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

A Component Unit of the
City of Salina, Kansas

For the Fiscal Years Ended December 31, 2024 and 2023

SALINA AIRPORT AUTHORITY
TABLE OF CONTENTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended December 31, 2024, and 2023

INTRODUCTORY SECTION

Letter of Transmittal 1-6
Principal Officers 7
Authority Staff Members 8
Organizational Chart 9
Salina Regional Airport Aerial View 10

FINANCIAL SECTION

Independent Auditors' Report 11-13
Management's Discussion and Analysis 14-23
Basic Financial Statements
Statements of Net Position 24-25
Statements of Revenues, Expenses and Changes in Net Assets 26
Statements of Cash Flows (Direct Method) 27-28
Notes to Financial Statements 29-55

Required Supplemental Information
Schedule of Employer Proportionate Share of the Net Pension Liability ..56
Schedule of Employer's Contributions 57
Schedule of Changes in the Death and Disability Total OPEB Liability and Related Ratios 58

Supplemental Information
Schedules of Revenues, Expenses and Changes in Net Position 59-61
Capital Expenditures 62-63
Taxable General Obligation Bonds – Series 2015-A 64
Taxable General Obligation Bonds – Series 2017-A 65
Taxable Obligation Bonds – Series 2017-B 66
General Obligation Bonds – Series 2019-A 67
Taxable General Obligation Bonds Series 2021-A 68
Taxable General Obligation Bonds Series 2023-A 69
General Obligation Bonds (Subject to AMT) Series 2023-B 70
General Obligation Bond Series 2023-C 71

General Obligation Bond Temporary Notes – Series 2023-1 72
Taxable Lease Purchase Agreement 73
Insurance in Force 74

STATISTICAL SECTION

Statistical Table of Contents 75
Total Annual Revenues, Expenses and Changes in Net Position History 76-77
Changes in Cash and Cash Equivalents History 78-79
Capital Expenditure History 80
General Obligation Debt Service Coverage 81
Local Government Mill Levy Rates, Direct and Overlapping 82
Principal Customers 83
Mill Levy Revenue 84
Air Traffic, Fuel Flowage, and Enplanement Trends 85
Principal Employers 86
Airport/Industrial Center Information 87
Saline County Demographic and Economic Statistics 88
Saline County Largest Taxpayers and Tax Collection Statistics 89

COMPLIANCE

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* 90-91
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 92-94
Schedule of Expenditures of Federal Awards 95
Notes to Schedule of Expenditures of Federal Awards 96
Schedule of Findings and Questioned Costs 97-98
Summary Schedule of Prior Audit Findings 99

Chair: Donald Boos • Vice Chair: Ryan Commerford • Past Chair: Tod Roberg
Secretary: Michael Bunn • Treasurer: John O'Brien

Executive Director: Pieter Miller, C.M.
Director of Admin. & Finance: Michelle R. Swanson, C.M.
Director of Facilities & Construction: Maynard Cunningham
Director of Operations: David Sorell • Business & Comm. Manager: Kasey L. Windhorst
Board Attorney: Greg A. Bengston • Airport Admin. Specialist: Michelle Moon

March 25, 2026

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

To the Board of Directors of the Salina Airport Authority:

The Annual Comprehensive Financial Report of the Salina Airport Authority (the "Authority") for the fiscal years ended December 31, 2024, and 2023, is hereby submitted in accordance with the Kansas Statutes Annotated (K.S.A. 27-324). As required by the statute, the City of Salina will be furnished with copies of the Authority's 2023 Annual Comprehensive Financial Report. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Executive Director of the Authority. To the best of our knowledge and belief, the data as presented is accurate in all material aspects, is presented in a manner designed to fairly set forth the fiscal position and results of the operation of the Authority as measured by its financial activity, and all disclosures necessary to enable the reader to gain maximum understanding are included in the report.

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

REPORTING ENTITY

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

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

The Salina Regional Airport is the only commercial service airport serving Salina/Saline County and the 24-county area, which comprises north central Kansas. The Airport provides dual hub service with daily flights to both Chicago and Denver. The Airport also services the corporate, business, private aviation, and flight training needs of industry, business, and individuals in the area. The Airport is also used by Kansas State

University-Salina (KSUS). The Aerospace and Technology Campus of KSUS is located adjacent to the Airport and is one of the nation's top five aviation programs. The college offers degrees in professional flight training, airframe and power plant maintenance, and avionics technology.

The Salina Regional Airport and Airport Industrial Center is home to over 130 businesses and organizations as of December 31, 2024. Over 75 of the businesses and organizations are tenants of the Authority. One of the primary functions of the Authority is to facilitate the continued growth of jobs and payroll at the Airport and Airport Industrial Center. The Authority works in partnership with the City of Salina, Saline County, Salina Area Chamber of Commerce, and the Salina Community Economic Development Organization for the retention of existing business and industry and the recruitment of new business and industry.

ECONOMIC CONDITIONS AND OUTLOOK

Local Economy

The City serves as a 24-county regional trade center for north central Kansas. Many individuals and businesses within a 70-mile radius travel to the city to purchase consumer goods and services. This designation as a regional trade center is supported by the fact that the City ranked fourth among Kansas first-class cities in trade pull factor in the Fiscal Year 2024 report published by the Kansas Department of Revenue Office of Policy and Research. City trade pull factor is computed by dividing the per capita sales tax of a city by the statewide per capita sales tax.

Saline County, located in central Kansas, remains a vital contributor to the state's agricultural economy. According to the 2022 Census of Agriculture, the county had 513 farms covering approximately 314,203 acres, with an average farm size of 612 acres. Crop and livestock production generated approximately $69.8 million in agricultural sales in the county. Livestock production continues to play an important role in the regional economy, contributing to Kansas's cattle inventory of approximately 5.9 million head as of January 2025. Agriculture remains a key economic driver across Kansas, with the state's agricultural sector contributing over $88 billion in total economic output and supporting more than 245,000 jobs statewide. Recent investments, such as Beck's Hybrids research and distribution facility in Saline County, featuring a 96,000-square-foot building and approximately 100 acres dedicated to Practical Farm Research studies, highlight the county's continued commitment to advancing agronomic support and economic growth.

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

In recent years, Salina has undertaken significant revitalization efforts, including a $160 million downtown redevelopment initiative that began in April 2018. This public-private partnership, one of the largest in the city's history, has resulted in extensive streetscape and utility improvements, as well as the development of new amenities such as the Salina Fieldhouse, Homewood Suites by Hilton, Old Chicago Pizza & Taproom, The Alley entertainment center, and redevelopment of the historic Lee Buildings. Community leaders are also advancing plans for a Smoky Hill River renewal project, which will restore the river channel through

downtown while enhancing ecological health, recreational opportunities, and connectivity within the city's core.

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

Economic Condition of the Airport and Airport Industrial Center

According to a report published in June 2025 by the Docking Institute of Public Affairs at Fort Hays State University, the Salina Regional Airport and Airport Industrial Center continue to play a significant role in the regional economy. The study found that the total level of economic activity generated by private businesses, educational institutions, military units, public institutions, and other entities located at the Airport and Airport Industrial Center for 2024 was $1,620,827,040. This represents approximately 41.4% of the total economic activity in Saline County, which had a Gross Regional Product of approximately $3.9 billion for the year.

The economic activity associated with the Airport and Airport Industrial Center supported 12,376 jobs, representing approximately 31% of total employment in Saline County.

Today, the Salina Regional Airport and Airport Industrial Center are home to more than 130 businesses and organizations, including private companies, educational institutions, military units, governmental entities, and nonprofit organizations.

Continued investments in infrastructure, workforce development, and aviation and manufacturing facilities support the area's role as a regional hub for aviation, advanced manufacturing, logistics, and education. Institutions such as Kansas State University Salina Aerospace and Technology Campus, Salina Area Technical College and the Authority's Aviation Innovation and Maintenance (AIM) Center of Excellence, continue to provide specialized workforce training that supports the long-term growth and competitiveness of the Airport Industrial Center and the broader regional economy.

Future Economic Outlook

The future economic outlook for both Salina and the Salina Airport Authority remain favorable, with continued growth anticipated in the aviation, manufacturing, logistics, and service sectors. Businesses located at the Salina Regional Airport and Airport Industrial Center, including 1 Vision Aviation, Kansas State University Salina Aerospace and Technology Campus, and the Kansas Army National Guard—continue to pursue facility improvements and program expansions to meet increasing operational demands. In addition, the development of the Aviation Innovation and Maintenance (AIM) Center of Excellence reflects the Authority's commitment to addressing the growing demand for aviation maintenance professionals. This workforce development initiative is designed to attract, train, and retain highly skilled aviation technicians and support the continued growth of aviation-related industries in the region.

The Authority is also advancing long-term aviation industry development through the planned redevelopment of approximately 50 acres on the North Ramp of the Salina Regional Airport. This initiative is intended to support the construction of new hangar facilities and aviation maintenance, repair, and overhaul (MRO) operations capable of accommodating wide body aircraft. The project is designed to expand the airport's capacity for aviation maintenance and aerospace-related investment while complementing regional workforce training initiatives.

Industrial and logistics development within the Salina Airport Industrial Center also remains active. Businesses and organizations such as Schwan's Company, Kansas Erosion Products, Universal Forest Products, Superior Plumbing and Heating Co., and Salina Area Technical College continue to invest in facility improvements and operational expansion. Several warehouse and distribution projects are currently under construction or in development, including the Superior Warehouse project which will provide an additional 100,000 SF of warehouse space, along with continued expansion by major tenants such as Amazon and other logistics and manufacturing firms. These investments support the Airport Industrial Center's role as a major employment center and logistics hub for north central Kansas.

Salina Regional Airport continues to serve as an important center for aviation businesses, military operations, and special mission activities. Its proximity to the Smoky Hill Air National Guard Bombing Range, one of the largest air-to-ground training ranges in the United States, positions the airport as a key location for military training operations and aviation-related activities.

Commercial air service continues to strengthen the region's connectivity. SkyWest Airlines, operating as United Express, recently added service to Houston, providing Salina with three major hub connections and improving access to national and international destinations for regional businesses and travelers.

The Salina Airport Authority, in collaboration with the Salina Area Chamber of Commerce, Salina Area Economic Development Organization (SAEDO), the City of Salina, and Saline County, continues to implement a coordinated economic development strategy focused on job creation, primary employment growth, capital investment, and the productive use of available industrial and aviation facilities. These collaborative efforts, combined with ongoing investments in infrastructure and workforce training, continue to strengthen Salina's role as a regional center for aviation, advanced manufacturing, and logistics.

FINANCIAL CONTROLS

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

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

LONG-TERM FINANCIAL PLANNING

Maintaining and strengthening the Authority's unrestricted net position remains a priority of the organization. The Authority's Board of Directors has established a policy objective of maintaining a cash reserve of approximately $1.8 million or more to support operational stability and strategic opportunities. This financial discipline helps ensure the Authority maintains sufficient liquidity to respond to opportunities such as facility and infrastructure improvements needed to attract new businesses and industries to the Airport and Airport Industrial Center.

The Authority continues to leverage state and federal funding programs to support critical infrastructure and economic development initiatives. During 2023, the Authority recognized approximately $6.6 million in

grant funding supporting several strategic projects. This included approximately $1.7 million in Federal Aviation Administration (FAA) grant funding supporting airfield improvements and equipment, $1.7 million in State of Kansas ALOFT grant funding supporting development of the Aviation Innovation and Maintenance (AIM) Center of Excellence, and a $900,000 Kansas Department of Transportation Innovative Grant supporting installation of a state-of-the-art fire suppression system in Hangar 626, which supports aviation maintenance operations. Additional federal funding supported the design of the rehabilitation of Runway 12/30, the airport's crosswind runway.

In addition, the Authority received $800,000 in local cost-share funding from the City of Salina and Saline County, which was recorded as a special item in other non-operating revenue, to support the introduction of overnight commercial air service operated by SkyWest Airlines.

The Authority also completed construction of a new aircraft fuel storage facility, replacing an aging underground system. The $8.7 million construction project, funded through a combination of $2.3 million in Federal Aviation Administration grant funding and bonds issued in 2023, significantly improves fuel storage capacity, operational reliability, and environmental safety at the airport. Including the decommissioning of the previous underground system, the total investment associated with the project was approximately $10 million.

The Authority continues to achieve strong results in obtaining state and federal grant funding, which play a vital role in advancing strategic infrastructure projects and maintaining the airport's position as an important aviation and economic asset for the region.

As part of its ongoing strategy to recruit business and industry to the Airport Industrial Center, the Authority has continued its systematic evaluation of potential development projects. This process includes applying clearly defined criteria such as trigger points, lease pro-forma requirements, lease calculation methodologies, and qualitative economic development factors before committing to capital improvement projects. This disciplined approach has been instrumental in filling available facilities with a diverse customer base and continues to guide decisions on future development initiatives.

In addition, the Authority continues to focus on long-term financial sustainability through partnerships that support expansion within the Airport Industrial Center and future aviation development areas. These efforts include planning for infrastructure improvements that support aviation maintenance, logistics, manufacturing, and other industrial activities. By maintaining a strong financial foundation and leveraging external funding sources, the Authority is well positioned to respond to emerging opportunities while supporting its mission of driving economic development in Salina and the surrounding region.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,





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

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

cc: The City of Salina Board of Commissioners

SALINA AIRPORT AUTHORITY

PRINCIPAL OFFICERS AS OF DECEMBER 31, 2024

BOARD OF DIRECTORS



Stephanie Carlin, Chair



Donald Boos, Vice Chair



John O'Brien, Secretary



Ryan Commerford, Treasurer



Tod Roberg, Past Chair



Pieter Miller, CM

AUTHORITY'S COUNSEL
Greg A. Bengtson
Clark, Mize & Linville, Chartered
Salina, Kansas

AUTHORITY'S BOND COUNSEL
Gilmore & Bell
Kansas City, Missouri

AUTHORITY'S FINANCIAL ADVISOR
Stifel, Nicolaus & Company, Inc.
Kansas City, Missouri

AUTHORITY'S AUDITOR
AdamsBrown, LLC
1520 Kansas Ave.
P.O. Drawer J
Great Bend, KS 67530

