in net position. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

The Authority evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Commitments

In 1973, the United States Department of Defense declared Forbes Air Force Base to be a surplus facility for federal needs and made it available to the City of Topeka for conversion to civilian use. Substantially all of the facilities and equipment of the airport are available for leasing to others. Possession of Forbes Field was transferred to the Authority in 1976 without consideration and with certain restrictive covenants which specify the following:

1. The federal government can assume "exclusive or non-exclusive use" of the facility in the case of national emergency.
2. The Authority must maintain the facility in accordance with certain specifications.
3. The Authority must obtain approval from the Federal Aviation Administration to dispose of certain components of the facility.

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Income Taxes

The Authority is an airport authority as authorized by K.S.A. 3-162 and is, therefore, not subject to federal and state income taxes as authorized by K.S.A. 79-201s.

Compensated Absences

Employees are granted vacation and sick leave in varying amounts, based on length of service. In the event of termination or separation, an employee is generally paid for all accumulated vacation. Accumulated sick leave is paid out only upon retirement. Exempt employees are eligible to receive payment for 60 days of accrued sick leave and non-exempt employees are eligible to receive payment for 30 days of accrued sick leave. It is the policy of the Authority to record vacation and sick leave pay as expenses as they are earned. The amount of earned but unused accumulated vacation and sick leave are included in accrued vacation and benefits on the statement of net position. At December 31, 2020 and 2019, accrued sick leave benefits were \$ 75,525 and \$ 49,872, respectively. Accrued vacation benefits at December 31, 2020 and 2019 were \$ 131,226 and \$ 145,893, respectively.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has two items that qualify for reporting in this category – deferred outflows for OPEB and deferred outflows for pension. See Note 5 for more information on the deferred outflows for the pension and Note 6 for more information on the deferred outflows for OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three types of items that qualify for reporting in this category – deferred inflows for unavailable tax revenues, deferred inflows for OPEB, and deferred inflows for pension. Unavailable tax revenue is deferred revenue from property taxes. See Note 5 for more information on the deferred inflows for the pension and Note 6 for more information on the deferred inflows for OPEB.

Advertising

The Authority expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2020 and 2019 was \$ 13,489 and \$ 15,405, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management's

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estimates and assumptions are derived from and are continually evaluated based upon available information, judgment, and experience. Actual results could differ from those estimates.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. The commitments (purchase orders, contracts, and other commitments for the expenditure of funds) are not treated as expenses until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management. At December 31, 2020 and 2019, the Authority had \$ 3,015,242 and \$ 3,355,979, respectively, of encumbrances outstanding. Encumbrance accounting is not employed by the Authority for financial statement purposes.

Passenger Facility Charge

The Authority has been authorized by the Federal Aviation Administration to collect passenger facility charges to finance capital improvements at Forbes Field Airport.

Compliance with Kansas Statutes

Management is not aware of any violations of Kansas statutes for the years ended December 31, 2020 and 2019.

Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERs) and additions to/deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The KPERs investments are reported at fair value.

Pending Governmental Accounting Standards Board Statements

At December 31, 2020, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements that might impact the Authority are as follows:

GASB Statement No. 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the fiscal year beginning January 1, 2022.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for

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a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements for this statement are effective for fiscal year beginning January 1, 2021.

2 - Deposits

K.S.A 9-1401 establishes the depositories which may be used by the Authority. The statute requires banks eligible to hold the Authority's funds have a main or branch bank in the county in which the Authority is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage.

Kansas statutes authorize the Authority, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the State of Kansas Municipal Investment Pool, or to make direct investments.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. State statutes require the Authority's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka.

At December 31, 2020, the carrying amount of the Authority's deposits, including certificates of deposit, was \$ 6,109,279. The bank balance was \$ 5,650,301. Of the bank balance, \$ 1,000,000 was covered by FDIC insurance and the remaining \$ 4,650,301, was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Authority's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the Authority, the pledging bank, and the independent third-party bank holding the pledged securities.

At December 31, 2019, the carrying amount of the Authority's deposits, including certificates of deposit, was \$ 5,986,013. The bank balance was \$ 5,984,578. Of the bank balance, \$ 750,000 was covered by FDIC insurance and the remaining \$ 5,234,578 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the Authority's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the Authority, the pledging bank, and the independent third-party bank holding the pledged securities.

