METROPOLITAN TOPEKA AIRPORT AUTHORITY

BASIC FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

SJHL LLC
CERTIFIED PUBLIC ACCOUNTANTS

www.sjhl.com

METROPOLITAN TOPEKA AIRPORT AUTHORITY
BASIC FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

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SJHL LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Metropolitan Topeka Airport Authority (the Authority) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of December 31, 2025, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of the Authority, as of and for the year ended December 31, 2024, were audited by other auditors whose report, dated September 25, 2025, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The 2025 supplementary information listed in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal

Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The December 31, 2024 supplementary information on pages 45 to 48 was subjected to the auditing procedures applied in the 2024 audit of the financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the December 31, 2024 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

SJHL, LLC

September 15, 2026
Topeka, Kansas

Metropolitan Topeka Airport Authority
Management's Discussion and Analysis
Year Ended December 31, 2025

INTRODUCTION

Board of Directors
Sam Sutton, Chair
Carlos Cortez, Vice-Chair
Michael Odupitan, Secretary
Brian Armstrong
Mike Munson

Executive Staff
Eric M. Johnson, President
Laura Hartley, Director of Administration and Finance
Curtis S. Sneden, Director of Development
Col. John W. Ross, Chief of Police & Fire
Maj. Christopher T. Ortega, Assistant Chief of Police & Fire
Terry L. Poley, Director of Maintenance
Matthew D. Anstaett, Assistant Director of Maintenance
Donald C. Loyd, TOP Fuel Service General Manager

Overview

In 1978 the Metropolitan Topeka Airport Authority (MTAA), formed under KSA 27-327 through 27-330, was instituted as an autonomous agency responsible for the administration of Forbes Field, the Philip Billard Airport and the Topeka Regional Airport and Business Center located at Forbes Field, in Topeka, Kansas. The Forbes Field airfield was dedicated in the memory of Maj. Daniel H. Forbes in 1949. The area administered by the MTAA under its mandate covers in excess of 4,000 acres with the Business Center covering 450 acres.

The MTAA receives its operational and capital funding from certain state and local tax programs, including a Shawnee County property tax mil levy, as well as from self-generated income such as land leases, landing fees, fuel flowage fees, etc. Various government grant funds are also received to help offset the cost of various airport improvements. In 2023, the MTAA began operation as the Fixed Based Operator (FBO) for the Philip Billard Airport under the name of TOP Fuel Service.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance and activity of the MTAA is to provide an introduction to and an understanding of the basic financial statements of the MTAA for the years ended December 31, 2025 and 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto.

Goals

MTAA's continued goal for the year 2025 was to increase self-generated revenues, such as land lease revenues, building revenues, fuel flowage fees etc. so as to reduce the level of public support necessary to keep its facilities in operation. In 2025 the focus was getting a MRO (maintenance, repair and overhaul) building added at Forbes Field. A lease will be signed with a tenant for this in early 2026. In budgeting for the year 2025, management stressed keeping expenses at a conservative yet realistic level and setting achievable levels for non-tax revenue increases. As in the past, management felt that several Government grants had to be obtained in order to make necessary capital improvements to the MTAA's facilities. During 2024, the MTAA's fuel sales have increased but leveled off in 2025. The lease and rental income continues to climb in 2024 and 2025 as well. The country's financial recovery is a major concern as we move into 2026. The MTAA is working to market to new tenants to bring more businesses to both the

Topeka Regional Airport & Business Center and Philip Billard Airport and hopes to attract new commercial air service opportunities.

Activity Highlights

Capital Improvements

- Federal Grants:

  - Planning and design work began on the Taxiway Alpha & Delta reconstruction project at Topeka Regional Airport as approved by the FAA in cooperation with the National Guard Bureau Department of Defense (KS Air National Guard). Work is finishing up through 2026 on this project. The Taxiway Alpha & Delta also included a reimbursable agreement with the FAA in the amount of $ 251,472 which was completed during 2024.

  - Planning stages have started on both airports with new grants from the FAA. The Topeka Regional Airport has work starting up on Taxiway A rehab, which will start work in early 2027. The Philip Billard Airport's next project is Runway 18-36 rehab which will also start in early 2027.

- Other improvements to the infrastructure included the MTAA's continued repair and maintenance on property throughout the complex to expand leasing opportunities and maintain operational facilities.

  Topeka Regional Airport and Business Center:

  - Pavement repair in various locations on the airfield consisting of ramp and taxiway repairs.
  - Street repairs in various locations in the business center.
  - New terminal bench seating at Topeka Regional
  - New Lighted X's for Topeka Regional runways

- The 2025 Vehicle/Equipment Procurement included:

  - Admin Department –
    - A new admin SUV
    - HVAC unit replacements

  - Police & Fire Department –
    - A new Dodge Durango pursuit patrol vehicle was purchased to assist with police response

  - Maintenance Department –
    - A new John Deere tractor was added to maintain the park and airfield
    - Several flex wings and trim mowers were added

Summary of Operations and Changes in Net Position

	2025	2024	2023
Operating revenues	$ 3,145,832	$ 3,427,019	$ 2,960,678
Operating expenses	(7,603,917)	(7,411,561)	(6,742,151)
Loss before depreciation and other non-operating income and expenses	(4,458,085)	(3,984,542)	(3,781,473)
Depreciation	(4,833,774)	(4,159,094)	(3,966,651)
Excess (loss) before other non-operating income and expense	(9,291,859)	(8,143,636)	(7,748,124)
Other non-operating income, net	6,216,535	5,335,859	4,105,415
Gain (Loss) before capital contributions	(3,075,324)	(2,807,777)	(3,642,709)
Capital contributions	4,870,769	13,603,446	13,319,984
Increase (decrease) in net position	$ 1,795,445	$ 10,795,669	$ 9,677,275

Significant items affecting operations and the change in net position for 2025 are as follows:

- Operating results for 2025 were comparable to 2024. Though fuel and water sales increased in 2024, they leveled off in 2025. Rental rates and leasing revenues were also increased in 2025 with more properties attempting to rent at market rates. Most properties were fully occupied during the year. Revenues increased by $ 599,497 or 6.84% and expenses increased by $ 192,356 or 2.60%.
- The MTAA's people were invested in during 2024 and personnel costs went up $ 553,410, or 12.51% from 2023 to 2024. This is due to additional jobs being added as well as increases in wages and benefits. Depreciation expense was slightly increased. When compared to 2025 there was an increase of $ 262,957 or 5.28%.
- Net non-operating income increased $ 880,684, or 16.51%.
- Capital contributions are recognized in the form of grants from the Federal Aviation Administration and KS Air National Guard project funds and totaled $ 13,603,446 during 2024, a consistent number with 2023. Grant projects slowed down some in 2025.

Revenues

A summary of revenues for the past three years is shown below. Total revenue increased 6.84% from 2024 to 2025. The following chart depicts the sources of revenues for the following years:

	2025	2024	2023
Operating revenue			
Building and land rent	$ 2,472,361	$ 2,337,889	$ 2,247,130
Landing and fuel flowage fees	196,679	154,090	189,625
Water, sewer and fuel sales, net of cost	337,980	457,096	319,853
Other	138,812	477,944	204,070
Total operating revenue	3,145,832	3,427,019	2,960,678
Non-operating revenue			
Taxes and assessments	5,531,917	5,094,165	3,884,082
Interest income	407,463	248,217	174,384
Other	277,155	(6,523)	46,949
Total non-operating revenue	6,216,535	5,335,859	4,105,415
Total revenue	$ 9,362,367	$ 8,762,878	$ 7,066,093

Expenses

A summary of expenses for the past three years is shown below. Total expenses increased slightly, by 2.60% from 2024 to 2025. The following chart depicts the major expense categories for the following years:

	2025	2024	2023
Operating expenses			
Personnel	$ 5,239,208	$ 4,976,251	$ 4,422,841
Facilities support	1,375,964	1,584,048	1,396,105
Equipment support	328,296	317,245	288,268
Other	660,449	534,017	634,937
Total operating expenses	7,603,917	7,411,561	6,742,151
Non-operating expenses			
Interest	-	-	-
Total expenses	$ 7,603,917	$ 7,411,561	$ 6,742,151

The MTAA ended 2025 with favorable budget variances for both revenues and expenditures.