SALINA AIRPORT AUTHORITY

Staff Members as of December 31, 2024

ADMINISTRATIVE STAFF

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

FACILITY MAINTENANCE and OPERATIONS

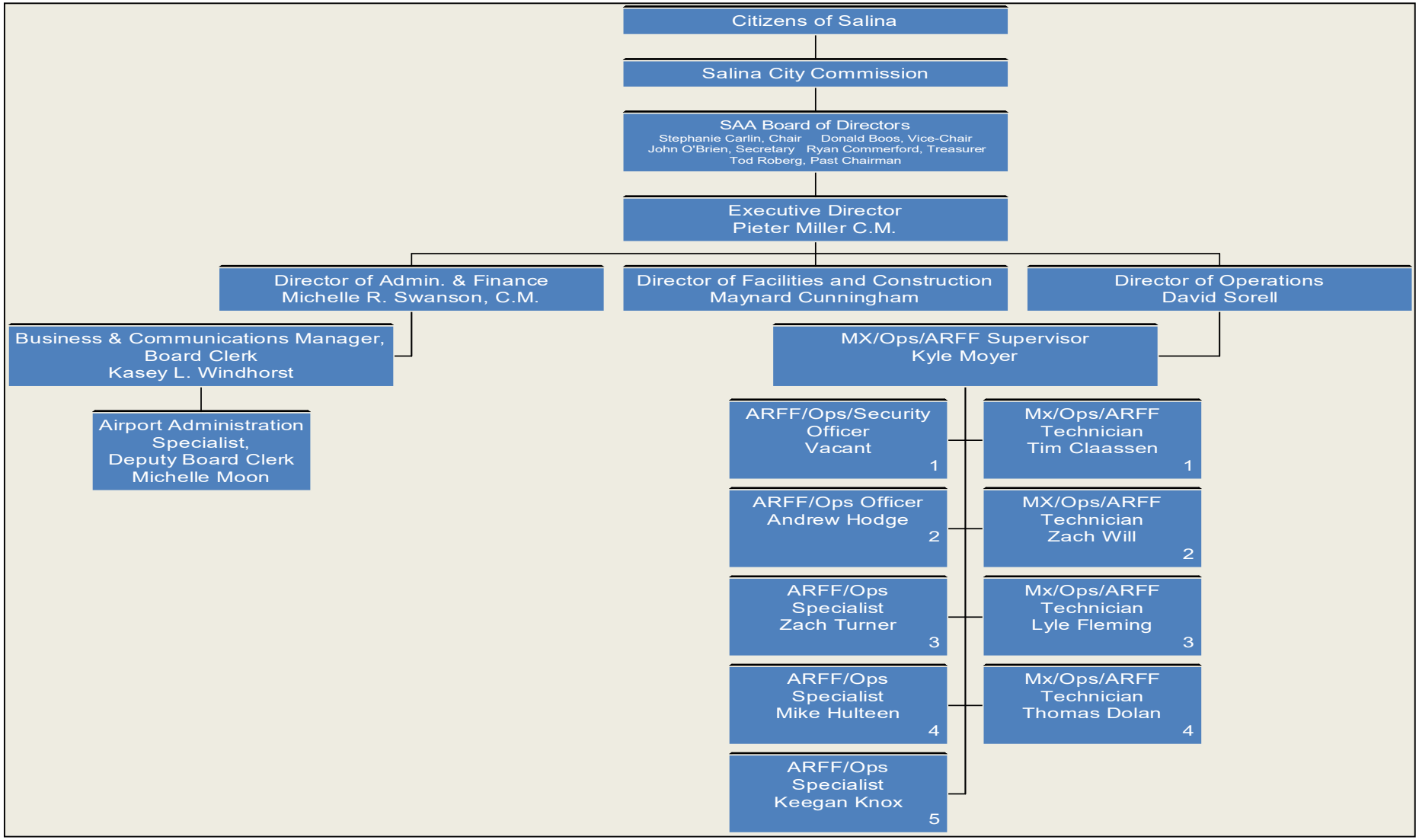
Kyle Moyer
Tim Classen
Zack Will
Lyle Fleming
Thomas Dolan

AIRCRAFT RESCUE AND FIREFIGHTING and SAFETY and SECURITY

Andrew Hodge
Mike Hulteen
Zach Turner
Kegan Knox
Matthew Kuffler

SALINA Airport Authority

December 31, 2024



SALINA Airport Authority



Salina Regional SLN Airport

SLN Aviation Service Center

SALINA Airport Industrial Center

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Salina Airport Authority
Salina, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of **Salina Airport Authority**, a component unit of the City of Salina, Kansas, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of **Salina Airport Authority**, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise **Salina Airport Authority's** basic financial statements. The introductory section, supplemental information section as outlined in the table of contents, statistical section, and single audit information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

March 25, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Salina Airport Authority offers the readers of the Authority's audited financial statements this narrative overview and analysis of the financial activities of the Salina Airport Authority for the fiscal year ended December 31, 2024.

Aircraft operations at the Salina Air Traffic Control Tower (ATCT) totaled 66,412 in 2024, representing an 18.7 percent decrease from the 81,719 operations recorded in 2023. Despite this decline, Salina Regional Airport continued to rank second among FAA contract towered airports in Kansas for total aircraft operations, trailing only New Century AirCenter.

A closer analysis of the operational data indicates that approximately 67 percent of the year-over-year decrease was attributable to a reduction of more than 10,000 operations in local civil traffic, which primarily reflects flight training activity. The second largest decrease occurred in the air taxi category. Comparisons between these categories were also influenced by a classification adjustment made by the control tower during 2023, when Kansas State University Salina flight training operations began being recorded as local civil operations rather than air taxi operations. This change shifted activity between reporting categories and affects year-to-year comparisons within those classifications.

In addition, increased military training activity and Forward Operating Location (FOL) events during 2024 created periods of higher operational demand at the airport, which limited runway and airspace availability for training operations and contributed to a reduction in Kansas State University Salina flight activity during the year.

Salina Regional Airport continues to support a diverse mix of aviation activity, including commercial service, military training exercises involving multiple branches of the armed forces, and general aviation operations. The airport also serves as an Airport of Embarkation/Debarkation (APOE/APOD) for Fort Riley, supporting regional military mobility needs. In addition, the continued growth of Kansas State University Salina's professional pilot program remains an important driver of aviation activity at the airport.

In 2023, Salina Regional Airport experienced a strong rebound in activity, with the ATCT recording 81,719 aircraft operations, representing a 19.7 percent increase compared to 2022. That increase returned Salina to the second-highest operations total among Kansas contract towered airports, while the airport also remained the leading airport in the state for fuel delivery, further reinforcing its role as a key aviation hub in Kansas.

Overall, Salina Regional Airport continues to adapt to changing aviation activity levels driven by fluctuations in flight training cycles, military training missions, and broader aviation industry trends. Despite year-to-year variability in operational activity, the airport remains a critical asset supporting aviation training, military readiness, and economic development for the region and the State of Kansas.

Salina Regional Airport continues to serve as a premier mid-continent refueling destination, often referred to as "America's Fuel Stop." Avflight Corporation, the airport's Fixed Base Operator (FBO), completed its eleventh year of operations at Salina in 2024, providing fueling and ground support services to a diverse mix of aircraft including business jets, air carriers, military aircraft, and general aviation operators. As part of the Avfuel network of more than 650 independently owned FBO locations worldwide, Avflight plays a key role in supporting the airport's position as a strategic refueling and service location in the central United States.

In 2024, total fuel flowage reached approximately 2.2 million gallons, representing a 6.8 percent increase compared to 2023, when fuel sales totaled 2.12 million gallons. Fuel flowage remains slightly below the 2.37 million gallons recorded in 2022, which reflected unusually high activity associated with large-scale military training exercises and special mission operations conducted at the airport. Salina Regional Airport periodically hosts major military exercises, including Jaded Thunder, which occurred in 2020 and 2022, and these events can significantly increase fuel demand in those years.

Salina Regional Airport regularly supports operations for a wide range of aviation users, including military training missions, government agencies such as NASA and NOAA, corporate aviation operators, and civilian aircraft flight test programs. These activities contribute significantly to the airport's fuel flowage and underscore the airport's strategic importance as a location capable of supporting a wide variety of aviation missions.

Since Avflight assumed fueling operations in 2014, the airport has experienced several years of strong growth in fuel sales, reflecting its favorable geographic location, competitive fueling services, and ability to support high-demand aviation operations. Salina Regional Airport continues to rank among the leading airports in Kansas for total fuel flowage, reinforcing its role as an important aviation resource for both military and civilian operators.

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

	2024	2023	2022
Enplanements - Scheduled Air Carrier & Charter Flights	23,456	15,080	21,183
% increase / (decrease)	55.54%	-28.81%	9.15%
Aircraft Operations - All Categories	66,412	81,719	68,262
% increase / (decrease)	-18.73%	19.71%	-15.69%
Fuel Flowage - (gallons delivered)	2,210,220	2,069,378	2,371,173
% increase / (decrease)	6.81%	-12.73%	13.12%

Commercial airline service at Salina Regional Airport is provided through the U.S. Department of Transportation's Essential Air Service (EAS) program. SkyWest Airlines, operating as United Express, provides scheduled service using 50-seat Canadair Regional Jet (CRJ200) aircraft with connections through Denver International Airport (DEN) and Chicago O'Hare International Airport (ORD). These hub connections provide passengers with access to hundreds of domestic and international destinations through the United Airlines network.

Passenger activity experienced significant growth in 2024, with outbound enplanements increasing approximately 27 percent compared to 2023. The increase was largely attributable to operational improvements implemented during the year, including the transition of the Denver flight to a Remain Overnight (RON) schedule, providing an early morning departure and late evening return. This schedule change significantly improved passenger connectivity through the Denver hub.

Prior to the schedule adjustment, Salina passengers could access approximately 16 connecting markets through Denver on a roundtrip basis. With the new schedule in place, that number increased to 77 connecting markets, representing a net gain of 61 additional one-stop destinations available to Salina travelers. This improvement substantially expanded travel options for passengers and strengthened Salina's integration into the national air transportation network.

Improved connectivity and schedule reliability contributed to stronger passenger demand and higher load factors on outbound flights. In addition, coordinated regional marketing efforts helped increase awareness of the service and generated more than 19,000 bookings during 2024, many of which are scheduled for travel in subsequent periods. These marketing initiatives included digital advertising campaigns, social media outreach, and regional promotional efforts designed to encourage travelers within the airport's catchment area to utilize Salina's commercial air service.

Salina's commercial air service draws from a catchment area consisting of approximately 88 ZIP codes with a population of more than 335,000 residents. The airport continues to work collaboratively with airline partners, economic development organizations, and regional stakeholders to increase local utilization of the service and reduce passenger leakage to larger surrounding airports.

Maintaining reliable commercial air service remains an important component of the airport's role in supporting regional economic development, business travel, military personnel movements associated with Fort Riley, and connectivity for central Kansas.

AIRPORT INDUSTRIAL CENTER ACTIVITY AND HIGHLIGHTS

The Salina Airport Authority owns and manages more than 1.2 million square feet of manufacturing, warehouse, office, and aviation-related facilities at the Airport Industrial Center. Leasing activity associated with these facilities represents a significant source of operating revenue for the Authority. In 2024, building and land rental revenue totaled $1,693,544, representing approximately 47.9 percent of total operating revenue of $3,536,751. This compares to $1,784,108 in building and land rents generated in 2023, which accounted for 54.6 percent of operating revenue.

At the end of 2024, the Authority's overall occupancy rate improved to approximately 89 percent, reflecting strong tenant demand across the Airport Industrial Center. During the year, the Authority completed the renovation and repositioning of a 47,000-square-foot hangar facility that had previously been used for warehouse storage. The facility was converted to aeronautical use and leased in July 2024 to 1 Vision Aviation, the airport's FAA Part 145 maintenance, repair, and overhaul (MRO) operator. The new multi-year lease is expected to generate nearly $300,000 in annual revenue while supporting continued job creation and aviation-related economic activity at the airport.

Additional leasing activity in 2024 included the negotiation of a new multi-year lease with Styrten Salina for approximately 90,000 square feet of warehouse space, generating more than $240,000 in annual building lease revenue. The Authority also completed two land sales within the Salina Airport Industrial Center to support continued industrial expansion. On July 30, 2024, approximately 9.33 acres were sold to Superior Contracting and Manufacturing Services Co., an existing Airport Industrial Center tenant, for development of a new 100,000-square-foot warehouse facility. In addition, approximately 10.33 acres were sold to Geoprobe Systems, a leading manufacturer of drilling equipment, to support the company's long-term expansion strategy and the introduction of new product lines.

With approximately 1.03 million square feet of space currently leased and limited availability of additional industrial, warehouse, and aviation-related facilities, the Airport Industrial Center remains a key economic development asset for the region. Continued growth in aviation maintenance, aerospace manufacturing, and advanced industrial operations reflects the airport's expanding role as a regional hub for aerospace and industrial activity.

SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

The Authority's financial condition remained strong during 2024, reflecting continued growth in both operating and non-operating revenues and sustained investment in airport and industrial center infrastructure. Despite fluctuations in aviation activity levels and continued cost pressures affecting the aviation industry nationwide, the Authority maintained stable operating performance while supporting ongoing capital development and workforce initiatives.

Since 2012, the Authority has diversified its tenant base by adding more than 25 new commercial tenants, offsetting the termination of four major operating revenue leases representing nearly $850,000 in annual revenue. This diversification strategy has strengthened the Authority's financial stability while supporting continued economic development at the Airport Industrial Center.

Operating revenues continued their upward trend in 2024, increasing to $3,536,751, compared to $3,264,954 in 2023 and $3,118,576 in 2022. The growth in 2024 reflects continued leasing activity within the Airport Industrial Center, increased airfield revenue associated with aviation activity, and the expansion of aviation maintenance and industrial operations located at the airport.

Total revenues, including both operating and non-operating sources, reached $7,895,767 in 2024, representing a 20.8 percent increase over 2023. The increase was driven largely by growth in mill levy revenue, higher investment earnings resulting from improved interest rates, and continued grant funding supporting airport infrastructure and capital improvements.

As a result of these factors, the Authority's net position increased by $4,138,374 during 2024, rising from $26,461,052 at December 31, 2023 to $30,599,426 at December 31, 2024. This growth reflects strong operating performance combined with significant capital contributions supporting airport infrastructure investments.

Overall, the Authority continues to maintain a stable financial foundation supported by diversified revenue sources, including aviation activity, industrial leasing within the Airport Industrial Center, property tax revenues, and federal and state grant funding. This diversified financial structure allows the Authority to continue investing in airport infrastructure, supporting aviation operations, and promoting regional economic development.

SUMMARY OF OPERATIONS HIGHLIGHTS

Significant items affecting the Summary of Operations and Changes in Net Position for 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Operating revenues	$ 3,536,751	$ 3,264,954	$ 3,118,576
Operating expenses	(3,464,154)	(3,155,885)	(3,136,163)
Excess (deficit) of revenues over expenses before depreciation	72,597	109,069	(17,587)
Depreciation	(4,163,366)	(3,839,916)	(3,472,824)
Loss before non-operating revenues and expenses	(4,090,769)	(3,730,847)	(3,490,411)
Non-operating revenues and (expenses), net	2,364,986	1,640,997	1,885,570
Loss before capital contributions	(1,725,783)	(2,089,850)	(1,604,841)
Capital contributions, extraordinary items, and special items	5,864,157	1,941,858	5,292,019
Net position			
Increase (decrease) in net position	4,138,374	(147,992)	3,687,178
Total net position, beginning of year	26,461,052	26,609,044	22,921,866
Total net position, end of period	$ 30,599,426	$ 26,461,052	$ 26,609,044

- **Operating Revenues:** Operating revenues have continued to grow in recent years due to new tenants, re-leasing of previously vacant facilities, and ongoing diversification of the tenant base at the Airport Industrial Center. In 2024, operating revenues totaled $3,536,751, representing an 8.3% increase over $3,264,954 in 2023, which itself was a 4.7% increase from $3,118,576 in 2022. Revenue growth reflects continued leasing activity within the Airport Industrial Center as well as aviation-related operations, including military training activity that supports hangar rentals, fuel flowage fees, and other tenant-related revenues.

- **Operating Expenses:** Operating expenses totaled $3,464,154 in 2024, representing a 9.8% increase from $3,155,885 in 2023, following a modest 0.6% increase from $3,136,163 in 2022. The increase in 2024 reflects higher facility maintenance costs, utilities, insurance, and other operating expenses associated with higher occupancy levels and the continued operation and maintenance of a large portfolio of industrial and aviation facilities.

- **Capital Grants and Contributions:** Capital grants and contributions totaled $5,864,157 in 2024, compared to $1,941,858 in 2023 and $5,292,019 in 2022. The increase in 2024 reflects significant federal and state grant activity supporting airport infrastructure improvements and equipment acquisitions. The larger total in 2022 primarily reflected completion of major airfield projects, including the rehabilitation of Runway 17/35. Capital grant funding continues to play an important role in supporting the Authority's long-term capital improvement program.

- **Mill Levy Revenue:** Ad-valorem tax revenue (mill levy), which is reported within non-operating revenues, totaled $3,463,072 in 2024, compared to $2,719,303 in 2023 and $2,431,667 in 2022. The increase in 2024 reflects continued reliance on the mill levy to support the Authority's debt service obligations and provide local matching funds for state and federal grant programs. This stable revenue source allows the Authority to leverage outside funding for major infrastructure and capital improvement projects while maintaining long-term financial stability.