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3 - Capital Assets

Capital assets activity for the years ending December 31, 2020 and 2019 is as follows:

	Balance 12/31/2018	Additions	Retirements and Transfers	Balance 12/31/2019	Additions	Retirements and Transfers	Balance 12/31/2020
Capital assets not being depreciated:							
Land	\$ 6,167,873	\$ -	\$ -	\$ 6,167,873	\$ -	\$ -	\$ 6,167,873
Construction in progress	39,460,737	843,186	(111,572)	40,192,351	4,478,116	(871,365)	43,799,102
Total capital assets not being depreciated	45,628,610	843,186	(111,572)	46,360,224	4,478,116	(871,365)	49,966,975
Capital assets being depreciated:							
Buildings and improvements	34,874,503	356,285	-	35,230,788	878,587	-	36,109,375
Runways	46,767,081	-	-	46,767,081	-	-	46,767,081
Vehicles	5,172,394	4,401	(77,280)	5,099,515	126,573	(153,034)	5,073,054
Furniture	204,028	-	-	204,028	-	-	204,028
Equipment	2,380,559	179,181	(188,421)	2,371,319	274,476	(11,384)	2,634,411
Total capital assets being depreciated	89,398,565	539,867	(265,701)	89,672,731	1,279,636	(164,418)	90,787,949
Less accumulated depreciation	(72,795,560)	(1,576,446)	265,701	(74,106,305)	(1,556,839)	164,413	(75,498,731)
Total capital assets being depreciated, net	16,603,005	(1,036,579)	-	15,566,426	(277,203)	(5)	15,289,218
Total capital assets	\$ 62,231,615	\$ (193,393)	\$ (111,572)	\$ 61,926,650	\$ 4,200,913	\$ (871,370)	\$ 65,256,193

4 - Long-Term Debt

The Authority was granted a Kansas Water Pollution Control Revolving Fund (KWPCRF) low interest loan from the Kansas Department of Health and Environment (KDHE) to fund a sewer project. The loan was granted in an amount not to exceed \$ 2,580,000. Construction began in 2002 and was completed in 2003, during which time \$ 2,480,759 was drawn against the loan. The loan is collateralized by revenues pledged and a policy of insurance. Semi-annual payments of \$ 79,749, including 2.86% interest, will be made over 20 years beginning December 2002 through June 2022. In accordance with the loan agreement, \$ 162,774 of the amount borrowed has been placed in a reserve account held by KDHE. The reserve is to be used to make payments on the loan in case of default; otherwise, it will reduce the final payments on the note. KDHE has a right of offset, and may take some or all of the funds from the reserve account to cover loan payments in the event of default. Therefore, the reserve has been recorded as a reduction of the non-current portion of the note balance in the accompanying financial statements, as well as in the schedule below.

The Authority entered into a loan agreement with Fidelity State Bank and Trust Company to fund construction of the Sports Car Club of America (SCCA) building in an amount not to exceed \$ 2,200,000. The total drawn against the note was \$ 1,377,963. The loan is collateralized by future rents of the SCCA building. Monthly payments are \$ 7,073, which include 3.00% interest. The interest rate is variable and resets every five years at the Wall Street Journal prime rate less 1%. The loan matures in 2026. The lender has the right at its option, and without notice to the Authority, to declare the entire debt immediately due and payable, including any prepayment penalty which the Authority would be required to pay.

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The following shows the activity in long-term debt during 2020 and 2019:

Issue	Balance 12/31/2018	Additions	Reductions/ Payments	Balance 12/31/2019	Additions	Reductions/ Payments	Balance 12/31/2020
Construction loan from bank - direct borrowing	\$ 327,729	\$ -	\$ 118,363	\$ 209,366	\$ -	\$ 89,236	\$ 120,130
Kansas Water Pollution Control Revolving Fund (KWPCRF) loan - direct borrowing	362,348	-	144,281	218,067	-	148,803	69,264
Total long-term debt	<u>\$ 690,077</u>	<u>\$ -</u>	<u>\$ 262,644</u>	<u>\$ 427,433</u>	<u>\$ -</u>	<u>\$ 238,039</u>	<u>\$ 189,394</u>

Future principal and interest requirements to maturity as of December 31, 2020 are as follows:

	2021	2022	Total
Principal:			
Construction loan	\$ 82,110	\$ 38,019	\$ 120,129
KWPCRF	69,265	-	69,265
Total principal	<u>151,375</u>	<u>38,019</u>	<u>189,394</u>
Interest:			
Construction loan	2,768	452	3,220
KWPCRF	6,670	-	6,670
Total interest	<u>9,438</u>	<u>452</u>	<u>9,890</u>
Total debt service	<u>\$ 160,813</u>	<u>\$ 38,471</u>	<u>\$ 199,284</u>

5 - Defined Benefit Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The Authority participates in a cost-sharing multiple-employer defined benefit 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

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Substantially all public employees in Kansas are covered by the Pension Plan. 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 employee group.

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

Benefits Provided. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees with ten or more years of credited service may retire as early as age 55, with an actuarially reduced monthly benefit.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees 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.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her 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 employees. A new KPERS 3 cash balance retirement plan was created for new hires starting 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. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS 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 KPERS fiscal year ended June 30, 2020.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.61% and 8.89% for the fiscal years ended June 30, 2020 and June 30, 2019, respectively. Contributions to the Pension Plan from the Authority were \$ 205,607 and \$ 186,205 for the years ended December 31, 2020 and 2019, respectively.