Summary of Financial Position

The MTAA's assets exceeded its liabilities by $ 89,991,117 at the end of 2025. A condensed summary of total net position follows:

	2025	2024	2023
Assets & Deferred Outflows of Resources			
Current and other assets	$ 14,075,697	$ 16,174,095	$ 16,089,004
Noncurrent assets	12,034,592	3,444,656	3,075,789
Capital assets	86,613,273	84,757,392	71,903,227
Deferred outflow of resources	1,047,140	1,206,283	1,159,896
Total assets & deferred outflows of resources	113,770,702	105,582,426	92,227,916
Liabilities & Deferred Inflows of Resources			
Net pension & OPEB liability	3,068,298	3,107,799	2,749,417
Other liabilities	1,692,460	3,757,544	2,391,128
Deferred inflow of resources	19,018,827	10,521,411	9,687,368
Total liabilities & deferred inflows of resources	23,779,585	17,386,754	14,827,913
Net position			
Invested in capital assets, net of related debt	86,613,273	84,757,392	71,903,227
Restricted PFC revenue	300	301	5,585
Unrestricted	3,377,544	3,437,979	5,491,191
Total net position	$ 89,991,117	$ 88,195,672	$ 77,400,003

96% of the MTAA's net position relates to its investment in capital assets including land, buildings, airfield infrastructure and machinery and equipment, net of accumulated depreciation and less any related debt used to acquire those assets still outstanding.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets:		
Current assets:		
Cash and cash equivalents	$ 3,896,012	$ 3,353,815
Certificates of deposit	1,724,851	1,309,581
Receivables:		
Accounts, net of allowance of $ 4,800 and $ 41,000 for 2025 and 2024, respectively	221,644	399,560
Interest	54,290	45,790
Leases	1,580,079	1,762,567
Grants	1,245,043	4,017,578
Taxes	5,279,625	5,168,920
Prepaid expenses	74,153	116,284
Total current assets	14,075,697	16,174,095
Noncurrent assets:		
Leases receivable	12,034,592	3,444,656
Capital assets, net	86,613,273	84,757,392
Total noncurrent assets	98,647,865	88,202,048
Total assets	112,723,562	104,376,143
Deferred outflows of resources:		
Deferred outflows of resources - pension	915,927	1,072,493
Deferred outflows of resources - OPEB	131,213	133,790
Total deferred outflows of resources	1,047,140	1,206,283
Total assets and deferred outflows of resources	$ 113,770,702	$ 105,582,426

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF NET POSITION
(Continued)
December 31, 2025 and 2024

	2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Liabilities:		
Current liabilities:		
Accounts payable	$ 1,021,992	$ 3,275,041
Accrued salaries and payroll taxes	149,837	57,505
Other current liabilities	34,505	41,398
Deferred revenue	35,926	-
Accrued compensated absences and benefits	292,652	212,500
Total current liabilities	1,534,912	3,586,444
Noncurrent liabilities:		
Accrued compensated absences and benefits, net of current portion	157,548	171,100
Net pension liability	2,860,661	2,940,401
OPEB liability	207,637	167,398
Total noncurrent liabilities	3,225,846	3,278,899
Total liabilities	4,760,758	6,865,343
Deferred inflows of resources:		
Deferred inflows of resources - tax revenue	5,279,625	5,168,920
Deferred inflows of resources - pension	101,613	7,533
Deferred inflows of resources - OPEB	112,649	123,162
Deferred inflows of resources - leases	13,524,940	5,221,796
Total deferred inflows of resources	19,018,827	10,521,411
Net position:		
Net investment in capital assets	86,613,273	84,757,392
Restricted	300	301
Unrestricted	3,377,544	3,437,979
Total net position	89,991,117	88,195,672
Total liabilities, deferred inflows of resources, and net position	$ 113,770,702	$ 105,582,426

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2025 and 2024

	2025	2024
Operating revenues:		
Revenue from services	$ 2,782,641	$ 2,898,373
Water sales and sewer charges	415,988	563,129
Fuel sales	740,752	745,965
Other income	25,211	71,550
Total operating revenues	3,964,592	4,279,017
Operating expenses:		
General expenses	8,422,677	8,263,559
Depreciation	4,833,774	4,159,094
Total operating expenses	13,256,451	12,422,653
Operating loss	(9,291,859)	(8,143,636)
Non-operating revenues (expenses):		
Taxes and assessments	5,531,917	5,094,165
FAA capital projects	3,330,477	11,531,474
ANG project funds	1,497,032	1,889,935
Federal grant revenue	43,260	182,037
Passenger facility charge	12,125	15,238
Gain (loss) on disposal of capital assets	265,030	(21,761)
Interest income	407,463	248,217
Total non-operating revenues	11,087,304	18,939,305
Change in net position	1,795,445	10,795,669
Net position at beginning of year	88,195,672	77,400,003
Net position at end of year	$ 89,991,117	$ 88,195,672

See accompanying notes to the financial statements.

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from customers	$ 4,074,130	$ 3,948,450
Cash paid to employees	(3,624,905)	(3,436,728)
Cash paid for employee benefits	(1,252,162)	(1,132,694)
Cash paid to suppliers and others	(5,401,280)	(2,041,668)
Net cash flows from operating activities	(6,204,217)	(2,662,640)
Cash flows from investing activities:		
Net (purchases) proceeds from certificates of deposit	(415,270)	2,210,794
Interest received	398,963	231,520
Net cash flows from investing activities	(16,307)	2,442,314
Cash flows from noncapital financing activities:		
Cash received from taxes and assessments	5,531,917	5,094,165
Cash flows from capital and related financing activities:		
Purchase of capital assets	(6,780,580)	(17,035,020)
Cash proceeds from disposal of capital assets	355,955	-
Cash proceeds from federal grants	7,643,304	12,542,046
Cash proceeds from passenger facility charge	12,125	15,238
Net cash flows from capital and related financing activities	1,230,804	(4,477,736)
Net change in cash and cash equivalents	542,197	396,103
Cash and cash equivalents, beginning of year	3,353,815	2,957,712
Cash and cash equivalents, end of year	$ 3,896,012	$ 3,353,815

(Continued)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
STATEMENTS OF CASH FLOWS
(Continued)
Years Ended December 31, 2025 and 2024

	2025	2024
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	$ (9,291,859)	$ (8,143,636)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation	4,833,774	4,159,094
Changes in:		
Accounts receivable, net	177,916	(270,426)
Leases receivable	(8,407,448)	(495,111)
Prepaid expenses	42,131	(21,495)
Deferred outflow of resources - pension	156,566	(63,464)
Deferred outflow of resources - OPEB	2,577	17,077
Accounts payable	(2,253,049)	1,252,484
Accrued salaries and payroll taxes	92,332	(5,274)
Other current liabilities	(6,893)	14,651
Accrued compensated absences and benefits	66,600	104,555
Net pension liability	(79,740)	360,922
OPEB liability	40,239	(2,540)
Deferred revenue	35,926	-
Deferred inflow of resources - pension	94,080	(13,979)
Deferred inflow of resources - OPEB	(10,513)	9,532
Deferred inflow of resources - leases	8,303,144	434,970
Net cash flows from operating activities	$ (6,204,217)	$ (2,662,640)

See accompanying notes to the financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Basis of accounting refers to when revenues, expenses, and the related assets, deferred outflows of resources, deferred inflows of resources, and liabilities are recognized in the accounts and reported in the financial statements. Measurement focus refers to what is being measured. The financial statements are prepared on the accrual basis of accounting and on an economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with ongoing operations. The principal operating revenues of the Authority are rents from lessees and charges relating to the use of the Authority's facilities. Operating expenses include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Information

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the Authority is holding a revenue neutral rate hearing, the budget timeline for the public hearing is adjusted to on or before September 20th. Budgets requiring a hearing to exceed the revenue neutral rate should be adopted on or before October 1st but may not be adopted prior to the revenue neutral rate hearing. The Authority did hold a revenue neutral rate hearing for the 2025 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for 2025.