- **Depreciation:** Depreciation expense increased to $4,163,360 in 2024, compared to $3,839,916 in 2023 and $3,472,824 in 2022. The increase reflects the Authority's continued investment in capital assets, including airfield infrastructure, building improvements, and equipment necessary to support both aviation operations and the Airport Industrial Center.

FINANCIAL POSITION SUMMARY

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

At December 31, 2024, the Authority's net position totaled $30,599,426, an increase of $4,138,374 compared to $26,461,052 at December 31, 2023. The increase in 2024 was largely attributable to capital contributions totaling $5,880,157, reflecting significant federal and state grant funding supporting airfield infrastructure improvements and equipment acquisitions during the year.

At the close of 2023, the Authority's net position was $26,461,052, a decrease of $147,992 from $26,609,044 at December 31, 2022. This modest decline reflected lower capital contributions in 2023, which totaled $1.96 million, compared to $5.5 million in 2022. In 2022, net position increased by $3.69 million from the prior year, largely driven by capital contributions associated with major infrastructure projects, including the rehabilitation of Runway 17/35.

Total assets of the Authority increased to $74,105,900 in 2024, compared to $72,304,460 in 2023 and $56,264,849 in 2022. The increase in 2024 reflects continued investment in capital assets and increases in current assets associated with grant-funded projects and operating activity. Deferred outflows of resources totaled $881,139 in 2024, compared to $982,048 in 2023, reflecting normal amortization of pension-related items.

Total liabilities decreased to $30,895,850 in 2024, compared to $41,651,888 in 2023, primarily due to reductions in long-term debt and other liabilities associated with completed capital projects. Long-term debt outstanding was $29,631,298 at December 31, 2024, compared to $31,487,717 in 2023 and $16,532,831 in 2022. Deferred inflows of resources totaled $4,355,691 in 2024, compared to $5,173,568 in 2023, reflecting ongoing amortization of pension-related items.

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

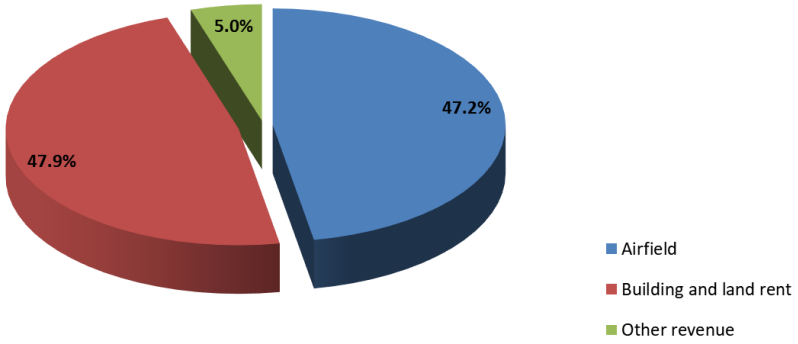
At December 31, 2024, net investment in capital assets totaled $26,865,476, while unrestricted net position totaled $3,733,950, compared to $2,763,007 in 2023 and $1,914,542 in 2022. The increase in unrestricted net position reflects improved operating results and capital funding activity during the year.

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

	2024	2023	2022
ASSETS			
Current assets	$ 6,336,963	$ 5,021,535	$ 4,111,095
Non-current assets	67,769,027	67,282,925	52,153,754
Total Assets	74,105,990	72,304,460	56,264,849
DEFERRED OUTFLOWS OF RESOURCES	881,139	982,048	1,147,779
LIABILITIES			
Long-term debt outstanding	$ 29,631,298	$ 31,487,717	$ 16,532,831
Other liabilities	1,264,552	10,164,171	10,648,966
Total Liabilities	30,895,850	41,651,888	27,181,797
DEFERRED INFLOWS OF RESOURCES	4,355,691	5,173,568	3,621,787
NET POSITION			
Net investment in capital assets	26,865,476	23,698,045	24,694,502
Unrestricted	3,733,950	2,763,007	1,914,542
Net Position	$ 30,599,426	$ 26,461,052	$ 26,609,044

REVENUES

The following chart shows the major sources and the percentage of total operating revenues for the year ended December 31, 2024:



A summary of revenues for the past three years is shown below. Total revenue increased by 20.8% from 2023 to 2024, rising from $6,536,991 to $7,887,055, reflecting continued growth in both operating and non-operating revenue streams. This follows a 14.2% increase from 2022 to 2023, when total revenue increased from $5,724,703 to $6,536,991.

Operating revenue in 2024 reached $3,537,110, an 8.3% increase over 2023. The increase was driven primarily by strong growth in airfield revenue, which rose 21.8% from $1,370,318 in 2023 to $1,668,366 in 2024, reflecting increased aviation activity, including military training operations and transient aircraft activity as well as increased hangar leasing and the growth of aircraft maintenance, repair and overhaul (MRO).

Building and land rent, which represents a significant portion of the Authority's operating revenue generated through the Airport Industrial Center, remained relatively stable at $1,693,544 in 2024 compared to $1,784,108 in 2023. With approximately 1.03 million square feet of space currently leased and limited remaining leasable inventory, the Airport and Airport Industrial Center continue to provide a stable and significant operating revenue base for the Authority. Demand for aviation maintenance, aerospace manufacturing, and industrial space within the Airport and Airport Industrial Center remains strong, reinforcing the facility's role as a key economic development asset for the region.

Other operating revenue increased to $174,841, up from $110,528 in 2023, reflecting normal fluctuations in miscellaneous operating activities.

Non-operating revenue also continued to grow in 2024, increasing 33.2% from $3,272,037 in 2023 to $4,349,945. This growth was largely attributable to an increase in mill levy revenue, which rose from $2,719,303 in 2023 to $3,463,072 in 2024, reflecting an increase in the mill levy rate to support the debt service on general obligation bonds utilized for infrastructure development. Interest income also continued to strengthen, increasing from $317,703 in 2023 to $408,382 in 2024, as the Authority benefited from higher short-term investment yields and prudent cash management practices. Interest income from leases also increased modestly, rising from $219,533 in 2023 to $239,812 in 2024 as a result of increasing building occupancy as well as conversions from short to longer term lease contracts.

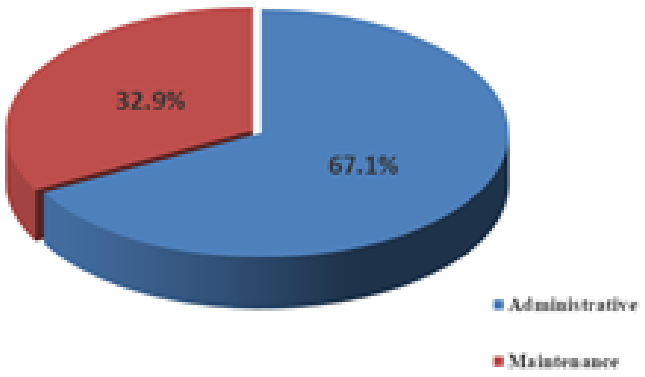
Other non-operating revenue in 2024 included AIM Center tuition revenue of $3,800 and a gain on the sale of assets totaling $243,950, compared to $15,498 in 2023. The gain resulted from the sale of two industrial tracts within the Airport Industrial Center—one supporting the expansion of an existing business and the other for the construction of new industrial warehouse space.

Overall, the continued strength of both operating and non-operating revenues reflects the Authority's diversified revenue structure, supported by aviation activity, industrial leasing within the Airport Industrial Center, property tax revenues, and prudent investment of available funds.

	2024	2023	2022
Operating Revenue:			
Airfield	$ 1,668,366	$ 1,370,318	$ 1,295,416
Building and land rent	1,693,544	1,784,108	1,692,642
Other revenue	174,841	110,528	130,518
Total Operating	3,536,751	3,264,954	3,118,576
Non-Operating Income:			
Mill levy	3,463,072	2,719,303	2,431,667
Interest income	408,382	317,703	8,383
Interest income - leases	239,812	219,533	105,299
AIM Center Tuition	3,800	-	-
Gain on sale of assets	243,950	15,498	60,778
Total Non-Operating	4,359,016	3,272,037	2,606,127
TOTAL REVENUE	$ 7,895,767	$ 6,536,991	$ 5,724,703

EXPENSES

The following chart shows the major expense categories and the percentage of total operating expenses for the year ended December 31, 2024:



Total expenses for the year ended December 31, 2024 were $5,458,184, an increase of 14% from $4,786,925 in 2023. The increase reflects modest growth in operating expenses as well as higher non-operating costs associated with financing activities and the continued development of the AIM Center workforce training program.

Operating expenses totaled $3,464,154 in 2024, compared to $3,155,885 in 2023, representing an increase of 9.8%. Administrative expenses increased from $2,118,519 in 2023 to $2,274,457 in 2024, reflecting normal variations in personnel costs, professional services, and administrative support activities necessary to support the Authority's expanding operational and development initiatives. Maintenance expenses increased to $1,189,697 in 2024, compared to $1,037,366 in 2023, reflecting ongoing maintenance and upkeep of the Authority's extensive airfield infrastructure and industrial facilities.

Non-operating expenses totaled $1,994,030 in 2024, compared to $1,631,040 in 2023. The increase was driven primarily by higher interest expense, which rose from $977,488 in 2023 to $1,580,305 in 2024, reflecting financing associated with capital improvements and infrastructure investments.

Costs associated with the AIM Center workforce training facility totaled $381,895 in 2024, compared to $188,843 in 2023, reflecting continued development and operation of the program as training activities expanded during the year. Bond issuance costs were $31,830 in 2024, compared to $464,709 in 2023, as most financing-related issuance activity occurred in the prior year.

Overall, the Authority's expense structure continues to reflect the operational requirements of maintaining a large commercial service airport and industrial center, while also supporting workforce development initiatives and capital investment necessary to sustain long-term economic growth.

	2023	2023	2022
Operating Expenses			
Administrative	$ 2,274,457	$ 2,118,519	$ 1,999,924
Maintenance	1,189,697	1,037,366	1,136,239
Total Operating	3,464,154	3,155,885	3,136,163
Non-Operating Expenses			
Interest Expense	1,580,305	977,488	708,917
Bond Issue Costs	31,830	464,709	11,640
AIM Center Costs	381,895	188,843	-
Total Non-Operating	1,994,030	1,631,040	720,557
TOTAL EXPENSES	$ 5,458,184	$ 4,786,925	$ 3,856,720

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Capital grants and contributions during 2024 totaled approximately $5.9 million, reflecting continued investment in airport infrastructure through federal and state funding programs. These grants primarily supported airfield and facility improvements, including projects funded through the Federal Aviation Administration's Airport Improvement Program (AIP).

The Authority incurred $14,835,457 in capital expenditures during 2024, compared to $7,868,648 in 2023, reflecting a significant year of capital investment across both airfield infrastructure and the Airport Industrial Center. Major investments included the construction of nine new general aviation box hangars, continued work on the AIP-49 fuel farm replacement project, and substantial rehabilitation of Hangar 626, including improvements to support aviation maintenance operations and the development of classroom training space associated with the AIM workforce training program.

Airfield infrastructure investments during the year totaled approximately $731,866 and included apron and taxiway improvements near Hangar 626, wind cone replacement, and other airfield lighting and operational enhancements. These projects support the continued safe and efficient operation of the airport's airfield systems.

Building improvements represented the largest category of capital investment, totaling approximately $11.98 million. Significant projects included the new above ground fuel farm replacement facility, improvements to multiple commercial hangars, construction of a new parking area serving Building 620, and rehabilitation of several facilities to support expanding aviation maintenance and industrial operations. These investments reflect the

Authority's ongoing strategy of reinvesting in existing facilities to support tenant retention, aviation maintenance activities, and industrial growth at the Airport Industrial Center.

The Authority also invested $380,499 in operational equipment, including airfield lighting system upgrades, firefighting and safety equipment, maintenance tools, and operational vehicles. These investments support both airfield operations and the Authority's expanding aviation maintenance and workforce training activities.

Construction in progress at year-end totaled approximately $1.73 million and included ongoing work on the Runway 12/30 rehabilitation project, the Terminal Building parking lot rehabilitation, planning and design activities associated with the Terminal Building expansion project, early development work related to the North Ramp MRO development, and infrastructure improvements within the Airport Industrial Center.
Capital asset acquisitions exceeding $1,000 are capitalized at cost and depreciated over their useful lives, excluding land. These acquisitions are financed using a combination of federal and state grants, debt issuance, and Authority revenues. Additional details are available in Notes III(F) and I(G) of the financial statements.

DEBT ADMINISTRATION

The Authority's outstanding long-term debt totaled approximately $36,486,307, net of unamortized bond discounts and current maturities, as of December 31, 2024, compared to $32,571,108 at December 31, 2023.

The Authority's debt portfolio consists primarily of general obligation bonds, temporary notes, and a lease purchase agreement used to finance capital improvements and infrastructure projects supporting both the Airport and the Airport Industrial Center. Maturities on the Authority's outstanding debt extend through 2043.

The Authority did not issue any new long-term debt during 2024.

Debt service is funded through a combination of the Authority's property tax mill levy and operating revenues, providing a stable funding source for repayment of long-term obligations. The Authority continues to maintain a conservative debt structure while leveraging external funding sources, including federal and state grants, to support major infrastructure investments.

Additional information regarding the Authority's long-term debt, including schedules of annual principal and interest maturities, can be found in Note III(G) in the notes to the financial statements.

REQUEST FOR INFORMATION

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

Respectfully submitted,





Pieter Miller, C.M.
Executive Director

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

SALINA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2024 and December 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	December 31 2024	2023
CURRENT ASSETS		
Cash	$ 3,506,764	$ 2,739,348
Accounts Receivable,		
Net of Allowance for Uncollectibles	1,780,329	1,367,877
Leases Receivable, Current Portion	981,731	889,401
Interest Receivable - Leases	30,884	3,589
Prepaid Expenses	37,255	21,320
Total Current Assets	6,336,963	5,021,535
NON-CURRENT ASSETS		
Restricted Cash	1,266,993	10,377,982
Capital Assets		
Land and Improvements	9,625,690	9,906,611
Buildings, Improvements and Equipment,		
Net of Depreciation	50,873,005	34,871,796
Construction in Progress	2,269,963	7,599,367
Leases Receivable, Net of Current Portion	3,733,376	4,527,169
Total Non-Current Assets	67,769,027	67,282,925
TOTAL ASSETS	74,105,990	72,304,460
DEFERRED OUTFLOWS OF RESOURCES		
Deferred KPERS Pension Funds	358,003	337,232
Deferred KPERS OPEB	12,656	11,503
Deferred Advanced Refunding	510,480	633,313
Total Deferred Outflows of Resources	881,139	982,048
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 74,987,129	$ 73,286,508

The accompanying notes are an integral part of these financial statements.

SALINA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2024 and December 31, 2023
(continued)

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	December 31 2024	2023
CURRENT LIABILITIES		
Accounts Payable	$ 1,420,666	$ 1,593,477
Accrued Payroll	42,941	41,318
Accrued Property Tax	63,903	69,696
Unearned Rental and Marketing Income	78,852	48,334
Accrued Interest	637,870	492,290
Compensated Absences	36,921	32,105
Current Maturities of Bonds, Notes Payable, and Lease Purchase Agreement	6,855,009	6,803,560
Total Current Liabilities	9,136,162	9,080,780
NON-CURRENT LIABILITIES		
Bonds, Notes Payable, and Lease Purchase Agreement, Less Current Maturities	29,631,298	31,487,717
Net Pension Liability	1,087,276	961,197
Net OPEB Liability	13,282	9,618
Security Deposits Returnable	163,994	112,576
Total Non-Current Liabilities	30,895,850	32,571,108
Total Liabilities	40,032,012	41,651,888
DEFERRED INFLOWS OF RESOURCES		
Deferred KPERS Pension Funds	14,776	29,988
Deferred KPERS OPEB	14,500	17,065
Deferred Leases	4,326,415	5,126,515
Total Deferred Inflows of Resources	4,355,691	5,173,568
NET POSITION		
Net Investment in Capital Assets	26,865,476	23,698,045
Unrestricted	3,733,950	2,763,007
Net Position	30,599,426	26,461,052
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 74,987,129	$ 73,286,508

The accompanying notes are an integral part of these financial statements.

