



Santa Maria Public Airport District
Santa Maria, California

Annual Comprehensive Financial Report

For the Fiscal Years Ending June 30, 2024 and 2023



Our Mission Statement

"To provide a safe, friendly, attractive and economically sound airport through integrity and efficiency."

Santa Maria Public Airport District Board of Directors as of June 30, 2024

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Ignacio Moreno	President	Elected	12/22 - 12/26
Chuck Adams	Vice President	Elected	12/20 - 12/24
David Baskett	Secretary	Elected	12/20 - 12/24
Michael B. Clayton	Vice Secretary	Elected	12/22 - 12/26
Steve Brown	Director	Elected	12/20 - 12/24

**Santa Maria Public Airport District
Martin Pehl, General Manager
3217 Terminal Drive,
Santa Maria, CA 93455 • (805) 922-1726
www.santamariaairport.com**



Annual Comprehensive Financial Report
For the Fiscal Years Ending
June 30, 2024 and 2023

SANTA MARIA PUBLIC AIRPORT DISTRICT
3217 Terminal Drive
Santa Maria, California 93455

Prepared by:
Finance Department
Veroneka Reade, Manager of Finance and Administration

**Santa Maria Public Airport District
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

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Introductory Section



February 27, 2025

Board of Directors
Santa Maria Public Airport District

State law requires that every general-purpose government publish a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal years ended June 30, 2024 and 2023.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

C.J. Brown & Company, CPAs, have issued an unmodified (“clean”) opinion on the Santa Maria Public Airport District’s financial statements for the years ended June 30, 2024 and 2023. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Government

The District is a special district that was established in 1964. The District encompasses an area of 400 square miles extending from the Cuyama River at the north to a point three miles south of the community of Los Alamos at the south. Then in an east-west direction, the District commences at Point Sal at the Pacific Ocean and extends eastward a distance of 30 miles, or 10 miles east of the dam at Twitchell Reservoir. The District’s approximately 2,598 acres includes two active runways and provides facilities for one regional airline (Allegiant Airlines) and serves as home base for over 222 general aviation aircraft.

The District is governed by a five-member Board of Directors who serve four-year terms and are elected by the District. The District’s Board of Directors meets on the second and fourth Thursday of each month. Meetings are publicly noticed, and citizens are encouraged to attend. The directors entrust the responsibility for the efficient execution of airport policies to their designated representative, the General Manager. The District currently has twelve employees.

In the early 1940's, during World War II, the U. S. Army Corps of Engineers constructed what was then known as Santa Maria Army Base to provide training facilities for crews of B-25 aircraft. A few years later the B-25 groups left and the facility became a training field for P-38 pilots and ground crews.

In 1946, following the war's end, the County of Santa Barbara acquired the property by means of an interim permit issued by the War Assets Administration. The County retained control of the facility until 1949, at which time the City of Santa Maria obtained an undivided one-half interest. This dual ownership/management proved cumbersome to administer, and in March of 1964 transfer of the airport to the newly formed Santa Maria Public Airport District was accomplished.

Profile of Government, continued

Since the formation of the District, numerous projects have been accomplished which directly and indirectly benefit each person in the District. Examples of these projects include the design and construction of Skyway Drive from Betteravia Road to the Orcutt Expressway, design, and construction of the planned industrial park east of Skyway Drive, and construction of the new airport terminal building, crash/fire/rescue station, air traffic control tower, new owner-built hangars area, and other facilities adjacent to the primary runway. The District has lengthened the runway 12/30 by 1,700 additional feet which allows for more general aviation activities at the District.

The District's Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis. Each year the District adopts a balanced budget.

Local Economy

The District office is located in the City of Santa Maria in Santa Barbara County. The City of Santa Maria is considered a premiere city in the Central Coast communities of California. The community is located approximately eighty miles northwest of Santa Barbara and 180 miles northwest of downtown Los Angeles.

The first half of 2024 showed economic growth expanding to 2.8 annualized rate in the second quarter. According to the Department of Labor, fewer jobs than expected were created in July and the unemployment rate rose to 4.3 percent. The jobless rate has improved in every month of 2024 except for February. The effect of the increase in the job market due to the pandemic has recently been neutralized, and it is more difficult to find a new job.

The inflation rate, at 3.0 percent in June, continues to affect spending and the economy. The National housing market saw median sales prices increase by 4.1 percent over last year, listing the median housing price at \$426,900 in June. Increased mortgage rates have contributed to a 5.4 percent decrease from the prior year. The median home price in California was \$909,720, up 7.5 percent from the prior year. Homes sales on the Central Coast increased by 8.0 percent with a median price of \$611,000.

California's unemployment rate is higher than any other state in the nation at 5.2 percent. The State Employment Development Department reported a gain of 107,100 non-farm payroll jobs. The Employment Development Department is expecting the unemployment insurance fund to receive \$4.8 billion in payroll taxes, but will pay out \$6.8 billion in benefits. Santa Barbara County's unemployment rate was 4.2 percent in June and Santa Maria was 5 percent.

Californian's have seen increasing prices due to the wage increases for fast food workers. California gas prices continue to exceed the national average of \$3.48 at \$4.62. Insurance companies have been increasing premiums and refusing to renew policies to offset the costs due to extreme weather conditions. Those costs have been passed on to the consumer resulting in \$2,333 in average monthly rent in the city of Santa Maria.

Relevant Financial Policies

The District continues its practice of developing a long-term funding strategy to pay for future capital projects identified in its planning efforts. All projects are currently handled on a pay-as-you-go basis; no debt burden has been added to finance capital projects. The funds for these projects will come from the excess operating net revenues, operating reserves, and grants from the Federal Aviation Administration.

Relevant Financial Policies, continued

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures that the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

The Board of Directors annually adopts an investment policy that conforms to state law, District ordinances and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield. District reserve funds are invested in the State of California's Local Agency Investment Fund and California Class A Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law.

Major Initiatives

The activities of the Board and staff of the District are driven by its Mission Statement: "To provide a safe, friendly, attractive, and economically sound airport through integrity and efficiency".


The reconstruction of taxiway "A" is nearing completion. The District continues to further its plans to develop a business park and is working with developers to that end. The District plans to Rehabilitate Runway 12-30, numerous taxiways, and hangar taxilanes. A user fee Customs Facility will become operational in 2025. Planes of Fame have leased property and will begin operations in 2026.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, which is the most recent year the District received the award. The District did not apply for the award in the fiscal year 2023. Fiscal year 2021 was the fifteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

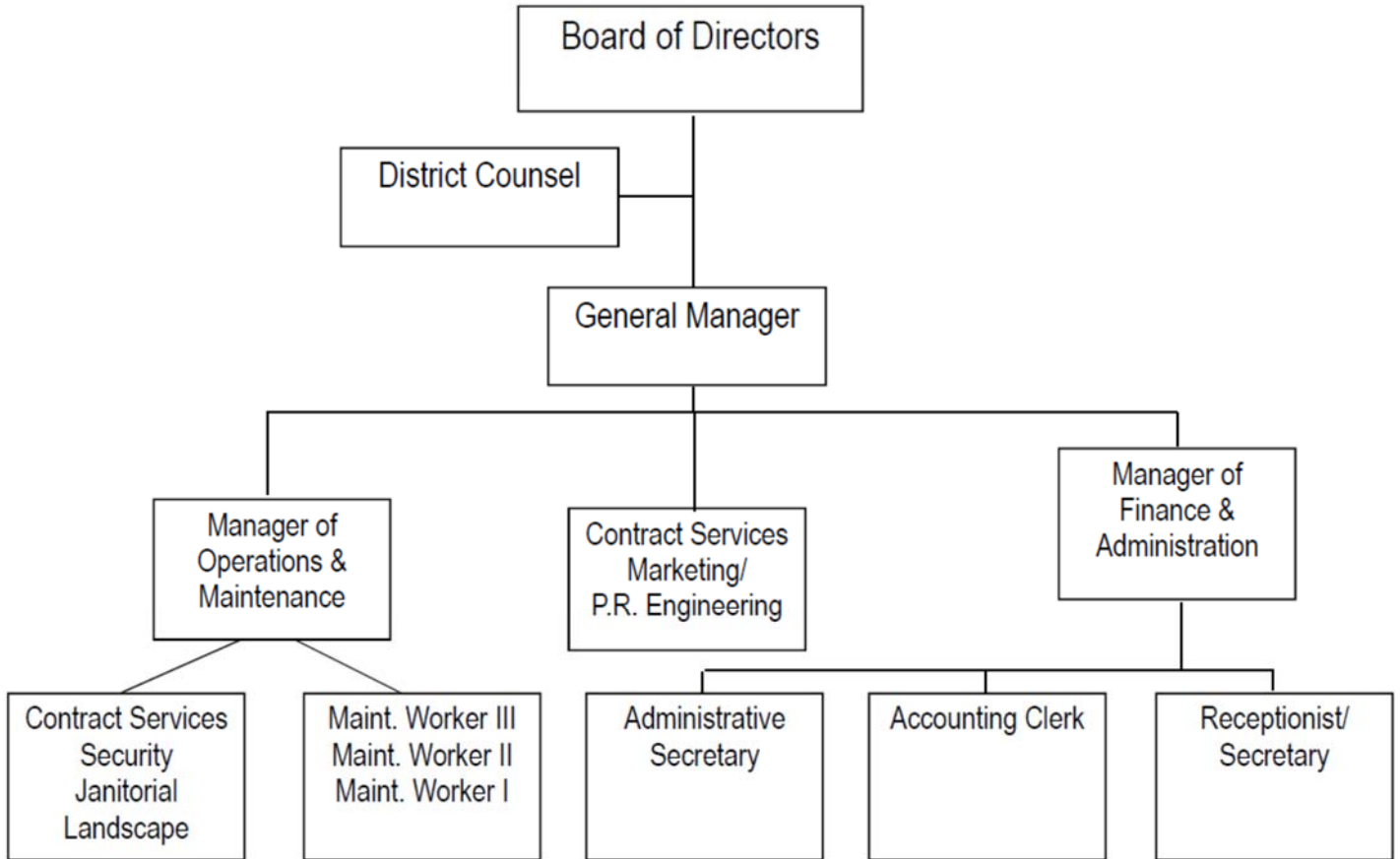
A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of the Santa Maria Public Airport District's fiscal policies.



Veroneka Reade
Manager of Finance and Administration

SANTA MARIA PUBLIC AIRPORT DISTRICT
Organizational Chart
June 2024



Financial Section



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Independent Auditor's Report

Board of Directors
Santa Maria Public Airport District
Santa Maria, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Santa Maria Public Airport District (District), which comprises the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Santa Maria Public Airport District as of June 30, 2024 and 2023, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 District'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 District'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in June 30, 2024, the District recorded prior period restatements for accumulated depreciation and depreciation expense.

As a result, the District has restated its net position to reflect the effects of the change. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 14, and the required supplementary information on pages 53 through 55, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audits 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.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements as a whole. The introductory section on pages 1 through 4, the supplementary information on pages 56 through 59, and the statistical section on pages 60 through 77 are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 audits 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 taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance. This report can be found on pages 78 through 79.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
February 27, 2025

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Santa Maria Public Airport District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2024, the District's net position increased 8.3% or \$3,218,760 to \$41,845,112 due to a decrease in net position of \$2,057,987 from ongoing operations, which was offset by \$5,276,747 from capital contributions. In fiscal year 2023, the District's net position increased 4.2% or \$1,560,212 to \$38,626,352 due to a decrease in net position of \$1,194,177 from ongoing operations, which was offset by \$2,754,389 from capital contributions.
- In fiscal year 2024, the District's total revenues (excluding capital contributions) decreased by 7.1% or \$548,909 to \$7,190,384. In fiscal year 2023, the District's total revenues (excluding capital contributions) increased by 7.5% or \$540,378 to \$7,739,293.
- In fiscal year 2024, the District's operating revenues increased by 4.9% or \$209,843 to \$4,464,565. In fiscal year 2023, the District's operating revenues increased by 8.8% or \$342,660 to \$4,254,722.
- In fiscal year 2024, the District's non-operating revenues decreased by 21.8% or \$758,752 to \$2,725,819 as compared to the previous year. In fiscal year 2023, the District's non-operating revenues increased by 6.0% or \$197,718 to \$3,484,571 as compared to the previous year.
- In fiscal year 2024, the District's total expenses including depreciation increased by 3.5% or \$314,901 to \$9,248,371. In fiscal year 2023, the District's total expenses including depreciation increased by 5.9% or \$497,064 to \$8,933,470.
- In fiscal year 2024, the District's operating expenses before depreciation expense increased 12.0% or \$724,207 to \$6,770,713. In fiscal year 2023, the District's operating expenses before depreciation expense increased 1.7% or \$100,663 to \$6,046,506.
- In fiscal year 2024, the District's non-operating expenses decreased by 81.1% or \$326,629 to \$76,281. In fiscal year 2023, the District's non-operating expenses increased by 1,102.3% or \$369,399 to \$402,910.
- In fiscal year 2024, the District's capital contributions increased by 91.6% or \$2,522,358 to \$5,276,747. In fiscal year 2023, the District's capital contributions increased by 36.6% or \$738,453 to \$2,754,389.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Required Financial Statements, continued

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and the net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in net position. One can think of the District's net position – the difference between assets plus deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, new or changed government legislation, and leisure activities.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 20 through 52.

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Net Position

Condensed Statements of Net Position

Assets:	2024	As Restated 2023	Change	As Restated 2022	Change
Current assets	\$ 9,839,942	13,154,241	(3,314,299)	11,935,711	1,218,530
Non-current assets	9,341,236	10,180,864	(839,628)	5,215,578	4,965,286
Capital assets, net	<u>35,547,842</u>	<u>30,891,101</u>	<u>4,656,741</u>	<u>29,666,439</u>	<u>1,224,662</u>
Total assets	<u>54,729,020</u>	<u>54,226,206</u>	<u>502,814</u>	<u>46,817,728</u>	<u>7,408,478</u>
Deferred outflows of resources:	<u>955,058</u>	<u>975,715</u>	<u>(20,657)</u>	<u>499,229</u>	<u>476,486</u>
Liabilities:					
Current liabilities	1,504,255	3,303,485	(1,799,230)	1,696,499	1,606,986
Long-term liabilities	<u>2,994,545</u>	<u>2,867,051</u>	<u>127,494</u>	<u>1,849,142</u>	<u>1,017,909</u>
Total liabilities	<u>4,498,800</u>	<u>6,170,536</u>	<u>(1,671,736)</u>	<u>3,545,641</u>	<u>2,624,895</u>
Deferred inflows of resources:	<u>9,340,166</u>	<u>10,405,033</u>	<u>(1,064,867)</u>	<u>6,705,176</u>	<u>3,699,857</u>
Net position:					
Net investment in capital assets	35,465,633	30,785,662	4,679,971	29,536,554	1,249,108
Restricted for capital projects	414,629	1,535,237	(1,120,608)	1,144,471	390,766
Unrestricted	<u>5,964,850</u>	<u>6,305,453</u>	<u>(340,603)</u>	<u>6,385,115</u>	<u>(79,662)</u>
Total net position	<u>\$ 41,845,112</u>	<u>38,626,352</u>	<u>3,218,760</u>	<u>37,066,140</u>	<u>1,560,212</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$41,845,112 and \$38,626,352 as of June 30, 2024 and 2023, respectively.

Compared to prior year, net position of the District increased by 8.3% or \$3,218,760. The District's total net position is made-up of three components: (1) net investment in capital assets, (2) restricted net position (restricted for capital projects), and (2) unrestricted net position.

By far the largest portion of the District's net position (85% and 80% as of June 30, 2024 and 2023, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending. At the end of fiscal year 2024, the District showed a positive balance in its unrestricted net position of \$5,964,850, which may be utilized in future years. At the end of fiscal year 2023, the District showed a positive balance in its unrestricted net position of \$6,305,453. See note 11 for further information.