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

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

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

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

	2025	2024
Budget basis net position	$ 2,526,079	$ (614,145)
Adjustments to GAAP basis:		
Encumbrances	1,922,955	1,944,995
Receivables	20,415,273	14,839,071
Prepaid expenses	74,153	116,284
Capital assets, net	86,613,273	84,757,392
Deferred outflows of resources	1,047,140	1,206,283
Other current liabilities	(34,505)	(41,398)
Deferred revenue	(35,926)	-
Accrued compensated absences and benefits	(450,200)	(383,600)
Other noncurrent liabilities	(3,068,298)	(3,107,799)
Deferred inflows of resources	(19,018,827)	(10,521,411)
GAAP basis net position	$ 89,991,117	$ 88,195,672

Cash and Cash Equivalents

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

Accounts Receivable

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

Taxes Receivable

In accordance with governing State statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities in the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property and are recorded as taxes receivable with a corresponding amount recorded as a deferred inflow of resources on the statements of net position.

Leases Receivable

The Authority is a lessor for leases of buildings and land. 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.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its leases 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.

Capital Assets

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

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

Accrued Compensated Absences and Benefits

Employees are granted vacation and sick leave in varying amounts, based on length of service. In the event of termination or separation, an employee is generally paid for all accumulated vacation. Accumulated sick leave is paid out only upon retirement. Exempt employees are eligible to receive payment for 60 days of accrued sick leave and non-exempt employees are eligible to receive payment for 30 days of accrued sick leave. The Authority recognizes a liability for accrued compensated absences for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability is also recognized for leave that has been used but not yet paid in cash or settled through noncash means. The amount of earned but unused accumulated vacation and sick leave are included in accrued compensated absences and benefits on the statements of net position. During the year ended December 31, 2025, $ 359,252 of vacation and sick leave benefits was earned and $ 292,652 was used. During the year ended December 31, 2024, $ 319,660 of vacation and sick leave benefits was earned and $ 215,105 was used. At December 31, 2025 and 2024, accrued sick leave benefits were $ 235,900 and $ 193,597, respectively. At December 31, 2025 and 2024, accrued vacation benefits were $ 214,300 and $ 190,003, respectively.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has four types of items that qualify for reporting in this

category – deferred inflows for unavailable property tax revenues, deferred inflows for OPEB, deferred inflows for pension, and deferred inflows related to leases. See Note 5 for more information on the deferred inflows for the pension, Note 6 for more information on the deferred inflows for OPEB, and Note 3 for more information on the deferred inflows for leases.

Pensions

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

Advertising

The Authority expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2025 and 2024 was $ 28,850 and $ 20,352, respectively.

Income Taxes

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, deferred outflows, liabilities, deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Management's estimates and assumptions are derived from and are continually evaluated based upon available information, judgment, and experience. Actual results could differ from those estimates.

Passenger Facility Charge

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

Adoption of New Accounting Standards

During the year, the Authority adopted the following accounting standard:

GASB Statement No. 102, *Certain Risk Disclosures*, The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by assessing whether a concentration or constraint makes the primary government reporting units vulnerable to the risk of substantial impact.

Pending Governmental Accounting Standards Board Statements

At December 31, 2025, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The Statements that might impact the Authority are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for the Authority for the fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and additional disclosures for capital assets held for sale. The requirements of this Statement will become effective for the Authority in the fiscal year ended December 31, 2026.

GASB Statement No. 105, *Subsequent Events* – The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this statement are effective for the Authority in the fiscal year ending December 31, 2027.

2 - Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. K.S.A. 9-1401 establishes the depositories which may be used by the Authority. The statute requires banks eligible to hold the Authority's funds have a main or branch bank in the county in which the Authority is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. K.S.A. 9-1402 requires that deposits of the Authority be collateralized, and that collateral pledged must have a fair value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the Authority. At December 31, 2025, the carrying amount of the Authority's deposits was $ 5,620,863 and the bank balance totaled $ 5,756,546. Of the bank balance, $ 1,000,000 was secured by federal deposit insurance and $ 4,756,546 was collateralized by pledged securities held under joint custody receipts issued by third party banks in the Authority's name.

At December 31, 2024, the carrying amount of the Authority's deposits was $ 4,663,396 and the bank balance totaled $ 4,754,919. Of the bank balance, $ 750,000 was secured by federal deposit insurance and $ 4,004,919 was collateralized by pledged securities held under joint custody receipts issued by third party banks in the Authority's name.

3 - Leases Receivable

The Authority has various leases for which it acts as lessor. Details for the years ended December 31, 2025 and 2024 are shown in the table below:

Lease Description	Payment Terms	Deferred Inflows of Resources at December 31, 2024	Leases Receivable at December 31, 2024	Deferred Inflows of Resources at December 31, 2025	Leases Receivable at December 31, 2025
Buildings:					
1116 N.E. Strait Avenue	Fixed; $ 3,537 per month; 80 months	$ 129,795	$ 136,996	$ 81,122	$ 85,792
201 SE University Blvd	Variable based on CPI index; $ 1,276 per month; 55 months	8,832	8,915	-	-
3600 NE Sardou Bldg #4-Ste 2	Fixed; $ 1,500 per month; 75 months	40,317	40,386	22,398	22,464
3600 NE Sardou Bldg 4 - OCD	Fixed; $ 590 per month; 300 months	135,276	134,982	129,829	132,765
3600 NE Sardou Bldg 4A - Room 121	Fixed; $ 258 per month; 24 months	3,853	3,856	771	772
6620 SE Dwight St - Building	Fixed; $ 5,843 per month; 75 months	129,871	-	72,151	-
6800 SE Evans St	Variable based on CPI index; $ 368 per month; 66 months	6,565	6,601	45,613	45,628
6832 SE Ross St. - Bldg. #609	Fixed; $ 2,742 per month; 69 months	57,362	57,446	24,584	24,649
Building #1, #2 & #3 - 3600 NE Sardou Ave.	Fixed; $ 2,339 per month; 72 months	69,627	69,956	41,776	42,024
Building #100 - 131 SE 61st St.	Variable based on CPI index; $ 1,138 per month; 64 months	51,701	51,698	104,115	104,223
Building #123/129 - 200 SE Engle St.	Fixed; $ 599 per month; 48 months	7,167	7,180	14,792	14,774
Building #131 - 545 SE Engle St.	Fixed; $ 3,621 per month; 82 months	152,776	158,066	112,922	118,394
Building #137 - 540 SE Engle St.	Fixed; $ 920 per month; 48 months	7,119	7,142	7,159	7,142
Building #147/148 - 6130 SE Cardenas St	Variable based on CPI index; $ 1,626 per month; 83 months	56,153	56,581	36,901	37,255
Building #151 - 6030 SE Evans St.	Variable based on CPI index; $ 1,336 per month; 24 months	45,626	45,620	125,355	125,426
Building #154 - 6145 SE Cardenas St.	Fixed; $ 1,176 per month; 72 months	32,770	32,821	62,224	62,278
Building #167B - Ryder	Fixed; $ 5,480 per month; 60 months	259,973	260,988	197,579	200,622
Building #170D - 501 SE Axton St.	Fixed; $ 4,680 per month; 36 months	80,645	82,261	84,995	85,961
Building #183 - 6212 SE Evans St. (2023)	Fixed; $ 367 per month; 35 months	3,894	3,989	4,202	4,199
Building #197 - 421 SE Axton St.	Fixed; $ 1,057 per month; 72 months	44,151	44,219	31,536	31,622
Building #225 - 6424 SE Johnston St. (2023)	Fixed; $ 1,454 per month; 43 months	27,480	27,575	10,124	10,171
Building #243 - 6540 SE Johnston St.	Fixed; $ 2,400 per month; 110 months	164,554	167,229	132,705	136,638
Building #252 - 6534 SE Jabara St.	Variable based on CPI index; $ 2,819 per month; 51 months	8,406	8,452	-	-
Building #252 - Armstrong	Fixed; $ 2,981 per month; 36 months	83,181	83,231	157,841	157,932
Building #260 - 6515 Johnston St.	Fixed; $ 2,635 per month; 72 months	80,831	80,933	49,542	49,778
Building #280 - 6621 SE Forbes Ave	Fixed; $ 519 per month; 105 months	29,391	29,444	23,204	23,271
Building #281 - 650 SE Airport West Drive	Variable based on CPI index; $ 1,804 per month; 67 months	33,665	34,087	(197)	-
Building #344 - 6840 SE Johnston St.	Fixed; $ 2,768 per month; 72 months	76,864	77,061	145,671	145,895
Building #379 - 413 SE Peterson St.	Fixed; $ 1,000 per month; 72 months	53,065	53,249	42,086	42,964
Building #384 - 6930 SE Johnston St.	Variable based on CPI index; $ 4,378 per month; 63 months	61,627	65,426	12,325	13,121
Building #415 - 255 SE 70th St	Variable based on CPI index; $ 368 per month; 79 months	11,277	11,363	6,912	6,978
Building #448 - AutoWorx	Fixed; $ 883 per month; 36 months	24,766	24,778	14,518	14,699
Building #449C - Be Filled	Fixed; $ 2,000 per month; 36 months	-	-	63,705	63,767
Building #450 - Be Filled	Fixed; $ 450 per month; 36 months	-	-	14,768	14,768
Building #450 - Rob Allison	Fixed; $ 271 per month; 24 months	4,602	4,604	-	-
Building #600 - 7000 SE Forbes Ave	Variable based on CPI index; $ 1,620 per month; 57 months	14,399	14,548	-	-
Building #601 - 7008 SE Forbes Ave	Variable based on CPI index; $ 4,074 per month; 54 months	24,184	24,412	-	-
Building #603 - 6930 SE Ross St.	Fixed; $ 3,531 per month; 24 months	20,584	20,999	147,928	148,682