SALINA AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES and CHANGES IN NET POSITION
For the Years Ended December 31, 2024 and December 31, 2023

	January 1 to December 31 2024	2023
Operating Revenues		
Airfield	$ 1,668,366	$ 1,370,318
Building and Land Rent	1,693,544	1,784,108
Other Revenue	174,841	110,528
Total Operating Revenues	3,536,751	3,264,954
Operating Expenses		
Administrative	2,274,457	2,118,519
Maintenance	1,189,697	1,037,366
Total Operating Expenses	3,464,154	3,155,885
Revenues Over (Under) Expenses Before Depreciation	72,597	109,069
Depreciation	(4,163,366)	(3,839,916)
Operating Loss Before Non-Operating Revenues and Expenses	(4,090,769)	(3,730,847)
Non-Operating Revenues and (Expenses)		
Mill levy	3,463,072	2,719,303
Interest on Investments	408,382	317,703
Interest Income - Leases	239,812	219,533
Interest Expense	(1,580,305)	(977,488)
Bond Issuance Costs	(31,830)	(464,709)
AIM Center Tuition	3,800	-
AIM Center Costs	(381,895)	(188,843)
Gain on Sale of Assets	243,950	15,498
Net Non-Operating Revenues and (Expenses)	2,364,986	1,640,997
Loss Before Capital Contributions, Extraordinary Item, and Special Items	(1,725,783)	(2,089,850)
Capital Contributions	5,880,157	1,956,562
SkyWest Overnight Flight Cost Share (Special Item)	800,000	-
SkyWest Overnight Flight (Special Item)	(816,000)	-
Wind Damage Repairs (Extraordinary Item)	-	(14,704)
Net Position		
Increase (Decrease) in Net Position	4,138,374	(147,992)
Net Position, Beginning of Year	26,461,052	26,609,044
Net Position, End of Year	$ 30,599,426	$ 26,461,052

The accompanying notes are an integral part of these financial statements.

SALINA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(DIRECT METHOD)
For the Years Ended December 31, 2024 and December 31, 2023

	January 1 to December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Providing Services	$ 3,802,167	$ 2,317,852
Cash Paid to Employees for Services	(1,167,662)	(1,125,459)
Cash Paid to Suppliers for Goods and Services	(4,582,017)	(2,639,106)
Net Cash Used by Operating Activities	(1,947,512)	(1,446,713)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Property, Plant and Equipment	(13,641,111)	(6,468,902)
Proceeds from Capital Contributions	5,880,157	1,956,562
Proceeds from Mill Levy	3,463,072	2,719,303
Proceeds from Sale of Capital Assets	525,153	29,653
Principal Payments on Debt	(1,804,970)	(8,395,824)
Proceeds of New Borrowing	-	21,757,112
Wind Damage Repairs (Special Item)	-	(14,704)
Interest Received on Lease Receivable	239,812	219,533
Bond Issuance Costs	(31,830)	(464,709)
Interest Paid on Long-Term Debt	(1,434,726)	(680,091)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,804,443)	10,657,933
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Investments	408,382	317,703
CHANGE IN CASH	(8,343,573)	9,528,923
CASH BALANCE - January 1	13,117,330	3,588,407
CASH BALANCE - December 31	$ 4,773,757	$ 13,117,330
Cash	$ 3,506,764	$ 2,739,348
Restricted Cash	$ 1,266,993	$ 10,377,982
CASH BALANCE - December 31	$ 4,773,757	$ 13,117,330
Non-Cash Capital and Related Financing Activities		
Fixed Asset Additions In Accounts Payable at Year End	$ 1,194,348	$ 1,399,746
Initiation of Non-Cash Leases	$ 144,340	$ 2,240,232

The accompanying notes are an integral part of these financial statements.

SALINA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(DIRECT METHOD)
(continued)
For the Years Ended December 31, 2024 and December 31, 2023

RECONCILIATION OF OPERATING LOSS TO NET
CASH USED BY OPERATING ACTIVITIES

	January 1 to December 31 2024	2023
OPERATING LOSS	$ (4,090,769)	$ (3,730,847)
ADJUSTMENTS RECONCILING OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Depreciation	4,163,366	3,839,916
SkyWest Overnight Flight Cost Share (Special Item)	800,000	-
SkyWest Overnight Flight (Special Item)	(816,000)	-
AIM Center Tuition	3,800	-
AIM Center Costs	(381,895)	(188,843)
Decrease (Increase) in Operating Assets		
Accounts Receivable	(412,452)	(773,517)
Leases Receivable	701,463	(1,724,425)
Interest Receivable - Leases	(27,295)	4,408
Prepaid Expenses	(15,935)	(2,574)
Change in Deferred Outflows of Resources	100,909	165,731
Increase (Decrease) in Operating Liabilities		
Accounts Payable (Operations)	(1,367,152)	(503,906)
Accrued Payroll	1,623	8,601
Accrued Property Tax and Special Assessments	(5,793)	8,082
Compensated Absences	4,816	6,801
Unearned Rental Income	30,518	(112,148)
Security Deposits	51,418	(15,570)
Net Pension Liability	129,743	19,797
Deferred KPERS Pension Funds	(15,212)	5,783
Deferred KPERS OPEB	(2,565)	(434)
Deferred Leases	(800,100)	1,546,432
Total Adjustments	2,143,257	2,284,134
NET CASH USED BY OPERATING ACTIVITIES	$ (1,947,512)	$ (1,446,713)

The accompanying notes are an integral part of these financial statements.

SALINA AIRPORT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

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

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

C. Use of Estimates

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

D. Property Taxes

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

E. Adopted Accounting Pronouncements

GASB Statement No. 100, Acc*ounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The adoption of this statement had no effect on previously reported amounts.

GASB Statement No. 101, *Compensated Absences*, aims to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The adoption of this statement did not result in a prior period adjustment.

F. Pending Accounting Pronouncements

The Authority is preparing to implement the following Statements of Governmental Accounting Standards, established by the Governmental Accounting Standards Board (GASB) on or before the required implementation date. Management is currently evaluating the effect that the standards will have on the financial statements.

- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements for this statement are effective for periods beginning after June 15, 2024.
- GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements for this statement are effective for periods beginning after June 15, 2025.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements for this statement are effective for periods beginning after June 15, 2025.
- GASB Statement No. 105, *Subsequent Events*. The requirements for this statement are effective for periods beginning after June 15, 2026.

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

1. Cash and Investments

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

2. Receivables

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

Leases Receivable. The Authority is the lessor under numerous lease agreements. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Inventories

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

4. Prepaid Items

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

5. Capital Contributions

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

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

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

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

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

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

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

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

6. Capital Assets

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

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

Assets	Years
Buildings	5 – 50
Equipment	5 – 10
Vehicles	7 – 10
Airfield	10 – 30

7. Compensated Absences

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

8. Deferred Outflows and Inflows of Resources

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

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

9. Net Position

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

- Net investment in capital assets - consisting of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net position - consisting of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Authority first utilizes restricted resources to finance qualifying activities.

- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

B. Depository Security (KSA 9-1402)

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

III. DETAILED NOTES

A. Deposits

As of December 31, 2024 and 2023, the Authority had cash and cash equivalents as listed below:

	2024	2023
Gross Cash Balances		
Cash	$ 4,772,743	$13,116,355
Less: Deposits in Transit and Petty Cash	(23,263)	(1,832)
Add: Uncleared Checks	195,686	83,743
Bank Balance	4,945,166	13,198,266
Less: FDIC Coverage	2,038,125	531,699
Balances Securable by Collateral	$ 2,907,041	$12,666,567
Security Provided by Depositories	$ 6,360,783	$15,056,673

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

The Authority had the following investments and maturities:

Year	Investment Type	Fair Value	Maturities Less than 1 Year	Rating U.S.
2024	Kansas Municipal Investment Pool	$ 1,014	$ 1,014	AAAf/S1+
2023	Kansas Municipal Investment Pool	$ 975	$ 975	AAAf/S1+

The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than

ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

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

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

Credit risk – State law limits the amount of credit risk by restricting governments to specific investment types as listed in KSA 12-1675. The Authority's policy is to place idle funds in certificates of deposit, United States obligations, and the Kansas Municipal Investment Pool (KMIP). The KMIP was rated AAAf/S1+ by Standard & Poor's as of the date of this report. The KMIP is permitted to invest in fully collateralized certificates of deposit, certain obligations of the United States, certain repurchase/reverse repurchase agreements, and other types of investments. Maturity information released by the KMIP showed that the investment pool consisted of investment with a maturity date of 365 days or less.

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

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

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

B. Accounts Receivable

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

	2024	2023
Receivables		
Accounts	$ 210,173	$ 125,133
Grants	1,571,656	1,244,244
Less: Allowance for Uncollectibles	(1,500)	(1,500)
Total	$ 1,780,329	$ 1,367,877

C. Lease Receivables

The Authority leases terminal space, buildings, land, and airfield space on both a fixed and contingent rental (percent of revenue) to various third parties who use the space to conduct their operations on the Airport grounds, the terms of which expire 2025 through 2061. Payments for most of the leases increase periodically based on reappraisals or a defined formula. The formulas that utilize the Consumer Price Index (Index), are based upon the index at lease commencement.

Revenue recognized under lease contracts during the years ended December 31, 2024 and 2023, was $1,304,953 and $1,373,568, respectively, which includes both lease revenue and interest. The Authority recognized lease revenue of $1,065,140 and $1,154,035 for the years ended December 31, 2024 and 2023, respectively, for variable payments not previously included in the measurement of the lease receivable.

The following is a schedule by year of minimum payments to be received under the Authority's leases that are included in the measurement of the lease receivable as of December 31, 2024:

Year	Principal	Interest	Total
2025	$ 981,731	188,333	1,170,064
2026	690,605	151,041	841,646
2027	562,830	121,845	684,675
2028	486,385	98,281	584,666
2029	471,640	75,519	547,159
2030-2034	929,686	190,082	1,119,768
2035-2039	294,649	99,879	394,528
2040-2044	169,144	47,028	216,172
2045-2049	35,687	26,516	62,203
2050-2054	32,054	19,295	51,349
2055-2059	41,142	10,169	51,311
2060-2061	19,554	956	20,510
Total	$ 4,715,107	1,028,944	5,744,051

D. Regulated Leases

The Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB Statement No. 87 and

therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2025 through 2061. Payments for most of the leases increase periodically based on a defined formula. Rates and fees charged by the Authority for the use of its facilities are required by terms of individual leases to be sufficient to cover operating expenses, debt service and general obligation debt but not depreciation and amortization. The Authority leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. The majority of the leases allow the lessee the exclusive use of the premises. However, aircraft and vehicles may traverse the space, and the Authority has the right to grant third party privileges at their discretion.

Revenue recognized for fixed payment under regulated lease contracts during the years ended December 31, 2024 and 2023, was $1,048,970 and $893,832, respectively.

The following is a schedule by year of expected future minimum payments to be received under the Authority's regulated leases as of December 31, 2024:

Year		Future Payments
2025	$	1,257,051
2026		1,254,086
2027		1,257,670
2028		1,260,953
2029		1,105,823
2030-2034		4,622,229
2035-2039		3,853,761
2040-2044		970,977
2045-2049		560,118
2050-2054		353,016
2055-2059		15,000
2060-2061		3,500
Total	$	16,514,184

E. Sublease

On July 29, 2020, the Authority subleased land and a building with a term of September 1, 2020, through August 31, 2025, with the option to renew. The option was exercised in 2025. The sublease renewal requires a fixed payment of $5,720 per month. For the years ended December 31, 2024 and 2023, the Authority received $46,632 and $59,226 in lease revenue, respectively, and $40,774 and $24,042 in interest revenue, respectively.

F. Capital Assets

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

	Balance January 1, 2024	Additions	Dispositions	Balance December 31, 2024
Capital Assets				
Non-Depreciable				
Land	$ 9,906,611	$ -	$ (280,921)	$ 9,625,690
Construction in Progress	7,599,367	1,823,886	(7,153,290)	2,269,963
Total Non-Depreciable	17,505,978	1,823,886	(7,434,211)	11,895,653
Depreciable				
Land Improvements	-	12,500	-	12,500
Buildings and Improvements	35,630,605	19,053,492	-	54,684,097
Airfield and Improvements	50,277,379	718,364	-	50,995,743
Equipment	6,257,449	380,505	(8,178)	6,629,776
Total Depreciable	92,165,433	20,164,861	(8,178)	112,322,116
Total Non-Depreciable & Depreciable	109,671,411	21,988,747	(7,442,389)	124,217,769
Accumulated Depreciation				
Land Improvements	-	(417)	-	(417)
Buildings and Improvements	(20,189,046)	(1,649,154)	-	(21,838,200)
Airfield and Improvements	(32,602,433)	(2,209,832)	-	(34,812,265)
Equipment	(4,502,158)	(303,963)	7,892	(4,798,229)
Total Accumulated Depreciation	(57,293,637)	(4,163,366)	7,892	(61,449,111)
Total Capital Assets	$ 52,377,774	$17,825,381	$ (7,434,497)	$ 62,768,658

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

G. Long-Term Liabilities

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

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Current Maturities December 31, 2024
Long-Term Liabilities					
Compensated Absences (net change)	$ 32,105	$ 4,816	$ -	$ 36,921	$ 36,921
General Obligation Bonds	37,960,000	-	1,760,000	36,200,000	6,810,000
Less: Unamortized Discount	(5,824)	-	1,410	(7,234)	-
Lease Purchase Agreement	337,101	-	43,560	293,541	45,009
Net Pension Liability and OPEB	970,815	129,743	-	1,100,558	-
Security Deposits Returnable	112,576	75,833	24,415	163,994	-
Total Long-Term Liabilities	$39,406,773	$ 210,392	$ 1,829,385	$37,787,780	$ 6,891,930
Current Maturities	(6,835,665)			(6,891,930)	
Long-Term Liability Net	$32,571,108			$30,895,850	

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Current Maturities December 31, 2023
Long-Term Liabilities					
Compensated Absences (net change)	$ 25,304	$ 6,801	$ -	$ 32,105	$ 32,105
General Obligation Bonds	24,590,000	21,725,000	8,355,000	37,960,000	6,760,000
Less: Unamortized Discount	(39,270)	32,112	(1,334)	(5,824)	-
Lease Purchase Agreement	379,258	-	42,157	337,101	43,560
Net Pension Liability and OPEB	951,018	19,797	-	970,815	-
Security Deposits Returnable	128,146	8,845	24,415	112,576	-
Total Long-Term Liabilities	$26,034,456	$21,792,555	$ 8,420,238	$39,406,773	$ 6,835,665
Current Maturities	(8,422,461)			(6,835,665)	
Long-Term Liability Net	$17,611,995			$32,571,108	

The following is a detailed listing of the Authority's long-term debt including general obligation bonds, lease purchase agreements, and special assessment debt as of December 31, 2024:

	Original Issue	Interest Rates	Bonds Outstanding
General Obligation Debt			
General Obligation 2015-A, due 2025	$ 3,075,000	1.50-3.55%	$ 90,000
General Obligation 2017-A, due 2030	10,255,000	1.61-3.35%	7,455,000
General Obligation 2017-B, due 2031	4,835,000	2.00-3.00%	4,660,000
General Obligation 2019-A, due 2029	675,000	2.10-3.10%	360,000
General Obligation 2021-A, due 2036	2,345,000	0.25-2.00%	1,910,000
Taxable General Obligation 2023-A, due 2032	1,000,000	4.30%	1,000,000
General Obligation 2023-B, due 2039	8,870,000	4.00-5.25%	8,870,000
General Obligation 2023-C, due 2043	6,855,000	4.00%	6,855,000
General Obligation Temporary Notes 2023-1, due 2025	5,000,000	5.01%	5,000,000
Plus Unamortized Bond Premium			32,565
Less Unamortized Bond Discount			(39,799)
Total General Obligation Debt			36,192,766
Taxable Lease Purchase Agreement - Direct Borrowing			
Bldg. 824 Lease Purchase, due 2030	460,000	3.30%	293,541
Total Long Term Debt			$ 36,486,307
Interest Expense in 2024 is as follows:			
General Obligation Bonds			$ 1,448,712
Lease Purchase Agreement			10,169
Amortization of Bond Discount, Premium and Deferred Refundings			121,424
Total Debt Interest Expense			$ 1,580,305

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

Year	Bonds Outstanding	Interest Due	Total
2025	$ 6,810,000	$ 1,366,288	$ 8,176,288
2026	1,865,000	1,051,196	2,916,196
2027	1,905,000	999,756	2,904,756
2028	1,960,000	944,976	2,904,976
2029	2,020,000	887,031	2,907,031
2030-2034	8,020,000	3,534,790	11,554,790
2035-2039	7,140,000	2,143,200	9,283,200
2040-2043	6,480,000	660,600	7,140,600
	$ 36,200,000	$ 11,587,837	$ 47,787,837

The Authority's outstanding 2023-1 temporary note will be refinanced in 2025 with Authority issued general obligation bonds.

