BT&Co. P.A.

Certified Public Accountants

METROPOLITAN TOPEKA AIRPORT AUTHORITY

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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FINANCIAL STATEMENTS
Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Metropolitan Topeka Airport Authority (the Authority) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS); and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial statements have been restated to correct a misstatement in a prior period. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

An Independently Owned Member, RSM US Alliance

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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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 and the schedules of certain revenue and general expenses, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 July 20, 2022 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.

July 20, 2022
Topeka, Kansas

Metropolitan Topeka Airport Authority
Management Discussion and Analysis
Years Ended December 31, 2021 and 2020

INTRODUCTION

Board of Directors	**Executive Staff**
Thomas E. Wright, Chair	Eric M. Johnson, President
Michael R. Munson, Vice-Chair	Cheryl A. Trobough, Director of Administration and Finance
Erica Garcia-Babb, Secretary	Maj. Bill Wempe, Interim Chief of Police & Fire
Lisa D. Stubbs	Terry L. Poley, Director of Maintenance
Brian Armstrong	Matthew D. Anstaett, 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, 2021 and 2020. 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 2021 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 2021, management stressed keeping expenses at a conservative yet realistic level and setting achievable levels for non-tax revenue increases. 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 2021

The fiscal year 2021 proved to be a challenging year for the MTAA, maybe not as challenging as it was for a large part of the business world. Even though we were able to maintain normal business hours, retaining full-staff on payroll while maneuvering through obstacles of COVID-quarantine periods during 2020, the labor- force issues of 2021 had a direct impact on the MTAA. With the airline industry striving to rebuild from the devastation of COVID, the MTAA's landing fees, flowage fees and Passenger Facility Charges began showing an increase. Our tenants, for the most part, survived the financial struggles of the pandemic in 2020. The country's financial recovery is a major concern as we move into 2022.

Activity Highlights

Capital Improvements

- Federal Grants received:
  - Topeka Regional Airport and Philip Billard Airport received a total of $ 1,026,949 as a portion of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act from the Federal Aviation Administration.
  - Topeka Regional Airport and Philip Billard Airport received a total of $ 1,116,039 awarded to Topeka Regional Airport under the American Rescue Plan Act (ARPA) from the Federal Aviation Administration.
  - Plans continued for the projects to be accomplished with the $ 16,897,555 received by Topeka Regional Airport and Philip Billard Airport as a portion of the Coronavirus Aid, Relief, and Economic Security (CARES) Act from the Federal Aviation Administration in 2020. Projects include the replacements of the Airport Terminal building at Philip Billard Airport; the aviation fuel farm at Topeka Regional Airport; and the passenger loading bridge at Topeka Regional Airport.
- Federal grant cash receipts totaling $ 532,358 were received from the FAA through the Airport Improvement Program (AIP) for Topeka Regional Airport and Philip Billard Airport in 2021. The funds received were reimbursement for projects as follows:

  Topeka Regional Airport (FOE):

  - FAA AIP #3-20-0113-37 – FAA grant revenue of $ 2,707 was received as the final payment for the Phase 2 construction of the Reconstruction of Runway 13-31.

  Philip Billard Airport (TOP):

  - FAA AIP #3-20-0082-20 - FAA grant revenue of $ 37,384 was received as the final payment for the construction phase of the Runway 4-22 removal.
  - FAA AIP #3-20-0082-21 - FAA grant revenue of $ 492,267 was received as the final payment for the construction phase of the Taxiway Bravo & Charlie Reconstruction.
- Other improvements to the infrastructure included the MTAA's continued repair and maintenance on property throughout the complex to expand leasing opportunities and maintain operational facilities.

Topeka Regional Business Center:

- 6510 SE Forbes Ave. – A new roof was installed on the MTAA Administrative Office building;

- 6800 SE Forbes Ave. – Some building repairs and renovations, including a new roof, were completed in this 24,2912 square foot building and the building was leased to a A-1 Restaurant and Bar Supply Inc.

Philip Billard Airport:

- Building #14 – Building repairs and renovations, including the replacement of overhead doors and the furnace/air conditioning units were completed on the MTAA Maintenance facility at Billard Airport. The exterior of the building was improved with the installation of siding and a new roof.