Lease Description	Payment Terms	Deferred Inflows of Resources at December 31, 2024	Leases Receivable at December 31, 2024	Deferred Inflows of Resources at December 31, 2025	Leases Receivable at December 31, 2025
Building #610 - 740 SE Airport Dr. Suites 10 & 11	Variable based on CPI index; $ 5,371 per month; 84 months	$ 188,353	$ 191,101	$ 125,569	$ 127,885
Building #612 - 6804 SE Ross St.	Variable based on CPI index; $ 1,275 per month; 79 months	37,079	38,046	22,726	23,651
Building #619 - 6610 SE Forbes Ave	Variable based on CPI index; $ 2,297 per month; 60 months	27,198	27,481	-	-
Building #620 - FAA Lease	Fixed; $ 847 per month; 58 months	-	-	48,709	48,701
Building #622 - 6530 SE Forbes Ave	Fixed; $ 469 per month; 87 months	19,032	19,298	71,262	71,473
Building #624 - KDOT	Fixed; $ 7,393 per month; 26 months	130,145	130,234	213,209	213,799
Building #626 - 6410 SE Forbes Ave	Variable based on CPI index; $ 600 per month; 38 months	-	-	1,031,000	1,039,601
Building #627 - 6330 SE Forbes Ave	Variable based on CPI index; $ 492 per month; 62 months	6,838	6,875	977	984
Building #657 - JHR	Fixed; $ 1,500 per month; 24 months	33,754	33,750	16,143	16,303
Building #669 - Firing Range (TPD)	Fixed; $ 125 per month; 64 months	2,207	1,998	17,223	17,171
Building #697 - Pumphouse C	Variable based on CPI index; $ 375 per month; 52 months	1,486	1,500	-	-
Building #818 - 6821 SE Ross St 638 & 200 SE Airport West Drive	Variable based on CPI index; $ 1,855 per month; 67 months	34,625	35,058	12,756	12,958
Building #820 - 206 SE Airport West Dr.	Fixed; $ 5,631 per month; 72 months	215,947	216,918	151,163	153,516
Buildings #602/604 - 7016-7022 Forbes Ave	Variable based on CPI index; $ 282 per month; 79 months	8,515	8,639	25,467	25,565
Freeman - All Leases (600, 601, 609, 610,	Variable based on CPI index; $21,611 per month; 480 months	-	-	4,908,399	4,936,108
Hangar # 15 - 3600 NE Sardou Ave	Fixed; $ 103 per month; 171 months	13,772	14,836	12,428	13,644
Hangar #14 - 3600 NE Sardou Ave.	Fixed; $ 2,686 per month; 48 months	53,465	53,605	21,386	21,468
Hangar #18 - NOAA	Fixed; $ 4,305 per month; 32 months	-	-	83,518	84,335
Hangar #26 - 3600 NE Sardou Ave.	Variable based on CPI index; $ 3,520 per month; 96 months	152,454	159,964	114,340	121,577
Hangar #7 - 3600 NE Sardou Ave.	Variable based on CPI index; $ 1,304 per month; 180 months	162,253	166,143	327,487	332,158
Lease # 2066.01 - Building #612 - 6804 SE Ross St.	Variable based on CPI index; $ 1,353 per month; 24 months	2,636	2,696	-	-
Lease #2055.01 - 501 SE Axton St Suites A, B, C, Lot 13 & 16	Variable based on CPI index; $ 17,340 per month; 36 months	51,803	51,995	-	-
Lease 1931.01 - 6822 SE Ross St. (#605)	Fixed; $ 11,638 per month; 78 months	346,480	347,053	68,921	69,762
Lease 1951.01 - 7111 SE Forbes Ave (#452)	Variable based on CPI index; $ 1,126 per month; 70 months	24,318	24,622	11,053	11,228
Total Buildings		3,554,709	3,468,906	9,304,892	9,316,541
Land:					
435 SE 70th St	Fixed; $ 2,517 per month; 81 months	82,985	83,910	208,062	210,340
6620 SE Dwight St - Land	Variable based on CPI index; $ 1,134 per month; 75 months	30,004	30,380	328,069	328,332
6800 SE Ross St	Fixed; $ 824 per month; 55 months	6,627	7,546	-	-
7105 SE Forbes Ave	Fixed; $ 6,377 per month; 210 months	1,071,243	1,144,922	2,845,024	2,930,416

Lease Description	Payment Terms	Deferred Inflows of Resources at December 31, 2024	Leases Receivable at December 31, 2024	Deferred Inflows of Resources at December 31, 2025	Leases Receivable at December 31, 2025
Building #178 - 6110 SE Evans St	Variable based on CPI index; $ 61 per month; 55 months	$ 420	$ 424	$ -	$ -
Building #255 - 6431 SE Bleckley St	Variable based on CPI index; $ 667 per month; 84 months	23,390	23,731	15,593	15,881
Building #383 - 555 SE 70th St (Land)	Variable based on CPI index; $ 229 per month; 60 months	2,719	2,739	15,447	15,539
Building #621 - 6520 SE Forbes Ave	Variable based on CPI index; $ 254 per month; 51 months	753	760	-	-
Building #622 - 6530 SE Forbes Ave	Variable based on CPI index; $ 1,022 per month; 87 months	39,289	39,592	146,369	146,634
Building #667 - Shawnee County Firing	Variable based on CPI index; $ 6,169 per month; 105 months	25,706	24,081	20,294	18,149
Farm - Philip Billard Airport	Fixed; $ 181 per year; 108 months	13,295	10,808	10,636	8,656
Farm - Topeka Regional Airport	Variable based on CPI index; $ 1,938 per month; 51 months	644	1,932	-	-
Farm 2 - Philip Billard Airport	Fixed; $ 461 per month; 108 months	31,013	27,505	24,810	22,029
Farm 3 - Philip Billard Airport (Riverside 98.8 Acres)	Fixed; $ 203 per year; 108 months	16,124	11,936	12,900	9,586
Farm B - Topeka Regional Airport	Variable based on CPI index; $ 8,881 per month; 51 months	2,186	-	-	-
Farm C - Topeka Regional Airport	Fixed; $ 104 per month; 51 months	363	310	2,853	2,852
Farm Land - Philip Billard Airport (RJ Meier 225 acres)	Fixed; $ 461 per month; 72 months	28,395	28,417	22,899	22,943
Hangar #27 - Philip Billard Airport	Fixed; $ 679 per month; 78 months	20,276	20,306	36,436	36,470
Lot #12 - SE Univ. Blvd & SE Bleckley - 2025	Fixed; $ 432 per month; 18 months	-	-	2,542	2,570
Parking Lot #16 - 501 SE Axton St Suites A, B & C (2023)	Fixed; $ 19,195 per month; 36 months	221,653	227,054	474,238	473,705
Parking Lot #21 - Government Inv. Partners	Variable based on CPI index; $ 1,104 per month; 66 months	19,654	19,804	45,976	46,041
Parking Lots 1-4 behind 6511 SE Forbes Ave - Bldg. #282 (Gainwell)	Variable based on CPI index; $ 904 per month; 60 months	16,071	16,203	5,357	5,414
Total Land		1,652,810	1,722,360	4,217,505	4,295,557
Land Improvements:					
Lot 12 - Lease #2021.01	Fixed; $ 432 per month; 48 months	7,630	7,632	2,543	2,573
Topeka Regional Business Center - Parking Lot #17 2023	Fixed; $ 695 per month; 36 months	6,647	8,325	-	-
Total Land Improvements		14,277	15,957	2,543	2,573

Total principal and interest payments received for the year ended December 31, 2025 were $ 2,239,578 and $ 236,649, respectively. Total principal and interest payments received for the year ended December 31, 2024 were $ 2,052,610 and $ 67,321, respectively. Total lease revenue recognized for the years ended December 31, 2025 and 2024 was $ 2,004,271 and $ 2,014,046, respectively.