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

Revenues:	2024	As Restated 2023	Change	As Restated 2022	Change
Operating revenues	\$ 4,464,565	4,254,722	209,843	3,912,062	342,660
Non-operating revenues	2,725,819	3,484,571	(758,752)	3,286,853	197,718
Total revenues	7,190,384	7,739,293	(548,909)	7,198,915	540,378
Expenses:					
Operating expenses	6,770,713	6,046,506	724,207	5,945,843	100,663
Depreciation and amortization	2,401,377	2,484,054	(82,677)	2,457,052	27,002
Non-operating expenses	76,281	402,910	(326,629)	33,511	369,399
Total expenses	9,248,371	8,933,470	314,901	8,436,406	497,064
Net loss before capital contributions	(2,057,987)	(1,194,177)	(863,810)	(1,237,491)	43,314
Capital contributions	5,276,747	2,754,389	2,522,358	2,015,936	738,453
Changes in net position	3,218,760	1,560,212	1,658,548	778,445	781,767
Net position, beginning of year					
– as restated	38,626,352	37,066,140	1,560,212	36,287,695	778,445
Net position, end of year					
– as restated	\$ <u>41,845,112</u>	<u>38,626,352</u>	<u>3,218,760</u>	<u>37,066,140</u>	<u>1,560,212</u>

The statements of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal year. In the case of the District, net position increased 8.3% or \$3,218,760 to \$41,845,112 due to a decrease in net position of \$2,057,987 from ongoing operations, which was offset by \$5,276,747 from capital contributions. In fiscal year 2023, the District's net position increased 4.2% or \$1,560,212 to \$38,626,352 due to a decrease in net position of \$1,194,177 from ongoing operations, which was offset by \$2,754,389 from capital contributions.

A closer examination of the source of changes in net position reveal that:

In 2024, the District's operating revenues increased by 4.9% or \$209,843 to \$4,464,565, primarily due to increases of \$94,342 in land usage, \$51,994 in main hangar and Fixed Base Operations, \$45,511 in hangar area usage, \$38,010 in other charges and fees, which were offset by a decrease of \$21,802 in terminal area usage revenue as compared to the previous year. In 2023, the District's operating revenues increased by 8.8% or \$342,660 to \$4,254,722, due to increases of \$246,327 in land usage, \$70,813 in hangar area usage, \$41,387 in terminal area usage, \$20,899 in main hangar and Fixed Base Operations, which were offset by decreases of \$19,466 in other charges and fees, and \$17,300 in landing area usage revenue as compared to the previous year.

In 2024, the District's non-operating revenues decreased by 21.8% or \$758,752 to \$2,725,819, due primarily to decreases of \$1,141,941 in gain on land sale from prior year and \$25,986 in CARES Act grant funding, which were offset by increases of \$298,215 in investment returns, \$112,358 in property taxes as compared to previous year. In 2023, the District's non-operating revenues increased by 6.0% or \$197,718 to \$3,484,571, due primarily to increases of \$1,141,941 in gain on land sale, \$168,738 in property taxes, \$143,985 in investment returns, which were offset by a decrease of \$1,250,806 in operating grants due to Federal Aviation Administration (FAA) provided CARES grant funding to support operations during COVID-19 as compared to previous year.

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position, continued

In 2024, the District's capital contributions increased by 91.6% or \$2,522,358 to \$5,276,747, primarily due to an increase of \$2,624,391 in federal capital grants, offset by a decrease of \$100,249 in tenant improvement contributions. In 2023, the District's capital contributions increased by 36.6% or \$738,453 to \$2,754,389, due to an increase of \$2,548,864 in federal capital grants, offset by decreases of \$1,772,796 in tenant improvement contributions and \$37,615 in passenger facility charges.

In 2024, the District's operating expenses, increased 12.0% or \$724,207 to \$6,770,713, primarily due to increases of \$888,302 in public administration, \$21,314 in hangar area usage, and \$17,613 in land usage, which were offset by decreases of \$179,559 in landing area usage and \$21,925 in main hangar and Fixed Base Operations as compared to the previous year. In 2023, the District's operating expenses, increased 1.7% or \$100,663 to \$6,046,506, due to increases of \$247,968 in landing area usage, \$112,308 in land usage, \$44,476 in terminal area usage, \$42,970 in main hangar and Fixed Base Operations, which were offset by decreases of \$324,314 in public administration and \$22,745 in hangar area usage as compared to the previous year.

In 2024, the District's non-operating expenses decreased by 81.1% or \$326,629 to \$76,281 due to decreases of \$166,218 in note receivable write-off, \$121,123 in airshow expense, net, and \$39,288 in loss on disposal of assets from the previous year. In 2023, the District's non-operating expenses increased by 1,102.3% or \$369,399 to \$402,910 due to an increase of \$195,376 in airshow expense, net, \$166,218 in note receivable write-off, and \$39,288 in loss on disposal of assets as compared to the previous year.

In 2024, the District's depreciation decreased by 3.3% or \$82,677 to \$2,401,377 due primarily to the maturation of existing capital assets. In 2023, the District's depreciation increased by 1.1% or \$27,002 to \$2,484,054 due primarily to previous year asset additions beginning the depreciation process, offset by the maturation of existing capital assets.

Total Revenues

Below is a detailed schedule of the District's total revenues segregated between operating revenues and non-operating revenues.

Operating revenues:	2024	As Restated 2023	Change	As Restated 2022	Change
Landing area usage	\$ 142,314	140,526	1,788	157,826	(17,300)
Hangar area usage	826,783	781,272	45,511	710,459	70,813
Main hangar and F.B.O.	687,285	635,291	51,994	614,392	20,899
Terminal area usage	364,363	386,165	(21,802)	344,778	41,387
Land usage	2,391,311	2,296,969	94,342	2,050,642	246,327
Other charges and fees	52,509	14,499	38,010	33,965	(19,466)
Total operating revenues	4,464,565	4,254,722	209,843	3,912,062	342,660
Non-operating revenues:					
Property taxes	2,278,417	2,166,059	112,358	1,997,321	168,738
Interest earnings	442,200	143,985	298,215	-	143,985
CARES Act airport grants	-	25,986	(25,986)	1,276,792	(1,250,806)
TSA LEO reimbursement	5,202	6,600	(1,398)	12,740	(6,140)
Gain on land sale	-	1,141,941	(1,141,941)	-	1,141,941
Total non-operating revenues	2,725,819	3,484,571	(758,752)	3,286,853	197,718
Total revenues	\$ 7,190,384	7,739,293	(548,909)	7,198,915	540,378

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Total Revenues, continued

In 2024 and 2023, the District's total revenues (excluding capital contributions) decreased and increased \$548,909 and \$540,378, respectively.

Total Expenses

Below is a detailed schedule of the District's total expenses segregated between operating expenses and non-operating expenses.

Operating expenses:	2024	As Restated 2023	Change	As Restated 2022	Change
Landing area usage	\$ 1,035,867	1,215,426	(179,559)	967,458	247,968
Hangar area usage	97,422	76,108	21,314	98,853	(22,745)
Main hangar and F.B.O.	96,244	118,169	(21,925)	75,199	42,970
Terminal area usage	434,554	436,092	(1,538)	391,616	44,476
Land usage	475,655	458,042	17,613	345,734	112,308
Public administration	4,630,971	3,742,669	888,302	4,066,983	(324,314)
Total operating expenses:	6,770,713	6,046,506	724,207	5,945,843	100,663
Depreciation	2,401,377	2,484,054	(82,677)	2,457,052	27,002
Non-operating expenses:					
Airshow expense, net	76,281	197,404	(121,123)	2,028	195,376
Note receivable write-off	-	166,218	(166,218)	-	166,218
Loss on disposal of assets	-	39,288	(39,288)	-	39,288
Investment earnings	-	-	-	31,483	(31,483)
Total non-operating expenses	76,281	402,910	(326,629)	33,511	369,399
Total expenses	\$ 9,248,371	8,933,470	314,901	8,436,406	497,064

In 2024 and 2023, total expenses including depreciation increased \$314,901 and \$497,064, respectively.

Capital Asset Administration

Changes in capital asset amounts for 2024 were as follows:

Capital assets:	As Restated 2023	Additions/ Transfers	Deletions/ Transfers	Balance 2024
Non-depreciable assets	\$ 10,463,739	7,064,320	(10,613,646)	6,914,413
Depreciable assets	84,992,451	10,607,443	-	95,599,894
Accumulated depreciation	(64,565,089)	(2,401,376)	-	(66,966,465)
Total capital assets, net	\$ 30,891,101	15,270,387	(10,613,646)	35,547,842

Changes in capital asset amounts for 2023 were as follows:

Capital assets:	As Restated 2022	Transfers/ Transfers	As Restated 2023
Non-depreciable assets	\$ 9,153,765	3,771,391	10,463,739
Depreciable assets	82,593,708	2,398,743	84,992,451
Accumulated depreciation	(62,081,034)	(2,484,055)	(64,565,089)
Total capital assets, net	\$ 29,666,439	3,686,079	30,891,101

Santa Maria Public Airport District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

Capital Asset Administration, continued

At the end of fiscal years 2024 and 2023, the District's investment in capital assets (net of accumulated depreciation), amounted to \$35,547,842 and \$30,891,101 respectively. This investment in capital assets includes land, landing area, revenue generating land, owner-builder area, T-hangars, Fixed Based Operations, terminal, administration and equipment, construction-in-process, and etc. Major capital assets additions during the years included terminal and revenue generating land improvements. See note 6 to the basic financial statements for further analysis. In addition, the prior years balances were restated as described in note 12.

Land Improvements Payable

Changes in land improvement payable amounts for 2024 were as follows:

	2023	Additions	Payments	2024
Land improvements payable \$	105,439	-	(23,230)	82,209

Changes in land improvement payable amounts for 2023 were as follows:

	2022	Additions	Payments	2023
Land improvements payable \$	129,885	-	(24,446)	105,439

At the end of fiscal years 2024 and 2023, the District's land improvements payable, amounted to \$82,209 and \$105,439, respectively. See note 8 to the basic financial statements for further analysis.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Manager of Finance and Administration at 3217 Terminal Drive, Santa Maria, California 93455-1899 or by phone (805) 922-1726.

Basic Financial Statements

Santa Maria Public Airport District
Statements of Net Position
June 30, 2024 and 2023

	2024	As Restated 2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 7,850,385	8,651,528
Restricted – cash and cash equivalents (note 2)	414,629	1,535,237
Certificate-of-deposit (note 2)	8,000	8,000
Accrued interest receivable	18,571	49,894
Accounts receivable – customers and tenants, net (note 3)	97,222	102,165
Accounts receivable – federal capital grants	605,587	1,942,466
Lease receivables (note 4)	839,627	785,914
Prepaid expenses and deposits	5,921	79,037
Total current assets	9,839,942	13,154,241
Non-current assets:		
Lease receivables (note 4)	9,341,236	10,180,864
Capital assets, not being depreciated (note 6)	6,914,413	10,463,739
Depreciable capital assets (note 6)	28,633,429	20,427,362
Total non-current assets	44,889,078	41,071,965
Total assets	54,729,020	54,226,206
Deferred outflows of resources:		
Deferred other post-employment benefits outflows (note 9)	9,240	9,000
Deferred pension outflows (note 10)	945,818	966,715
Total deferred outflows of resources	955,058	975,715

Continued on next page

See accompanying notes to the basic financial statements

Santa Maria Public Airport District
Statements of Net Position, continued
June 30, 2024 and 2023

	2024	As Restated 2023
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,024,000	2,861,110
Accrued wages and related payables	41,344	50,086
Unearned revenue – hanger and other rentals	158,801	144,126
Hangar and other deposits	113,180	114,313
Long-term liabilities – due in one year:		
Compensated absences (note 7)	143,810	110,620
Land improvements payable (note 8)	23,120	23,230
Total current liabilities	1,504,255	3,303,485
Long-term liabilities – due in more than one year:		
Compensated absences (note 7)	47,937	36,873
Land improvements payable (note 8)	59,089	82,209
Total other post-employment benefits liability (note 9)	321,302	337,720
Net pension liability (note 10)	2,566,217	2,410,249
Total long-term liabilities	2,994,545	2,867,051
Total liabilities	4,498,800	6,170,536
Deferred inflows of resources:		
Deferred lease inflows (note 4)	9,220,991	10,235,706
Deferred other post-employment benefits inflows (note 9)	46,535	17,423
Deferred pension inflows (note 10)	72,640	151,904
Total deferred inflows of resources	9,340,166	10,405,033
Net position: (note 11)		
Net investment in capital assets	35,465,633	30,785,662
Restricted for capital projects	414,629	1,535,237
Unrestricted	5,964,850	6,305,453
Total net position	\$ 41,845,112	38,626,352

See accompanying notes to the basic financial statements

Santa Maria Public Airport District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	As Restated 2023
Operating revenues:		
Landing area usage	\$ 142,314	140,526
Hangar area usage	826,783	781,272
Main hangar and Fixed Base Operations (FBO)	687,285	635,291
Terminal area usage	364,363	386,165
Land usage	2,391,311	2,296,969
Other charges and fees	52,509	14,499
Total operating revenues	4,464,565	4,254,722
Operating expenses:		
Landing area usage	1,035,867	1,215,426
Hangar area usage	97,422	76,108
Main hangar and Fixed Base Operations (FBO)	96,244	118,169
Terminal area usage	434,554	436,092
Land usage	475,655	458,042
Public administration	4,630,971	3,742,669
Total operating expenses	6,770,713	6,046,506
Operating loss before depreciation expense	(2,306,148)	(1,791,784)
Depreciation expense – capital recovery	(2,401,377)	(2,484,054)
Operating loss	(4,707,525)	(4,275,838)
Non-operating revenue (expense):		
Property taxes	2,242,895	2,131,118
Redevelopment agency property tax increment	35,522	34,941
Interest and investment returns, net of fair value	442,200	143,985
CARES Act airport grants (note 16)	-	25,986
Transportation Security Administration law enforcement officer reimbursement	5,202	6,600
Note receivable write-off (note 5)	-	(166,218)
Loss on disposal of assets	-	(39,288)
Gain on land sale	-	1,141,941
Airshow expense, net	(76,281)	(197,404)
Total non-operating revenues, net	2,649,538	3,081,661
Net loss before capital contributions	(2,057,987)	(1,194,177)
Capital contributions:		
Federal capital grants	5,213,495	2,589,104
Tenant improvements (note 4)	-	100,249
Passenger facility charges	63,252	65,036
Total capital contributions	5,276,747	2,754,389
Changes in net position	3,218,760	1,560,212
Net position, beginning of year, as restated	38,626,352	37,066,140
Net position, end of year, as restated	\$ 41,845,112	38,626,352

Santa Maria Public Airport District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>As Restated 2023</u>
Cash flows from operating activities:		
Cash receipts from customers and tenants	\$ 4,483,050	4,247,211
Cash paid to vendors for materials and services	(7,249,797)	(3,748,414)
Cash paid to employees for salaries	<u>(1,139,343)</u>	<u>(1,093,008)</u>
Net cash used in operating activities	<u>(3,906,090)</u>	<u>(594,211)</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes	2,242,895	2,131,118
Proceeds from redevelopment agency property tax increment	35,522	34,941
Proceeds from federal operating grants	<u>-</u>	<u>242,116</u>
Net cash provided by non-capital financing activities	<u>2,278,417</u>	<u>2,408,175</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(7,129,197)	(3,965,489)
Proceeds from federal capital grants	6,550,374	1,359,319
Proceeds from passenger facility charges	63,252	65,036
Proceeds from land sale	-	1,141,941
Payments for land improvements	<u>(23,230)</u>	<u>(24,446)</u>
Net cash used in capital and related financing activities	<u>(538,801)</u>	<u>(1,423,639)</u>
Cash flows from investing activities:		
Interest received on leases receivable	(228,800)	(217,371)
Interest received on cash and cash equivalents	<u>473,523</u>	<u>103,056</u>
Net cash provided by (used in) investing activities	<u>244,723</u>	<u>(114,315)</u>
Net (decrease) increase in cash and cash equivalents	(1,921,751)	276,010
Cash and cash equivalents, beginning of year	<u>10,186,765</u>	<u>9,910,755</u>
Cash and cash equivalents, end of year	<u>\$ 8,265,014</u>	<u>10,186,765</u>
Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and cash equivalents	\$ 7,850,385	8,651,528
Restricted assets – cash and cash equivalents	<u>414,629</u>	<u>1,535,237</u>
Total cash and cash equivalents	<u>\$ 8,265,014</u>	<u>10,186,765</u>