➢ The 2021 Vehicle/Equipment Procurement included:

- Police & Fire Department –
    - A 2020 RAM 1500 Crew Cab 4X4 pickup was purchased and a 2011 Ford Expedition was acquired from Shawnee Heights Fire District for use as patrol vehicles;
    - A Watchguard Dash Cam and Body Cam bundle was purchased and activated;
    - Firearms, including handguns and rifles, were purchased to allow for the standardization of weapons and training for all members of the department, better condition and control of the weapons, and the ability to interchange parts in emergency events;
    - Taser equipment was purchased as an addition to the department's arsenal in order to provide the capability of non-lethal weaponry;
    - A 2022 Rosenbauer Pumper fire apparatus was purchased to replace an out-of-date pumper in the fire department's emergency vehicle fleet;
    - The Bryx Station control system was purchased and activated for fire emergency alerting to the entire station and off-duty department members; and
    - Extractor washer & dryer units were purchased for decontamination of fire gear.

- Maintenance Department –
    - A 2021 Ford F-150 4X2 pickup and a 2022 Ford F-350 4X4 pickup were purchased and placed into the fleet of maintenance trucks;
    - A 2020 Tymco BAH Regenerative Sweeper Truck was purchased to replace the 1999 street sweeper in the fleet; and
    - Two 2021 Landpride rotary mowers were purchased for mowing in the Airport Operations Area.

Summary of Operations and Changes in Net Position

	2021	2020	2019
Operating revenues	$ 2,472,820	$ 2,386,851	$ 2,444,477
Operating expenses	(4,240,842)	(4,069,627)	(3,741,099)
Excess before depreciation and other non-operating income and expenses	(1,768,022)	(1,682,776)	(1,296,622)
Depreciation	(3,709,555)	(3,487,408)	(1,576,446)
Excess (loss) before other non-operating income and expense	(5,477,577)	(5,170,184)	(2,873,068)
Other non-operating income (expense), net	4,103,500	3,939,482	3,941,769
Gain (Loss) before capital contributions	(1,374,077)	(1,230,702)	1,068,701
Capital contributions	40,577	3,360,648	1,907,551
Increase (decrease) in net position	$ (1,333,500)	$ 2,129,946	$2,976,252

Significant items affecting operations and the change in net position for 2021 are as follows:

- Operating results for 2021 were similar when compared to 2020 with revenues increasing by $85,969 or 3.601% and expenses increasing by $171,215 or 4.207%.
- Depreciation expense was increased. When compared to 2020 there was an increase of $222,147 or 6.370%.
- Net non-operating income (expense) increased 4.163%.
- Capital contributions received in the form of grants from the Federal Aviation Administration and ANG project funds totaled $40,577, a significant decrease from 2020 of $3,320,071. This was due to the completion of the Runway 13-31 in 2020 and the final close-out in 2021.

Revenues

A summary of revenues for the past three years is shown below. Total Revenue increased 4.063% from 2020 to 2021. The following chart depicts the sources of revenues for 2021:

	2021	2020	2019
Operating revenue			
Building and land rent	$ 2,108,522	$ 2,098,620	$ 2,006,430
Landing and fuel flowage fees	167,136	70,021	154,386
Water and sewer sales, net of cost of sales	137,812	162,997	152,547
Other	59,350	55,213	131,114
Total operating revenue	2,472,820	2,368,851	2,444,477
Non-operating revenue			
Taxes and assessments	3,995,831	3,863,592	3,793,066
Interest income	15,789	60,035	113,184
Other	88,801	24,077	51,725
Total non-operating revenue	4,100,421	3,947,704	3,957,975
Total revenue	$ 6,573,241	$ 6,316,555	$ 6,402,452

Expenses

A summary of expenses for the past three years is shown below. Total Expenses increased by 3.922% from 2020 to 2021. The following chart depicts the major expense categories for 2021:

	2021	2020	2019
Operating expenses			
Personnel	$ 2,840,095	$ 2,928,262	$ 2,652,084
Facilities support	879,715	653,432	655,213
Equipment support	210,112	144,379	175,868
Other	310,920	343,554	257,934
Total operating expenses	4,240,842	4,069,627	3,741,099
Non-operating expenses			
Interest	(3,079)	8,222	16,206
Total expenses	$ 4,237,763	$ 4,077,849	$ 3,757,305

The MTAA ended 2021 with favorable budget variances for both revenues and expenditures.