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

At December 31, 2020 and 2019, the Authority reported a liability of \$ 1,706,054 and \$ 1,429,582, respectively, for its proportionate share of the KPERS collective net pension liability. The 2020 collective net pension liability was measured by KPERS as of June 30, 2020, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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 Authority's proportion of the collective net pension liability was based on the ratio of the Authority's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the Local group within KPERS for the KPERS fiscal year ended June 30, 2020. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2020 and 2019, the Authority's proportion was .098408% and 0.102305%, respectively.

For the years ended December 31, 2020 and 2019, the Authority recognized pension expense of \$ 224,501 and \$ 199,350, respectively. At December 31, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 28,486	\$ 21,933
Net differences between projected and actual earnings on investments	199,054	-
Changes of assumptions	102,761	-
Contributions made after measurement date	100,744	-
Changes in proportion	2,139	70,819
Total	\$ 433,184	\$ 92,752

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 3,129	\$ 36,003
Net differences between projected and actual earnings on investments	33,633	-
Changes of assumptions	43,693	2,898
Contributions made after measurement date	81,436	-
Changes in proportion	10,277	50,413
Total	\$ 172,168	\$ 89,314

The \$ 100,744 and \$ 81,436 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Years Ended December 31,		
2021	\$	36,249
2022		67,156
2023		70,242
2024		64,205
2025		1,836
		239,688
	\$	

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2019 and 2018 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Actuarial cost method	Entry age normal	Entry age normal
Price inflation	2.75%	2.75%
Wage inflation	3.25%	3.00%
Salary increases, including price inflation	3.25% - 11.75%	3.50% - 12.00%
Long-term rate of return, net of investment expense, including price inflation	7.50%	7.75%

Mortality rates were based on the RP-2014 Combined 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 actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2018.

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 included in the pension plan's target asset allocations as of the most recent experience study, dated January 7, 2020, are summarized in the following table:

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2020		
	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%
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%
	100.00%	
2019		
	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield driven	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%
	100.00%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.50% and 7.75% for the years ended December 31, 2020 and 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the collective net pension liability calculated using the discount rate of 7.50% for 2020 and 7.75% for 2019, as well as what the

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Authority's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
2020	\$ 2,401,101	\$ 1,706,054	\$ 1,121,701
2019	2,135,110	1,429,582	839,420

Pension plan fiduciary net position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

6 - Other Postemployment Benefits (OPEB)

Health Insurance

Description. The Authority offers postemployment health insurance to retired employees. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the Authority. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the Authority's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Funding Policy. The Authority provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The Authority requires participating retirees to contribute 100 percent of the blended premium cost of active employees to maintain coverage.

The Authority appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis. For the years ended December 31, 2020 and 2019, the Authority contributed \$ 21,000 and \$ 21,000, respectively, to the plan.

Employees Covered by Benefit Terms. At December 31, 2020 and 2019, the following employees were covered by the benefit terms.

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NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	2020	2019
Inactive employees or beneficiaries currently receiving benefit payments	4	4
Active plan members	36	38
Total	40	42

Total OPEB Liability. The Authority's total OPEB liability of \$ 154,966 and \$ 131,547, respectively, were measured as of December 31, 2020 and 2019 and were determined by an actuarial valuation performed as of January 1, 2021 and January 1, 2018, respectively.

Actuarial Assumptions and Other Inputs. The total OPEB liability at December 31, 2020 and 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

2020	
Discount rate	1.96% percent
Salary increases	5.50 percent per year
Healthcare cost trend rates	6.00 percent for 2020, decreasing 0.25 percent for 2021 to 2024 to an ultimate rate of 5.00 percent for 2024
Retirees' share of benefit-related costs	Retirees are responsible for the full premium rates up to 100 percent of the premium
Actuarial cost method	Entry Age Normal - Level Percent of Pay
2019	
Discount rate	3.00% percent
Salary increases	5.50 percent per year
Healthcare cost trend rates	6.00 percent for 2020, decreasing 0.25 percent for 2021 to 2024 to an ultimate rate of 5.00 percent for 2024
Retirees' share of benefit-related costs	Retirees are responsible for the full premium rates up to 100 percent of the premium
Actuarial cost method	Entry Age Normal - Level Percent of Pay

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The discount rate was based on the average of the S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity 20-Year GO Municipal Bond Index published yields.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted Mortality Tables using Scale MP-2020 Full Generational Improvement.

Changes and items of impact relative from the beginning to the end of the year measurement were as follows:

1. The discount rate was updated from 3.00% to 1.96%.
2. The mortality improvement scale was updated from MP-2019 to MP-2020.
3. Per capita costs, retiree contribution premiums and trend rates were updated as part of the evaluation.