Continued on next page

See accompanying notes to the basic financial statements

Santa Maria Public Airport District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	As Restated 2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (4,707,525)	(4,275,838)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	2,401,377	2,484,054
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)Decrease in assets:		
Accounts receivable – customers and tenants, net	4,943	16,068
Note receivable	-	166,218
Prepaid expenses and deposits	73,116	(73,889)
(Increase)Decrease in deferred outflows of resources:		
Deferred other post-employment benefits outflows	(240)	86,588
Deferred pension outflows	20,897	(563,074)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	(1,837,110)	1,637,267
Accrued wages and related liabilities	(8,742)	13,431
Compensated absences	44,254	(25,076)
Unearned revenue	14,675	(24,232)
Hangar and other deposits	(1,133)	653
Total other post-employment benefits liability	(16,418)	(68,748)
Net pension liability	155,968	1,116,046
Increase(Decrease) in deferred inflows of resources:		
Deferred other post-employment benefits inflows	29,112	1,432
Deferred pension inflows	(79,264)	(1,045,823)
Total adjustments	801,435	3,681,627
Net cash used in operating activities	\$ (3,906,090)	(594,211)
Non-cash investing, capital and financing transactions:		
Change in fair value of funds deposited with LAIF	\$ (6,064)	(98,406)

See accompanying notes to the basic financial statements

Santa Maria Public Airport District
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Santa Maria Public Airport District (District) encompasses an area of 400 square miles extending from the Santa Maria/Cuyama River at the north to a point three miles south of the community of Los Alamos at the south. For the east-west direction, the District commences at Point Sal at the Pacific Ocean and extends eastward 30 miles, or 10 miles east of the dam at Twitchell Reservoir. The District's approximately 2,598 acres include two active runways and provide facilities for one regional airline (Allegiant Airlines), and serve as home base for over 222 general aviation aircraft. The District is governed by a five-member Board of Directors who serve four-year terms and are elected by the District. The directors entrust the responsibility for the efficient execution of airport policies to their designated representative, the General Manager.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, capital and operating grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses are generated and incurred through general airport activities of the District's tenants, and transporting the general public and other goods on commercial aircraft; operating expenses include the repairs and maintenance of the District's facilities and infrastructure, security, airport promotion, and fixed based operations. Public administration expenses of the airport and depreciation expense are also considered and classified as operating expenses. Other revenues, such as property taxes and investment income, and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 99, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources, at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District’s cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at time of purchase to be cash equivalents.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

3. Investments and Investment Policy

The District has adopted an investment policy directing the Manager of Finance and Administration to deposit funds in financial institutions. Investments are to be made in the following areas:

- a. Securities of the U.S. government or its agencies
- b. Federal agency obligations
- c. Local agency bonds and notes
- d. State registered warrants, notes, and bonds
- e. Banker's acceptances
- f. Medium-term corporate notes and mortgage pass-through securities
- g. Certificates of deposit (negotiable and placed)
- h. Commercial paper (prime)
- i. Money market mutual funds and mutual fund accounts
- j. Passbook savings and demand deposit accounts (collateralized)
- k. State of California Local Agency Investment Fund (LAIF)

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – This valuation level is based on quoted prices in active markets for identical assets.
- **Level 2** – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

6. Federal Capital and Operating Grants

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a federal capital or operating grant receivable on the statements of net position and as a capital grant contribution or operating grant revenue, as appropriate, on the statements of revenues, expenses, and changes in net position.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

7. Prepaids

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. No depreciation is provided for construction work in process until construction is completed and/or the asset is placed into service. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Landing area – 4 to 50 years
- Revenue generating land – 5 to 30 years
- Owner-Builder area – 10 years
- T-Hangars – 5 to 20 years
- Fixed Based Operations (FBO) – 5 to 20 years
- Terminal – 5 to 25 years
- Administration and equipment – 3 to 20 years

9. Deferred Outflows of Resources

The statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to employer contributions made after the measurement date of the total OPEB liability. This amount will be amortized-in-full against the total OPEB liability in the next fiscal year.

Pensions

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

9. Deferred Outflows of Resources, continued

Pensions, continued

- Deferred outflow for the net difference between projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.

10. Unearned Revenue

Unearned revenue consists of agricultural land, terminal, hangar, and concessionaire rentals and payments received in advance, which will be amortized to revenue on a straight-line basis over the applicable period.

11. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation and sick leave. Sick leave that is not used shall accumulate during subsequent years up to 960 hours per employee. Payment of unused sick leave is payable to an employee only upon termination or retirement of employment.

12. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2022 and June 30, 2021
- Measurement dates: June 30, 2023 and June 30, 2022
- Measurement periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

13. Deferred Inflows of Resources

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other post-employment benefits through the Plan.
- Deferred inflow for the changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other post-employment benefits through the Plan.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

13. Deferred Inflows of Resources, continued

Pensions

- Deferred inflow for the net difference between the actual and proportionate share of contributions amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred inflow for the net change due to changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

14. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation, and reduced by any outstanding debt applicable to the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

15. Property Taxes

The County of Santa Barbara Assessor’s Office assesses all real and personal property within the County each year. The County of Santa Barbara Tax Collector’s Office bills and collects the District’s share of property taxes. The County of Santa Barbara Treasurer’s Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property tax revenue at year-end is related to property taxes collected by the County of Santa Barbara, which have not been transferred to the District as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

16. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by granting agencies or tenants desiring services that require capital items.

17. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 7,850,385	8,651,528
Restricted cash and cash equivalents	414,629	1,535,237
Certificate-of-deposit	<u>8,000</u>	<u>8,000</u>
Total cash and investments	<u>\$ 8,273,014</u>	<u>10,194,765</u>

Cash and cash investments as of June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 1,350	1,350
Deposits with financial institutions	507,585	749,575
Investments	<u>7,764,079</u>	<u>9,443,840</u>
Total cash and investments	<u>\$ 8,273,014</u>	<u>10,194,765</u>

As of June 30, the District's authorized deposits had the following maturities:

	<u>2024</u>	<u>2023</u>
Certificate-of-deposit held with a financial institution	May 2025	May 2024
Deposits with California Cooperative Liquid Assets Securities System (CLASS)	75 days	N/A
Deposits with California Local Agency Investment Fund (LAIF)	217 days	260 days

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments, and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity date.

Investments at June 30, 2024, consisted of the following:

Investment Type	Amount	Remaining Maturity (in Months) 12 months or less
Certificates-of-deposit	\$ 8,000	8,000
California Cooperative Liquid Assets Securities System	5,182,559	5,182,559
Local Agency Investment Fund	1,639,864	1,639,864
Money market savings account	933,656	933,656
Total	\$ 7,764,079	7,764,079

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Interest Rate Risk, continued

Investments at June 30, 2023, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months) 12 months or less</u>
Certificates-of-deposit	\$ 8,000	8,000
Local Agency Investment Fund	6,387,849	6,387,849
Money market savings account	<u>3,047,991</u>	<u>3,047,991</u>
Total	<u>\$ 9,443,840</u>	<u>9,443,840</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings at June 30, 2024, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Ratings AAA</u>
Certificates-of-deposit	\$ 8,000	N/A	8,000	-
California Cooperative Liquid Assets Securities System	5,182,559	N/A	5,182,559	-
Local Agency Investment Fund	1,639,864	N/A	1,639,864	-
Money market savings account	<u>933,656</u>	AAA	-	<u>933,656</u>
Total	<u>\$ 7,764,079</u>		<u>6,830,423</u>	<u>933,656</u>

Credit ratings at June 30, 2023, consisted of the following:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Ratings AAA</u>
Certificates-of-deposit	\$ 8,000	N/A	8,000	-
Local Agency Investment Fund	6,387,849	N/A	6,387,849	-
Money market savings account	<u>3,047,991</u>	AAA	-	<u>3,047,991</u>
Total	<u>\$ 9,443,840</u>		<u>6,395,849</u>	<u>3,047,991</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Fair Value Measurements

Investments measured at fair value on a recurring and non-recurring basis as of June 30, 2024, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates-of-deposit	\$ 8,000	-	8,000	-
Money market savings account	933,656	-	933,656	-
Total investments measured at fair value	941,656	-	941,656	-
Investments measured at amortized cost:				
California Cooperative Liquid Assets Securities System	5,182,559			
Local Agency Investment Fund (LAIF)	1,639,864			
Total	\$ 7,764,079			

Investments measured at fair value on a recurring and non-recurring basis as of June 30, 2023, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates-of-deposit	\$ 8,000	-	8,000	-
Money market savings account	3,047,991	-	3,047,991	-
Total investments measured at fair value	3,055,991	-	3,055,991	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	6,387,849			
Total	\$ 9,443,840			

(3) Accounts Receivable – Customers and Tenants, Net

The balance as of June 30 consists of the following:

	<u>2024</u>	<u>2023</u>
Accounts receivable – customers and tenants	\$ 113,073	125,544
Allowance for uncollectible accounts	(15,851)	(23,379)
Accounts receivable – customers and tenants, net	\$ 97,222	102,165

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Leases Receivable

The District leases a portion of its property to various third parties who use the space to conduct their operations on the District's grounds, the terms expire 2022 through 2063. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. A number of leases have a maximum possible term of 12 months (or less), including options to extend, regardless of their probability of being exercised. Those payments are recognized as inflows of resources based on the payment provisions of the lease contracts and are therefore excluded from the schedule in this section.

Various other leasing arrangements are in place for District owned buildings, ground, and support spaces. Lease payments are generally based on total square footage being leased at an established rate, with periodic increases based on the Consumer Price Index.

Short-term lease payments are recognized as inflows of resources based on the payment provisions of the lease contract and are therefore not included in the lease receivable balances below.

The District reports leases receivable with carrying amounts of \$10,180,863 and \$10,966,778 as of June 30, 2024 and 2023, respectively, and deferred inflows of resources in the amount of \$9,220,991 and \$10,235,706 as of June 30, 2024 and 2023, respectively, related to this agreement. Revenue recognized under lease contracts during the years ended June 30, 2024, and 2023 was \$1,365,015 and \$1,343,068, respectively, which includes both lease revenue and interest.

In March 2021, the District entered into a lease agreement with Gresser, Inc. (tenant) for the purpose of leasing land used for agriculture. Terms of the lease agreement included a \$1,390,000 rent credit for the purpose of providing funds towards capital improvements to the leased property. The District has included the rent credit as part of the lease receivable and deferred inflows. As of June 30, 2024 and 2023, capital contributions sourcing from the tenant amounted to \$0 and \$100,249, respectively.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Leases Receivable, continued

The following table summarizes total remaining lease payments, GASB 87 lease receivables/deferred lease inflows and lease interest receivable at estimated District discount rates ranging from 2.40% to 3.22% as of June 30, 2024:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2025	\$ 839,627	315,430	1,155,057	(1,011,610)
2026	331,723	294,405	626,128	(550,190)
2027	234,318	286,615	520,933	(456,570)
2028	481,613	275,639	757,252	(448,246)
2029	516,234	259,479	775,713	(446,654)
2030-2034	1,827,542	1,069,299	2,896,841	(1,742,583)
2035-2039	836,288	895,874	1,732,162	(984,707)
2040-2044	921,335	750,997	1,672,332	(890,460)
2045-2049	937,805	598,594	1,536,399	(767,679)
2050-2054	1,029,597	444,673	1,474,270	(716,385)
2055-2059	1,230,188	264,577	1,494,765	(716,381)
2060-2063	994,593	57,045	1,051,638	(489,526)
	<u>10,180,863</u>	<u>5,512,627</u>	<u>15,693,490</u>	<u>(9,220,991)</u>
Current	<u>(839,627)</u>			
Non-current \$	<u>9,341,236</u>			

The following table summarizes total remaining lease payments, GASB 87 lease receivables/deferred lease inflows and lease interest receivable at estimated District discount rates ranging from 2.40% to 3.22% as of June 30, 2023:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2024	\$ 785,914	341,300	1,127,214	(1,014,715)
2025	839,627	315,430	1,155,057	(1,011,610)
2026	331,723	294,405	626,128	(550,190)
2027	234,318	286,615	520,933	(456,570)
2028	481,613	275,639	757,252	(448,246)
2029-2033	2,208,135	1,134,818	3,342,953	(1,992,296)
2034-2038	781,204	921,836	1,703,040	(984,706)
2039-2043	911,365	780,490	1,691,855	(916,165)
2044-2048	951,711	629,034	1,580,745	(795,639)
2049-2053	997,015	477,255	1,474,270	(716,385)
2054-2058	1,178,538	303,284	1,481,822	(716,382)
2059-2063	1,265,615	93,821	1,359,436	(632,802)
Total	10,966,778	<u>5,853,927</u>	<u>16,820,705</u>	<u>(10,235,706)</u>
Current	<u>(785,914)</u>			
Non-current \$	<u>10,180,864</u>			

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Leases Receivable, continued

Regulated Leases

A portion of the District’s revenue comes from regulated leases of which the District is the lessor. Regulated leases as defined by the Department of Transportation and the Federal Aviation Administration and outlined in GASB 87 paragraphs 42 and 43 are specially excluded. Terminal space and aircraft hangars are generally month-to-month leases are described in the information herein.

The District leases parts of its land, terminal building, and hangars to various businesses and individuals under long-term leases with terms from 5 – 60 years. Rental revenues from these regulated leases were \$279,416 and \$282,984 and included in terminal leases and concessions for the years ended June 30, 2024 and 2023, respectively. The cost of property held for leasing is not readily determinable.

Future minimum rentals on regulated leases as of June 30, 2024, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>
2025	\$ 271,024
2026	275,483
2027	279,843
2028	301,713
2029	302,734
2030-2034	1,482,609
2035-2039	995,533
2040-2044	749,524
2045-2049	870,266
2050-2054	766,798
2055-2059	572,540
2060-2061	<u>158,153</u>
Total	<u>\$ 7,026,220</u>

Future minimum rentals on regulated leases as of June 30, 2023, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>
2024	\$ 279,416
2025	275,104
2026	279,563
2027	283,923
2028	305,793
2029-2033	1,566,303
2034-2038	1,094,635
2039-2043	722,581
2044-2048	850,183
2049-2053	845,578
2054-2058	556,978
2059-2061	<u>276,769</u>
Total	<u>\$ 7,336,826</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(5) Note Receivable

In June 14, 2000, the Board authorized a loan guarantee of \$150,000 in the form of a certificate-of-deposit with Santa Barbara Bank and Trust for Pacific Skyway, Inc. (Pacific Skyway), an airline start-up, owned by an individual, David Baskett (Mr. Baskett). Subsequently, Pacific Skyway went out of business and filed for bankruptcy protection in 2001. As a result of the bankruptcy filing, Pacific Skyway defaulted on its loan and the certificate-of-deposit was forfeited and recognized as a loss by the District.

On October 1, 2001, the amount in default was recorded as a note receivable between the District and Mr. Baskett. On August 29, 2002, a note agreement was signed by the District and Mr. Baskett. Terms of the note called for an 8% annual interest rate and monthly payments of \$7,507, beginning on January 1, 2003.

In December 2012, Mr. Baskett was elected to the Board. The note receivable became a related party transaction. On February 21, 2013, the District entered into a new promissory note agreement with Mr. Baskett. Terms of the agreement called for a 4% annual interest rate and minimum monthly payments of \$200, until the loan is repaid in full. The agreement's terms provide that District retain all subsequent Director's fees to assist in satisfying the obligation.

During the fiscal year ended June 30, 2017, the District filed suit with the Santa Barbara County Court to recover the outstanding balance of \$122,788 and additional legal fees. On August 31, 2017, a summary judgement was granted in favor of the District.

On December 17, 2020, an unlawful detainer complaint, in relation to the termination of Mr. Baskett's hangar lease with the District, was filed and a non-jury trial commenced on April 16, 2021. The court found in favor of the District, but stayed the eviction until June 1, 2021.

On January 7, 2022, Mr. Baskett filed for Chapter 13 Bankruptcy in the Central District of California which automatically stayed enforcement of the judgement in the unlawful detainer case described above. The District filed a Motion for Relief from Stay on March 22, 2022, and on May 5, 2022, the District was granted relief. The District enforced the court's judgment via a Writ of Possession on June 8, 2022.