Summary of Financial Position

The MTAA's assets exceeded its liabilities by $ 66,011,597 at the end of 2021. A condensed summary of total net position follows:

	2021	2020	2019
Assets & Deferred Outflows of Resources			
Current and other assets	$ 11,127,527	$ 10,396,821	$ 9,826,344
Noncurrent assets	0	3,165	13,797
Capital assets	60,768,226	63,003,862	61,926,650
Deferred outflow of resources	674,951	612,522	327,966
Total assets & deferred outflows of resources	72,570,704	74,016,370	72,094,757
Liabilities & Deferred Inflows of Resources			
Long-term debt outstanding	0	38,019	198,944
Net pension & OPEB liability	1,476,065	1,917,563	1,624,991
Other liabilities	906,105	920,735	1,021,801
Deferred inflow of resources	4,176,937	3,794,956	3,712,108
Total liabilities & deferred inflows of resources	6,559,107	6,671,273	6,557,844
Net position			
Invested in capital assets, net of related debt	60,768,226	62,814,468	61,499,217
Restricted Passenger Facility Charge revenue	2,603	1,434	6,170
Unrestricted	5,240,768	4,529,195	4,031,526
Total net position	$ 66,011,597	$ 67,345,097	$ 65,536,913

92.1% 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 debt reported in previous years, consisting of a Kansas Water Pollution Control Revolving Fund loan from the Kansas Department of Health and Environment and a bank loan, was fully paid at December 31, 2021. Principal and interest on the debt service was paid from lease revenue, the general revenues of the MTAA and mil levy revenue.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents	$ 3,675,741	$ 3,848,210
Certificates of deposit	3,771,551	2,261,069
Accounts receivable, net of allowance for doubtful accounts of $ 9,104 in 2021 and 2020	67,778	136,720
Prepaid expenses	64,694	53,832
Grants receivable	2,857	494,638
Interest receivable	4,114	7,074
Taxes receivable	3,540,792	3,595,278
Total current assets	11,127,527	10,396,821
Capital assets, less accumulated depreciation	60,768,226	63,003,862
Noncurrent assets:		
Other assets	-	3,165
Total assets	71,895,753	73,403,848
Deferred outflows of resources:		
Deferred outflows of resources - pension	530,515	433,184
Deferred outflows of resources - OPEB	144,436	179,338
Total deferred outflows of resources	674,951	612,522
Total assets and deferred outflows of resources	$ 72,570,704	$ 74,016,370

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
(Continued)
December 31, 2021 and 2020

	2021	2020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities:		
Current portion of long-term debt	$ -	$ 151,375
Accounts payable	260,590	126,608
Accrued compensated absences and benefits	231,445	206,751
Accrued salaries and payroll taxes	55,447	96,578
Accrued interest	-	4,968
Other current liabilities	23,770	23,773
Other unearned revenue	334,853	310,682
Total current liabilities	906,105	920,735
Noncurrent liabilities:		
Long-term debt, less current maturities	-	38,019
Net pension liability	1,305,588	1,706,054
OPEB liability	170,477	211,509
Total noncurrent liabilities	1,476,065	1,955,582
Total liabilities	2,382,170	2,876,317
Deferred inflows of resources:		
Deferred inflows of resources - tax revenue	3,540,792	3,595,278
Deferred inflows of resources - pension	518,566	92,752
Deferred inflows of resources - OPEB	117,579	106,926
Total deferred inflows of resources	4,176,937	3,794,956
Net position:		
Net investment in capital assets	60,768,226	62,814,468
Restricted	2,603	1,434
Unrestricted	5,240,768	4,529,195
Total net position	66,011,597	67,345,097
Total liabilities, deferred inflows of resources, and net position	$ 72,570,704	$ 74,016,370

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2021 and 2020

	2021	2020
Operating revenue:		
Taxes and assessments	$ 3,995,831	$ 3,863,592
Revenue from services	2,335,008	2,223,854
Water sales and sewer charges	400,761	360,268
Other income	11,488	10,702
Total operating revenue	6,743,088	6,458,416
Operating expenses:		
General expenses	4,503,791	4,266,898
Depreciation	3,709,555	3,487,408
Total expenses	8,213,346	7,754,306
Operating income (loss)	(1,470,258)	(1,295,890)
Non-operating revenues (expenses):		
Federal grants in aid of construction	37,720	2,910,923
SNCO grant revenue	-	68,197
Passenger facility charge	4,469	8,253
ANG project funds	2,857	381,528
Gain on disposal of capital assets	72,844	5,122
Interest income	15,789	60,035
Interest expense	3,079	(8,222)
Total non-operating revenues	136,758	3,425,836
Change in net position	(1,333,500)	2,129,946
Net position at beginning of year, as previously stated	67,345,097	65,536,913
Prior period adjustment	-	(321,762)
Net position at beginning of year, as restated	67,345,097	65,215,151
Net position at end of year	$ 66,011,597	$ 67,345,097