Principal payments expected to maturity are as follows:

Years Ended December 31,		
2026	$	1,580,079
2027		1,273,268
2028		700,270
2029		441,597
2030		283,324
2031 - 2035		1,007,938
2036 - 2040		997,605
2041 - 2045		1,158,803
2046 - 2050		1,392,153
2051 - 2055		1,512,736
2056 - 2060		1,398,445
2061 - 2065		1,131,145
2066 - 2070		80,740
2071 - 2075		97,154
2076 - 2080		116,905
2081 - 2085		140,671
2086 - 2090		169,269
2091 - 2094		132,569
	$	13,614,671

4 - Capital Assets

Capital asset activity for the years ending December 31, 2025 and 2024 is as follows:

	Balance 12/31/2023	Additions	Retirements and Transfers	Balance 12/31/2024	Additions	Retirements and Transfers	Balance 12/31/2025
Capital assets not being depreciated:							
Land	$ 6,167,873	$ -	$ -	$ 6,167,873	$ -	$ -	$ 6,167,873
Construction in progress	20,299,465	16,090,633	(27,100,759)	9,289,339	6,357,124	(320,182)	15,326,281
Total capital assets not being depreciated	26,467,338	16,090,633	(27,100,759)	15,457,212	6,357,124	(320,182)	21,494,154
Capital assets being depreciated:							
Buildings and improvements	37,667,491	25,858,635	(1,917,257)	61,608,869	371,423	(2,686,489)	59,293,803
Runways	85,719,188	-	(15,977,396)	69,741,792	-	(2,586,761)	67,155,031
Vehicles	5,941,513	261,487	(38,551)	6,164,449	133,943	(9,800)	6,288,592
Furniture	205,429	-	(137,179)	68,250	-	(11,804)	56,446
Equipment	3,903,733	245,376	(538,749)	3,610,360	238,272	(354,531)	3,494,101
Total capital assets being depreciated	133,437,354	26,365,498	(18,609,132)	141,193,720	743,638	(5,649,385)	136,287,973
Less accumulated depreciation	(88,001,465)	(4,159,094)	20,267,019	(71,893,540)	(4,833,774)	5,558,460	(71,168,854)
Total capital assets being depreciated, net	45,435,889	22,206,404	1,657,887	69,300,180	(4,090,136)	(90,925)	65,119,119
Total capital assets, net	$ 71,903,227	$ 38,297,037	$ (25,442,872)	$ 84,757,392	$ 2,266,988	$ (411,107)	$ 86,613,273

5 - Defined Benefit Pension Plan

General Information About the Pension Plan

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

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

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

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

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

Benefits Provided. 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 an employee's combined age and years of credited service equal 85 points.

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

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

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

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2025.

The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% and 9.26% for the fiscal years ended

June 30, 2025 and 2024, respectively. Contributions to the Pension Plan from the Authority were $ 387,615 and $ 342,256 for the years ended December 31, 2025 and 2024, respectively.

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

At December 31, 2025 and 2024, the Authority reported a liability of $ 2,860,661 and $ 2,940,401 for its proportionate share of the KPERS collective net pension liability. The 2024 collective net pension liability was measured by KPERS as of June 30, 2024, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2023, which was rolled forward to June 30, 2024. The 2025 collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

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

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

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The Authority's proportion of the collective net pension liability was based on the ratio of the Authority's actual contributions to KPERS, relative to the total employer and nonemployer contributions of the Local group within KPERS for the KPERS fiscal year ended June 30, 2025. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025 and 2024, the Authority's proportion was 0.142730% and 0.138422%, respectively.

For the years ended December 31, 2025 and 2024, the Authority recognized pension expense of $ 522,893 and $ 593,074, respectively. At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 368,624	$ -
Net differences between projected and actual earnings on investments	-	98,245
Changes of assumptions	70,714	-
Changes in proportion	297,352	3,368
Contributions made after measurement date	179,237	-
Total	$ 915,927	$ 101,613

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 357,681	$ -
Net differences between projected and actual earnings on investments	18,013	-
Changes of assumptions	177,732	-
Changes in proportion	359,744	7,533
Contributions made after measurement date	159,323	-
Total	$ 1,072,493	$ 7,533

The $ 179,237 and $ 159,323 reported at December 31, 2025 and 2024, respectively, as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the years ended December 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended December 31,	
2026	$ 412,737
2027	163,011
2028	64,006
2029	(4,677)
	$ 635,077

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2024 and 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial cost method	Entry age normal	Entry age normal
Price inflation	2.75%	2.75%
Salary increases, including price inflation	3.50% -15.50%	3.50% -12.00%
Long-term rate of return, net of investment expense, including price inflation	7.00%	7.00%

For the 2024 and 2023 valuations, mortality rates were based on 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 2024 valuations were based on the results of actuarial experience studies conducted for the three-year period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of the most recent two experience studies, dated January 29, 2024 and January 7, 2020, are summarized in the following tables:

	2025	
	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equities	43.00%	8.20%
Private equity	11.00%	12.00%
Real estate	15.00%	5.70%
Yield driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core fixed income	13.00%	2.20%
Cash	3.00%	0.30%
	100.00%	

2024	Long-Term Target Allocation	Long-Term Expected Real Rate of Return
Global equities	43.00%	8.20%
Private equity	11.00%	12.00%
Real estate	15.00%	5.70%
Yield driven	12.00%	5.30%
Infrastructure	3.00%	6.80%
Core fixed income	13.00%	2.20%
Cash	3.00%	0.30%
	100.00%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7% for the years ended December 31, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the Authority's proportionate share of the collective net pension liability calculated using the discount rate of 7% for 2025 and 2024, as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
2025	$ 4,221,437	$ 2,860,661	$ 1,717,792
2024	4,256,896	2,940,401	1,840,170

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

6 - Other Postemployment Benefits (OPEB)

Health Insurance

Description. The Authority offers postemployment health insurance to retired employees in accordance with K.S.A. 12-5040. The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the Authority. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the Authority's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

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

The Authority appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis. For the years ended December 31, 2025 and 2024, the Authority contributed $ 1,500 and $ 5,000, respectively, to the plan.

Employees Covered by Benefit Terms. At December 31, 2025 and 2024, the following employees were covered by the benefit terms.

	2025	2024
Inactive employees or beneficiaries currently receiving benefit payments	-	-
Active plan members	49	49
Total	49	49

Total OPEB Liability. The Authority's total OPEB liability of $ 175,153 and $ 132,629 was measured as of December 31, 2025 and 2024 and was determined by an actuarial valuation performed as of January 1, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability at December 31, 2025 and 2024 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025
Discount rate	4.42 percent
Salary increases	4.0 percent per year
Healthcare cost trend rates	Renewed on December 1, 2025. 8.00 percent for 2026, decreasing 0.50 percent until 2028, then 0.25 percent for 2028 to 2036 to an ultimate rate of 4.75 percent
Retirees' share of benefit-related costs	Retirees are responsible for the full premium rates up to 100 percent of the premium
Actuarial cost method	Entry Age Normal - Level Percent of Pay

	2024
Discount rate	4.22 percent
Salary increases	4.0 percent per year
Healthcare cost trend rates	7.50 percent for 2024, decreasing 0.25 percent for 2025 to 2033 to an ultimate rate of 4.75 percent
Retirees' share of benefit-related costs	Retirees are responsible for the full premium rates up to 100 percent of the premium
Actuarial cost method	Entry Age Normal - Level Percent of Pay

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

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Headcount-weighted Mortality Tables using Scale MP-2021 Full Generational Improvement.