On November 3, 2022, a settlement agreement was entered into between the District and the Chapter 7 Trustee for Mr. Baskett's bankruptcy estate. The District agreed to waive any administrative claims and general unsecured claims and allow a sale of Mr. Baskett's assets by auction. In exchange, the Trustee agreed to prepare and file Requests for Dismissal with prejudice of the Baskett pending cases. The Bankruptcy Court approved the settlement agreement on December 15, 2022. Dismissals were filed in all pending cases on February 10, 2023. As a result, the District has written off the note receivable balance as of June 30, 2023.

The change in note receivable for 2023 is as follows:

	<u>2022</u>	<u>Additions</u>	<u>Payments Deletions</u>	<u>2023</u>
Note receivable	\$ 166,218	-	(166,218)	-

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Capital Assets

Changes in capital assets for 2024 were as follows:

	<u>As Restated 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land and land rights	\$ 6,370,747	-	-	6,370,747
Construction-in-process	<u>4,092,992</u>	<u>7,064,320</u>	<u>(10,613,646)</u>	<u>543,666</u>
Total non-depreciable assets	<u>10,463,739</u>	<u>7,064,320</u>	<u>(10,613,646)</u>	<u>6,914,413</u>
Depreciable assets:				
Landing area	48,069,728	10,434,665	-	58,504,393
Revenue generating land	9,611,017	-	-	9,611,017
Owner-Builder area	52,015	-	-	52,015
T-Hangars	6,568,686	159,431	-	6,728,117
Fixed Based Operations (F.B.O.)	2,569,779	-	-	2,569,779
Terminal	14,839,302	-	-	14,839,302
Administration and equipment	<u>3,281,924</u>	<u>13,347</u>	<u>-</u>	<u>3,295,271</u>
Total depreciable assets	<u>84,992,451</u>	<u>10,607,443</u>	<u>-</u>	<u>95,599,894</u>
Accumulated depreciation:				
Landing area	(31,882,200)	(1,453,110)	-	(33,335,310)
Revenue generating land	(6,002,595)	(432,584)	-	(6,435,179)
Owner-Builder area	(36,401)	(3,470)	-	(39,871)
T-Hangars	(6,488,254)	(26,837)	-	(6,515,091)
Fixed Based Operations (F.B.O.)	(2,447,954)	(24,576)	-	(2,472,530)
Terminal	(15,141,418)	(392,071)	-	(15,533,489)
Administration and equipment	<u>(2,566,267)</u>	<u>(68,728)</u>	<u>-</u>	<u>(2,634,995)</u>
Total accumulated depreciation	<u>(64,565,089)</u>	<u>(2,401,376)</u>	<u>-</u>	<u>(66,966,465)</u>
Total depreciable assets, net	<u>20,427,362</u>	<u>8,206,067</u>	<u>-</u>	<u>28,633,429</u>
Total capital assets, net	<u>\$ 30,891,101</u>			<u>35,547,842</u>

Major capital assets additions during the year include landing area, T-hangers, and administration and equipment acquisitions. There were no capital asset deletions during the year. In addition, the prior year's balances were restated as described in note 12.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Capital Assets, continued

Changes in capital assets for 2023 were as follows:

	<u>As Restated 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>As Restated 2023</u>
Non-depreciable assets:				
Land and land rights	\$ 6,394,133	-	(23,386)	6,370,747
Construction-in-process	<u>2,759,632</u>	<u>3,771,391</u>	<u>(2,438,031)</u>	<u>4,092,992</u>
Total non-depreciable assets	<u>9,153,765</u>	<u>3,771,391</u>	<u>(2,461,417)</u>	<u>10,463,739</u>
Depreciable assets:				
Landing area	47,681,095	388,633	-	48,069,728
Revenue generating land	7,637,723	1,973,294	-	9,611,017
Owner-Builder area	34,664	17,351	-	52,015
T-Hangars	6,568,686	-	-	6,568,686
Fixed Based Operations (F.B.O.)	2,569,779	-	-	2,569,779
Terminal	14,819,837	19,465	-	14,839,302
Administration and equipment	<u>3,281,924</u>	<u>-</u>	<u>-</u>	<u>3,281,924</u>
Total depreciable assets	<u>82,593,708</u>	<u>2,398,743</u>	<u>-</u>	<u>84,992,451</u>
Accumulated depreciation:				
Landing area	(30,420,282)	(1,461,918)	-	(31,882,200)
Revenue generating land	(5,575,093)	(427,502)	-	(6,002,595)
Owner-Builder area	(34,665)	(1,736)	-	(36,401)
T-Hangars	(6,415,359)	(72,895)	-	(6,488,254)
Fixed Based Operations (F.B.O.)	(2,417,730)	(30,224)	-	(2,447,954)
Terminal	(14,751,559)	(389,859)	-	(15,141,418)
Administration and equipment	<u>(2,466,346)</u>	<u>(99,921)</u>	<u>-</u>	<u>(2,566,267)</u>
Total accumulated depreciation	<u>(62,081,034)</u>	<u>(2,484,055)</u>	<u>-</u>	<u>(64,565,089)</u>
Total depreciable assets, net	<u>20,512,674</u>	<u>(85,312)</u>	<u>-</u>	<u>20,427,362</u>
Total capital assets, net	<u>\$ 29,666,439</u>			<u>30,891,101</u>

Major capital assets additions during the year include landing area, revenue generating land, owner-build area, and terminal asset acquisitions. There were no capital asset deletions during the year.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Capital Assets, continued

Construction-In-Process

The District has been involved in various construction projects throughout the year. The balances of the various construction projects that comprise the construction-in-process balances at June 30 are as follows:

The balance at June 30 consists of the following projects:

		<u>2024</u>	<u>As Restated 2023</u>	<u>As Restated 2022</u>
Landing area improvements	\$	-	3,644,486	821,410
Revenue generating land		-	-	1,938,222
Terminal area		152,527	176,618	-
Administration		391,139	271,888	-
Construction-in-process	\$	<u>543,666</u>	<u>4,092,992</u>	<u>2,759,632</u>

(7) Compensated Absences

Changes in compensated absences balance at June 30 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$	147,493	132,642	(88,388)	191,747	143,810	47,937
	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$	172,569	127,583	(152,659)	147,493	110,620	36,873

(8) Land Improvements Payable

In April 2014, the District entered into a zero-interest land improvement payable obligation with Pacific Gas & Electric (PG&E), in the amount \$12,266. The purpose of the payable was to provide funds for the acquisition of energy-efficient capital equipment. Terms of the obligation call for monthly payments of \$111 maturing in May 2023.

In April 2020, the District entered into a zero-interest land improvement payable obligation with Pacific Gas & Electric (PG&E), in the amount \$144,651. The purpose of the payable was to provide funds for the acquisition of energy-efficient terminal lighting upgrades. Terms of the obligation call for monthly payments of \$1,644 maturing in July 2026.

In July 2020, the District entered into a zero-interest land improvement payable obligation with Pacific Gas & Electric (PG&E), in the amount \$31,398. The purpose of the payable was to provide funds for the acquisition of energy-efficient terminal lighting upgrades. Terms of the obligation call for monthly payments of \$233 maturing in July 2031.

Changes in land improvements for 2024 were as follows:

		<u>2023</u>	<u>Additions</u>	<u>Payments</u>	<u>2024</u>
Land improvements payabl	\$	105,439	-	(23,230)	82,209
Less current-portion		(23,230)			(23,120)
Total non-current	\$	<u>82,209</u>			<u>59,089</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(8) Land Improvements Payable, continued

Changes in land improvements for 2023 were as follows:

	2022	Additions	Payments	2023
Land improvements payabl \$	129,885	-	(24,446)	105,439
Less current-portion	(24,556)			(23,230)
Total non-current	\$ 105,329			82,209

Future annual payments are as follows:

Fiscal Year	Annual Payment
2025	\$ 23,120
2026	23,119
2027	23,120
2028	8,325
2029	3,394
2030	1,131
Total	82,209
Less: current	(23,120)
Non-current	\$ 59,089

(9) Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District's defined benefit OPEB plan (Plan) provides OPEB for all permanent full-time employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board of Directors has the authority to establish and amend the benefit terms and financing requirements of the Plan.

Benefits Provided

For retirees at age of 55 with a minimum of 5 years of service, the District's contribution toward the CalPERS Medical Program will be 100% of the District's share of the premium amount for the retiree and their dependents.

	Measurement Date 2023	Measurement Date 2022
Inactive employees or beneficiaries currently receiving benefit payments	5	5
Active employees	12	11
Total Plan membership	17	16

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Other Post-Employment Benefits (OPEB) Plan, continued

Contributions

The Plan and its contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District pays 100% of its share of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The District's cap is \$143 per month which is adjusted each year in accordance with California Government Code Section 22892. The annual contribution is based on the actuarially determined contribution.

As of the fiscal years ended June 30, the contributions were as follows:

	2024	2023
Contributions – employer	\$ 9,240	9,000

As of June 30 2024 and 2023, employer pension contributions of \$9,240 and \$9,000 were reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be and were recognized as a reduction of the total OPEB liability in the fiscal years ended June 30, 2025 and 2024, respectively.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2023 and 2022, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023 and 2021, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	2.75 percent
Discount rate	2024 – 3.65 percent 2023 – 3.54 percent
Healthcare cost trend rates	4.00 percent per year
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees at age 50 with a minimum 5 years of service

Notes:

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

Discount Rate

As of June 30 2024 and 2023, the discount rate used to measure the total OPEB liability was 3.65% and 3.54%, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Other Post-Employment Benefits (OPEB) Plan, continued

Changes in the Total OPEB Liability

	Total OPEB Liability 2023-2024	Total OPEB Liability 2022-2023
Balance at beginning of year	\$ 337,720	406,468
Changes for the year:		
Service cost	14,738	20,636
Interest	12,049	8,908
Employer contributions	(9,000)	(8,760)
Expected minus actual benefits	(421)	-
Experience (gains)/losses	(33,508)	-
Assumption changes	(276)	(89,532)
Net change	<u>(16,418)</u>	<u>(68,748)</u>
Balance at end of year	<u>\$ 321,302</u>	<u>337,720</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of June 30, 2024, the discount rate comparison was as follows:

	Discount Rate - 1% (2.65%)	Current Discount Rate (3.65%)	Discount Rate + 1% (4.65%)
District's total OPEB liability	\$ <u>379,924</u>	<u>321,302</u>	<u>274,885</u>

As of June 30, 2023, the discount rate comparison was as follows:

	Discount Rate - 1% (2.54%)	Current Discount Rate (3.54%)	Discount Rate + 1% (4.54%)
District's total OPEB liability	\$ <u>400,464</u>	<u>337,720</u>	<u>292,428</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Other Post-Employment Benefits (OPEB) Plan, continued

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District'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:

As of June 30, 2024, the healthcare cost trend rate comparison was as follows:

	Decrease (4.00% decreasing to 3.00%)	Healthcare Cost Trend Rates (4.00%)	1% Increase (4.00% increasing to 5.00%)
District's total OPEB liability	\$ 267,613	321,302	391,981

As of June 30, 2023, the healthcare cost trend rate comparison was as follows:

	Decrease (4.00% decreasing to 3.00%)	Healthcare Cost Trend Rates (4.00%)	1% Increase (4.00% increasing to 5.00%)
District's total OPEB liability	\$ 279,003	337,720	409,491

For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$21,694 and \$28,722, respectively.

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 9,240	-	9,000	-
Differences between actual and expected experience	-	(42,965)	-	(14,245)
Changes in assumptions	-	(3,570)	-	(3,178)
Total	\$ 9,240	(46,535)	9,000	(17,423)

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Other Post-Employment Benefits (OPEB) Plan, continued

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB, continued

At June 30, 2024, the District recognized other amounts reported by the Plan actuary as deferred outflows of resources and deferred inflows of resources related to the OPEB liability. OPEB related amounts will be recognized as expense as follows.

Actuarially Determined Deferred Outflows (Inflows) - OPEB Plan

Fiscal Year	Net Change	Net Difference	
Ending June 30:	in Assumptions	between Expected	
		and Actual	Total
		Experience	
2025	\$ 116	(5,209)	(5,093)
2026	116	(5,209)	(5,093)
2027	116	(5,209)	(5,093)
2028	116	(5,209)	(5,093)
2029	116	(5,209)	(5,093)
Thereafter	<u>(4,150)</u>	<u>(16,920)</u>	<u>(21,070)</u>
Total	<u>\$ (3,570)</u>	<u>(42,965)</u>	<u>(46,535)</u>

Schedules of Changes in the District's Total OPEB Liability and Related Ratios

See page 53 for the Required Supplementary Information.

(10) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Risk Pool, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

Benefits Provided, continued

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the District's CalPERS 2.0% at 55 Retirement Plan.

The Plans' provision and benefits in effect at June 30, 2024 are summarized as follows:

<u>Description</u>	<u>Miscellaneous Plan</u>	
	<u>Tier 1</u>	<u>Tier 2</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Fiscal year 2024:		
Required employee contribution rates	6.920%	7.750%
Required employer contribution rates	12.470%	7.680%
Fiscal year 2023:		
Required employee contribution rates	6.920%	6.750%
Required employer contribution rates	10.870%	7.470%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates, for all public employers, be determined on an annual basis by the actuary and shall be effective on July 1, following notice of the change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal years ended June 30, the contributions to the Plan were as follows:

	<u>Miscellaneous Plan</u>	
	<u>2024</u>	<u>2023</u>
Contributions – employer	\$ 264,631	262,252
Contributions – employee (paid by employer)	41,356	35,122
Total employer paid contributions	<u>\$ 305,987</u>	<u>297,374</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

Net Pension Liability

As of the fiscal years ended June 30, the District reported net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability	
	2024	2023
Miscellaneous Plan	\$ 2,566,217	2,410,249

The District's net pension liability is measured as the proportionate share of the net pension liability for the Plan. The net pension liability of the Plan is measured as of June 30, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021, respectively, rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the net pension liability for the Plan as of the fiscal years ended June 30 were as follows:

Proportion	Miscellaneous Plan	Proportion	Miscellaneous Plan
June 30, 2023	0.02087%	June 30, 2022	0.02393%
June 30, 2024	0.02057%	June 30, 2023	0.02087%
Change	-0.00030%	Change	-0.00306%

As a result of the implementation of the GASB 68 pronouncement at June 30, 2024 and 2023, the District recognized pension income and expense of \$362,232 and \$230,599, respectively.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 264,631	-	262,252	-
Net difference between actual and expected experience	110,760	-	15,985	-
Net change in assumptions	154,934	-	246,983	-
Net difference between projected and actual earnings on plan investments	415,493	-	441,495	-
Net difference between actual contribution and proportionate share of contribution	-	(17,159)	-	(68,633)
Net adjustment due to differences in proportions of net pension liability	-	(55,481)	-	(83,271)
Total	<u>\$ 945,818</u>	<u>(72,640)</u>	<u>966,715</u>	<u>(151,904)</u>

As of June 30, 2024 and 2023, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$264,631 and \$262,252, respectively, will be and were recognized as a reduction of the net pension liability in the fiscal years ended June 30, 2025 and 2024, respectively.

The District will recognize other amounts of deferred outflows of resources and deferred inflows of resources related to pension as follows.

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2025	\$ 141,548
2026	93,647
2027	366,758
2028	6,594
2029	-
Thereafter	-

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and 2021, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation dates	June 30, 2022 and 2021
Measurement dates	June 30, 2023 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68

Actuarial assumptions:

Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Investment rate of return	2024 and 2023 – 6.90 % net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Period upon which actuarial Experience Survey assumptions were based	2020 – 1997–2015
Post retirement benefit	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies; 2.50% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan, selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. 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 for the Plan.

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.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2024, the long-term expected real rate of return by asset class was as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>
Global Equity - cap-weighted	30.00%	4.45%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

* An expected inflation of 2.3% used for this period

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following tables present the District's proportionate share of the net position liability for the Plan calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

As of June 30, 2024, the discount rate comparison was the following:

	<u>Discount Rate - 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
District's net pension liability	\$ <u>3,701,504</u>	<u>2,566,217</u>	<u>1,631,777</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Defined Benefit Pension Plan, continued

As of June 30, 2023, the discount rate comparison was the following:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's net pension liability	\$ <u>3,505,582</u>	<u>2,410,249</u>	<u>1,509,061</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 54 through 55 for the Required Supplementary Information.