Changes in the Total OPEB Liability

	2020	2019
Beginning balance	\$ 131,547	\$ 143,595
Changes for the year:		
Service cost	8,959	8,257
Interest on total OPEB liability	3,900	5,202
Differences between expected and actual experiences	(9,062)	(10,621)
Changes in assumptions or other inputs	40,622	6,114
Employer contributions (benefit payments)	(21,000)	(21,000)
Ending balance	\$ 154,966	\$ 131,547

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.96 percent) or 1-percentage-point higher (2.96 percent) than the current discount rate of 1.96% for 2020 and 3.00% for 2019:

	1% Decrease	Discount Rate	1% Increase
2020	\$ 163,936	\$ 154,966	\$ 146,226
2019	139,299	131,547	124,126

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the Authority as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2020	\$ 139,899	\$ 154,966	\$ 173,435
2019	117,095	131,547	149,099

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of \$ 14,546 and \$ 11,990, respectively. At December 31, 2020 and 2019, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 41,452	\$ 2,519
Differences between actual and expected experience	-	21,259
Total	\$ 41,452	\$ 23,778
	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,503	\$ 2,879
Differences between actual and expected experience	-	14,823
Total	\$ 5,503	\$ 17,702

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Amounts reported as deferred outflows and inflows of resources related to OPEB at December 31, 2020 will be recognized in OPEB expense as follows:

Years Ended December 31,			
2021	\$	1,687	
2022		1,687	
2023		1,687	
2024		1,687	
2025		1,687	
Thereafter		9,239	
	\$	17,674	

Disability Benefits and Life Insurance

Plan Description. The Authority participates in an agent multi-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. 74-04927. 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.

Contributions. Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the years ended December 31, 2020 and 2019 totaled \$ 12,909 and \$ 27,025, respectively.

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.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

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 member's 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.

Covered Employees. The Authority has the following employees covered by the Plan as of June 30:

	2020	2019
Disabled members	1	1
Active plan members	35	37
Total	36	38

Total OPEB Liability. The Authority's total OPEB liability of \$ 56,543 reported as of December 31, 2020 was determined by an actuarial valuation performed as of December 31, 2019 and rolled forward to June 30, 2020. The Authority's total OPEB liability of \$ 63,862 reported as of December 31, 2019 was determined by an actuarial valuation performed as of December 31, 2018 and rolled forward to June 30, 2019. The total OPEB liability in the actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate (based on the 20-year municipal bond rate with an average rate of AA/Aa or better, obtained from the Bond Buyer General Obligation 20-Bond Municipal Index)	2.21 percent for 2020, 3.50 percent for 2019
Salary increases, including wage increases	3.50 percent per year
Inflation	2.75 percent
Actuarial cost method	Entry Age Normal

Mortality rates used for the death benefits were based on the RP-2014 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2020. Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Table with generational mortality improvement using MP-2020.

The actuarial assumptions that determined the total OPEB liability as of June 30, 2019 and 2020 were based on actual KPERS experience.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

Changes in Total OPEB Liability

	2020	2019
Beginning balance	\$ 63,862	\$ 171,544
Changes for the year:		
Service cost	7,121	6,648
Interest on total OPEB liability	2,260	6,378
Effect on economic/demographic gains or losses	(7,564)	(94,453)
Changes in assumptions or other inputs	3,773	770
Benefit payments	(12,909)	(27,025)
Ending balance	\$ 56,543	\$ 63,862

Sensitivity Analysis. The following presents the Authority's total OPEB liability calculated using the discount rate of 2.21% for 2020 and 3.50% for 2019, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.21% for 2020 and 2.50% for 2019) or 1-percentage point higher (3.21% for 2020 and 4.50% for 2019) than the current rate:

	1% Decrease	Discount Rate	1% Increase
2020	\$ 58,302	\$ 56,543	\$ 54,599
2019	65,871	63,862	61,731

OPEB Expense. For the years ended December 31, 2020 and 2019, the Authority recognized OPEB expense of \$ 1,973 and \$ 38,037, respectively, which includes the changes in the total OPEB liability, 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, 2020 and 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 122,181	\$ 81,838
Changes of assumptions	4,004	1,310
Contributions made after measurement date	11,701	-
Total	\$ 137,886	\$ 83,148

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 140,444	\$ 84,746
Changes of assumptions	691	1,519
Contributions made after measurement date	9,160	-
Total	\$ 150,295	\$ 86,265

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 11,701 consist of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended December 31,		
2021	\$	8,042
2022		8,042
2023		8,042
2024		8,042
2025		8,042
Thereafter		2,827
	\$	43,037

7 - Risk Management

The Authority is exposed to various risks of loss related to torts; that is, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. The Authority has elected to manage its risk of loss related to injuries to employees through participation in the Kansas Workers Risk Cooperative for Counties (KWORCC), a public entity risk pool currently operating as a public entity risk management and insurance program for participating members. The Authority pays an annual premium to KWORCC for its workers compensation insurance coverage. The agreement to participate provides that KWORCC will be self-sustaining through member premiums. KWORCC reinsures through commercial companies for claims in excess of \$ 400,000 per accident as well as aggregate excess insurance should the pool experience losses in excess of 125% of the audited premium during the policy year. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KWORCC management. There have been no significant reductions in insurance coverage from the previous year.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

The Authority continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

8 - Concentrations

The Authority receives a significant amount of funding from taxes levied. For both years ended December 31, 2020 and 2019, approximately 60% of the Authority's operating revenues came from taxes levied. A significant reduction in funding from these sources could materially affect the operations of the Authority.