The Authority has entered into a lease agreement as the lessee for financing the Building 824 – Transportation Facility Expansion. During 2024, $20,694 was included in depreciation expense. This lease agreement qualifies as a lease purchase agreement and therefore has been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Building 824 - Transportation Facility Expansion	$	413,874
Less Accumulated Depreciation		(93,122)
Net Book Value	**$**	320,752

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

Year	Lease Purchase Outstanding	Interest Due	Total
2025	$ 45,009	$ 9,319	$ 54,328
2026	46,507	7,821	54,328
2027	48,055	6,273	54,328
2028	49,653	4,675	54,328
2029	51,305	3,023	54,328
2030	53,012	1,316	54,328
	$ 293,541	$ 32,427	$ 325,968

H. Capital Contributions

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

	Inception to Date	2024	2023
Federal	$ 49,045,234	$ 4,980,512	$ 1,950,166
State	4,700,663	900,000	30,329
Total	$ 53,745,897	$ 5,880,512	$ 1,980,495

The Authority has designated $90,000 to be used as an insurance reserve or to accelerate future debt service payments. As of December 31, 2024, the reserve had been funded but not used.

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

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

Public employees, which includes:

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

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

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

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

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. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

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

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

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

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

Contributions. Member contributions are established by state law and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State

law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2024.

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

	Local Employees	
	Actuarial Employer Rate	Statutory Employer Capped Rate
2024	9.26%	9.26%
2023	8.43%	8.43%

Member contribution rates as a percentage of eligible compensation for the fiscal year 2024 are 6.00% for local employees. Contributions to the pension plan for the Authority were $107,804 and $91,951 for the years ended December 31, 2024 and 2023, respectively.

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

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

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

The allocation percentages for the Authority's share of the collective pension amounts as of December 31, 2024 and 2023, are based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2024 and 2023.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2024, the Authority's proportion for the local employees group was 0.051184%, which was an increase of .0054% from its proportion measured at June 30, 2023.

Net Pension Liability. At December 31, 2024 and 2023, the Authority reported a liability of $1,087,276 and $961,197, respectively, for its total proportionate share of the net pension liability.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024, using the following actuarial assumptions:

Assumptions	Rate
Price inflation	2.75%
Salary increases, including wage increases	3.50% to 15.50% including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.00%

Mortality rates were based on the Pub-2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study conducted for the four year period January 1, 2019 through December 31, 2022. The experience study is dated January 29, 2024.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class as of the most recent experience study, dated January 29, 2024, as provided by KPERS' investment consultant, are summarized in the following table:

Asset Class	Long-Term Target Allocation		Long-Term Expected Real Rate of Return
Non-U.S. Equities	43.00		8.20
Core Fixed Income	13.00		2.20
Yield Driven	12.00		5.30
Infrastructure	3.00		6.80
Real Estate	15.00		5.70
Alternatives	11.00		12.00
Short-term Investments	3.00		0.30
Total	**100.00**	**%**	

Discount Rate. The discount rate used to measure the total pension liability for the years ended December 31, 2024 and 2023 was 7.00%.

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

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

Year	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
2024	$ 1,574,063	$ 1,087,276	$ 680,436
2023	$ 1,378,254	$ 961,197	$ 613,745

Pension Expense. For the years ended December 31, 2024 and 2023, the Authority recognized pension expense of $197,901 and $161,251, respectively, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2024 and 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions:

	2024		2023	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Actual and Expected Experience	$ 132,259	$ -	$ 79,903	$ 135
Net Differences Between Projected and Actual Earnings on Investments	6,661	-	56,139	-
Changes in Proportion	99,094	14,776	48,235	29,853
Changes in Assumptions	65,722	-	101,875	-
Contributions Made After Measurement Date	54,267	-	51,080	-
Total	$ 358,003	$ 14,776	$ 337,232	$ 29,988

The $54,267 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows of Resources
2025	$ 86,434
2026	140,315
2027	40,165
2028	22,046
2029	-
Total	$ 288,960

B. Deferred Compensation Plan

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

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

The Authority has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All Authority employees working more than 20 hours per week are eligible to participate in the Plan beginning after thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Benefits offered through the Plan include various insurance and disability benefits.

D. Risk Management

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

E. Contingent Liabilities

The Authority receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the Authority. However, in the opinion of management, any such disallowed claims would not have a material effect on any of the financial statements of the Authority at December 31, 2024 and 2023.

F. Other Postemployment Benefits (OPEB)

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

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

G. Other Postemployment Healthcare Benefits (KPERS)

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

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

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

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be

indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

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

	2024	2023
Active Employees	17	14
Disabled Employees	-	-
Total	**17**	14

Total OPEB Liability. The Authority's total KPERS OPEB liability of $13,282 and $9,618 for December 31, 2024 and 2023, respectively, which was measured as of June 30, 2024 and 2023 and was determined by an actuarial valuation as of December 31, 2023 and 2022, which was rolled forward to June 30, 2024 and 2023, using the following actuarial assumptions:

Discount Rate	3.93% for 2024 and 3.65% for 2023
Implicit Inflation Rate	2.75%
Salary Increases	3.50% to 10.30% based on years of service
Payroll Growth	3.00%
Actuarial Cost Method	Entry Age Normal

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

Mortality rates were based on the Pub-2010 Mortality Tables, with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2023, and 2022 valuation were based on the results of an actuarial experience study for the period of January 1, 2019, through December 31, 2022.

Changes in the Total OPEB Liability

Balance at December 31, 2023	$	9,618
Changes for the Year:		
Service Cost		2,635
Interest on Total OPEB Liability		447
Effect of Economic/Demographic Gains or Losses		392
Effect of Assumptions Changes or Inputs		190
Benefit Payments		-
Net Changes		3,664
Balance at December 31, 2024	**$**	**13,282**

Sensitivity of the Total KPERS OPEB Liability to Changes in the Discount Rate. The following presented the total KPERS OPEB liability of the Authority, as well as what the Authority's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93% and 2.65%) or 1-percentage-point higher (4.93% and 4.65%) than the current discount rate:

2024		
1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
$ 13,795	$ 13,282	$ 12,725

2023		
1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
$ 9,954	$ 9,618	$ 9,243

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

	1% Decrease	Health Cost Trend Rates	1% Increase
2024	$ 13,282	$ 13,282	$ 13,282
2023	$ 9,618	$ 9,618	$ 9,618

For the year ended December 31, 2024 and 2023, the Authority recognized OPEB expense of $679 and $285, respectively.

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

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 353	$ 12,371	$ -	$ 14,616
Changes of assumptions	662	2,129	595	2,449
Contributions made after measurement date	11,641	-	10,908	-
Total	$ 12,656	$ 14,500	$ 11,503	$ 17,065

The $11,641 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 31, 2025. Amounts reported as

deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ended December 31,	
2025	$ (2,403)
2026	(2,395)
2027	(2,253)
2028	(1,917)
2029	(1,786)
Thereafter	(2,731)
Total	$ (13,485)

H. Environmental Matter

The U.S. Department of Defense transferred property located at the former Schilling Air Force Base (the Base or Site) to the Authority on or about September 9, 1966. The property is now known to contain areas of extensive soil and groundwater contamination, which is a result of the use and disposal of chlorinated solvents during military operations at the Base from 1942 until Base closure in 1965. The U.S. Department of Defense is responsible for the investigation and remediation of contamination caused by military activities at current and former military bases. The U.S. Army Corps of Engineers (Corps) is the lead agency for the Department at formerly used defense sites. The Corps has investigated the soil and groundwater contamination at the Site under the regulatory oversight of the U.S. Environmental Protection Agency (EPA) and the Kansas Department of Health and Environment (KDHE). The Site is not designated as a National Priority List Superfund site, but investigation and remediation are required to be in compliance with the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

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

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

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

In March 2021, KDHE approved an amended Consent and Final Order (CAFO) that reaffirms the KDHE's July 2019, Corrective Action Decision (CAD) scope of work for final Remedial Design (RD) and Remedial Action (RA). The final RD and RA work will be funded by funds

on deposit in the Former SAFB Environmental Project Fund. Once the remedial action is completed the site will be CERCLA compliant.

To date, the project's environmental consulting and engineering firm has implemented the Remedial Design/Remedial Action (RD/RA) Work Plan Nos. 1, 2, 3, and 4, which includes the remediation of the Plume B Soil Source Area. RD/RA Work Plan Nos. 5 and 6, which detail additional remedial actions (RAs) to prevent further migration of the groundwater plumes and remediate additional soil source areas, are being finalized. KDHE approvals of RD/RA Work Plan Nos. 5 and 6 are expected in 2026 and implementation is targeted for late 2026 or early 2027.

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

I. Major Customers

The Authority received significant operating revenue from Avflight Salina, Kansas Erosion Products, LLC., 1 Vision Aviation, Stryten Salina, LLC, and Universal Forest Products. Rent from these five tenants equals 51.89% of operating revenue for the year ended December 31, 2024. For the year ended December 31, 2023, the Authority's top five tenants were Avflight Salina, Kansas Erosion Products, LLC., 1 Vision Aviation, Stryten Salina, LLC, and Universal Forest Products. Rent from these five tenants equals 49.21% of operating revenue.

J. Non-Operating Revenue and (Expenses)

Net non-operating revenue and expense consisted of the following for the years ended December 31, 2024 and 2023:

	December 31,	
	2024	2023
Mill Levy	$ 3,463,072	$ 2,719,303
Interest on Investments	408,382	317,703
Interest Income - Leases	239,812	219,533
AIM Center Tuition	3,800	-
Gain on Sale of Assets	243,950	15,498
Total	4,359,016	3,272,037

	December 31, 2024	2023
Interest Expense		
General Obligation Bonds and Temporary Notes	$ (1,448,712)	$ (837,447)
Lease Purchase Agreement	(10,169)	(11,591)
Amortization of Bond Discount	(121,424)	(128,450)
Bond Issuance Costs	(31,830)	(464,709)
AIM Center Costs	(381,895)	(188,843)
Total	(1,994,030)	(1,631,040)
Net Non-Operating Revenue and (Expenses)	$ 2,364,986	$ 1,640,997

K. Special Item

In January 2024, the Authority entered into an Overnight Flight Agreement with SkyWest Airlines, Inc. (SkyWest) to establish and operate a seven-day-per-week nonstop overnight (RON) flight between Salina Regional Airport (SLN) and Denver International Airport (DEN).

Under the agreement, the Authority committed to reimburse SkyWest for a portion of RON flight start-up costs, up to a maximum of $900,000, at a rate of $3,000 per completed overnight flight over a 12-month period.

The incentive program was designed to support enhanced regional air connectivity and economic development by securing consistent early morning departures to and evening arrivals from Denver.

To fund the incentive commitment, the Authority executed separate grant agreements with Saline County, which awarded $400,000 in American Rescue Plan Act (ARPA) funds and City of Salina, which awarded $400,000 from economic development funds.

Both agreements provide reimbursement-based funding and include claw back provisions in the event the overnight flight service is terminated or materially altered.

Reimbursements to SkyWest began with flights completed in April 2024. Reimbursements were made monthly based on flights completed in the preceding month. A total of ten reimbursement payments were made for flights completed between April 2024 and January 2025.

For the year ended December 31, 2024:

- The Authority recognized $800,000 as revenue related to the City and County grants.
- The Authority recorded $816,000 as expense for reimbursements paid to SkyWest.

All $400,000 of County funding was received in 2024. The Authority received $266,668 of City funding in 2024, with the remaining $133,332 received in 2025. A receivable was recorded at December 31, 2024, for $133,332.

The remaining $84,000 reimbursement obligation to SkyWest was paid in 2025, bringing total reimbursements under the agreement to $900,000.

As of December 31, 2024, all performance requirements had been met, no claw back provisions had been triggered, and no repayment obligations existed.

L. Subsequent Events

State MRO Reinvestment Campus Grant and Ground Lease

Subsequent to December 31, 2024, the Authority entered into a grant agreement with the State of Kansas providing for up to $32,370,000 in funding to support the development of a proposed Maintenance, Repair, and Overhaul (MRO) campus at the Salina Regional Airport (the "Project"). In connection with the Project, the Authority also executed a long-term ground lease agreement with a private developer for an initial term of forty (40) years, with one ten-year renewal option, and entered into an escrow agreement governing the deposit and disbursement of grant funds.

On February 13, 2026, the Authority received the full grant amount from the State of Kansas, and such funds were deposited into a segregated escrow account in accordance with the grant and escrow agreements. Disbursement of the funds to the developer is structured on a draw basis and remains subject to documentation, milestone, and performance requirements set forth in the grant agreement, ground lease, and escrow agreement.

Pursuant to the ground lease, the developer will construct and own the improvements during the lease term. Upon expiration or earlier termination of the lease, the improvements (excluding certain tenant-owned equipment) will revert to the Authority at no additional cost.

As of December 31, 2024, no grant funds had been received, deposited, earned, or recognized by the Authority, and no receivable, deferred inflow of resources, revenue, or capital asset was recorded in the accompanying financial statements related to the Project.

The Project remains subject to customary development, regulatory, and performance conditions. Accordingly, the ultimate timing of disbursements and the future financial statement impact cannot be determined as of the date the financial statements were available to be issued.

Debt Issuance and Financing Activities

Subsequent to December 31, 2024, the Authority completed the following debt issuance and financing transactions:

On March 26, 2025, the Authority issued $6,720,000 General Obligation Temporary Notes, Series 2025-1, and $2,105,000 Taxable General Obligation Temporary Notes, Series 2025-2, to finance various capital improvements at the Salina Regional Airport and Airport Industrial Center, including street and utility infrastructure improvements (Project 80), hangar acquisition and development costs, and other authorized capital projects. Temporary Notes are general obligations of the Authority and are payable from a combination of ad valorem taxes levied in accordance with Kansas statutes and other legally available Authority revenues.