Payable to the Pension Plan

As of June 30, 2024 and 2023, the District reported no payables for the outstanding amount of contribution to the pension plan.

(11) Net Position

Calculation of net position as of June 30, was as follows:

	2024	As Restated 2023
Net investment in capital assets:		
Capital assets, not being depreciated	\$ 6,914,413	10,463,739
Depreciable capital assets	28,633,429	20,427,362
Land improvements payable – current	(23,120)	(23,230)
Land improvements payable – non-current	<u>(59,089)</u>	<u>(82,209)</u>
Total net investment in capital assets	<u>35,465,633</u>	<u>30,785,662</u>
Restricted net position:		
Restricted – cash and cash equivalents	<u>414,629</u>	<u>1,535,237</u>
Total restricted net position	<u>414,629</u>	<u>1,535,237</u>
Unrestricted net position:		
Non-spendable net position:		
Prepaid expenses and deposits	<u>5,921</u>	<u>79,037</u>
Total non-spendable net position	<u>5,921</u>	<u>79,037</u>
Spendable net position are designated as follows:		
Total spendable net position	<u>5,958,929</u>	<u>6,226,416</u>
Total unrestricted net position	<u>5,964,850</u>	<u>6,305,453</u>
Total net position	<u>\$ 41,845,112</u>	<u>38,626,352</u>

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(12) Adjustments to Net Position

Capital Assets Accumulated Depreciation and Depreciation Expense

During the fiscal year ended June 30, 2024, the District determined that certain assets within its administration and equipment category were over depreciated during the fiscal years ending June 30, 2023 and 2022, respectively. Accordingly, the District has adjusted its net position. Please see Note 6 for further information.

The adjustments to net position are as follows:

Net position at June 30, 2021, as previously stated	<u>36,287,695</u>
Effect of adjustments to correct assets over depreciated in administration and equipment	28,569
Change in net position at June 30, 2022, as previously stated	<u>749,876</u>
Total adjustment to net position	<u>778,445</u>
Net position at June 30, 2022, as restated	<u>37,066,140</u>
Effect of adjustments to correct assets over depreciated in administration and equipment	107,318
Change in net position at June 30, 2023, as previously stated	<u>1,452,894</u>
Total adjustment to net position	<u>1,560,212</u>
Net position at June 30, 2023, as restated	<u>38,626,352</u>

(13) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Fair value of all plan assets held in trust by Mass Mutual at June 30, 2024 and 2023, was \$1,717,276 and \$1,431,955, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(14) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District, as a member of the Special District Risk Management Authority (SDRMA), has purchased various insurance policies to manage the potential liabilities that may occur from the previously named sources. SDRMA's purpose is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2024, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions, and employment practices liability: Total risk financing limits of \$10,000,000, combined single limit at \$10,000,000 per occurrence, subject to the following deductibles – \$500/\$1,000 per occurrence for third party general/auto liability property damage – 50% co-insurance of cost expended by SDRMA, in excess of \$10,000 up to \$110,000, per occurrence, for employment related claims. However, 100% of the obligation will be waived if certain criteria are met.
- Employee dishonesty coverage up to \$1,000,000 per loss includes public employee dishonesty, forgery or alteration, theft, disappearance, and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1 billion per occurrence (pool limit), subject to a \$1,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence (pool limit), subject to a \$1,000 deductible.
- Comprehensive collision coverage on selected vehicles, with deductibles of \$250/\$1,000 as elected; ACV limits; fully self-funded by the SDRMA.
- Public officials' personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, conditions, and exclusions as provided in the Memorandum of Coverages, with a deductible of \$1,000 per claim.
- Workers' Compensation Coverage and Employer's Liability: Statutory limits per occurrence for Workers' Compensation and \$5.0 Million for Employer's Liability Coverage, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage.

Also, the District has purchased aviation commercial general liability insurance coverage up to \$20 million from a commercial insurance carrier.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(15) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management’s discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity’s statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(15) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 103, continued

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(16) Commitments and Contingencies

Construction Contracts

The District has a variety of agreements with private parties relating to construction contracts at the District. The financing of such construction contracts is being provided primarily from the District's restricted capital reserves and federal capital grants. As of June 30, 2024 and 2023, the District had outstanding construction contracts in the amount of \$881,047 and \$4,526,266, respectively.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

CARES Act Operating Grant Award

In March 2020, the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law to provide relief to eligible airports in the United States that were affected by the COVID-19 pandemic. The District was awarded CARES Act funds. The funds are available to the District on a reimbursable basis for up to four years, no earlier than January 20, 2020 and will be used to pay for operating expenses that may no longer be covered by revenues. During the fiscal year ended June 30, 2022, the District requested \$1,276,792 in CARES Act funding reimbursements. At June 30, 2022, the District received \$1,935,628 and \$216,130 remained receivable. At June 30, 2023, the award balance of \$216,130 had been collected-in-full.

Santa Maria Public Airport District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(17) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of February 27, 2025, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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Required Supplementary Information

Santa Maria Public Airport District
Schedules of Changes in the District Total OPEB Liability and Related Ratios
As of June 30, 2024
Last Ten Years*

Fiscal year ending	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB liability							
Service cost	\$ 14,738	20,636	23,160	15,610	13,545	13,182	12,829
Interest	12,049	8,908	8,468	9,950	9,685	9,544	8,261
Employer contributions	(9,000)	(8,760)	(7,282)	(7,434)	(6,434)	(6,434)	(6,187)
Expected minus actual benefits	(421)	-	-	572	(338)	-	-
Experience (gains)/losses	(33,508)	-	(17,311)	-	(804)	-	-
Assumption changes	<u>(276)</u>	<u>(89,532)</u>	<u>26,108</u>	<u>74,724</u>	<u>12,756</u>	<u>(12,594)</u>	<u>-</u>
Net change in total OPEB liability	(16,418)	(68,748)	33,143	93,422	28,410	3,698	14,903
Total OPEB liability – beginning	<u>337,720</u>	<u>406,468</u>	<u>373,325</u>	<u>279,903</u>	<u>251,493</u>	<u>247,795</u>	<u>232,892</u>
Total OPEB liability – ending	\$ <u>321,302</u>	<u>337,720</u>	<u>406,468</u>	<u>373,325</u>	<u>279,903</u>	<u>251,493</u>	<u>247,795</u>
Covered payroll	\$ <u>911,013</u>	<u>901,339</u>	<u>829,257</u>	<u>846,782</u>	<u>830,037</u>	<u>735,356</u>	<u>794,904</u>
Total OPEB liability as a percentage of covered payroll	<u>35.27%</u>	<u>37.47%</u>	<u>49.02%</u>	<u>44.09%</u>	<u>33.72%</u>	<u>34.20%</u>	<u>31.17%</u>
Notes to Schedule							
Valuation dates	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Single and agent employers	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Salary increases	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Investment rate of return	3.65%	3.54%	6.25%	6.25%	6.25%	6.25%	6.25%
Mortality, retirement, disability							
Termination	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Other information	(6)	(6)	(6)	(6)	(6)	(6)	(6)

- (1) Level percentage of payroll, closed
- (2) Pre-retirement mortality based on RP-2014 Employee Mortality Tables, Post-retirement mortality rates based on RP-2014 Health Annuitant Mortality Table
- (3) CalPERS 1997-2015 Experience Study
- (4) CalPERS 2000-2019 Experience Study
- (5) Mortality projected fully generational with Scale MP-2019
- (6) Mortality projected fully generational with Scale MP-2021

*The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Santa Maria Public Airport District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2024
Last Ten Years

Description	Measurement Date June 30, 2023	Measurement Date June 30, 2022	Measurement Date June 30, 2021	Measurement Date June 30, 2020	Measurement Date June 30, 2019	Measurement Date June 30, 2018	Measurement Date June 30, 2017	Measurement Date June 30, 2016	Measurement Date June 30, 2015	Measurement Date June 30, 2014
District's proportion of the net pension liability	0.02057%	0.02087%	0.02393%	0.01890%	0.01849%	0.01795%	0.01761%	0.01728%	0.01618%	0.01700%
District's proportionate share of the net pension liability	\$ 2,566,217	2,410,249	1,294,203	2,056,379	1,894,820	1,729,838	1,746,160	1,495,222	1,110,736	1,057,671
District's covered payroll	\$ 901,339	829,257	846,782	830,037	735,356	794,904	768,476	766,034	691,152	691,157
District's proportionate share of the net pension liability as a percentage of its covered payroll	284.71%	290.65%	152.84%	247.75%	257.67%	217.62%	227.22%	195.19%	160.71%	153.03%
District's fiduciary net position as a percentage of the District's total pension liability	69.43%	70.00%	83.36%	72.47%	73.95%	75.06%	74.95%	76.90%	82.41%	81.15%

Notes to Schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

Santa Maria Public Airport District
Schedules of Pension Plan Contributions
As of June 30, 2024
Last Ten Years

<u>Schedule of Pension Plan Contributions:</u>	<u>Fiscal Year</u> <u>June 30, 2024</u>	<u>Fiscal Year</u> <u>June 30, 2023</u>	<u>Fiscal Year</u> <u>June 30, 2022</u>	<u>Fiscal Year</u> <u>June 30, 2021</u>	<u>Fiscal Year</u> <u>June 30, 2020</u>	<u>Fiscal Year</u> <u>June 30, 2019</u>	<u>Fiscal Year</u> <u>June 30, 2018</u>	<u>Fiscal Year</u> <u>June 30, 2017</u>	<u>Fiscal Year</u> <u>June 30, 2016</u>	<u>Fiscal Year</u> <u>June 30, 2015</u>
Actuarially determined contribution	\$ 274,175	263,100	242,796	220,666	189,769	165,139	140,757	120,811	108,198	70,150
Contributions in relation to the actuarially determined contribution	<u>(274,175)</u>	<u>(263,100)</u>	<u>(242,796)</u>	<u>(220,666)</u>	<u>(189,769)</u>	<u>(165,139)</u>	<u>(140,757)</u>	<u>(120,811)</u>	<u>(108,198)</u>	<u>(70,150)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 911,013	901,339	829,257	846,782	830,037	735,356	794,904	768,476	766,034	691,152
Contribution's as a percentage of covered payroll	<u>30.10%</u>	<u>29.19%</u>	<u>29.28%</u>	<u>26.06%</u>	<u>22.86%</u>	<u>22.46%</u>	<u>17.71%</u>	<u>15.72%</u>	<u>14.12%</u>	<u>10.15%</u>
Notes to schedule:										
Valuation date	<u>June 30, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Inflation	2.30%	2.30%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study. adopted by the CalPERS Board.

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Supplementary Information

Santa Maria Public Airport District
Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual
For the Fiscal Year Ended June 30, 2024

	Adopted Original Budget	Board Approved Changes	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:					
Landing area usage	\$ 232,178	-	232,178	142,314	(89,864)
Hangar area usage	794,066	-	794,066	826,783	32,717
Main hangar and F.B.O.	692,471	-	692,471	687,285	(5,186)
Terminal area usage	363,516	-	363,516	364,363	847
Land usage	2,152,398	-	2,152,398	2,391,311	238,913
Other charges and fees	20,000	-	20,000	52,509	32,509
Total operating revenues	<u>4,254,629</u>	<u>-</u>	<u>4,254,629</u>	<u>4,464,565</u>	<u>209,936</u>
Operating expenses:					
Landing area usage	1,020,941	30,837	1,051,778	1,035,867	15,911
Hangar area usage	77,324	13,340	90,664	97,422	(6,758)
Main hangar and Fixed Base Operations	81,658	6,416	88,074	96,244	(8,170)
Terminal area usage	469,504	12,150	481,654	434,554	47,100
Land usage	487,837	6,921	494,758	475,655	19,103
Public administration	4,455,527	71,277	4,526,804	4,630,971	(104,167)
Total operating expenses	<u>6,592,791</u>	<u>140,941</u>	<u>6,733,732</u>	<u>6,770,713</u>	<u>(36,981)</u>
Operating loss before depreciation	(2,338,162)	(140,941)	(2,479,103)	(2,306,148)	172,955
Depreciation expense	(2,484,988)	-	(2,484,988)	(2,401,377)	83,611
Operating loss	<u>(4,823,150)</u>	<u>(140,941)</u>	<u>(4,964,091)</u>	<u>(4,707,525)</u>	<u>256,566</u>
Non-operating revenue(expense)					
Property taxes	2,050,125	-	2,050,125	2,278,417	228,292
Interest and investment earnings	120,000	-	120,000	442,200	322,200
TSA LEO reimbursement	12,900	-	12,900	5,202	(7,698)
Airshow income (expense), net	(90,000)	-	(90,000)	(76,281)	13,719
Total non-operating revenues, net	<u>2,093,025</u>	<u>-</u>	<u>2,093,025</u>	<u>2,649,538</u>	<u>556,513</u>
Net loss before capital contributions	<u>(2,730,125)</u>	<u>(140,941)</u>	<u>(2,871,066)</u>	<u>(2,057,987)</u>	<u>813,079</u>
Capital contributions:					
Federal capital grants	7,014,600	-	7,014,600	5,213,495	(1,801,105)
Passenger facility charges	46,235	-	46,235	63,252	17,017
Capital contributions	<u>7,060,835</u>	<u>-</u>	<u>7,060,835</u>	<u>5,276,747</u>	<u>(1,784,088)</u>
Change in net position	<u>4,330,710</u>	<u>(140,941)</u>	<u>4,189,769</u>	<u>3,218,760</u>	<u>(971,009)</u>
Net position, beginning of year, as restated	<u>38,626,352</u>		<u>38,626,352</u>	<u>38,626,352</u>	
Net position, end of year	<u>\$ 42,957,062</u>		<u>42,816,121</u>	<u>41,845,112</u>	

Santa Maria Public Airport District
Schedule of Revenues, Expenses and Changes in Net Position – Budget to Actual
For the Fiscal Year Ended June 30, 2023

	Adopted Original Budget	Board Approved Changes	Final Budget	Actual Budgetary Basis	Variance Positive (Negative)
Operating revenues:					
Landing area usage	\$ 199,700	-	199,700	140,526	(59,174)
Hangar area usage	771,200	-	771,200	781,272	10,072
Main hangar and F.B.O.	670,700	-	670,700	635,291	(35,409)
Terminal area usage	339,500	-	339,500	386,165	46,665
Land usage	1,981,056	-	1,981,056	2,296,969	315,913
Other charges and fees	44,800	-	44,800	14,499	(30,301)
Total operating revenues	<u>4,006,956</u>	<u>-</u>	<u>4,006,956</u>	<u>4,254,722</u>	<u>247,766</u>
Operating expenses:					
Landing area usage	1,036,920	173,960	1,210,880	1,215,426	(4,546)
Hangar area usage	119,300	(5,713)	113,587	76,108	37,479
Main hangar and Fixed Base Operations	78,800	44,782	123,582	118,169	5,413
Terminal area usage	443,700	2,095	445,795	436,092	9,703
Land usage	381,051	46,685	427,736	458,042	(30,306)
Public administration	3,958,685	371,681	4,330,366	3,742,669	587,697
Total operating expenses	<u>6,018,456</u>	<u>633,490</u>	<u>6,651,946</u>	<u>6,046,506</u>	<u>605,440</u>
Operating loss before depreciation	(2,011,500)	(633,490)	(2,644,990)	(1,791,784)	853,206
Depreciation expense	-	-	-	(2,484,054)	(2,484,054)
Operating loss	<u>(2,011,500)</u>	<u>(633,490)</u>	<u>(2,644,990)</u>	<u>(4,275,838)</u>	<u>(1,630,848)</u>
Non-operating revenue(expense)					
Property taxes	1,952,500	-	1,952,500	2,166,059	213,559
Interest and investment earnings	24,400	-	24,400	143,985	119,585
CARES Act airport grants	220,000	-	220,000	25,986	(194,014)
TSA LEO reimbursement	12,900	-	12,900	6,600	(6,300)
Airshow income (expense), net	5,790	(140,909)	(135,119)	(197,404)	(62,285)
Note receivable write-off	-	-	-	(166,218)	(166,218)
Loss on disposal of assets	-	-	-	(39,288)	(39,288)
Gain on land sale	-	-	-	1,141,941	1,141,941
Total non-operating revenues, net	<u>2,215,590</u>	<u>(140,909)</u>	<u>2,074,681</u>	<u>3,081,661</u>	<u>1,006,980</u>
Net loss before capital contributions	<u>204,090</u>	<u>(774,399)</u>	<u>(570,309)</u>	<u>(1,194,177)</u>	<u>(623,868)</u>
Capital contributions:					
Federal capital grants	9,694,600	-	9,694,600	2,589,104	(7,105,496)
Tenant improvements	-	-	-	100,249	100,249
Passenger facility charges	73,000	-	73,000	65,036	(7,964)
Capital contributions	<u>9,767,600</u>	<u>-</u>	<u>9,767,600</u>	<u>2,754,389</u>	<u>(7,013,211)</u>
Change in net position	<u>9,971,690</u>	<u>(774,399)</u>	<u>9,197,291</u>	<u>1,560,212</u>	<u>(7,637,079)</u>
Net position, beginning of year, as restated	<u>37,066,140</u>		<u>37,066,140</u>	<u>37,066,140</u>	
Net position, end of year, as restated	<u>\$ 47,037,830</u>		<u>46,263,431</u>	<u>38,626,352</u>	