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

1. The discount rate was updated from 4.22% to 4.42%.
2. The retiree contribution premiums and per capita costs were updated as part of the evaluation. The December 1, 2025 renewal was taken into account.

Changes in the Total OPEB Liability

	2025	2024
Beginning balance	$ 132,629	$ 138,119
Changes for the year:		
Service cost	12,373	10,827
Interest on total OPEB liability	6,087	5,682
Differences between expected and actual experience	24,509	(26,345)
Changes in assumptions or other inputs	1,055	9,346
Employer contributions (benefit payments)	(1,500)	(5,000)
Ending balance	$ 175,153	$ 132,629

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.42% for 2025 and 3.22% for 2024) or 1-percentage-point higher (5.42% for 2025 and 5.22% for 2024) than the current discount rate of 4.42% for 2025 and 4.22% for 2024:

	1% Decrease	Current Discount Rate	1% Increase
2025	$ 195,257	$ 175,153	$ 157,100
2024	147,901	132,629	118,868

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
2025	$ 149,502	$ 175,153	$ 206,983
2024	113,719	132,629	155,979

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the years ended December 31, 2025 and 2024, the Authority recognized OPEB expense of $ 20,090 and $ 16,718, respectively. At December 31, 2025 and 2024, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 29,416	$ (4,978)
Differences between actual and expected experience	39,964	(45,577)
Total	$ 69,380	$ (50,555)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 34,057	$ (5,870)
Differences between actual and expected experience	18,919	(52,215)
Total	$ 52,976	$ (58,085)

Amounts reported as deferred outflows and inflows of resources related to OPEB at December 31, 2025 will be recognized in OPEB expense as follows:

Years Ended December 31,	
2026	$ 1,630
2027	1,631
2028	2,651
2029	3,099
2030	(57)
Thereafter	9,871
	$ 18,825

Disability Benefits and Life Insurance

Plan Description. The Authority participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75,

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Contributions. Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the years ended December 31, 2025 and 2024 totaled $ 0 and $ 0, respectively.

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66⅔ percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

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

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

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

	2025	2024
Disabled members	-	-
Active plan members	49	48
Total	49	48

Total OPEB Liability. The total OPEB liability for the Authority of $ 32,484 reported as of December 31, 2025 was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of December 31, 2024. The total OPEB liability for the Authority of $ 34,769 reported as of December 31, 2024 was measured as of June 30, 2024 and was determined by the actuarial valuation performed as of December 31, 2023.

The total OPEB liability in the December 31, 2024 and 2023 actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20 percent for 2025, 3.93 percent for 2024
Salary increases, including wage increases	3.50 percent per year (composed of 2.75 percent inflation and 0.75 percent productivity)
Implicit inflation rate	2.75 percent
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

Mortality rates used for the disability benefits were based on the RP-2014 Disabled Life Tables for Males and Females, with generational mortality improvement projected for future years using MP-2021.

The actuarial assumptions used in the December 31, 2024 and 2023 valuations were based on the results of actuarial experience studies conducted for the periods January 1, 2020 through December 31, 2023 and January 1, 2018 through December 31, 2020, respectively.

Changes in Total OPEB Liability

	2025	2024
Beginning balance	$ 34,769	$ 31,819
Changes for the year:		
Service cost	8,406	6,240
Interest on total OPEB liability	1,696	1,389
Effect on economic/demographic gains or losses	(9,365)	(4,858)
Changes in assumptions or other inputs	(3,022)	179
Benefit payments	-	-
Ending balance	$ 32,484	$ 34,769

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the Authority's total OPEB liability calculated using the discount rate of 5.20% for 2025 and 3.93% for 2024, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.20% for 2025 and 2.93% for 2024) or 1-percentage point higher (6.20% for 2025 and 4.93% for 2024) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
2025	$ 34,848	$ 32,484	$ 30,230
2024	37,028	34,769	32,547

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

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
2025	$ 32,484	$ 32,484	$ 32,484
2024	34,769	34,769	34,769

OPEB Expense. For the years ended December 31, 2025 and 2024, the Authority recognized OPEB expense of $ 14,967 and $ 13,723, respectively, which includes the changes in the total OPEB liability, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 41,475	$ (51,497)
Changes of assumptions	1,899	(10,597)
Contributions made after measurement date	18,459	-
Total	$ 61,833	$ (62,094)

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 61,222	$ (55,741)
Changes of assumptions	2,387	(9,336)
Contributions made after measurement date	17,205	-
Total	$ 80,814	$ (65,077)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling $ 18,459 and $ 17,205 at December 31, 2025 and 2024, respectively, will be recognized as a reduction of the total OPEB liability for the years ended December 31, 2026 and 2025, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended December 31,		
2026	$	4,892
2027		(669)
2028		(10,592)
2029		(3,512)
2030		(3,177)
Thereafter		(5,662)
	$	(18,720)

7 - Deferred Compensation Plan

The Authority offers its employees a deferred compensation 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. Assets of the plan, valued at current market prices, are held in trust for the benefit of the participants.

All amounts of compensation deferred under the plan as well as earnings attributable to those amounts, are solely the property of the participant employees. Accordingly, the assets and related liabilities for the plan are not recorded in the accompanying financial statements.

8 - Risk Management

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

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

9 - Concentrations

The Authority had two major customer that accounted for approximately 52% of net receivables and three major customers that accounted for approximately 81% of net receivables as of December 31, 2025 and 2024, respectively. The Authority had two vendors that provided approximately 61% of the total purchases for the year ended December 31, 2025. The Authority had two vendors that provided approximately 51% of the total purchases for the year ended December 31, 2024.

10 - Capital Projects

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

	2025	
	Project Authorization	Cash Disbursements through Year End
FOE Twy A&D Reconstruction - Construction	$ 7,039,478	$ 7,033,414
FOE Passenger Building Jet Bridge	1,549,516	1,491,816
TOP Rehabilitate Terminal Apron - Design	600,000	427,044
TOP Rehabilitate Terminal Apron - Construction	1,175,000	307,585
FOE Twy A&D Rehab - Design	2,593,987	33,250
FOE Twy A Rehab - Construction	5,148,499	-
TOP Rehabilitate Runway 18-36	3,137,100	73,150
FOE Twy A&D Reconstruction - Construction	1,438,875	1,368,760
	$ 22,682,455	$ 10,735,019

	2024	
	Project Authorization	Cash Disbursements through Year End
FOE Twy A&D Reconstruction - Construction	$ 7,023,773	$ 4,402,487
FOE Twy A&D Reconstruction - Reimb. Agmt	251,472	251,472
ARFF Vehicle (FOE)	870,247	754,079
FOE Passenger Building Jet Bridge	1,549,516	1,476,089
Fuel Farm	11,373,705	11,240,668
TOP Rehabilitate Terminal Apron - Design	600,000	28,934
TOP Rehabilitate Terminal Apron - Construction	1,175,000	-
FOE Twy A&D Reconstruction - Design	432,600	432,600
FOE Snow Removal Equipment	3,827,192	3,827,192
TOP Terminal BIL Construction	3,800,000	3,800,000
FOE Twy A&D Reconstruction - Construction	1,438,875	-
TOP Terminal - Engineering (Phase 3)	626,950	626,950
	$ 32,969,330	$ 26,840,471

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

11 - Commitments and Contingencies

Litigation

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

Grants

Grantor agencies reserve the right to conduct audits of the Authority's grant programs for economy and efficiency and program results that may result in disallowed costs to the Authority. Management does not believe such audits, if any, would result in any disallowed costs that would be material to the Authority's financial position at December 31, 2025 or 2024.

Commitments

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

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

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. The commitments (purchase orders, contracts, and other commitments for the expenditure of funds) are not treated as expenses until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management. At December 31, 2025 and 2024, the Authority had $ 1,922,955 and $ 1,944,995, respectively, of encumbrances outstanding.