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from customers	$ 2,580,587	$ 2,309,808
Cash received from taxes and assessments	3,995,831	3,863,592
Cash paid to employees	(2,169,876)	(2,132,598)
Cash paid to suppliers and others	(2,031,748)	(1,943,534)
Net cash flows from operating activities	2,374,794	2,097,268
Cash flows from investing activities:		
Net (purchase) redemption of certificates of deposit	(1,510,482)	738,931
Interest received	18,749	98,448
Net cash flows from investing activities	(1,491,733)	837,379
Cash flows from capital and related financing activities:		
Payments on long-term debt	(189,394)	(238,039)
Purchase of capital assets	(1,474,859)	(4,886,382)
Cash proceeds from disposal of capital assets	73,785	5,122
Cash proceeds from SNCO grant	-	68,197
Cash proceeds from airport improvement grants	529,501	2,539,937
Cash proceeds from ANG project funds	2,857	438,684
Cash proceeds from passenger facility charge	4,469	8,253
Interest paid	(1,889)	(8,222)
Net cash flows from capital and related financing activities	(1,055,530)	(2,072,450)
Net change in cash and cash equivalents	(172,469)	862,197
Cash and cash equivalents, beginning of year	3,848,210	2,986,013
Cash and cash equivalents, end of year	$ 3,675,741	$ 3,848,210

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(Continued)
Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	$ (1,470,258)	$ (1,295,890)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	3,709,555	3,487,408
Decrease (increase) in operating assets:		
Accounts receivable	68,942	(100,328)
Prepaid expenses	(10,862)	4,985
Taxes receivable	54,486	(76,451)
Other assets	3,165	10,632
Change in deferred outflows of resources	(62,430)	(284,556)
Increase (decrease) in operating liabilities:		
Accounts payable	133,982	(53,664)
Accrued compensated absences and benefits	24,694	10,986
Accrued salaries and payroll taxes	(41,131)	16,443
Other current liabilities	(3)	(318)
Other deferred revenue	24,171	2,601
Net pension liability	(400,466)	276,472
OPEB liability	(41,032)	16,100
Change in deferred inflows of resources	381,981	82,848
Net cash flows from operating activities	$ 2,374,794	$ 2,097,268

See accompanying notes to the financial statements.

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 Authority is reported as an 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 resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

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.

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.

Beginning in 2022, if the Authority is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20th.

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 2021 or 2020.

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:

	2021	2020
Budget basis change in net position	$ 1,032,864	$ (1,466,566)
Adjustments (net):		
Revenue accruals	(58,661)	3,341,133
Expenditure accruals	(4,277,105)	(4,528,305)
Change in encumbrances	305,149	(340,737)
Purchase of capital assets	1,474,859	4,886,382
Retirement of notes	189,394	238,039
GAAP basis change in net position	$ (1,333,500)	$ 2,129,946

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.

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 2021 and 2020 years, by recording taxes receivable with an offsetting entry to deferred inflows, as of December 31, 2021 and 2020, 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.

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, 2021 and 2020, accrued sick leave benefits were $ 87,102 and $ 75,525, respectively. Accrued vacation benefits at December 31, 2021 and 2020 were $ 144,343 and $ 131,226, 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 property tax revenues, deferred inflows for OPEB, and deferred inflows for pension. 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, 2021 and 2020 was $ 14,963 and $ 13,489, 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, deferred outflows, liabilities, deferred inflows 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 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, 2021 and 2020, the Authority had $ 3,320,391 and $ 3,015,242, 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, 2021 and 2020.

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 Statement

At December 31, 2021, 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. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for periods beginning after June 15, 2022.

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, 2021, the carrying amount of the Authority's deposits, including certificates of deposit, was $ 7,447,292. The bank balance was $ 7,499,706. Of the bank balance, $ 1,500,000 was covered by FDIC insurance and the remaining $ 5,999,706, 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, 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.