Santa Maria Public Airport District
Schedule of Operating & Non-Operating Expenses – Budget to Actual
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Operating expenses:			
Landing area usage:			
ARFF Services	\$ 900,000	901,683	(1,683)
Utilities	30,268	31,244	(976)
Repairs and maintenance	<u>121,510</u>	<u>102,940</u>	<u>18,570</u>
Total	<u>1,051,778</u>	<u>1,035,867</u>	<u>15,911</u>
Hangar area usage:			
Utilities	37,566	41,455	(3,889)
Repairs and maintenance	46,958	55,967	(9,009)
Owner build area	<u>6,140</u>	<u>-</u>	<u>6,140</u>
Total	<u>90,664</u>	<u>97,422</u>	<u>(6,758)</u>
Main hangar and Fixed Base Operations (FBO)			
Utilities	76,827	78,348	(1,521)
Repairs and maintenance	<u>11,247</u>	<u>17,896</u>	<u>(6,649)</u>
Total	<u>88,074</u>	<u>96,244</u>	<u>(8,170)</u>
Terminal area usage:			
Utilities	112,581	126,441	(13,860)
Repairs and maintenance	<u>369,073</u>	<u>308,113</u>	<u>60,960</u>
Total	<u>481,654</u>	<u>434,554</u>	<u>47,100</u>
Land usage:			
Utilities	34,812	17,330	17,482
Mobile home park	401,276	408,461	(7,185)
Repairs and maintenance	<u>58,670</u>	<u>49,864</u>	<u>8,806</u>
Total	<u>494,758</u>	<u>475,655</u>	<u>19,103</u>
Public administration			
Salaries and wages	992,341	1,013,243	(20,902)
Benefits	681,461	745,146	(63,685)
Utilities	121,015	118,003	3,012
Supplies	98,946	136,711	(37,765)
Repairs and maintenance	121,105	82,768	38,337
Contractual services	1,113,514	1,109,152	4,362
Office supplies, postage and stationary	25,689	39,415	(13,726)
Dues and subscriptions	77,000	79,420	(2,420)
Advertising	120,000	112,134	7,866
Insurance	472,976	472,976	-
Bad debt expense (recovery)	22,757	16,625	6,132
Travel	85,000	86,831	(1,831)
Fire training	27,000	30,075	(3,075)
Consulting services	568,000	562,486	5,514
Economic development	<u>-</u>	<u>25,986</u>	<u>(25,986)</u>
Total	<u>4,526,804</u>	<u>4,630,971</u>	<u>(104,167)</u>
Depreciation of capital assets	<u>2,484,988</u>	<u>2,401,377</u>	<u>83,611</u>
Total operating expenses	<u>\$ 9,218,720</u>	<u>9,172,090</u>	<u>46,630</u>
Non-operating expense:			
Airshow (income) expense, net	<u>\$ 90,000</u>	<u>76,281</u>	<u>13,719</u>
Total non-operating expenses	<u>\$ 90,000</u>	<u>76,281</u>	<u>13,719</u>

Santa Maria Public Airport District
Schedule of Operating & Non-Operating Expenses – Budget to Actual
For the Fiscal Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating expenses:			
Landing area usage:			
ARFF Services	\$ 900,000	903,279	(3,279)
Utilities	27,379	27,379	-
Repairs and maintenance	<u>283,501</u>	<u>284,768</u>	<u>(1,267)</u>
Total	<u>1,210,880</u>	<u>1,215,426</u>	<u>(4,546)</u>
Hangar area usage:			
Utilities	32,056	31,408	648
Repairs and maintenance	76,290	44,216	32,074
Owner build area	<u>5,241</u>	<u>484</u>	<u>4,757</u>
Total	<u>113,587</u>	<u>76,108</u>	<u>37,479</u>
Main hangar and Fixed Base Operations (FBO)			
Utilities	58,967	64,783	(5,816)
Repairs and maintenance	<u>64,615</u>	<u>53,386</u>	<u>11,229</u>
Total	<u>123,582</u>	<u>118,169</u>	<u>5,413</u>
Terminal area usage:			
Utilities	109,036	108,948	88
Repairs and maintenance	<u>336,759</u>	<u>327,144</u>	<u>9,615</u>
Total	<u>445,795</u>	<u>436,092</u>	<u>9,703</u>
Land usage:			
Utilities	12,069	9,769	2,300
Mobile home park	376,077	415,675	(39,598)
Repairs and maintenance	<u>39,590</u>	<u>32,598</u>	<u>6,992</u>
Total	<u>427,736</u>	<u>458,042</u>	<u>(30,306)</u>
Public administration			
Salaries and wages	941,800	968,371	(26,571)
Benefits	621,400	141,170	480,230
Utilities	89,278	82,393	6,885
Supplies	111,000	136,711	(25,711)
Repairs and maintenance	99,994	93,204	6,790
Contractual services	1,100,162	1,034,166	65,996
Office supplies, postage and stationary	57,300	49,757	7,543
Dues and subscriptions	86,996	76,046	10,950
Advertising	100,790	93,577	7,213
Insurance	384,413	384,413	-
Bad debt expense	-	(9,438)	9,438
Election expense	24,191	24,191	-
Travel	83,700	77,951	5,749
Fire training	47,500	16,697	30,803
Consulting services	463,245	454,809	8,436
Other expenses	<u>118,597</u>	<u>118,651</u>	<u>(54)</u>
Total	<u>4,330,366</u>	<u>3,742,669</u>	<u>587,697</u>
Depreciation of capital assets	<u>-</u>	<u>2,484,054</u>	<u>(2,484,054)</u>
Total operating expenses	\$ <u>6,651,946</u>	<u>8,530,560</u>	<u>(1,878,614)</u>
Non-operating expense:			
Note receivable write-off	\$ -	166,218	(166,218)
Loss on disposal of assets	-	39,288	(39,288)
Airshow (income) expense, net	59	<u>135,119</u>	<u>(62,285)</u>
Total non-operating expenses	\$ <u>135,119</u>	<u>197,404</u>	<u>(62,285)</u>

Statistical Section

**Santa Maria Public Airport District
Statistical Section
June 30, 2024**

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

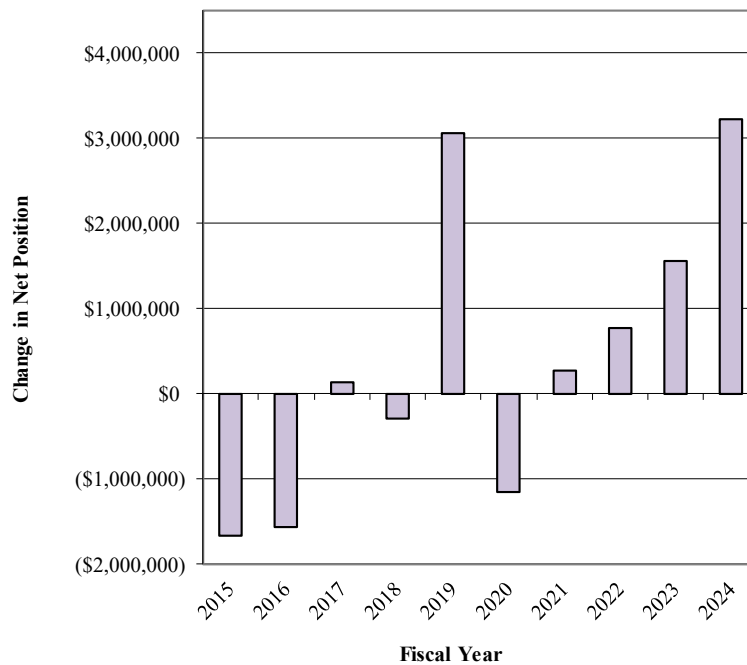
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	<u>Page No.</u>
Financial Trends These schedules contain information to help the reader understand how the District’s financial performance and well-being have changed over time.	61-64
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenue, land usage.	65-68
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	69
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District’s financial report relates to the service the District provides.	70-77

Note: The District is not presenting Debt Capacity information as the District has not had long-term debt instruments outstanding in the past ten fiscal years and is not subject to a debt limit.

Santa Maria Public Airport District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years

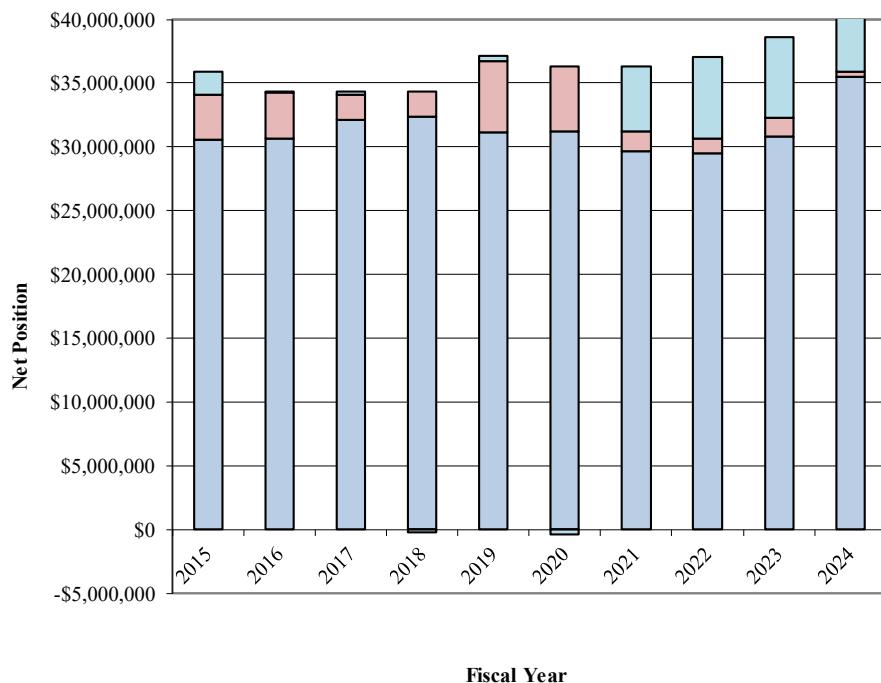
	Fiscal Year				
	As Restated 2015	As Restated 2016	2017	2018	2019
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 3,096,058	3,226,304	3,310,143	3,294,618	3,255,743
Operating expenses (see Schedule 3)	(3,720,240)	(3,813,171)	(4,458,946)	(4,156,325)	(4,560,690)
Depreciation expense – capital recovery	(2,490,934)	(2,441,538)	(2,288,269)	(2,263,682)	(2,102,526)
Operating income(loss)	(3,115,116)	(3,028,405)	(3,437,072)	(3,125,389)	(3,407,473)
Non-operating revenues(expenses)					
Property taxes	1,393,188	1,498,359	1,522,529	1,663,981	1,713,791
Interest and investment earnings	24,181	30,371	36,311	56,218	128,533
CARES Act airport grants	-	-	-	-	-
TSA law enforcement officer reimbursement	-	-	-	-	-
Airshow income (expense), net	-	-	-	(1,133)	(210,108)
Revenue guaranty expense	(372,078)	(387,922)	(722,260)	(184,603)	-
Note receivable write-off	-	-	-	-	-
Gain/(Loss) on sale/disposition of assets	3,600	-	(14,794)	1,850	-
Gain on land sale	-	-	-	-	2,611,263
Other revenue/(expense), net	-	-	226	4,448	(192)
Total non-operating revenues(expenses), net	1,048,891	1,140,808	822,012	1,540,761	4,243,287
Net income before capital contributions	(2,066,225)	(1,887,597)	(2,615,060)	(1,584,628)	835,814
Capital contributions	405,886	327,120	2,755,237	1,300,824	2,223,601
Changes in net position	\$ (1,660,339)	(1,560,477)	140,177	(283,804)	3,059,415
Net position by component:					
Net investment in capital assets	\$ 30,542,007	30,657,372	32,136,697	32,334,335	31,134,708
Restricted	3,591,381	3,590,388	1,967,435	1,967,435	5,573,255
Unrestricted	1,788,766	113,917	236,348	(245,094)	408,128
Total net position	\$ 35,922,154	34,361,677	34,340,480	34,056,676	37,116,091



Source: Santa Maria Public Airport District - Finance Department

Schedule 1

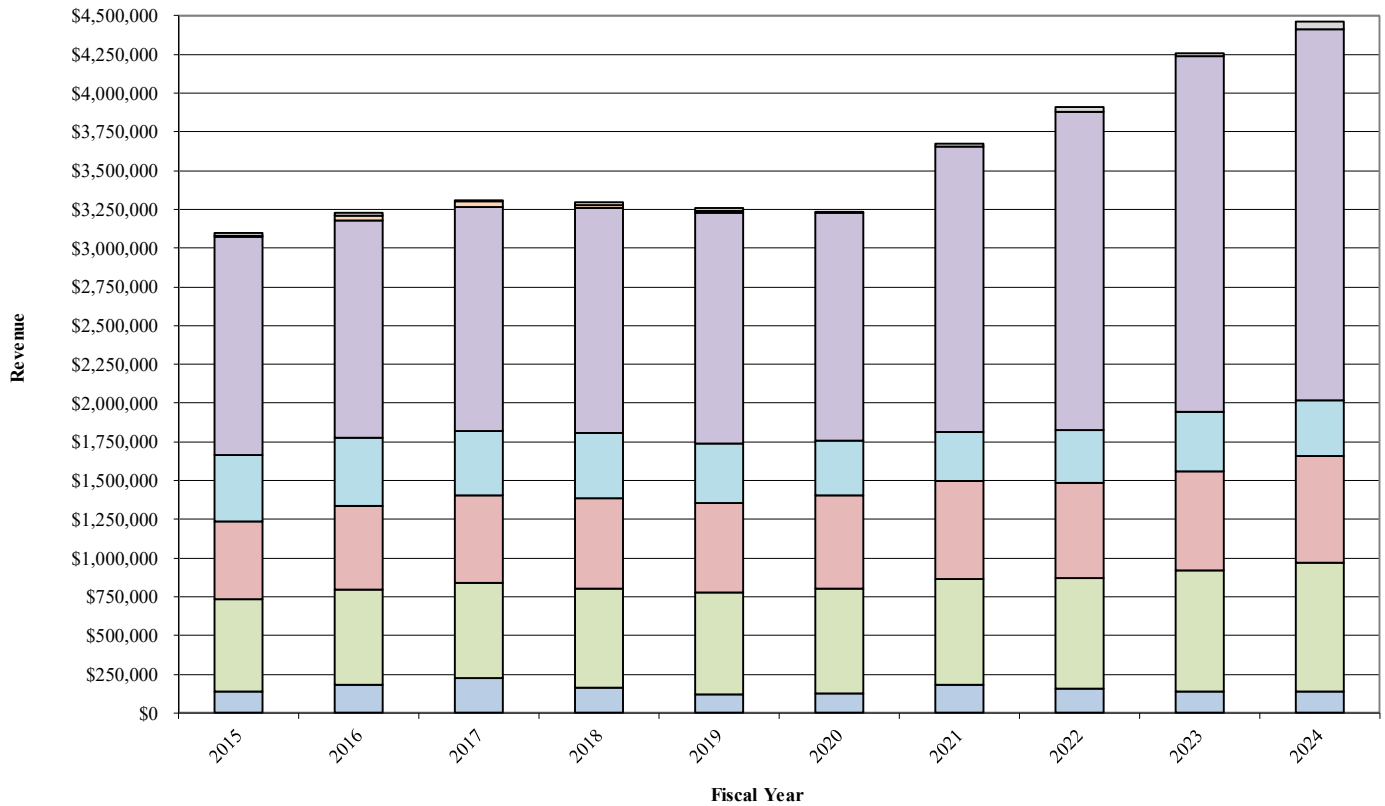
Fiscal Year				
As Restated 2020	As Restated 2021	As Restated 2022	As Restated 2023	2024
3,236,291	3,675,210	3,912,062	4,254,722	4,464,565
(4,749,934)	(5,091,464)	(5,945,843)	(6,046,505)	(6,770,713)
<u>(2,300,323)</u>	<u>(2,448,511)</u>	<u>(2,457,052)</u>	<u>(2,484,054)</u>	<u>(2,401,377)</u>
<u>(3,813,966)</u>	<u>(3,864,765)</u>	<u>(4,490,833)</u>	<u>(4,275,837)</u>	<u>(4,707,525)</u>
1,794,941	1,892,474	1,997,321	2,166,059	2,278,417
183,905	33,282	(31,483)	143,985	442,200
-	1,945,753	1,276,792	25,986	-
10,140	11,520	12,740	6,600	5,202
(330,132)	(8,538)	(2,028)	(197,404)	(76,281)
-	(500,000)	-	-	-
-	-	-	(166,218)	-
-	-	-	(39,288)	-
-	-	-	1,141,941	-
-	5,150	-	-	-
<u>1,658,854</u>	<u>3,379,641</u>	<u>3,253,342</u>	<u>3,081,661</u>	<u>2,649,538</u>
(2,155,112)	(485,124)	(1,237,491)	(1,194,176)	(2,057,987)
<u>1,004,186</u>	<u>763,911</u>	<u>2,015,936</u>	<u>2,754,389</u>	<u>5,276,747</u>
<u>(1,150,926)</u>	<u>278,787</u>	<u>778,445</u>	<u>1,560,213</u>	<u>3,218,760</u>
31,254,843	29,665,309	29,536,554	30,785,662	35,465,633
5,081,682	1,558,854	1,144,471	1,535,237	414,629
(371,360)	5,063,532	6,385,115	6,305,453	5,964,850
<u>35,965,165</u>	<u>36,287,695</u>	<u>37,066,140</u>	<u>38,626,352</u>	<u>41,845,112</u>