The Authority had three major customers that accounted for approximately 95% of net accounts receivable as of December 31, 2020. The Authority had two vendors that provided over 35% of the total purchases for the year ended December 31, 2020.

The Authority had four major customers that accounted for approximately 95% of net accounts receivable as of December 31, 2019. The Authority had two vendors that provided over 35% of the total purchases for the year ended December 31, 2019.

9 - Lease Income

The Authority leases office, warehouse, and hangar space to tenants under non-cancelable operating leases with terms of varying lengths. The following is a schedule of future minimum rentals under the leases at December 31, 2020:

Years Ended December 31,	
2021	\$ 1,750,185
2022	1,048,704
2023	894,499
2024	732,958
2025	560,711
Thereafter	1,782,902
Total	\$ 6,769,959

Several of the leases in these balances include rental amounts that are re-determined annually based on formulas prescribed in the individual lease agreements. The minimum future rentals for these leases were determined using the rates in effect at December 31, 2020. In addition, many of these leases contain renewal options that may be exercised in the future. The net book value of assets leased as of December 31, 2020 is \$ 3,446,431.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

10 - Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements from inception are as follows:

	2020	
	Project Authorization	Cash Disbursements to Date
Rwy 4-22 Reconfig (TOP)	\$ 1,613,039	\$ 1,566,441
CARES Act Funding (FOE & TOP)	16,897,555	23,508
Rwy 13-31 Reconstruction - Phase 2 (FOE)	8,030,417	7,822,119
Taxiway Bravo/Charlie/Reconstruction (TOP)	3,345,762	2,954,347
Rwy 13-31 Reconstruction - Construction (FOE)	24,387,500	17,617,463
	\$ 54,274,273	\$ 29,983,878

	2019	
	Project Authorization	Cash Disbursements to Date
Rwy 4-22 Reconfig (TOP)	\$ 1,613,039	\$ 1,566,441
Rwy 13-31 Reconstruction - Phase 1 (FOE)	9,367,704	9,008,051
Rwy 13-31 Reconstruction - Phase 2 (FOE)	8,030,417	7,525,566
Taxiway Bravo/Charlie/Reconstruction (TOP)	3,011,185	282,941
Rwy 13-31 Reconstruction Design (FOE)	2,098,271	1,006,738
Rwy 13-31 Reconstruction - Construction (FOE)	24,387,500	17,235,935
	\$ 48,508,116	\$ 36,625,672

The Authority entered into several construction contracts during the fiscal year for improvements that will be financed from grant awarded funds for airport improvement projects.

11 - Litigation

The Authority is a party to various claims, none of which is expected to have a material financial impact on the Authority.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
(Continued)

12 - Landfill Closure and Postclosure Care Costs

The Authority operates one active landfill site that was closed on December 17, 2010. State and federal laws and regulations require the Authority to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty years after closure. An expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used to date. The estimated liability for landfill closure and postclosure care costs is \$ 0 and \$ 0 as of December 31, 2020 and 2019, respectively, which is based on 100 percent usage (filled) of the landfill. The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2020. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The Authority has provided adequate financial assurance documentation related to the estimated closure and postclosure costs as required by laws and regulations.

13 - Risks and Uncertainties

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Authority operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

In June 2020, the Authority received a \$ 16.9M grant from the Federal Aviation Administration, made available through the CARES Act. This is to cover operational expenses for the Topeka Regional and Philip Billard Airports and runs for four years.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the Authority. Accordingly, while management cannot quantify the financial and other impacts to the Authority as of the date of the Independent Auditors' Report, management believes that a material impact on the Authority's financial position and results of future operations is reasonably possible.

14 - Subsequent Events

The Authority has evaluated subsequent events through the date of the Independent Auditors' Report, which is the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last Seven Fiscal Years¹

	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%
Proportionate share of the collective net pension liability \$	1,706,054	\$ 1,429,582	\$ 1,445,081	\$ 1,496,486	\$ 1,645,699	\$ 1,451,334	\$ 1,313,770
Covered payroll from the period July 1 - June 30	1,875,996	1,907,636	1,855,754	1,831,703	1,827,045	1,842,748	1,748,405
Net pension liability as a percentage of covered payroll	90.94%	74.94%	77.87%	81.70%	90.07%	78.76%	75.14%
Plan fiduciary net position as a percentage of the total pension liability	2.52%	2.20%	2.93%	4.99%	5.75%	5.21%	5.11%