12 - Landfill Closure and Postclosure Care Costs

The Authority operates one active landfill site that was closed on December 17, 2010. State and federal laws and regulations require the Authority to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty years after closure. An expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used to date. The estimated liability

for landfill closure and postclosure care costs is $ 0 as of December 31, 2025 and 2024, which is based on 100 percent usage (filled) of the landfill. The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of year end. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The Authority has provided adequate financial assurance documentation related to the estimated closure and postclosure costs as required by laws and regulations.

13 - Line of Credit

The Authority has a line of credit with Heritage Bank for a maximum available amount of $ 1,000,000. The line of credit caries a fixed interest rate set at 6.00%. The line of credit matures in December 2026 and is secured by assignment of rents on leased buildings of the Authority. As of December 31, 2025, the outstanding balance was $ 0.

14 - Subsequent Events

The Authority has evaluated subsequent events through the date of the independent auditor's report, which is the date that the financial statements are available to be issued.

On March 10, 2026, the Authority issued $ 4,900,000 in Series 2026 Airport Revenue Bonds. Principal maturities ranging from $ 160,000 to $ 335,000 are due through September 1, 2045. The interest rate is 5.00%.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2025	2024	2023	2022	2021
Proportion of the net pension liability	0.14%	0.14%	0.12%	0.11%	0.11%
Proportionate share of the collective net pension liability	$ 2,860,661	$ 2,940,401	$ 2,579,479	$ 2,140,905	$ 1,305,588
Covered payroll from the period July 1 - June 30	$ 3,496,447	$ 3,197,281	$ 2,750,669	$ 2,164,617	$ 2,101,042
Net pension liability as a percentage of covered payroll	81.82%	91.97%	93.78%	98.90%	62.14%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
Proportion of the net pension liability	0.10%	0.10%	0.10%	0.10%	0.10%
Proportionate share of the collective net pension liability	$ 1,706,054	$ 1,429,582	$ 1,445,081	$ 1,496,486	$ 1,645,699
Covered payroll from the period July 1 - June 30	$ 1,875,996	$ 1,907,636	$ 1,855,754	$ 1,831,703	$ 1,827,045
Net pension liability as a percentage of covered payroll	90.94%	74.94%	77.87%	81.70%	90.07%
Plan fiduciary net position as a percentage of the total pension liability	64.80%	68.05%	64.90%	63.27%	61.32%

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required employer contribution	$ 387,615	$ 342,256	$ 290,323	$ 209,405	$ 193,538
Contributions in relation to the contractually required contribution	(387,615)	(342,256)	(290,323)	(209,405)	(193,538)
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,621,802	$ 3,334,514	$ 3,056,723	$ 2,220,935	$ 2,077,019
Contributions as a percentage of covered payroll	10.70%	10.26%	9.50%	9.43%	9.32%

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

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
HEALTH INSURANCE
Last Eight Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 12,373	$ 10,827	$ 10,048	$ 9,981
Interest	6,087	5,682	6,019	2,530
Differences between expected and actual experience	24,509	(26,345)	(5,473)	25,225
Effect of assumption changes or inputs	1,055	9,346	3,066	(6,387)
Benefit payments	(1,500)	(5,000)	(19,000)	(14,000)
Net change in total OPEB liability	42,524	(5,490)	(5,340)	17,349
Total OPEB liability, beginning	132,629	138,119	143,459	126,110
Total OPEB liability, ending	$ 175,153	$ 132,629	$ 138,119	$ 143,459
Covered-employee payroll	$ 3,309,355	$ 3,309,355	$ 2,707,220	$ 2,164,617
Total OPEB liability as a percentage of covered - employee payroll	5.29%	4.01%	5.10%	6.63%

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	$ 10,785	$ 8,959	$ 8,257	$ 8,932
Interest	3,014	3,900	5,202	5,187
Differences between expected and actual experience	(18,767)	(9,062)	(10,621)	(6,580)
Effect of assumption changes or inputs	112	40,622	6,114	(3,599)
Benefit payments	(24,000)	(21,000)	(21,000)	(23,000)
Net change in total OPEB liability	(28,856)	23,419	(12,048)	(19,060)
Total OPEB liability, beginning	154,966	131,547	143,595	162,655
Total OPEB liability, ending	$ 126,110	$ 154,966	$ 131,547	$ 143,595
Covered-employee payroll	$ 2,101,042	$ 1,874,631	$ 1,907,636	$ 1,907,636
Total OPEB liability as a percentage of covered - employee payroll	6.00%	8.27%	6.90%	7.53%

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

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS -
DISABILITY BENEFITS AND LIFE INSURANCE
Last Eight Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 8,406	$ 6,240	$ 5,303	$ 8,548
Interest	1,696	1,389	711	998
Effect of economic/demographic gains (losses)	(9,365)	(4,858)	15,061	(9,482)
Effect of assumption changes or inputs	(3,022)	179	(206)	(12,392)
Benefit payments	-	-	(7,580)	(13,509)
Net change in total OPEB liability	(2,285)	2,950	13,289	(25,837)
Total OPEB liability, beginning	34,769	31,819	18,530	44,367
Total OPEB liability, ending	$ 32,484	$ 34,769	$ 31,819	$ 18,530
Covered-employee payroll	$ 3,496,447	$ 3,197,281	$ 2,750,669	$ 2,164,617
Total OPEB liability as a percentage of covered - employee payroll	0.93%	1.09%	1.16%	0.86%

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

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

SUPPLEMENTARY INFORMATION

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2025

	GAAP Basis Actual	Adjustments	Budget Basis Actual	Original and Final Budget	Variance
Revenue:					
Ad valorem tax	$ 4,946,536	$ -	$ 4,946,536	$ 5,168,920	$ (222,384)
Delinquent property tax	68,447	-	68,447	-	68,447
Motor vehicle tax	490,226	-	490,226	452,055	38,171
Recreational vehicle tax	4,991	-	4,991	4,968	23
In lieu of taxes	20,075	-	20,075	-	20,075
16/20M vehicle tax	1,642	-	1,642	1,489	153
Neighborhood Revitalization rebates	-	-	-	(41,743)	41,743
Fees and licenses	211,008	-	211,008	189,000	22,008
Leases and rents	2,472,361	(75,270)	2,397,091	2,015,000	382,091
Reimbursements	449,377	123,434	572,811	447,352	125,459
Other income	25,211	-	25,211	-	25,211
Non-operating	265,030	90,924	355,954	5,000	350,954
Federal grant revenue	43,260	-	43,260	43,260	-
ANG project funds	1,497,032	-	1,497,032	1,497,032	-
FAA capital projects	3,330,469	2,772,535	6,103,004	6,103,004	-
Interest on idle funds	407,471	(8,500)	398,971	60,000	338,971
Total revenue	14,233,136	2,903,123	17,136,259	15,945,337	1,190,922
Expenses:					
Personnel	5,239,208	(269,809)	4,969,399	5,189,512	(220,113)
Professional services	405,053	(49,494)	355,559	508,260	(152,701)
Personnel support	103,498	-	103,498	60,500	42,998
Communication services	95,502	(780)	94,722	107,305	(12,583)
Facilities support	1,375,964	-	1,375,964	1,352,618	23,346
Equipment support	328,296	-	328,296	365,321	(37,025)
Depreciation	4,833,774	(4,833,774)	-	-	-
Bad debt	54,482	(54,482)	-	-	-
Other charges	1,914	-	1,914	-	1,914
Capital projects and improvements	-	6,766,683	6,766,683	3,602,500	3,164,183
Prepaid expenses	-	-	-	10,000	(10,000)
Interest	-	-	-	1,025	(1,025)
Adjustment for reimbursed expenditures not subject to budget	-	-	-	7,643,296	(7,643,296)
Total expenses	12,437,691	1,558,344	13,996,035	18,840,337	(4,844,302)
Change in net position	1,795,445	1,344,779	3,140,224	(2,895,000)	6,035,224
Net position/unencumbered cash, beginning of year	88,195,672	(88,809,817)	(614,145)	2,895,000	(3,509,145)
Net position/unencumbered cash, end of year	$ 89,991,117	$ (87,465,038)	$ 2,526,079	$ -	$ 2,526,079

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
Year Ended December 31, 2024