**Santa Maria Public Airport District
Operating Revenue by Source
Last Ten Fiscal Years**

Schedule 2

Fiscal Year	Landing Area	Hangar Area	Main Hangar and F.B.O.	Terminal Area	Land Usage	Operating Grant Revenue	Other Operating Revenue	Total Operating Revenue
2015	\$ 142,027	590,671	505,714	423,456	1,412,179	5,310	16,701	3,096,058
2016	180,445	616,514	538,999	439,979	1,399,132	31,050	20,185	3,226,304
2017	225,764	614,150	563,435	417,380	1,445,718	33,925	9,771	3,310,143
2018	165,798	634,733	582,949	423,074	1,452,920	16,540	18,604	3,294,618
2019	119,890	657,934	576,634	387,435	1,488,181	9,840	15,829	3,255,743
2020	127,015	676,435	600,496	352,027	1,472,697	- *	7,621	3,236,291
2021	183,952	682,188	629,132	318,951	1,841,187	- *	19,800	3,675,210
2022	157,826	710,459	614,392	344,778	2,050,642	- *	33,965	3,912,062
2023	140,526	781,272	635,291	386,165	2,296,969	- *	14,499	4,254,722
2024	142,314	826,783	687,285	364,363	2,391,311	- *	52,509	4,464,565



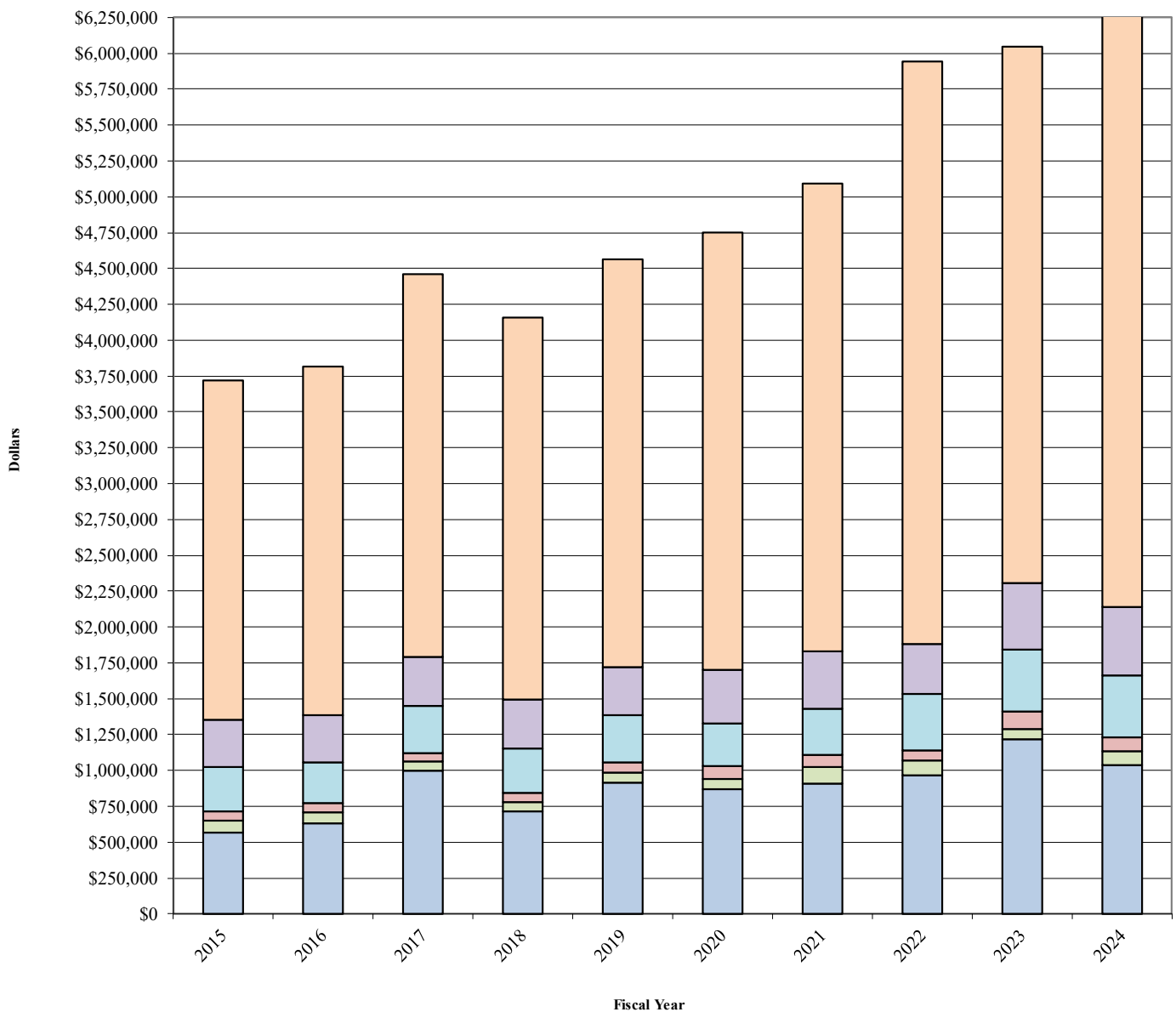
Note:
* Operating grant revenue is reported with Non-Operating Revenue (Expenses).

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Operating Expenses by Activity
Last Ten Fiscal Years**

Schedule 3

Fiscal Year	Landing Area	Hangar Area	Main Hangar and F.B.O.	Terminal Area	Land Usage	Public Administration	Total Operating Expenses
2015	\$ 566,998	84,492	65,143	307,847	329,530	2,366,230	3,720,240
2016	633,750	71,705	64,438	287,554	328,038	2,427,686	3,813,171
2017	998,105	66,423	57,013	326,014	340,656	2,670,735	4,458,946
2018	712,196	68,880	62,767	310,253	342,706	2,659,523	4,156,325
2019	916,249	66,917	72,334	330,312	335,591	2,839,287	4,560,690
2020	872,122	68,149	91,529	293,515	375,752	3,048,867	4,749,934
2021	909,124	114,715	82,643	325,866	396,424	3,262,692	5,091,464
2022	967,458	98,853	75,199	391,616	345,734	4,066,983	5,945,843
2023	1,215,426	76,108	118,169	436,092	458,042	3,742,668	6,046,505
2024	1,035,867	97,422	96,244	434,554	475,655	4,630,971	6,770,713

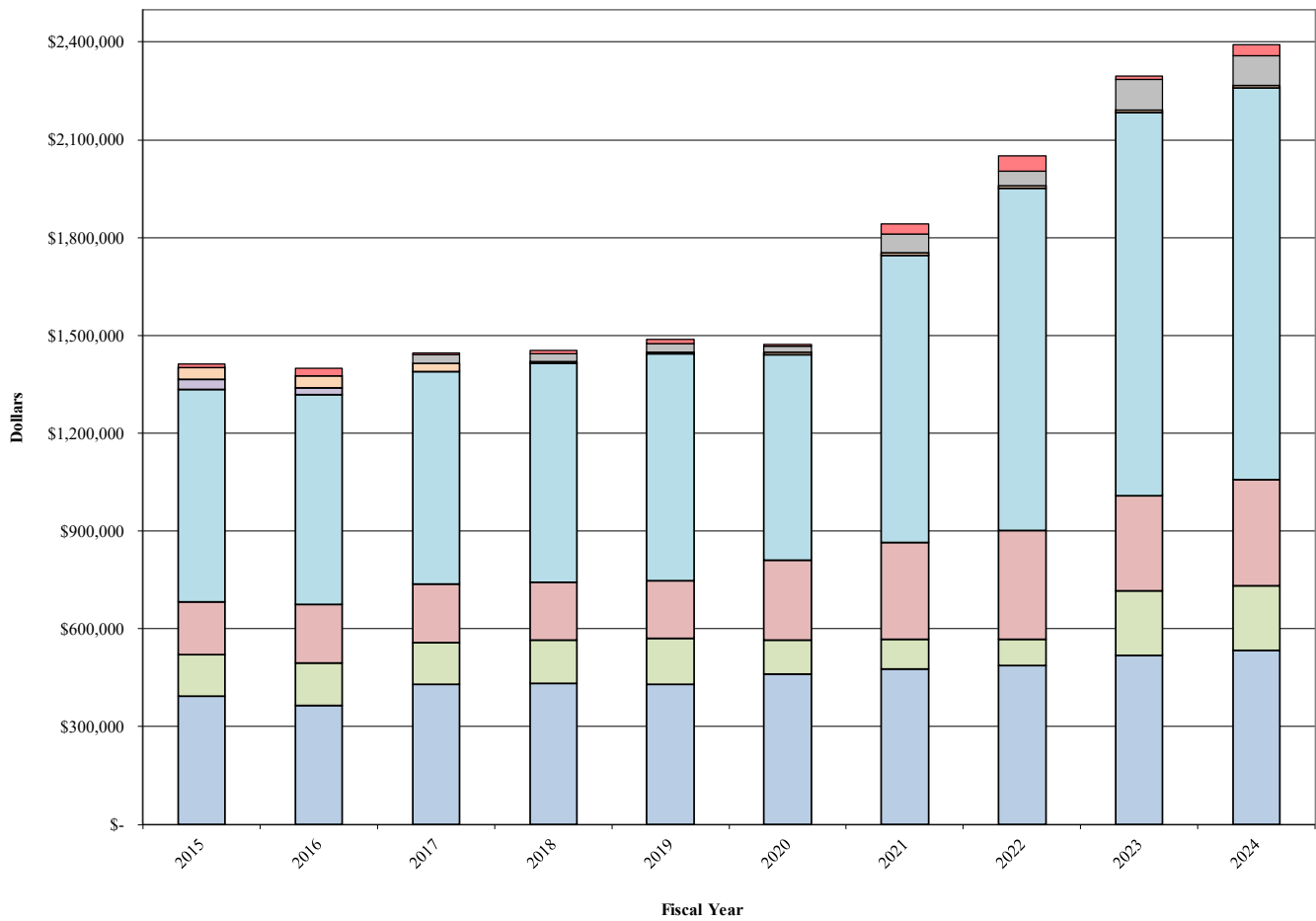


Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Revenue Base – Land Usage
Last Ten Fiscal Years**

Schedule 4

Fiscal Year	Mobile Home Park	Business Park	Hotel	Agricultural	Recreation Golf Course	Recreation Karting	Cellular Land Lease	Other Revenue Generating Land	Total Land Usage Revenue
2015	\$ 392,966	128,700	160,581	651,609	32,424	36,588	-	9,311	1,412,179
2016	365,964	128,700	181,132	641,700	21,616	36,588	-	23,432	1,399,132
2017	429,222	128,700	180,196	650,457	-	26,592	26,000	4,551	1,445,718
2018	431,449	134,260	176,826	671,601	-	6,800	24,000	7,984	1,452,920
2019	431,101	139,200	178,141	694,880	-	6,600	24,000	14,259	1,488,181
2020	462,580	103,285	245,369	630,718	-	7,777	16,404	6,564	1,472,697
2021	476,495	92,212	295,293	882,402	-	7,379	58,096	29,310	1,841,187
2022	487,320	81,066	334,014	1,049,856	-	6,982	45,362	46,042	2,050,642
2023	519,220	198,564	291,108	1,175,119	-	7,885	92,846	12,227	2,296,969
2024	534,663	197,089	327,086	1,200,128	-	7,674	92,146	32,525	2,391,311