¹ Information reported above is as of the KPERS measurement date of June 30. GASB 68 requires a presentation of ten years. Data was not available prior to 2014. Therefore, ten years of data is unavailable.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Seven Fiscal Years ¹

	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	\$ 205,607	\$ 186,205	\$ 176,268	\$ 158,820	\$ 171,862	\$ 184,694	\$ 161,839
Contributions in relation to the contractually required contribution	(205,607)	(186,205)	(176,268)	(158,820)	(171,862)	(184,694)	(161,839)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,120,115	\$ 1,882,762	\$ 1,877,186	\$ 1,828,788	\$ 1,872,135	\$ 1,948,249	\$ 1,830,758
Contributions as a percentage of covered payroll	9.70%	9.89%	9.39%	8.68%	9.18%	9.48%	8.84%

¹ GASB 68 requires a presentation of ten years. Data was not available prior to 2014. Therefore, ten years of data is unavailable.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
HEALTH INSURANCE
Last Three Fiscal Years¹

	2020	2019	2018
Total OPEB liability:			
Service cost	\$ 8,959	\$ 8,257	\$ 8,932
Interest	3,900	5,202	5,187
Differences between expected and actual experience	(9,062)	(10,621)	(6,580)
Effect of assumption changes or inputs	40,622	6,114	(3,599)
Benefit payments	(21,000)	(21,000)	(23,000)
Net change in total OPEB liability	23,419	(12,048)	(19,060)
Total OPEB liability, beginning	131,547	143,595	162,655
Total OPEB liability, ending	<u>\$ 154,966</u>	<u>\$ 131,547</u>	<u>\$ 143,595</u>
Covered payroll	\$ 1,874,631	\$ 1,907,636	\$ 1,879,631
Total OPEB liability as a % of covered payroll	8.27%	6.90%	7.64%

¹GASB 75 requires a presentation of ten years. Data was not available prior to fiscal year 2018. Therefore, ten years of data is unavailable.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
DISABILITY BENEFITS AND LIFE INSURANCE
Last Three Fiscal Years¹

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 7,121	\$ 6,648	\$ 6,600
Interest	2,260	6,378	600
Effect of economic/demographic gains (losses)	(7,564)	(94,453)	176,981
Effect of assumption changes or inputs	3,773	770	(1,200)
Benefit payments	<u>(12,909)</u>	<u>(27,025)</u>	<u>(43,361)</u>
Net change in total OPEB liability	(7,319)	(107,682)	139,620
Total OPEB liability, beginning	<u>63,862</u>	<u>171,544</u>	<u>31,924</u>
Total OPEB liability, ending	<u><u>\$ 56,543</u></u>	<u><u>\$ 63,862</u></u>	<u><u>\$ 171,544</u></u>
Covered payroll	\$ 1,874,631	\$ 1,907,636	\$ 1,879,631
Total OPEB liability as a % of covered payroll	3.02%	3.35%	9.13%

¹GASB 75 requires a presentation of ten years. Data was not available prior to fiscal year 2018. Therefore, ten years of data is unavailable.

SUPPLEMENTARY INFORMATION

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2020

	GAAP Actual	Adjustments	Budget Basis Actual	Original and Final Budget	Variance
Revenue:					
Ad valorem tax	\$ 3,372,889	\$ -	\$ 3,372,889	\$ 3,518,827	\$ (145,938)
Delinquent property tax	50,855	-	50,855	-	50,855
Motor vehicle tax	424,315	-	424,315	414,164	10,151
Recreational vehicle tax	4,208	-	4,208	3,873	335
In lieu of taxes	9,443	-	9,443	-	9,443
16/20M vehicle tax	1,882	-	1,882	1,647	235
Fees and licenses	108,055	(87,095)	20,960	204,950	(183,990)
Leases and rents	2,098,620	-	2,098,620	1,850,000	248,620
Reimbursements	188,429	-	188,429	196,060	(7,631)
Non-operating	15,824	-	15,824	5,000	10,824
SNCO Spark Grant	68,197	-	68,197	-	68,197
Federal grants	3,292,451	(3,292,451)	-	-	-
Interest on idle funds	60,035	38,413	98,448	20,000	78,448
Total revenue	9,695,203	(3,341,133)	6,354,070	6,214,521	139,549
Expenses:					
Personnel	2,928,262	(27,277)	2,900,985	3,131,648	(230,663)
Professional services	239,086	150,977	390,063	448,894	(58,831)
Personnel support	27,275	(827)	26,448	31,000	(4,552)
Communication services	75,937	-	75,937	85,871	(9,934)
Facilities support	653,432	241,962	895,394	821,718	73,676
Equipment support	144,379	-	144,379	179,192	(34,813)
Depreciation	1,556,839	(1,556,839)	-	-	-
Other charges	1,256	-	1,256	-	1,256
Capital projects and improvements	-	1,447,383	1,447,383	3,232,803	(1,785,420)
Prepaid expenses	-	-	-	10,000	(10,000)
Neighborhood Revitalization rebates	-	-	-	49,015	(49,015)
Interest	8,222	-	8,222	24,380	(16,158)
Total expenses	5,634,688	255,379	5,890,067	8,014,521	(2,124,454)
Change in net position	4,060,515	(3,596,512)	464,003	(1,800,000)	2,264,003
Net position/unencumbered cash, beginning of year	65,536,913	(59,825,816)	5,711,097	1,800,000	3,911,097
Net position/unencumbered cash, end of year	\$ 69,597,428	\$ (63,422,328)	\$ 6,175,100	\$ -	\$ 6,175,100