3 - Capital Assets

Capital assets activity for the years ending December 31, 2021 and 2020 is as follows:

	Balance 12/31/2019	Additions	Retirements and Transfers	Balance 12/31/2020	Additions	Retirements and Transfers	Balance 12/31/2021
Capital assets not being depreciated:							
Land	$ 6,167,873	$ -	$ -	$ 6,167,873	$ -	$ -	$ 6,167,873
Construction in progress	1,581,053	4,478,116	(871,365)	5,187,804	479,501	(1,947,120)	3,720,185
Total capital assets not being depreciated	7,748,926	4,478,116	(871,365)	11,355,677	479,501	(1,947,120)	9,888,058
Capital assets being depreciated:							
Buildings and improvements	35,230,788	878,587	-	36,109,375	331,915	-	36,441,290
Runways	85,378,446	-	-	85,378,446	1,747,525	-	87,125,971
Vehicles	5,099,515	126,573	(153,034)	5,073,054	674,346	(633,653)	5,113,747
Furniture	204,028	-	-	204,028	-	-	204,028
Equipment	2,371,319	274,475	(11,384)	2,634,410	188,626	(143,306)	2,679,730
Total capital assets being depreciated	128,284,096	1,279,635	(164,418)	129,399,313	2,942,412	(776,959)	131,564,766
Less accumulated depreciation	(74,428,134)	(3,487,408)	164,414	(77,751,128)	(3,709,555)	776,085	(80,684,598)
Total capital assets being depreciated, net	53,855,962	(2,207,773)	(4)	51,648,185	(767,143)	(874)	50,880,168
Total capital assets	$ 61,604,888	$ 2,270,343	$ (871,369)	$ 63,003,862	$ (287,642)	$(1,947,994)	$ 60,768,226

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.
Both notes were paid in full during the year ended December 31, 2021.

The following shows the activity in long-term debt during 2021 and 2020:

Issue	Balance 12/31/2019	Additions	Reductions/ Payments	Balance 12/31/2020	Additions	Reductions/ Payments	Balance 12/31/2021
Construction loan from bank - direct borrowing	$ 209,366	$ -	$ 89,236	$ 120,130	$ -	$ 120,130	$ -
Kansas Water Pollution Control Revolving Fund (KWPCRF) loan - direct borrowing	218,067	-	148,803	69,264	-	69,264	-
Total long-term debt	$ 427,433	$ -	$ 238,039	$ 189,394	$ -	$ 189,394	$ -

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

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.

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, 2021.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% and 8.67% for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. Contributions to the Pension Plan from the Authority were $ 193,538 and $ 205,607 for the years ended December 31, 2021 and 2020, respectively.

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

At December 31, 2021 and 2020, the Authority reported a liability of $ 1,305,588 and $ 1,706,054, respectively, for its proportionate share of the KPERS collective net pension liability. The 2021 collective net pension liability was measured by KPERS as of June 30, 2021, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2021 and 2020, the Authority's proportion was 0.108803% and 0.098408%, respectively.

For the years ended December 31, 2021 and 2020, the Authority recognized pension expense of $ 121,555 and $ 224,501, respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 51,535	$ 11,822
Net differences between projected and actual earnings on investments	-	463,610
Changes of assumptions	257,007	-
Contributions made after measurement date	101,655	-
Changes in proportion	120,318	43,134
Total	$ 530,515	$ 518,566

	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

The $ 101,655 and $ 100,744 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 years ended December 31, 2022 and 2021, 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:

Years Ended December 31,	
2022	$ (7,361)
2023	(4,221)
2024	(11,216)
2025	(81,173)
2026	14,265
	$ (89,706)

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2020 and 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Actuarial cost method	Entry age normal	Entry age normal
Price inflation	2.75%	2.75%
Wage inflation	3.50%	3.25%
Salary increases, including price inflation	3.50% - 12.00%	3.25% - 11.75%
Long-term rate of return, net of investment expense, including price inflation	7.25%	7.50%

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, 2020 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2019.

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:

2021

	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%	

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%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.25% and 7.50% for the years ended December 31, 2021 and 2020, 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 7.25% for 2021 and 7.50% for 2020, as well as what the 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
2021	$ 2,147,566	$ 1,305,588	$ 599,483
2020	2,401,101	1,706,054	1,121,701

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, 2021 and 2020, the Authority contributed $ 24,000 and $ 21,000, respectively, to the plan.

Employees Covered by Benefit Terms. At December 31, 2021 and 2020, the following employees were covered by the benefit terms.

	2021	2020
Inactive employees or beneficiaries currently receiving benefit payments	4	4
Active plan members	36	36
Total	40	40

Total OPEB Liability. The Authority's total OPEB liability of $ 126,110 and $ 154,966, respectively, was measured as of December 31, 2021 and 2020 and was determined by an actuarial valuation performed as of January 1, 2022 and January 1, 2019, respectively.