Of the Series 2025-1 Temporary Notes, $6,000,000 was originally allocated to street and utility improvements within a Special Assessment Benefit District established by the City of Salina (Project 80). The City has approved issuance of long-term general obligation bonds to finance those improvements and retire the Authority's related temporary note obligations. Subsequent to issuance of the Series 2025-1 Temporary Notes, certain Project 80 costs were less than originally estimated, and on February 9, 2026, the City approved reallocation of up to $1,560,000 of remaining Series 2025-1 proceeds to other authorized capital improvements of the Authority.

On November 5, 2025, the Authority issued $5,590,000 Taxable General Obligation Bonds, Series 2025-A, to permanently finance and redeem previously issued taxable 2023-A General Obligation Temporary Notes utilized to fund portions of the new above ground aviation fuel facility. The Series 2025-A Bonds are general obligations of the Authority and are payable from ad valorem taxes levied in accordance with Kansas statutes and other legally available Authority revenues.

As these debt transactions occurred subsequent to year-end, no amounts related to the Series 2025-1 Temporary Notes, Series 2025-2 Temporary Notes, or Series 2025-A Bonds have been recorded in the December 31, 2024 financial statements.

The Authority has evaluated subsequent events through the date the financial statements were available to be issued.

SALINA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Kansas Public Employees Retirement System
December 31, 2024

Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.051184%	0.045817%	0.047384%	0.042484%	0.041281%	0.045289%	0.043452%	0.041662%	0.037666%	0.041581%
Proportionate share of the collective net pension liability	$ 1,087,276	$ 961,197	$ 942,015	$ 509,789	$ 715,670	$ 632,856	$ 605,630	$ 603,456	$ 582,704	$ 545,977
Covered payroll from the period July 1 - June 30 ^	$ 1,184,092	$ 993,697	$ 952,391	$ 819,071	$ 778,919	$ 830,413	$ 777,734	$ 708,538	$ 645,485	$ 694,613
Net pension liability as a percentage of covered payroll	91.82%	96.73%	98.91%	62.24%	91.88%	76.21%	77.87%	85.17%	90.27%	78.60%
Plan fiduciary net position as a percentage of the total pension liability	72.75%	70.70%	69.75%	76.40%	66.30%	69.88%	68.88%	67.12%	65.10%	64.95%

Notes to the Schedule

Changes in assumptions.

As a result of the experience study completed in November 2016, there were several changes made to the actuarial assumptions and methods since the prior valuation are as follows:
•The price inflation assumption was lowered from 3.00% to 2.75%.
•The investment return assumption was lowered from 8.00% to 7.75%.
•The general wage growth assumption was lowered from 4.00% to 3.50%.
•The payroll growth assumption was lowered from 4.00% to 3.00%.

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

As a result of the experience study completed in January 2020, there were several changes made to the actuarial assumptions and methods since the prior valuation. The changes that impact all groups were effective December 31, 2019 and include:
•The investment return assumption was lowered from 7.25% to 7.00%.
•The general wage growth assumption was lowered from 3.50% to 3.25%.
•The payroll growth assumption was lowered from 3.00% to 2.75%.

Changes from the January 2020 experience study that impacted individual groups are listed below:
•Retirement rates were adjusted to partially reflect observed experience.
•Termination rates were increased for most KPERS groups.
•Disability rates were reduced.
•Factors for the State group that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
•The administrative expense load for contributions rates was increased from 0.16% to 0.18%.

As a result of the experience study completed in January 2024, there were several changes made to the actuarial assumptions and methods since the prior valuation.
•The general wage growth assumption was increased from 12.00% to 15.50%.
•The active member mortality assumption was modified to also be based on the Pub 2010 Mortality Table with adjustments.

Changes from the January 2024 experience study that impacted the individual groups are listed below:
•Retirement rates for the C60 group were adjusted to partially reflect observed experience.
•The probability of KPERS 1 members leaving their contributions with the System were modified to better reflect observed experience.
•Disability rates were reduced.
•Factors that are used to anticipate higher liabilities due to higher final average salary at retirement for pre-1993 hires were modified to better reflect actual experience.
•The administrative expense component of the actuarial required contribution rate was increased from 0.18% to 0.23%.
•The merit salary increase assumption was increased.

*Information reported above is as of the KPERS measurement date of June 30.

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required employer contribution	$ 104,618	$ 86,160	$ 84,617	$ 71,580	$ 75,190	$ 83,638	$ 78,940	$ 66,198	$ 61,622	$ 70,005	$ 68,904
Contributions in relation to the contractually required contribution	(104,618)	(86,160)	(84,617)	(71,580)	(75,190)	(83,638)	(78,940)	(66,198)	(61,622)	(70,005)	(68,904)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll^	$ 1,164,190	$ 1,090,756	$ 976,150	$ 892,259	$ 782,417	$847,208	$840,466	$758,750	$652,874	$672,878	$709,510
Contributions as a percentage of covered payroll	8.99%	7.90%	8.67%	8.02%	9.61%	9.87%	9.39%	8.72%	9.44%	10.40%	9.71%

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

SALINA AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN THE DEATH AND DISABILITY
TOTAL OPEB LIABILITY AND RELATED RATIOS
December 31, 2024

Measurement Date	2024 June 30, 2024	2023 June 30, 2023	2022 June 30, 2022	2021 June 30, 2021	2020 June 30, 2020	2019 June 30, 2019	2018 June 30, 2018
Total OPEB Liability							
Service Cost	$ 2,635	$ 2,344	$ 3,837	$ 3,797	$ 3,430	$ 2,843	$ 2,825
Interest Cost	447	402	382	392	587	541	533
Effect of Economic/Demographic Gains or Losses	392	(2,094)	(6,203)	(4,212)	(4,295)	(1,324)	(4,199)
Effect of Assumption Changes or Inputs	190	(37)	(2,924)	10	864	152	(87)
Benefit Payments	-	-	-	-	-	-	-
Net Change in Total Liability - Beginning of Year	3,664	615	(4,908)	(13)	586	2,212	(928)
Total OPEB Liability - Beginning of Year	9,618	9,003	13,911	13,924	13,338	11,126	12,054
Total OPEB Liability - End of Year	$ 13,282	$ 9,618	$ 9,003	$ 13,911	$ 13,924	$ 13,338	$ 11,126
Covered-Employee Payroll	$ 1,145,993	$ 925,642	$ 879,557	$ 800,448	$ 801,486	$ 826,640	$ 706,882
Total OPEB liability as a percentage of covered employee payroll	1.16%	1.04%	1.02%	1.74%	1.74%	1.61%	1.57%
Actuarially determined contribution	$ 11,587	$ 10,908	$ 5,089	$ -	$ 3,831	$ 4,219	$ 2,137
Actual contribution	$ 11,587	$ 10,908	$ 5,089	$ -	$ 3,831	$ 4,219	$ 2,137
Contributions as a percentage of covered-employee payroll	1.01%	1.18%	0.58%	0.00%	0.48%	0.51%	0.30%

Notes to Schedule

Changes of Assumptions and Other Inputs

Changes of assumptions and other inputs reflect the effects of changes in the discount rate from 3.58% on June 30, 2017, 3.87% on June 30, 2018, 3.5% on June 30, 2019, 2.21% on June 30, 2020, 2.16% on June 30, 2021, 3.54% on June 30, 2022, 3.65% on June 30, 2023, and 3.93% on June 30, 2024.

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

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

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For the Years Ended December 31, 2024 and December 31, 2023

	January 1 to December 31	
	2024	2023
Operating Revenues		
Airfield		
Fuel Flowage Fees	$ 215,739	$ 188,330
Hangar Rent	1,313,595	1,080,230
Landing Fees	62,023	25,866
Ramp Rent	77,009	75,892
Total Airfield	1,668,366	1,370,318
Building and Land Rent		
Agri Land Rent	57,814	67,120
Building Rents	1,358,646	1,437,609
Land Rents	256,124	264,481
Tank Rent	20,960	14,898
Total Building and Land Rents	1,693,544	1,784,108
Other Revenue		
Airport Marketing	20,000	20,000
Commissions	31,622	31,750
ARFF Training	-	4,320
Other Income	123,219	54,458
Total Other Revenue	174,841	110,528
Total Operating Revenues	$ 3,536,751	$ 3,264,954

(continued)

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For the Years Ended December 31, 2024 and December 31, 2023
(continued)

	January 1 to December 31	
	2024	2023
Operating Expenses		
Administrative		
A/E, Consultants, Brokers	$ 105,385	$ 70,573
Airport Promotion	246,284	279,899
Bad Debt Expense	618	-
Computer Network Administration	58,499	48,190
Dues and Subscriptions	24,474	27,152
Employee Retirement	209,487	166,625
FICA and Medicare	87,479	79,111
Industrial Development	57,500	57,500
Insurance, Medical	247,884	218,263
Insurance, Property	220,630	201,689
Kansas Unemployment Tax	1,161	1,080
Legal and Accounting	58,928	54,532
Office Salaries	706,032	693,164
Office Supplies	10,798	7,605
Other Administrative	19,066	12,452
Postage	1,334	1,650
Property Taxes	169,837	167,760
Special Events	14,331	1,099
Telephone	19,317	18,656
Training	3,601	5,464
Travel and Meetings	11,812	6,055
Total Administrative Expenses	2,274,457	2,118,519
Maintenance Expenses		
Airfield Maintenance	69,405	51,436
Airport Security	3,520	1,648
Building Maintenance	238,246	204,372
Equipment Fuel and Repairs	124,537	86,366
Fire Services	17,978	19,646
Grounds Maintenance	10,052	14,980
Maintenance Salaries	455,191	416,893
Other Maintenance Expenses	25,669	19,349
Snow Removal Expense	3,151	5,494
Utilities	241,948	217,182
Total Maintenance Expenses	1,189,697	1,037,366
Total Operating Expenses	$ 3,464,154	$ 3,155,885

(continued)

SALINA AIRPORT AUTHORITY
SCHEDULES OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
For the Years Ended December 31, 2024 and December 31, 2023
(continued)

	January 1 to December 31 2024	2023
Revenues Over (Under) Expenses Before Depreciation	$ 72,597	$ 109,069
Depreciation	(4,163,366)	(3,839,916)
Operating Loss Before Non-Operating Revenues and Expenses	(4,090,769)	(3,730,847)
Non-Operating Revenues and (Expenses)		
Mill levy	3,463,072	2,719,303
Interest on Investments	408,382	317,703
Interest Income - Leases	239,812	219,533
Interest Expense	(1,580,305)	(977,488)
Bond Issuance Costs	(31,830)	(464,709)
AIM Center Tuition	3,800	-
AIM Center Costs	(381,895)	(188,843)
Gain on Sale of Assets	243,950	15,498
Net Non-Operating Revenues and (Expenses)	2,364,986	1,640,997
Loss Before Capital Contributions, Extraordinary Item, and Special Items	(1,725,783)	(2,089,850)
Capital Contributions	5,880,157	1,956,562
SkyWest Overnight Flight Cost Share (Special Item)	800,000	-
SkyWest Overnight Flight (Special Item)	(816,000)	-
Wind Damage Repairs (Extraordinary Item)	-	(14,704)
Net Position		
Increase (Decrease) in Net Position	4,138,374	(147,992)
Net Position, Beginning of Year	26,461,052	26,609,044
Net Position, End of Year	$ 30,599,426	$ 26,461,052

SALINA AIRPORT AUTHORITY
CAPITAL EXPENDITURES
January 1 to December 31

		2024
AIRFIELD IMPROVEMENTS		
RWY 17/35 lighting system regulator board	$	2,855
Taxiway Alpha and Rwy 18/36 Improvements		9,324
Rwy 17/35 wind cone		14,263
H626 Airfield apron and taxiway improvements		691,922
Total Airfield Improvements	$	718,364
BUILDINGS		
9 New GA Box Hangars	$	1,242,694
AIP-49 Fuel Farm - Bldg. 300		6,820,168
ARMAG electrical service		6,299
B412 - HVAC Imps. Room 115 (CBS) Trane 4 Roof Top Unit		9,503
New concrete pad - Bldg. 1021		11,413
Hagar 504 Improvements		11,512
Hangar 626 Rehabilitation		2,605,485
Hangar 626 AIM Classroom 111		915,715
Hangar 959 electrical service improvements		20,440
DMV Building (Bldg. B394) - exterior concrete imps.		4,899
Bldg. 120 plumbing improvements		2,758
Hangar 506-1 Gas infrared heater panel		1,731
Hangar 506-1 and 506-2 Roof improvements		27,890
Bldg. 620 new parking lot		191,185
Bldg. 120 Terminal Bldg. Roof improvements		28,510
Total Building Improvements	$	11,900,202
EQUIPMENT		
Airfield gate card readers	$	1,536
Full set bunker gear and patches		3,867
Airfield Lighting Controller System (B500) replacement		10,425
H600, Rm 100 conference room VTC upgrades		4,346
Office furniture - XD		5,160
ARFF SCBA Compressor pressure valve		2,176
Airport 1 Radio System		8,976
Downdraft tables		16,613
3 Scissor Lifts		70,634
Forklift - Unicarriers AF50N5		28,399
Dust Collectors		18,154
Tennant T20 Floor Scrubber		65,826
Wet paint booth module		56,780
DPS1000 Pitot Static Tester		18,198

(continued)

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

		2024
EQUIPMENT (continued)		
Viavi/Aeroflex IFR6000 Multifunction Transponder Test Set		23,324
Spray paint booth		38,270
Digital Classroom Display		3,989
Intermodal Container		3,832
Total Equipment Additions	$	380,505
LAND IMPROVEMENTS		
Hein/Scanlan Intersection Improvements	$	12,500
CONSTRUCTION IN PROGRESS		
Rwy 12/30 Rehabilitation		144,485
Decommissioning Fuel Farm 305		191,969
North Ramp MRO development		59,132
AIP-54 Term. Bldg. Parking Lot Rehab		28,543
AIP-55 Term. Bldg. Rehabilitation and New Arrival Departure Bldg.		714,156
Hangar 606 Truss improvements		4,892
AIP-50-51 SRE Equip A/E & Acq.		16,779
AIP-XX AFFF to F3 Transition		2,348
AIC-Project 80 Road and Utility Network Phase I		569,881
Hangar 125 (Acquisition)		14,681
Hangar 509 Improvements		63,520
New lav cart facility		13,500
Total Construction in Progress	$	1,823,886
TOTAL CAPITAL EXPENDITURES	**$**	**14,835,457**

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2015-A
December 31, 2024

Date of issue:	August 28, 2015
Amount of issue:	$ 3,075,000
Interest rate:	1.50-3.55%
Maturity date:	September 1, 2025
Principal paid:	$ 2,985,000
Outstanding balance:	$ 90,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 3,195	$ 90,000

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

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

MJ Kennedy Air Terminal Bldg. imps.