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2019

	GAAP Actual	Adjustments	Budget Basis Actual	Original and Final Budget	Variance
Revenue:					
Ad valorem tax	\$ 3,308,039	\$ -	\$ 3,308,039	\$ 3,449,180	\$ (141,141)
Delinquent property tax	55,814	-	55,814	-	55,814
Motor vehicle tax	422,679	-	422,679	420,833	1,846
Recreational vehicle tax	3,981	-	3,981	3,780	201
In lieu of taxes	741	-	741	-	741
16/20M vehicle tax	1,812	-	1,812	1,657	155
Fees and licenses	204,762	66,849	271,611	125,950	145,661
Leases and rents	2,006,430	-	2,006,430	1,800,000	206,430
Reimbursements	244,655	-	244,655	213,711	30,944
Non-operating	40,355	-	40,355	5,000	35,355
Federal grants	1,907,551	(1,907,551)	-	-	-
Interest on idle funds	113,184	(28,234)	84,950	3,000	81,950
Total revenue	8,310,003	(1,868,936)	6,441,067	6,023,111	417,956
Expenses:					
Personnel	2,652,084	(49,184)	2,602,900	2,987,755	(384,855)
Professional services	152,916	86,275	239,191	240,820	(1,629)
Personnel support	27,870	1,400	29,270	24,500	4,770
Communication services	63,850	10,500	74,350	81,100	(6,750)
Facilities support	655,213	323,825	979,038	750,179	228,859
Equipment support	175,868	(15,000)	160,868	175,550	(14,682)
Bad debt	12,364	(12,364)	-	-	-
Depreciation	1,576,446	(1,576,446)	-	-	-
Other charges	934	-	934	-	934
Capital projects and improvements	-	1,870,617	1,870,617	3,077,281	(1,206,664)
Prepaid expenses	-	-	-	10,000	(10,000)
Neighborhood Revitalization rebates	-	-	-	43,637	(43,637)
Interest	16,206	-	16,206	32,289	(16,083)
Total expenses	5,333,751	639,623	5,973,374	7,423,111	(1,449,737)
Change in net position	2,976,252	(2,508,559)	467,693	(1,400,000)	1,867,693
Net position/unencumbered cash, beginning of year	62,560,661	(57,317,257)	5,243,404	1,400,000	3,843,404
Net position/unencumbered cash, end of year	<u>\$ 65,536,913</u>	<u>\$ (59,825,816)</u>	<u>\$ 5,711,097</u>	<u>\$ -</u>	<u>\$ 5,711,097</u>

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF REVENUES
Years Ended December 31, 2020 and 2019

	2020	2019
Taxes and assessments:		
Current property tax	\$ 3,372,889	\$ 3,308,039
Current motor vehicle tax	424,315	422,679
Other taxes	66,388	62,348
Total taxes and assessments	3,863,592	3,793,066
Revenue from services:		
Lease and rental fees	2,098,620	2,006,430
Water sales	360,268	322,499
Fuel flowage fees	51,622	82,326
Other service revenue	31,869	108,389
Landing fees	18,399	72,060
Insurance reimbursements	12,579	12,226
Utility reimbursements	9,600	10,499
Parking	1,165	-
Total revenue from services	2,584,122	2,614,429
Other:		
Interest income	60,035	113,184
Other income	10,702	6,920
Net other	70,737	120,104
Total revenue	\$ 6,518,451	\$ 6,527,599

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF GENERAL EXPENSES
Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Salaries and wages	\$ 2,160,027	\$ 1,911,673
Payroll taxes and benefits	768,235	740,411
Electricity and gas	245,341	244,730
Cost of water sales	197,271	169,952
Structural insurance	154,044	137,582
Other professional services	96,184	57,378
General facility supplies	77,570	99,407
Equipment service agreements	58,232	53,191
Legal services	56,818	22,448
Outside maintenance services	52,851	45,555
Vehicle insurance	50,983	46,964
Bonding insurance fees	42,295	35,710
Other facilities support	41,978	51,374
Water and sewer	35,780	33,502
Vehicle fuel	34,819	51,957
Airport liability insurance	23,417	22,445
Accounting services	22,978	23,317
Telephone	22,451	20,617
Equipment repair and maintenance	20,353	40,661
Other communications service and support	17,631	3,217
Equipment maintenance and supplies	16,030	20,106
Advertising and public relations	13,489	15,405
Vehicle maintenance and supplies	13,048	6,695
Other personnel support	12,249	10,545
Other equipment support	9,146	9,485
Clothing and uniforms	8,301	5,871
Dues and subscriptions	6,725	11,454
Office supplies	5,385	3,663
Economic development	1,925	2,357
Miscellaneous expense	1,342	1,015
Bad debt recovery	-	12,364
	<u> </u>	<u> </u>
Total general expenses	<u>\$ 4,266,898</u>	<u>\$ 3,911,051</u>