Actuarial Assumptions and Other Inputs. The total OPEB liability at December 31, 2021 and 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

2021	
Discount rate	2.04% percent
Salary increases	5.50 percent per year
Healthcare cost trend rates	6.50 percent for 2021, decreasing 0.25 percent for 2022 to 2026 to an ultimate rate of 5.00 percent for 2026
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

	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

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 1.96% to 2.04%.
2. The mortality improvement scale was updated from MP-2020 to MP-2021.
3. Per capita costs, retiree contribution premiums and trend rates were updated as part of the evaluation.

Changes in the Total OPEB Liability

	2021	2020
Beginning balance	$ 154,966	$ 131,547
Changes for the year:		
Service cost	10,785	8,959
Interest on total OPEB liability	3,014	3,900
Differences between expected and actual experiences	(18,767)	(9,062)
Changes in assumptions or other inputs	112	40,622
Employer contributions (benefit payments)	(24,000)	(21,000)
Ending balance	$ 126,110	$ 154,966

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 (1.04 percent) or 1-percentage-point higher (3.04 percent) than the current discount rate of 2.04% for 2021 and 1.96% for 2020:

	1% Decrease	Discount Rate	1% Increase
2021	$ 134,477	$ 126,110	$ 117,996
2020	163,936	154,966	146,226

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
2021	$ 110,822	$ 126,110	$ 145,025
2020	139,899	154,966	173,435

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2021 and 2020, the Authority recognized OPEB expense of $ 6,078 and $ 14,546, respectively. At December 31, 2021 and 2020, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 36,882	$ (2,159)
Differences between actual and expected experience	-	(35,836)
Total	$ 36,882	$ (37,995)

	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)

Amounts reported as deferred outflows and inflows of resources related to OPEB at December 31, 2021 will be recognized in OPEB expense as follows:

Years Ended December 31,		
2022	$	132
2023		132
2024		132
2025		132
2026		132
Thereafter		(1,773)
	$	(1,113)

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, 2021 and 2020 totaled $ 13,509 and $ 12,909, 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.

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:

	2021	2020
Disabled members	1	1
Active plan members	36	35
Total	37	36

Total OPEB Liability. The Authority's total OPEB liability of $ 44,367 reported as of December 31, 2021 was determined by an actuarial valuation performed as of December 31, 2020 and rolled forward to June 30, 2021. 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 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)	2.16 percent for 2021, 2.21 percent for 2020
Salary increases, including wage increases	2.21 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-2021.

The actuarial assumptions that determined the total OPEB liability as of June 30, 2020 and 2021 were based on actual KPERS experience.

Changes in Total OPEB Liability

	2021		2020	
Beginning balance	$	56,543	$	63,862
Changes for the year:				
Service cost		7,858		7,121
Interest on total OPEB liability		1,276		2,260
Effect on economic/demographic gains or losses		(7,903)		(7,564)
Changes in assumptions or other inputs		102		3,773
Benefit payments		(13,509)		(12,909)
Ending balance	$	44,367	$	56,543

Sensitivity Analysis. The following presents the Authority's total OPEB liability calculated using the discount rate of 2.16% for 2021 and 2.21% for 2020, 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 (1.16% for 2021 and 1.21% for 2020) or 1-percentage point higher (3.16% for 2021 and 3.21% for 2020) than the current rate:

	1% Decrease		Discount Rate		1% Increase	
2021	$	46,332	$	44,367	$	42,237
2020		58,302		56,543		54,599

OPEB Expense. For the years ended December 31, 2021 and 2020, the Authority recognized OPEB expense of $ 2,891 and $ 1,973, 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, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between actual and expected experience	$	103,918	$	(78,483)
Changes of assumptions		3,636		(1,101)
Contributions made after measurement date		-		-
Total	$	107,554	$	(79,584)

	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)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling $ 11,701 consists of payments made to KPERS for benefits and administrative costs and was 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,	
2022	$ 7,266
2023	7,266
2024	7,266
2025	7,266
2026	7,293
Thereafter	(8,387)
	$ 27,970

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.

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, 2021 and 2020, 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 70% of net accounts receivable as of December 31, 2021. The Authority had one vendor that provided approximately 25% of the total purchases for the year ended December 31, 2021.

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.

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, 2021:

Years Ended December 31,		
2022	$	1,826,234
2023		1,385,413
2024		1,122,033
2025		718,215
2026		497,012
Thereafter		1,762,146
Total	$	7,311,053

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, 2021. 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, 2021 is $ 3,250,672.