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2017-A
December 31, 2024

Date of issue:	July 12, 2017
Amount of issue:	$ 10,255,000
Interest rate:	1.61-3.35%
Maturity date:	September 1, 2030
Principal paid:	$ 2,800,000
Outstanding balance:	$ 7,455,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 228,160	$ 1,475,000
2026	187,598	1,335,000
2027	148,883	1,100,000
2028	115,332	1,130,000
2029	79,738	1,165,000
2030	41,875	1,250,000
	$ 801,586	$ 7,455,000

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

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

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2017-B
December 31, 2024

Date of issue:	July 17, 2017
Amount of issue:	$ 4,835,000
Interest rate:	2.0-3.0%
Maturity date:	September 1, 2031
Principal paid:	$ 175,000
Outstanding balance:	$ 4,660,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 139,800	$ 25,000
2026	139,050	310,000
2027	129,750	585,000
2028	112,200	605,000
2029	94,050	625,000
2030-2031	132,600	2,510,000
	$ 747,450	$ 4,660,000

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

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

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2019-A
December 31, 2024

Date of issue:	July 10, 2019
Amount of issue:	$ 675,000
Interest rate:	2.10-3.10%
Maturity date:	September 1, 2029
Principal paid:	$ 315,000
Outstanding balance:	$ 360,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 10,385	$ 70,000
2026	8,530	70,000
2027	6,605	70,000
2028	4,575	75,000
2029	2,325	75,000
	$ 32,420	$ 360,000

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

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2021-A
December 31, 2024

Date of issue:	August 17, 2021
Amount of issue:	$ 2,345,000
Interest rate:	0.25-2.00%
Maturity date:	September 1, 2036
Principal paid:	$ 435,000
Outstanding balance:	$ 1,910,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 29,580	$ 150,000
2026	28,455	150,000
2027	26,955	150,000
2028	25,305	150,000
2029	23,355	155,000
2030-2036	89,515	1,155,000
	$ 223,165	$ 1,910,000

Projects Funded:
Hangars 959 and 504 improvements

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION BONDS
SERIES 2023-A
December 31, 2024

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

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 43,000	$ -
2026	43,000	-
2027	43,000	-
2028	43,000	-
2029	43,000	-
2030-2032	129,000	1,000,000
	$ 344,000	$ 1,000,000

Projects Funded:
Bldg. 595 Improvements

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS (Subject to AMT)
SERIES 2023-B
December 31, 2024

Date of issue:	June 7, 2023
Amount of issue:	$ 8,870,000
Interest rate:	4.00-5.25%
Maturity date:	September 1, 2039
Principal paid:	$ -
Outstanding balance:	$ 8,870,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 370,363	$ -
2026	370,363	-
2027	370,363	-
2028	370,363	-
2029	370,363	-
2030-2039	2,543,000	8,870,000
	$ 4,394,813	$ 8,870,000

Projects Funded:
Above Ground Aviation Fuel Facility

SALINA AIRPORT AUTHORITY
GENERAL OBLIGATION BONDS
SERIES 2023-C
December 31, 2024

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

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 274,200	$ -
2026	274,200	-
2027	274,200	-
2028	274,200	-
2029	274,200	-
2030-2043	3,402,600	6,855,000
	$ 4,773,600	$ 6,855,000

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

SALINA AIRPORT AUTHORITY
TAXABLE GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023-1
December 31, 2024

Date of issue:	December 6, 2023
Amount of issue:	$ 5,000,000
Interest rate:	5.01%
Maturity date:	December 1, 2025
Principal paid:	$ -
Outstanding balance:	$ 5,000,000

Schedule of Bond Interest and Principal Payments

Due in Year	Bond Interest	Bond Principal
2025	$ 550,000	$ 5,000,000

Projects Funded:
Above Ground Aviation Fuel Facility

SALINA AIRPORT AUTHORITY
TAXABLE LEASE PURCHASE AGREEMENT
2020
December 31, 2024

Date of issue:	August 12, 2020
Amount of issue:	$ 460,000
Interest rate:	3.300%
Maturity date:	September 1, 2030
Principal paid:	$ 166,459
Outstanding balance:	$ 293,541

Schedule of Lease Interest and Principal Payments

Due in Year	Lease Interest	Lease Principal
2025	$ 9,319	$ 45,009
2026	7,821	46,507
2027	6,274	48,055
2028	4,675	49,653
2029	3,021	51,305
2030	1,316	53,012
	$ 32,426	$ 293,541

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

SALINA AIRPORT AUTHORITY
INSURANCE IN FORCE
December 31, 2024

Insurance Policy	Type of Coverage	Amount of Coverage
Old Republic Insurance Company	Worker's compensation	
Pol. #0CAV043694078	and employer's liability	$ 1,000,000
Old Republic Insurance Company	Bodily Injury & liability	$ 2,000,000
Pol. #PR00262110	Hangar keepers	$ 1,000,000
	Employee benefit liability	$ 2,000,000
Zurich		
Pol. #ERP4509814-05	Deluxe property-building, contents, stock, business income	$ 70,000,000
Cincinnati Insurance Companies		
Pol. #ENP0563029	Vehicles & equipment auto liability	
	Bodily injury/property damage	$ 1,000,000
	Medical payments	$ 5,000
	Uninsured motorists	$ 1,000,000
	Underinsured motorist	$ 1,000,000
	Physical damage, per schedule	
Cincinnati Insurance Companies		
Pol. #ENP0563029	Inland marine - equipment	$ 1,857,915
Hartford Fire Insurance Company	Crime policy	
Pol. #37FA0293328-24	Employee theft, forgery, alteration, computer	$ 250,000
ACE American Insurance Company	Public officials and employment practices liability	
Pol. #G71465974 006	Each claim	$ 2,000,000
	Aggregate limit	$ 2,000,000
Great American Alliance Ins. Co.	Underground storage tank liability	
Pol. # KST7882933-30	Each incident	$ 1,000,000
	Aggregate limit	$ 1,000,000
	Defense expense limit each incident	$ 100,000
Beazley Insurance Company		
Pol. # W3103240301	Commercial Cyber Insurance	
	Each incident	$ 2,000,000
	Aggregate limit	$ 2,000,000

STATISTICAL
Table of Contents

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

Financial Trends 76-80

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

Debt Capacity 81

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

Revenue Capacity 82-84

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

Operating Information 85

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

Demographic and Economic Information 86-89

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

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

	2015	2016	2017
TOTAL REVENUES			
OPERATING REVENUES			
Airfield	$ 529,973	$ 530,889	$ 510,263
Fuel flowage fees	189,532	145,280	202,728
Building and land rent	1,068,335	1,174,553	1,310,833
Other revenue	88,663	106,144	189,476
TOTAL OPERATING REVENUES	1,876,503	1,956,866	2,213,300
TOTAL EXPENSES			
OPERATING EXPENSES			
Administrative	1,253,045	1,183,681	1,264,135
Maintenance	698,173	714,188	896,488
TOTAL OPERATING EXPENSES	1,951,218	1,897,869	2,160,623
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(74,715)	58,997	52,677
DEPRECIATION	2,584,667	2,569,109	2,593,092
OPERATING LOSS	(2,659,382)	(2,510,112)	(2,540,415)
NON-OPERATING INCOME AND (EXPENSES)			
Mill levy	2,028,074	2,017,013	2,043,302
Interest on investments and financing lease	286	3,387	974
Interest expense	(1,109,013)	(964,113)	(573,533)
Interest income - leases	-	-	-
Bond Issue Costs	-	(8,329)	(147,664)
AIM Center Tuition	-	-	-
AIM Center Costs	-	-	-
Gain (loss) on sale of assets	48,289	6,903	22,081
TOTAL NON-OPERATING INCOME AND (EXPENSES)	967,636	1,054,861	1,345,160
LOSS BEFORE CAPITAL CONTRIBUTIONS, EXTRAORDINARY ITEM, AND SPECIAL ITEMS	(1,691,746)	(1,455,251)	(1,195,255)
Capital Contributions	217,112	943,219	1,280,204
SkyWest Overnight Flight Cost Share (Special Item)	-	-	-
SkyWest Overnight Flight (Special Item)	-	-	-
Wind Damage Repairs	-	-	-
INCREASE (DECREASE) IN NET POSITION	(1,474,634)	(512,032)	84,949
NET POSITION AT YEAR END COMPOSED OF:			
Net investment in capital assets	22,516,034	21,862,166	19,753,708
Restricted			
Unrestricted	(280,767)	(138,931)	2,054,476
	$ 22,235,267	$ 21,723,235	$ 21,808,184

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

2018	2019	2020	2021	2022	2023	2024
$ 586,108	$ 742,672	$ 750,570	$ 897,538	$ 1,082,349	$ 1,181,988	$ 1,452,627
194,647	185,249	190,668	180,417	213,067	188,330	215,739
1,383,282	1,349,788	1,543,756	1,634,639	1,692,642	1,784,108	1,693,544
335,855	155,249	167,352	121,073	130,518	110,528	174,841
2,499,892	2,432,958	2,652,346	2,833,667	3,118,576	3,264,954	3,536,751
1,567,514	1,524,897	1,630,020	1,734,025	1,999,924	2,118,519	2,274,457
863,656	830,538	841,705	1,076,971	1,136,239	1,037,366	1,189,697
2,431,170	2,355,435	2,471,725	2,810,996	3,136,163	3,155,885	3,464,154
68,722	77,523	180,621	22,671	(17,587)	109,069	72,597
2,761,019	2,898,650	3,016,267	3,065,984	3,472,824	3,839,916	(4,163,366)
(2,692,297)	(2,821,127)	(2,835,646)	(3,043,313)	(3,490,411)	(3,730,847)	(4,090,769)
2,338,967	2,371,463	2,639,481	2,570,657	2,431,667	2,719,303	3,463,072
3,745	17,954	2,161	1,311	8,383	317,703	408,382
(827,143)	(840,390)	(771,821)	(738,945)	(708,917)	(977,488)	(1,580,305)
-	-	-	109,922	105,299	219,533	239,812
-	(73,185)	(44,885)	(84,270)	(11,640)	(464,709)	(31,830)
-	-	-	-	-	-	3,800
-	-	-	-	-	(188,843)	(381,895)
5,375	21,263	(2,395,710)	154,774	60,778	15,498	243,950
1,520,944	1,497,105	(570,774)	2,013,449	1,885,570	1,640,997	2,364,986
(1,171,353)	(1,324,022)	(3,406,420)	(1,029,864)	(1,604,841)	(2,089,850)	(1,725,783)
1,474,356	1,727,674	2,100,818	2,717,177	5,447,345	1,956,562	5,880,157
-	-	-	-	-	-	800,000
-	-	-	-	-	-	(816,000)
-	-	-	-	(155,326)	(14,704)	-
303,003	403,652	(1,305,602)	1,687,313	3,687,178	(147,992)	4,138,374
22,491,023	21,698,665	18,717,283	20,063,412	24,694,502	23,698,045	26,865,476
(391,890)	804,120	2,479,900	2,858,454	1,914,542	2,763,007	3,733,950
$ 22,099,133	$ 22,502,785	$ 21,197,183	$ 22,921,866	$ 26,609,044	$ 26,461,052	$ 30,599,426

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

	2015	2016	2017
CASH FLOWS FROM OPERATING ACTIVITES			
Cash received from providing services	$ 1,922,061	$ 1,868,694	$ 2,162,372
Cash paid to employees for services	(698,148)	(724,184)	(821,501)
Cash paid to suppliers for goods and services	(1,292,263)	(1,124,098)	(1,249,957)
NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	(68,350)	20,412	90,914
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of property, plant and equipment	(301,637)	(1,489,872)	(2,073,730)
Acquisition of land subsequently donated (net)	-	-	-
Proceeds from capital grants	92,414	943,219	1,280,204
Change in grants receivable	-	(573,638)	573,638
Proceeds from property tax	2,028,074	2,017,013	2,043,302
Proceeds from sale of capital assets	48,289	20,489	32,990
Principal payments on debt	(1,007,271)	(1,095,956)	(1,253,283)
Proceeds of new borrowing	722,161	657,000	2,831,470
Wind damage repairs	-	-	-
Deferred advanced refunding	-	-	(1,391,470)
Interest received on lease receivable	-	-	-
Bond defeasance and issue costs paid	(43,159)	(8,329)	(147,664)
Interest paid on long-term debt	(1,042,465)	(972,452)	(613,911)
NET CASH PROVIDED (USED) IN CAPITAL AND RELATED FINANCING ACTIVITIES	496,406	(502,526)	1,281,546
CASH FLOWS FROM INVESTING ACTIVITES			
Interest received on deposits	286	3,387	974
NET INCREASE (DECREASE) IN CASH	428,342	(478,727)	1,373,434
CASH, beginning of year	290,742	719,084	240,357
CASH, end of year	$ 719,084	$ 240,357	$ 1,613,791

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

2018	2019	2020	2021	2022	2023	2024
$ 2,621,123	$ 1,730,112	$ 3,109,625	$ 1,629,283	$ 4,036,881	$ 2,317,852	$ 3,802,167
(845,650)	(841,568)	(854,885)	(921,910)	(1,004,205)	(1,125,459)	(1,167,662)
(578,006)	(1,616,484)	(2,133,137)	(1,133,826)	(2,405,022)	(2,639,106)	(4,582,017)
1,197,467	(727,940)	121,603	(426,453)	627,654	(1,446,713)	(1,947,512)
(2,851,457)	(3,182,404)	(1,501,297)	(3,370,794)	(8,832,973)	(6,468,902)	(13,641,111)
-	-	(2,061,088)	-	-	-	-
1,474,356	1,727,674	2,100,818	2,717,177	5,447,345	1,956,562	5,880,157
-	-	-	-	-	-	-
2,338,967	2,371,463	2,639,481	2,570,657	2,431,667	2,719,303	3,463,072
5,375	55,120	-	193,240	79,445	29,653	525,153
(2,646,876)	(5,337,744)	(1,428,211)	(3,772,338)	(1,708,019)	(8,395,824)	(1,804,970)
-	6,380,000	2,560,000	5,866,454	1,000,000	21,757,112	-
-	-	-	-	(155,326)	(14,704)	-
-	-	-	-	-	-	-
-	-	-	109,922	105,299	219,533	239,812
-	(73,185)	(44,885)	(84,271)	(11,641)	(464,709)	(31,830)
(879,978)	(831,307)	(787,723)	(757,018)	(707,194)	(680,091)	(1,434,726)
(2,559,613)	1,109,617	1,477,095	3,473,029	(2,351,397)	10,657,933	(6,804,443)
3,745	17,954	2,161	1,311	8,383	317,703	408,382
(1,358,401)	399,631	1,600,859	3,047,887	(1,715,360)	9,528,923	(8,343,573)
1,613,791	255,390	655,021	2,255,880	5,303,767	3,588,407	13,117,330
$ 255,390	$ 655,021	$ 2,255,880	$ 5,303,767	$ 3,588,407	$ 13,117,330	$ 4,773,757

Salina Airport Authority

CAPITAL EXPENDITURE HISTORY

Ten Years Ended December 31, 2024

Fiscal Year	Equipment	Building Additions	Land	Airfield	Construction in Progress	Total Capital Expenditures
2015	144,676	57,048	20,379	30,131	71,623	323,857
2016	105,467	321,854	14,062	23,799	1,024,688	1,489,870
2017	226,478	140,422	30,617	385,751	1,290,462	2,073,730
2018	983,492	114,367	77,012	1,793,701	8,921	2,977,493
2019	388,382	2,461,044	201,006	8,675	123,297	3,182,404
2020	207,158	682,393	43,066	382,089	186,591	1,501,297
2021	931,013	485,934	46,198	128,021	1,779,630	3,370,796
2022	41,800	4,288,924	-	6,506,251	386,507	11,223,482
2023	183,873	398,612	-	162,210	7,123,953	7,868,648
2024	380,505	11,900,202	12,500	718,364	1,823,886	14,835,457

Source: Salina Airport Authority Records

Salina Airport Authority
General Obligation Debt Service Coverage
Ten Fiscal Years Ended December 31, 2024

Fiscal Year	November Assessed Valuation	Motor Vehicle Valuation	Valuation Total	GO Bond Capacity of Valuation Total	General Obligation Debt	Special Assessment Debt	Financing Leases / Other Loans Payable	GO Temporary Notes	Total Outstanding Debt (All Types)	Remaining GO Capacity	Percentage of Personal Income	Total Debt Per Capita
2015	416,174,805	50,350,566	466,525,371	46,652,537	22,791,329	30,465	55,696	-	22,877,490	23,861,208	0.95%	411
2016	425,040,911	51,833,505	476,874,416	47,687,442	21,770,268	11,268	-	657,000	22,438,536	25,260,174	0.91%	407
2017	430,490,209	50,970,796	481,461,005	48,146,101	21,910,515	9,207	-	2,097,000	24,016,722	24,138,586	0.94%	439
2018	434,451,245	53,336,676	487,787,921	48,778,792	20,705,792	7,054	-	657,000	21,369,846	27,416,000	0.81%	393
2019	454,467,318	54,687,311	509,154,629	50,915,463	20,157,297	4,805	-	2,250,000	22,412,102	28,508,166	0.81%	413
2020	456,352,518	54,589,132	510,941,650	51,094,165	18,731,436	2,455	460,000	4,350,000	23,543,891	28,012,729	0.85%	437
2021	459,861,906	56,545,812	516,407,718	51,640,772	19,572,949	-	420,058	5,645,000	25,638,007	26,422,823	0.86%	476
2022	503,880,021	54,903,252	558,783,273	55,878,327	17,905,730	-	379,258	6,645,000	24,929,988	31,327,597	0.81%	465
2023	531,447,506	55,673,641	587,121,147	58,712,115	32,954,176	-	337,101	5,000,000	38,291,277	20,757,939	1.19%	-721
2024	541,238,681	58,688,526	599,927,207	59,992,721	31,192,766	-	293,541	5,000,000	36,486,307	23,799,955	1.09%	-689

Note: Details regarding the Authority's outstanding debt can be found in the notes to the financial statements.
The special assessment and financing lease/other loans payable debt figures are shown for informational purposes only and not required by statute to be included in the remaining capacity calculation.
See the Schedule of Demographic and Economic Statistics on page 88 for personal income and population data.