METROPOLITAN TOPEKA AIRPORT AUTHORITY
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENSED
 For the Year and Each Quarter Within the Year Ended December 31, 2020

Application	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
First application*					
Balance - January 1					\$ 6,170
Collections**	\$ 3,362	\$ 3,758	\$ -	\$ 1,133	8,253
Expenses	(5,800)	(3,400)	(3,700)	(90)	(12,990)
Interest	1	-	-	-	1
Balance - December 31					<u>\$ 1,434</u>

* Federal Aviation Administration Record of Decision passenger facility charge effective date for Application One is August 1, 2007

** Cash basis of accounting - collections are reported when received rather than when earned in accordance with passenger facility charge reporting guidelines.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENSED
 For the Year and Each Quarter Within the Year Ended December 31, 2019

Application	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
First application*					
Balance - January 1					\$ 5,425
Collections**	\$ 614	\$ 4,891	\$ 2,454	\$ 3,411	11,370
Expenses	(5,100)	(625)	(4,900)	-	(10,625)
Interest	-	-	-	-	-
Balance - December 31					<u>\$ 6,170</u>

* Federal Aviation Administration Record of Decision passenger facility charge effective date for Application One is August 1, 2007

** Cash basis of accounting - collections are reported when received rather than when earned in accordance with passenger facility charge reporting guidelines.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Project Number	Program or Award Amount	Expenditures
U.S. Department of Transportation (Federal Aviation Administration):				
Airport Improvement Program:				
Taxiway Bravo/Charlie / Reconstruction (TOP)	20.106	3-20-0082-21	\$ 3,345,762	\$ 2,671,406
Rwy 13-31 Reconstruction - Phase 2 (FOE)	20.106	3-20-0113-37	8,030,407	296,553
COVID-19 - CARES Act Funding (FOE & TOP)	20.106	3-20-0113-38	16,897,555	23,508
Total U.S. Department of Transportation			28,273,724	2,991,467
U.S. Department of Defense:				
Rwy 13-31 Reconstruction - Construction (FOE)	12.400	N/A	24,387,500	381,528
Total expenditures of federal awards			<u>\$ 52,661,224</u>	<u>\$ 3,372,995</u>

See accompanying notes to Schedule of Expenditures
of Federal Awards.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2020

1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Metropolitan Topeka Airport Authority (the Authority) under programs of the federal government for the year ended December 31, 2020. 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position of the business-type activities, changes in financial position, or cash flows of the Authority.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

3 - Relationship to Financial Statements

Federal awards received are reported in the Authority's financial statements as grants on the statement of revenues, expenses, and changes in net position.

4 - Difference in Presentation of Capital Assets

The Schedule presents capital asset acquisitions as expenditures under the definition of the Uniform Guidance. The financial statements present capital asset acquisitions as assets in accordance with accounting principles generally accepted in the United States of America.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2020

Section I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Noncompliance material to the financial statements noted	None

Federal Awards

Type of auditors' report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	None

Identification of major programs:

<u>CFDA Number</u> 20.106	<u>Name of Federal Program or Cluster</u> Airport Improvement Program
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Dollar threshold used to distinguish between type A and type B programs	\$ 750,000
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Auditee qualified as a low-risk auditee	Yes
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METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II. Financial Statement Findings

None

Section III. Federal Award Findings and Questioned Costs

None

Section IV. Passenger Facility Charge (PFC) Findings and Questioned Costs

None



Certified Public Accountants

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

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Metropolitan Topeka Airport Authority (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 11, 2021.

Internal Control Over Financial Reporting

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

BT + Co., P.A.

May 11, 2021
Topeka, Kansas



Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

Report on Compliance for Each Major Federal Program and the Passenger Facility Charge Program

We have audited Metropolitan Topeka Airport Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2020. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

We have audited the compliance of the Authority with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, for the Authority's passenger facility charge program for the year ended December 31, 2020.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs and the passenger facility charge program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program and passenger facility charge program based on our audit of the types of compliance requirements referred to above. 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). Those standards, the Uniform Guidance and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and passenger facility charge program. However, our audit does not provide a legal determination of the Authority's compliance.

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Opinion on the Major Federal Program and the Passenger Facility Charge Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Additionally, in our opinion, the Authority complied, in all material respects with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

BT + Co., P.A.

May 11, 2021
Topeka, Kansas