10 - Capital Projects

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

	2021			
	Project Authorization		Cash Disbursements to Date	
Runway 4-22 Reconfig (TOP)	$	1,572,297	$	1,572,297
Taxiway Bravo/Charlie/Reconstruction (TOP)		3,011,185		3,011,185
Rwy 13-31 Reconstruction - Phase 2 (FOE)		8,030,417		7,824,826
CARES Act Funding (FOE & TOP)		16,897,555		167,798
ARFF Vehicle (FOE)		870,247		-
ARPA Funding (FOE)		1,057,039		-
ARPA Funding (TOP)		59,000		-
Runway 13-31 Reconstruction - Construction (FOE)		24,387,500		17,620,320
	$	55,885,240	$	30,196,426

	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

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.

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 as of December 31, 2021 and 2020, 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, 2021. 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 - Prior Period Adjustment

Net position at the beginning of 2020 has been adjusted to record depreciation for an asset placed into service at the end of 2019 that was noted as construction in progress until 2021. The financial statement presentation was corrected to reflect the appropriate effect on net position and depreciation expense for this asset. The correction has reduced the 2020 expenses and decreases beginning net position for 2021 by $321,762.

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 Eight Fiscal Years[1]

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	0.11%	0.11%
Proportionate share of the collective net pension liability	$ 1,305,588	$ 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	$ 2,101,042	$ 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	62.14%	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	1.82%	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 Eight Fiscal Years [1]

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	$ 193,538	$ 205,607	$ 186,205	$ 176,268	$ 158,820	$ 171,862	$ 184,694	$ 161,839
Contributions in relation to the contractually required contribution	(193,538)	(205,607)	(186,205)	(176,268)	(158,820)	(171,862)	(184,694)	(161,839)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$2,077,019	$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	9.32%	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 Four Fiscal Years[1]

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ 10,785	$ 8,959	$ 8,257	$ 8,932
Interest	3,014	3,900	5,202	5,187
Differences between expected and actual experience	(18,767)	(9,062)	(10,621)	(6,580)
Effect of assumption changes or inputs	112	40,622	6,114	(3,599)
Benefit payments	(24,000)	(21,000)	(21,000)	(23,000)
Net change in total OPEB liability	(28,856)	23,419	(12,048)	(19,060)
Total OPEB liability, beginning	154,966	131,547	143,595	162,655
Total OPEB liability, ending	$ 126,110	$ 154,966	$ 131,547	$ 143,595
Covered-employee payroll	$ 2,101,042	$ 1,874,631	$ 1,907,636	$ 1,879,631
Total OPEB liability as a % of covered-employee payroll	6.00%	8.27%	6.90%	7.64%

[1]GASB 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 Four Fiscal Years[1]

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ 7,858	$ 7,121	$ 6,648	$ 6,600
Interest	1,276	2,260	6,378	600
Effect of economic/demographic gains (losses)	(7,903)	(7,564)	(94,453)	176,981
Effect of assumption changes or inputs	102	3,773	770	(1,200)
Benefit payments	(13,509)	(12,909)	(27,025)	(43,361)
Net change in total OPEB liability	(12,176)	(7,319)	(107,682)	139,620
Total OPEB liability, beginning	56,543	63,862	171,544	31,924
Total OPEB liability, ending	$ 44,367	$ 56,543	$ 63,862	$ 171,544
Covered-employee payroll	$ 2,101,042	$ 1,874,631	$ 1,907,636	$ 1,879,631
Total OPEB liability as a % of covered-employee payroll	2.11%	3.02%	3.35%	9.13%