	GAAP Basis Actual	Adjustments	Budget Basis Actual	Original and Final Budget	Variance
Revenue:					
Ad valorem tax	$ 4,607,155	$ -	$ 4,607,155	$ 4,765,400	$ (158,245)
Delinquent property tax	77,240	-	77,240	-	77,240
Motor vehicle tax	384,566	-	384,566	363,066	21,500
Recreational vehicle tax	4,065	-	4,065	4,019	46
In lieu of taxes	19,324	-	19,324	-	19,324
16/20M vehicle tax	1,815	-	1,815	1,787	28
Neighborhood Revitalization rebates	-	-	-	(45,789)	45,789
Fees and licenses	178,278	-	178,278	179,000	(722)
Leases and rents	2,337,889	(45,490)	2,292,399	2,000,000	292,399
Reimbursements	854,540	(325,124)	529,416	276,832	252,584
Other income	71,550	-	71,550	-	71,550
Non-operating	(21,761)	13,943	(7,818)	5,000	(12,818)
Federal grant revenue	182,037	-	182,037	182,037	-
ANG	1,889,935	-	1,889,935	1,889,935	-
FAA capital projects	11,531,474	(1,061,400)	10,470,074	10,470,074	-
Interest on idle funds	248,217	(16,697)	231,520	50,000	181,520
Total revenue	22,366,324	(1,434,768)	20,931,556	20,141,361	790,195
Expenses:					
Personnel	4,976,251	(412,103)	4,564,148	4,908,010	(343,862)
Professional services	348,422	246,241	594,663	477,968	116,695
Personnel support	46,899	-	46,899	79,000	(32,101)
Communication services	83,635	16,738	100,373	107,605	(7,232)
Facilities support	1,584,048	(70,811)	1,513,237	1,198,147	315,090
Equipment support	317,245	-	317,245	357,810	(40,565)
Depreciation	4,159,094	(4,159,094)	-	-	-
Bad debt	54,698	(54,698)	-	-	-
Other charges	363	-	363	-	363
Capital projects and improvements	-	15,824,635	15,824,635	3,459,750	12,364,885
Prepaid expenses	-	-	-	10,000	(10,000)
Interest	-	-	-	1,025	(1,025)
Adjustment for reimbursed expenditures not subject to budget	-	-	-	12,542,046	(12,542,046)
Total expenses	11,570,655	11,390,908	22,961,563	23,141,361	(179,798)
Change in net position	10,795,669	(12,825,676)	(2,030,007)	(3,000,000)	969,993
Net position/unencumbered cash, beginning of year	77,400,003	(75,984,141)	1,415,862	3,000,000	(1,584,138)
Net position/unencumbered cash, end of year	$ 88,195,672	$ (88,809,817)	$ (614,145)	$ -	$ (614,145)

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF CERTAIN REVENUES
Years Ended December 31, 2025 and 2024

	2025	2024
Taxes and assessments:		
Current property tax	$ 4,946,536	$ 4,607,155
Current motor vehicle tax	490,226	384,566
Other taxes	95,155	102,444
Total taxes and assessments	5,531,917	5,094,165
Revenue from services:		
Lease and rental fees	2,472,361	2,337,889
Water sales and sewer charges	415,988	563,129
Fuel sales	740,752	745,965
Other service revenue	67,579	360,712
Fuel flowage fees	154,303	128,986
Landing fees	42,376	25,104
Insurance reimbursements	34,479	32,933
Utility reimbursements	11,543	12,749
Total revenue from services	3,939,381	4,207,467
Other:		
Interest income	407,471	248,217
Other income	25,211	71,550
Total other	432,682	319,767
Total of certain revenues	$ 9,903,980	$ 9,621,399

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULES OF GENERAL EXPENSES
Years Ended December 31, 2025 and 2024

	2025	2024
Salaries and wages	$ 3,783,837	$ 3,536,009
Payroll taxes and benefits	1,455,371	1,440,242
Cost of sales	818,760	851,998
Structural insurance	455,609	342,561
Electricity and gas	274,434	255,774
Outside maintenance services	262,737	262,044
Other professional services	156,476	61,673
General facility supplies	150,926	339,511
Other facilities support	108,471	244,486
Legal services	103,369	86,008
Vehicle insurance	87,924	113,400
Equipment repair and maintenance	72,600	57,273
Vehicle fuel	69,027	60,801
Equipment service agreements	69,110	60,244
Accounting services	57,484	57,916
Vehicle maintenance and supplies	54,629	28,444
Bad debt expense	54,482	54,698
Telephone	51,415	33,432
Clothing and uniforms	50,065	22,432
Bonding insurance fees	44,707	38,855
Water and sewer	40,237	76,043
Equipment maintenance and supplies	32,674	51,450
Airport liability insurance	32,136	30,197
Dues and subscriptions	30,503	10,444
Advertising and public relations	28,850	20,352
Other personnel support	22,930	14,023
Miscellaneous expense	19,567	61,530
Office supplies	12,013	9,970
Other equipment support	11,442	5,876
Other communications service and support	10,892	20,873
Economic development	-	15,000
Total general expenses	$ 8,422,677	$ 8,263,559

COMPLIANCE

METROPOLITAN TOPEKA AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Project Number	Expenditures
U.S. Department of Transportation (Federal Aviation Administration):			
Airport Improvement Program:			
TOP Rehabilitate Terminal Apron (Design)	20.106	3-20-0082-27	$ 398,110
TOP Rehabilitate Terminal Apron (Construction)	20.106	3-20-0082-28	307,585
FOE Passenger Boarding Bridge (BIL Grant)	20.106	3-20-0013-44	15,727
FOE Twy A&D Reconstruction (Construction)	20.106	3-20-0113-47	1,133,895
FOE Twy A&D Reconstruction (Construction)	20.106	3-20-0113-50	1,368,760
FOE Twy A Rehab (Design)	20.106	3-20-0113-51	33,250
TOP Rehabilitate Runway 18-36	20.106	3-20-0082-29	73,150
Total U.S. Department of Transportation			3,330,477
U.S. Department of Defense:			
National Guard Military Construction Projects:			
FOE Twy A&D Reconstruction - Construction	12.400	N/A	1,497,032
U.S. Department of Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	FLFRP0140	43,260
Total expenditures of federal awards			$ 4,870,769

See accompanying notes to Schedule of Expenditures of Federal Awards

METROPOLITAN TOPEKA AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Metropolitan Topeka Airport Authority (the Authority) under programs of the federal government for the year ended December 31, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position of the business-type activities, changes in financial position, or cash flows of the Authority.

2 - Summary of Significant Accounting Policies

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

3 - Relationship to Financial Statements

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

4 - Difference in Presentation of Capital Assets

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

Section I. Summary of Independent Auditor's Results

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	2025-001
Noncompliance material to the financial statements noted	None
Federal Awards	
Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Audit findings that are required to be reported in accordance with 2 CFR 200.516(a)	None
Identification of major programs:	

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs	$ 1,000,000
Auditee qualified as a low-risk auditee	Yes

Section II. Financial Statement Findings

Finding 2025-001 - Significant Deficiency

Condition - During the course of the audit, a significant adjustment was made to the financial statements in accordance with generally accepted accounting principles (GAAP).

Cause – The entry resulted from an error in reconciliation processes for adjustments specifically related to grant revenue and grant expenditures.

Effect – There is a potential that the financial statements may be materially misstated.

Recommendation – We recommend that the Authority implement internal controls to ensure that the Authority prepares the appropriate adjustments necessary in order to prepare financial statements in accordance with GAAP.

Management's Response/Corrective Action Plan (Unaudited) – Management is continuing to strengthen review of federal expenditures and will review grant revenue and grant expenditures at the end of the period to ensure the two amounts are in agreement.

Section III. Federal Award Findings and Questioned Costs

None

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

None

SJHL LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Metropolitan Topeka Airport Authority (the Authority), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 15, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

SJHL, LLC

September 15, 2026
Topeka, Kansas

SJHL LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE RQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Metropolitan Topeka Airport Authority
Topeka, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metropolitan Topeka Airport Authority's (the 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 the Authority's major federal program for the year ended December 31, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

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 (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the Authority's federal programs.

Auditor's 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 the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the 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 the 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

SJHL, LLC

September 15, 2026
Topeka, Kansas