Salina Airport Authority

LOCAL GOVERNMENT MILL LEVY RATES, DIRECT AND OVERLAPPING

Ten Years Ended December 31, 2024

Fiscal Year	Saline County	City of Salina	Unified School Dist. #305	Salina Airport Authority	Salina Public Library	State of Kansas	Other Special Taxing Districts	Total
2015	38.275	27.311	56.12	4.396	5.895	1.5	1.502	134.999
2016	37.508	27.603	55.743	4.396	5.893	1.5	1.51	134.153
2017	37.321	26.129	56.501	4.992	5.989	1.5	1.475	133.907
2018	38.437	28.394	57.522	4.998	6.014	1.5	1.476	138.341
2019	41.097	29.720	55.508	5.372	5.913	1.5	1.198	140.308
2020	40.606	30.650	55.454	5.037	5.88	1.5	1.206	140.333
2021	39.782	30.452	54.903	4.838	6.028	1.5	1.196	138.699
2022	38.860	30.348	53.425	4.968	5.51	1.5	1.111	135.722
2023	39.867	29.616	54.461	6.19	5.614	1.5	1.057	138.305
2024	40.112	29.417	55.3	5.79	5.595	1.5	1.458	139.172

Note:

Funds generated from the Salina Airport Authority's 2024 mill levy become available during calendar year 2025 and are budgeted accordingly.

Salina Airport Authority
Principal Customers
Current and Ten Years Ago

	2024			2014		
Company	**Income**	**Rank**	**Percentage of Total Income**	**Income**	**Rank**	**Percentage of Total Income**
1 Vision Aviation	$ 849,544	1	23.27%	$ -	-	-
Avflight Salina	396,973	2	10.87%	282,298	1	14.79%
Kansas Erosion Products, L.L.C.	306,152	3	8.39%	-	-	-
Stryten Salina, L.L.C.	242,013	4	6.63%	-	-	-
Kansas State University-Salina	166,605	5	4.56%	52,239	9	2.74%
Universal Forest Products (UFP)	149,485	6	4.09%	52,487	8	2.75%
SFC Global Supply Chain	74,208	7	2.03%	106,308	5	5.57%
Durham School Services, L.P.	67,280	8	1.84%	-	-	-
Gartner Refrigeration, Inc.	63,000	9	1.73%	-	-	-
AFSOC	59,240	10	1.62%	-	-	-
Kansas Military Board	-	-	-	250,492	2	13.12%
Geocore	-	-	-	37,920	10	1.99%
Learjet Inc.	-	-	-	212,716	3	11.14%
Tischlerei-Fine Woodworking, LLC	-	-	-	78,184	6	4.09%
Two Rivers Vending Co., Inc.	-	-	-	61,162	7	3.20%
US Special Operations Command	-	-	-	140,806	4	7.37%
	$ 2,374,500		65.04%	$ 1,274,612		66.76%

Source: Salina Airport Authority Records

Salina Airport Authority
MILL LEVY REVENUE
Ten Years Ended December 31, 2024

Fiscal Year	Mil Levy Revenue
2015	2,028,074
2016	2,017,013
2017	2,043,302
2018	2,338,967
2019	2,371,463
2020	2,639,481
2021	2,570,657
2022	2,431,667
2023	2,719,303
2024	3,463,072

Source: Salina Airport Authority Records

Salina Airport Authority

AIR TRAFFIC, FUEL FLOWAGE AND ENPLANEMENT TRENDS

Ten Years Ended December 31, 2024

Fiscal Year	Air Traffic Operations	Fuel Flowage Gallons	Passenger Enplanements		
			Scheduled Air Carrier	Non-Scheduled Air Carrier	Total Enplanements
2015	96,350	2,487,603	1,124	8,955	10,079
2016	77,111	1,860,912	3,257	710	3,967
2017	61,141	2,622,158	8,877	4,973	13,850
2018	69,293	2,414,825	14,642	5,657	20,299
2019	76,553	2,278,659	19,710	1,479	21,189
2020	60,448	2,295,009	6,331	4,230	10,561
2021	80,970	2,096,198	18,353	1,054	19,407
2022	68,262	2,371,173	18,458	2,725	21,183
2023	81,719	2,069,378	14,451	629	15,080
2024	66,412	2,210,220	18,763	4,693	23,456

Note:
One air traffic operation equals one aircraft takeoff and landing

Sources:
Salina Airport Authority Records
Federal Aviation Administration Office of Airport Planning and Program

Salina Airport Authority
Principal Employers
Current Year and Ten Years Prior

	2024			2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Salina Regional Health Center	1,900	1	7.4%	1,300	3	5.2%
Unified School District No. 305	1,600	2	6.3%	1,659	2	6.6%
Great Plains Manufacturing	950	3	3.7%	258	10	1.0%
Schwan's Global Supply Chain, Inc.	900	4	3.5%	1,800	1	7.2%
Stryten Manufacturing (formerly Exide Technologies)	800	5	3.1%	750	4	3.0%
City of Salina	440	6	1.7%	465	6	1.9%
Salina Vortex	405	7	1.6%			
Saline County	335	8	1.3%			
St. Francis Ministries	300	9	1.2%			
Wal-Mart	250	10	1.0%	421	7	1.7%
Dillons Stores				343	8	1.4%
Philips Lighting Company				490	5	2.0%
Solomon Corporation				324	9	1.3%
Total	7,880		30.8%	7,810		31.3%

Source: Salina Area Chamber of Commerce

Salina Regional Airport and Salina Airport Industrial Center

Airport/Industrial Center Information

As of December 31, 2024

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

		2014	2024
Acreage +/-	Airport	2,502	2,502
	Airport Industrial Center	360	327
Runways :	35/17 North/South ILS/GPS/VOR/NDB	12,301 x 150 ft.	12,301 x 150 ft.
	30/12 Southeast/northwest GPS	6,510 x 100 ft.	6,510 x 100 ft.
	36/18 North/South	4,301 x 75 ft.	4,301 x 75 ft.
	22/4 West/East	3,648 x 75 ft.	3,648 x 75 ft.
Aircraft Rescue & Fire Fighting Facility	ARFF Station - sq.ft.	10,000	10,000
Commercial Air Service Terminal	M.J. Kennedy Air Terminal Bldg. - sq. ft.	10,750	14,993
	Vehicle parking spaces	123	331
	Number of Rental Car Agencies in Terminal	1	1
Apron	Commercial Service Ramp - sq. ft.	541,218	541,218
	FBO - sq. ft.	319,596	319,596
	KS National Guard - sq. ft.	261,523	261,523
	General Aviation / Other - sq. ft.	1,896,664	1,896,664
Buildings	Sq. Ft.	1,163,471	1,154,888
Employees	**Airport Authority**		
	Administration	4	5
	Operations	7	10
	Total Airport Authority Employees	11	15

Source: Salina Airport Authority Records

Salina Airport Authority

Saline County Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population[1]	Per Capita Personal Income[2]	Total Personal Income[2]	Median Age[3]	Unemployment Rate[4]	K-12 Graduation Rate[5]	K-12 Enrollment[5]
2015	55,691	44,310	2,402,805,000	37.7	4.2%	87.1%	9,196
2016	55,142	46,020	2,458,069,000	37.6	3.7%	88.5%	9,114
2017	54,734	47,945	2,556,152,000	37.6	3.2%	84.4%	8,992
2018	54,401	47,945	2,633,996,000	37.9	3.1%	85.5%	8,975
2019	54,224	49,983	2,753,643,000	38.4	3.0%	87.2%	8,527
2020	53,926	53,320	2,781,462,000	38.4	6.7%	92.9%	8,167
2021	53,888	55,403	2,982,199,000	38.6	3.8%	91.8%	8,172
2022	53,596	57,343	3,061,475,000	39.9	2.2%	88.1%	8,506
2023	53,098	60,591	3,217,250,000	39.9	1.8%	83.8%	8,492
2024	52,960	63,400	3,360,000,000	n/a	3.1%	85.6%	8,450

Data Sources:

[1]Kansas Divison of Budget

[2] Bureau of Economic Analysis

[3]U.S. Census Bureau

[4] Bureau of Labor Statistics

[5]Kansas State Department of Education

notes: n/a= information not yet available

Largest Taxpayers

According to the Saline County Clerk's Office, the following table lists the largest taxpayers in the City, their November 2024 assessed valuations, and the percentage each taxpayer comprised of the total assessed valuation of the City.

Company	Type of Business	Assessed Valuation	% of Total Valuation
Evergy, Inc.	Utility	$13,727,379	2.30%
SFC Global Supply Chain Inc	Manufacturing	8,560,852	1.43
Kansas Gas Service	Utility	6,215,911	1.04
Sams & Walmart Real Estate	Retail Shopping Center	3,963,093	0.66
Lighthouse Properties III Inc.	Hotel	2,948,147	0.49
RAF Salina LLC	Motel	2,858,188	0.48
Union Pacific Railroad	Medical	2,654,442	0.44
BBI, Inc.	Railroad	2,100,000	0.35
Salina Regional Health Center Inc.	Retail	1,794,374	0.30
Total		$44,822,386	7.50%

Property Tax Collections

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

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

Levy Year	Tax Rate	Taxes Levied	Current Tax Collections Amount	%	Current and Delinquent Tax Collections Amount	%
2024*	5.790	$3,139,416	$3,034,698	96.66%	$3,040,218	96.84%
2023	6.190	3,264,037	3,207,658	98.27	3,236,384	99.15
2022	4.968	2,490,153	2,449,288	98.36	2,483,242	99.72
2021	4.838	2,214,582	2,177,991	98.35	2,212,694	99.91
2020	5.037	2,273,827	2,251,285	99.01	2,266,239	99.67
2019	5.372	2,413,660	2,356,433	97.63	2,412,115	99.94
2018	4.998	2,152,299	2,107,328	97.91	2,151,410	99.96
2017	4.992	2,132,134	2,082,567	97.68	2,131,568	99.97
2016	4.396	1,841,679	1,802,833	97.89	1,841,353	99.98
2015	4.396	1,804,238	1,768,092	98.00	1,803,974	99.99

*As of September 2025

Source: Saline County

SALINA AIRPORT AUTHORITY

Single Audit Information

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

To the Board of Directors
Salina Airport Authority
Salina, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of **Salina Airport Authority**, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise **Salina Airport Authority's** basic financial statements, and have issued our report thereon dated March 25, 2026.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Airport's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Salina Airport Authority's** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

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.

AdamsBrown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

March 25, 2026

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

To the Board of Directors
Salina Airport Authority
Salina, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Salina Airport Authority's** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Salina Airport Authority's** major federal programs for the year ended December 31, 2024. **Salina Airport Authority's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Salina Airport Authority** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Salina Airport Authority** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Salina Airport Authority's** compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Salina Airport Authority's** federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Salina Airport Authority's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance and will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Salina Airport Authority's** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Salina Airport Authority's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of **Salina Airport Authority's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Salina Airport Authority's** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on **Salina Airport Authority's** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Salina Airport Authority's** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on **Salina Airport Authority's** response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **Salina Airport Authority's** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Adams Brown, LLC

ADAMSBROWN, LLC
Certified Public Accountants
Great Bend, Kansas

March 25, 2026

SALINA AIRPORT AUTHORITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Agency or Pass-through Number	Passed-through to Subrecipients	Federal Expenditures
U.S. Department of Transportation				
Direct Funding				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-048-2023	$ -	128,635
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-049-2023	-	2,341,227
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-050-2024	-	24,573
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-051-2024	-	4,831
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-052-2024	-	2,415
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-053-2024	-	1,308
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-054-2024	-	48,179
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	3-20-0072-055-2024	-	682,081
Total U.S. Department of Transportation			-	3,233,249
U.S. Department of the Treasury				
COVID-19 Funding				
Passed Through Kansas Department of Commerce				
Coronavirus State and Local Fiscal Recovery Funds	21.027	FY24-ALO-SAL	-	1,746,912
Total Expenditures of Federal Awards			$ -	4,980,161

SALINA AIRPORT AUTHORITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Salina Airport Authority** under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the business-type activities of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – OTHER EXPENDITURES

The Authority did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees, and incurred no expenditures in relation thereof for the year ended December 31, 2024.

NOTE 5 – CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS (SLFRF) REVENUE LOSS TREATMENT

During the fiscal year ended December 31, 2024, the Authority received funds from Saline County, Kansas that were originally awarded to the County under the U.S. Department of the Treasury's Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (Assistance Listing No. 21.027). The County applied the revenue loss provision under the "provision of government services" eligible use category, as outlined in the 2022 Final Rule and confirmed in the May 2024 Compliance Supplement.

According to the U.S. Department of the Treasury, use of SLFRF funds under the revenue loss provision does not create a subrecipient relationship as defined in 2 CFR §200.1, since the funds are not used to carry out a portion of a federal award. Instead, they are treated as local government expenditures of general revenue. As such, the amounts passed through to the Airport Authority are not considered federal awards for purposes of Uniform Guidance and are not included in the Schedule of Expenditures of Federal Awards (SEFA).

SALINA AIRPORT AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

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

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? ____ Yes X No

SALINA AIRPORT AUTHORITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted in the current year.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SIGNIFICANT DEFICIENCY

2024-001

Assistance Listing Number – 20.106 (Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs) - Reporting

Criteria or specific requirement
Participants in the Airport Improvement Program are required to prepare and submit reports SF-425 – Federal Financial Report and SF-271 – Outlay Report and Request for Reimbursement for Construction Programs, as applicable. Reports are required to be submitted to keep the awarding agency informed of the program's progress.

Condition
Two of the six reports tested had an inaccurate amount or amounts included on the reporting.

Context
For one of the reports, the cash disbursements amount reported was for the total amount disbursed, instead of just the federal share. For the other, several amounts, including Cash Receipts, Cash Disbursements, and Recipient Share to Date, were mistakenly reported as $0 instead of reflecting the activity that had taken place throughout the life of the project.

Cause
Due to human error.

Effect
Reporting was not submitted accurately.

Recommendation
We recommend that the Authority review its internal controls to ensure that all reporting submitted is completed accurately.

Views of responsible officials
See Corrective Action Plan.

SALINA Airport Authority

Chair Stephanie Carlin | Vice Chair Donald Boos | Secretary John O'Brien | Treasurer Ryan Commerford | Past Chairman Tod Roberg

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

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters noted for the year ended December 31, 2023.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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