[1]GASB 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, 2021

	GAAP Actual	Adjustments	Budget Basis Actual	Original and Final Budget	Variance
Revenue:					
Ad valorem tax	$ 3,473,322	$ -	$ 3,473,322	$ 3,593,278	$ (119,956)
Delinquent property tax	57,205	-	57,205	-	57,205
Motor vehicle tax	445,489	-	445,489	420,615	24,874
Recreational vehicle tax	4,804	-	4,804	3,953	851
In lieu of taxes	13,237	-	13,237	-	13,237
16/20M vehicle tax	1,774	-	1,774	1,679	95
Fees and licenses	181,141	96,278	277,419	180,950	96,469
Leases and rents	2,108,522	-	2,108,522	1,850,000	258,522
Reimbursements	187,627	-	187,627	177,174	10,453
Non-operating	84,330	-	84,330	5,000	79,330
SNCO Spark Grant	-	-	-	-	-
Federal grants	40,577	(40,577)	-	-	-
Interest on idle funds	15,789	2,960	18,749	20,000	(1,251)
Total revenue	6,613,817	58,661	6,672,478	6,252,649	419,829
Expenses:					
Personnel	2,840,094	100,758	2,940,852	3,100,541	(159,689)
Professional services	191,806	231,993	423,799	455,412	(31,613)
Personnel support	37,594	(572)	37,022	31,000	6,022
Communication services	81,057	-	81,057	85,871	(4,814)
Facilities support	879,715	181,042	1,060,757	856,680	204,077
Equipment support	210,112	-	210,112	221,915	(11,803)
Depreciation	3,709,555	(3,709,555)	-	-	-
Other charges	463	-	463	-	463
Capital projects and improvements	-	883,663	883,663	3,434,467	(2,550,804)
Prepaid expenses	-	-	-	10,000	(10,000)
Neighborhood Revitalization rebates	-	-	-	39,622	(39,622)
Interest	(3,079)	4,968	1,889	17,141	(15,252)
Total expenses	7,947,317	(2,307,703)	5,639,614	8,252,649	(2,613,035)
Change in net position	(1,333,500)	2,366,364	1,032,864	(2,000,000)	3,032,864
Net position/unencumbered cash, beginning of year	67,345,097	(63,422,328)	3,094,037	2,000,000	1,094,037
Net position/unencumbered cash, end of year	$ 66,011,597	$ (61,055,964)	$ 4,126,901	$ -	$ 4,126,901

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	3,487,408	(1,556,839)	1,930,569	-	1,930,569
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	7,565,257	255,379	7,820,636	8,014,521	(193,885)
Change in net position	2,129,946	(3,596,512)	(1,466,566)	(1,800,000)	333,434
Net position/unencumbered cash, beginning of year	65,536,913	(59,825,816)	5,711,097	1,800,000	3,911,097
Prior period adjustment	(321,762)	-	(321,762)	-	(321,762)
Net position/unencumbered cash, end of year	$ 67,345,097	$ (63,422,328)	$ 3,922,769	$ -	$ 3,922,769

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF CERTAIN REVENUES
Years Ended December 31, 2021 and 2020

	2021	2020
Taxes and assessments:		
Current property tax	$ 3,473,322	$ 3,372,889
Current motor vehicle tax	445,489	424,315
Other taxes	77,020	66,388
Total taxes and assessments	3,995,831	3,863,592
Revenue from services:		
Lease and rental fees	2,108,522	2,098,620
Water sales	400,761	360,268
Fuel flowage fees	126,085	51,622
Landing fees	41,051	18,399
Other service revenue	38,882	31,869
Insurance reimbursements	11,310	12,579
Utility reimbursements	9,158	9,600
Parking	-	1,165
Total revenue from services	2,735,769	2,584,122
Other:		
Interest income	15,789	60,035
Other income	11,488	10,702
Net other	27,277	70,737
Total revenue	$ 6,758,877	$ 6,518,451

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF GENERAL EXPENSES
Years Ended December 31, 2021 and 2020

	2021	2020
Salaries and wages	$ 2,153,439	$ 2,160,027
Payroll taxes and benefits	686,655	768,235
Cost of water sales	262,949	197,271
Electricity and gas	246,971	245,341
Structural insurance	169,341	154,044
General facility supplies	163,443	77,570
Other facilities support	121,565	41,978
Other professional services	95,586	96,184
Outside maintenance services	90,538	52,851
Equipment service agreements	60,700	58,232
Vehicle insurance	59,380	50,983
Equipment repair and maintenance	56,814	20,353
Vehicle fuel	48,733	34,819
Bonding insurance fees	45,011	42,295
Water and sewer	36,158	35,780
Telephone	29,005	22,451
Accounting services	24,538	22,978
Airport liability insurance	22,694	23,417
Vehicle maintenance and supplies	20,909	13,048
Legal services	20,000	56,818
Other personnel support	18,736	12,249
Equipment maintenance and supplies	18,358	16,030
Advertising and public relations	14,963	13,489
Clothing and uniforms	9,565	8,301
Dues and subscriptions	9,294	6,725
Other equipment support	5,917	9,146
Miscellaneous expense	4,962	1,342
Office supplies	3,488	5,385
Other communications service and support	2,889	17,631
Economic development	1,190	1,925
Total general expenses	$ 4,503,791	$ 4,266,898

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 20, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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.

July 20, 2022
Topeka, Kansas