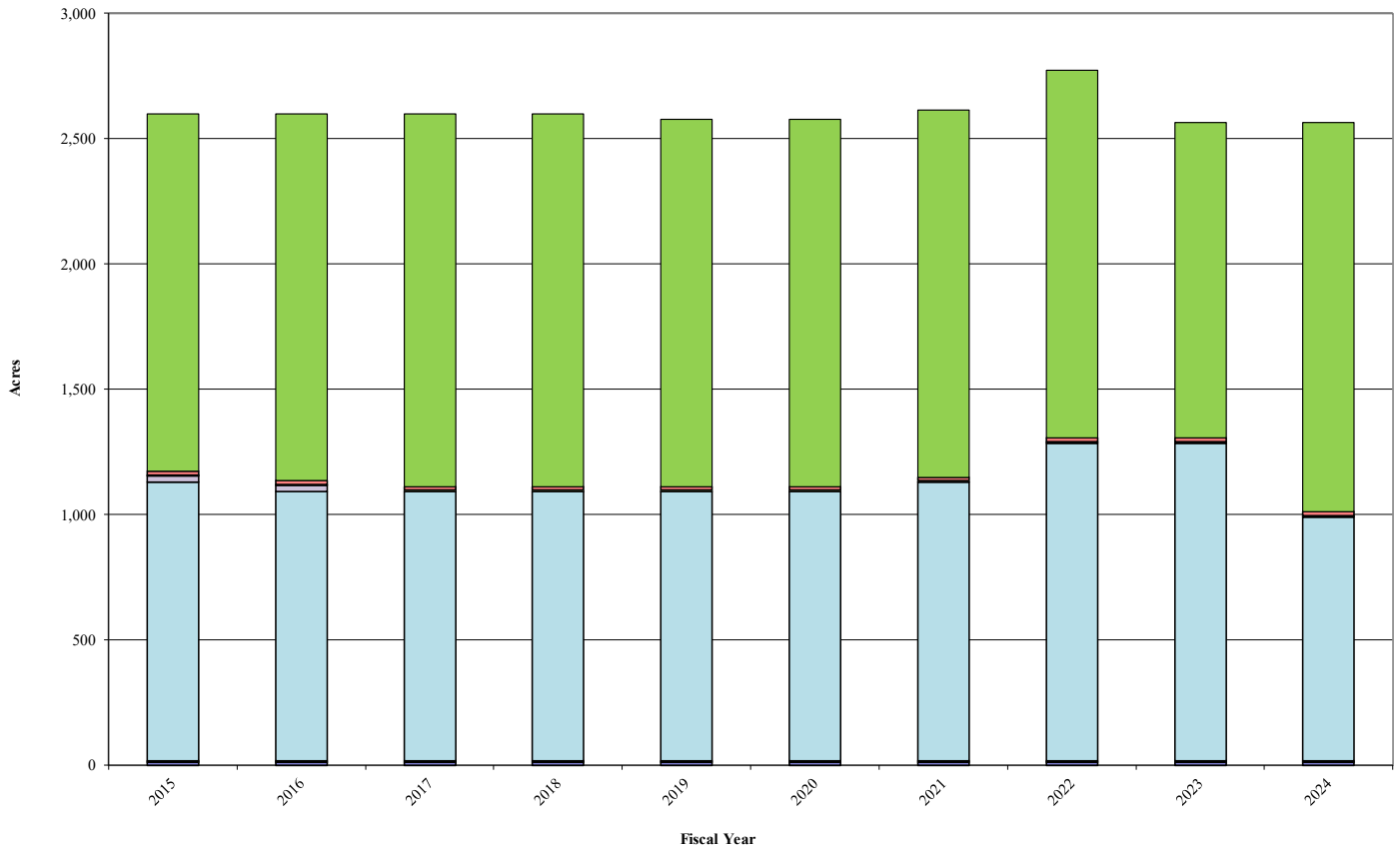


Source: Santa Maria Public Airport District - Finance Department

Santa Maria Public Airport District Land Usage Last Ten Fiscal Years

Schedule 5

Fiscal Year	Total Land Acres										Total Land Area
	Mobile Home Park	Business Park	Hotel	Agricultural	Recreation Golf Course	Recreation Karting	Verizon Land Lease	Other Revenue Generating Land	Other Land Use		
2015	10	3	5	1,112	24	4	-	14	1,426	2,598	
2016	10	3	5	1,074	24	4	-	14	1,464	2,598	
2017	10	3	5	1,074	-	4	1	14	1,487	2,598	
2018	10	3	5	1,074	-	4	1	14	1,487	2,598	
2019	10	3	5	1,074	-	4	1	14	1,466	2,577	
2020	10	3	5	1,074	-	4	1	14	1,466	2,577	
2021	10	3	5	1,111	-	4	1	14	1,466	2,614	
2022	10	3	5	1,268	-	4	1	14	1,466	2,771	
2023	10	3	5	1,268	-	4	1	14	1,260	2,565	
2024	10	3	5	973	-	4	1	14	1,555	2,565	



Source: Santa Maria Public Airport District - Finance Department

- Notes:
- (1) Excludes overhead absorption.
 - (2) Water treatment began in fiscal year 2000 with the completion of the District's water treatment plant.

**Santa Maria Public Airport District
Land Usage Revenue Rates⁽¹⁾
Last Ten Fiscal Years**

Schedule 6

Land Use	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mobile Home Park	36,596	42,922	43,145	43,110	46,258	47,650	48,732	51,922	53,466	53,466
Business Park	42,900	42,900	44,753	46,400	34,428	30,737	27,022	66,188	65,696	65,696
Hotel	36,226	36,039	35,365	35,628	49,074	59,059	66,803	58,222	65,417	65,417
Agricultural	597	606	625	647	587	794	828	927	946	1,233
Recreation – Golf Course	901	-	-	-	-	-	-	-	-	-
Recreation – Karting	9,147	6,648	1,700	1,650	1,944	1,845	1,746	1,971	1,919	1,919
Verizon Land Lease	-	-	-	-	-	-	-	-	92,146	92,146
Other Land	1,674	325	570	1,019	4	2,094	3,289	10	2,323	2,323

Notes:

(1) Land usage is rated per acre per year based on actual land usage and revenue generated by that land

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Principal Leaseholders
Current Fiscal Year and Nine Years Ago**

Schedule 7

<u>Name</u>	<u>Type of Land Usage</u>	<u>Land Leased (Acres)</u>	<u>Percentage of Total Land</u>	<u>Land Leased (Acres)</u>	<u>Percentage of Total Land</u>
Gresser	Agricultural	607.00	46.48%	449.20	34.40%
C J J Farming dba Better Produce (previously Castellanos)	Agricultural	337.56	25.85%	114.30	8.75%
Village Mobile Home Park	Mobile Home Park	10.00	0.77%	10.00	0.77%
Commercial Land – Hotel	Hotel	5.19	0.40%	5.19	0.40%
Airport Business Park	Business Park	2.98	0.23%	2.98	0.23%
3103 Airpark Drive	Other Land	1.36	0.10%	-	0.00%
3203 Lightning Street	Commercial Hangar	1.19	0.09%	-	0.00%
Corporate Hangar FBO 3409 Corsair	Other Land	0.47	0.04%	0.39	0.03%
3029 Airpark Drive	Other Land	0.43	0.03%	-	0.00%
3009 Airpark Drive	Other Land	0.26	0.02%	-	0.00%
Terminal Concessions – Avis	Other Land	0.08 ⁽¹⁾	0.01%	0.08 ⁽¹⁾	0.01%
Terminal – TSA	Other Land	0.03	0.00%	-	0.00%
3039 Airpark Drive	Other Land	0.01	0.00%	-	0.00%
Corporate Hangar 3043 Airpark	Other Land	0.01	0.00%	0.48	0.04%
Terminal Concessions – Hertz	Other Land	-	0.00%	0.08 ⁽¹⁾	0.01%
Terminal Restaurant	Other Land	-	0.00%	0.14	0.01%
Terminal Concessions – Enterprise	Other Land	-	0.00%	0.08 ⁽¹⁾	0.01%
Total attributable to ten largest lease holders		<u>966.57</u>	<u>74.01%</u>	<u>582.92</u>	<u>44.63%</u>
Total land leased		<u>1,306</u>	<u>100.00%</u>	<u>1,306</u>	<u>100.00%</u>

Note:

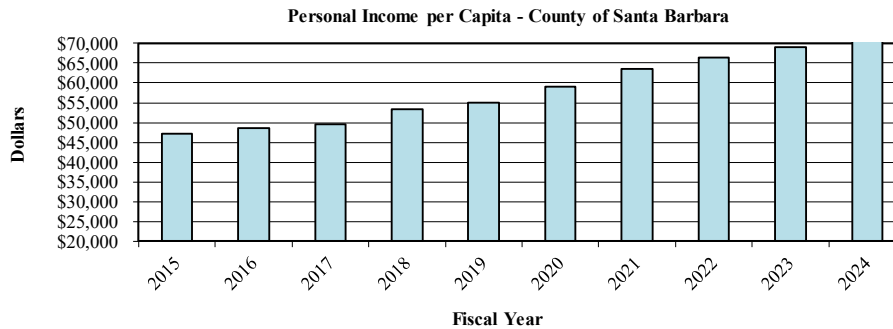
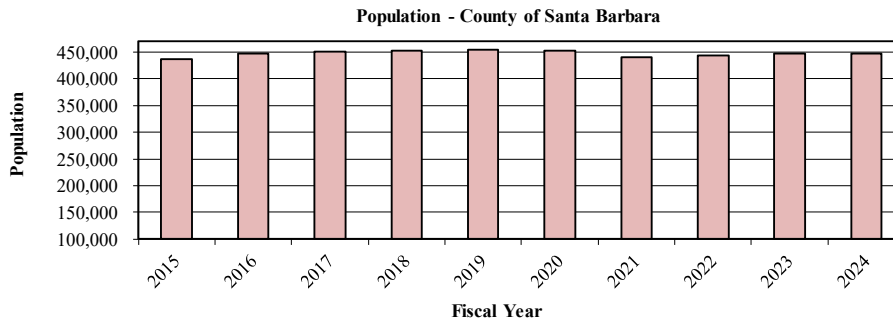
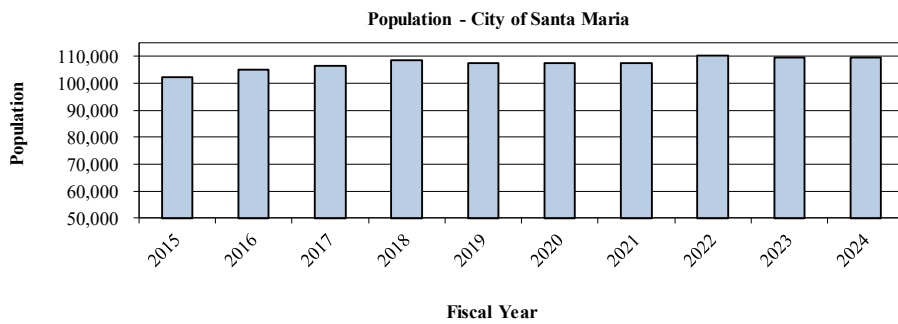
⁽¹⁾ Reported as acreage is equal.

Source: Santa Maria Public Airport District – Finance Department

Santa Maria Public Airport District Demographics and Economics Statistics Last Ten Fiscal Years

Schedule 8

Year	County of San Barbara ⁽²⁾				
	City of Santa Maria Population ⁽¹⁾	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2015	102,087	4.7%	437,000	\$ 20,600,000	\$ 47,140
2016	105,093	4.9%	447,000	21,700,000	48,546
2017	106,280	4.3%	451,000	22,300,000	49,446
2018	108,470	3.9%	453,000	24,200,000	53,422
2019	107,356	3.9%	455,000	25,000,000	54,945
2020	107,407	4.4%	452,000	26,700,000	59,071
2021	107,445	5.9%	441,000	28,000,000	63,492
2022	110,125	4.0%	443,837	29,500,000	66,466
2023	109,477	4.1%	448,230	30,900,000 ⁽³⁾	68,938
2024	109,707	5.0%	448,230	37,084,757	82,736



Sources: California Department of Finance and California Labor Market Info

Notes:

(1) Separate data is not prepared for the District, therefore, the District has used data for the City of Santa Maria. A substantial portion of the District lies within the City, and therefore, is a reasonable basis for determining the demographic and economic statistics of the District.

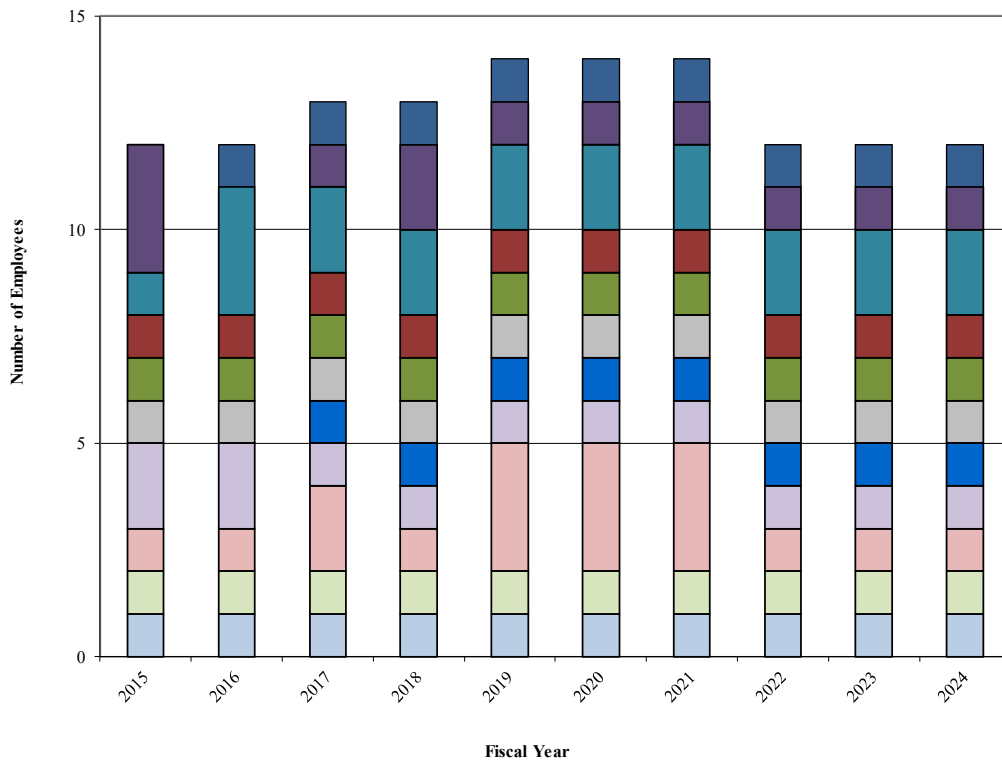
(2) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.

(3) Estimated, as 2023 data was not readily available.

**Santa Maria Public Airport District
District Employees
Last Ten Fiscal Years**

Schedule 9

Position	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Manager	1	1	1	1	1	1	1	1	1	1
Mgr. of Finance & Admin	1	1	1	1	1	1	1	1	1	1
Accounting Clerk	1	1	2	1	3	3	3	1	1	1
Administrative Secretary	2	2	1	1	1	1	1	1	1	1
Secretary Receptionist	-	-	1	1	1	1	1	1	1	1
Mgr. of Maint. & Ops.	1	1	1	1	1	1	1	1	1	1
Operations Supervisor	-	-	-	-	-	-	-	-	-	-
Operations Officer	1	1	1	1	1	1	1	1	1	1
Maintenance Supervisor	1	1	1	1	1	1	1	1	1	1
Maintenance Worker I	1	3	2	2	2	2	2	2	2	2
Maintenance Worker II	3	-	1	2	1	1	1	1	1	1
Maintenance Worker III	-	1	1	1	1	1	1	1	1	1
	12	12	13	13	14	14	14	12	12	12



Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Operational Information**

Schedule 10

Location:	3 miles south of downtown Santa Maria, California	
Land Area:	2,565 acres	
Elevation:	261 feet	
Airport Code:	SMX	
Runways:	12/30	8,004 x 150 ft., paved, lighted
	2/20	5,130 x 75 ft., paved
Tower:	118.3 (0600 to 2000)	

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Flight Tower – Tracking of Flight Operations – Last Ten Fiscal Years**

Schedule 11

Flight Tower - Tracking of Flight Operations During Each Period													
	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2015	3,789	3,781	3,542	3,379	3,040	2,928	3,312	2,723	3,619	3,333	3,116	3,280	39,842
2016	3,188	3,474	3,517	3,062	2,930	2,709	2,414	3,450	2,866	2,651	3,234	3,918	37,413
2017	3,635	3,728	3,388	2,892	3,453	2,887	1,885	2,274	3,438	3,431	3,122	2,934	37,067
2018	3,702	3,997	3,321	3,202	3,465	3,018	2,738	2,705	2,857	2,493	2,872	3,078	37,448
2019	3,284	3,491	3,038	3,094	2,897	2,870	2,352	2,182	2,790	3,006	2,831	3,123	34,958
2020	3,203	3,343	3,164	3,529	3,182	2,596	3,055	3,389	2,092	2,275	2,511	3,343	35,682
2021	3,010	3,184	2,815	2,894	2,571	2,577	2,532	2,445	2,709	2,791	2,926	3,262	33,716
2022	3,077	3,086	2,943	3,010	2,729	1,942	2,661	2,844	2,472	2,718	2,822	3,290	33,594
2023	2,798	3,307	2,874	2,764	3,079	2,639	2,757	2,853	2,132	2,819	2,480	2,404	32,906
2024	2,791	2,623	2,385	2,768	2,383	2,066	2,066	1,914	2,371	2,487	2,506	2,805	29,165
Average	3,248	3,401	3,099	3,059	2,973	2,623	2,577	2,678	2,735	2,800	2,842	3,144	35,179

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Flight Tower – Tracking of Flight Landings – Last Ten Fiscal Years**

Schedule 12

Flight Tower - Tracking of Flight Landings During Each Period													
	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2015	354	301	282	322	323	216	248	222	243	240	169	152	3,072
2016	175	229	174	208	156	188	155	151	173	164	180	483	2,436
2017	373	505	431	199	213	231	273	197	199	164	173	206	3,164
2018	548	200	222	195	172	325	115	109	123	109	132	126	2,376
2019	138	181	133	106	159	137	139	127	140	133	145	141	1,679
2020	153	147	131	153	236	145	138	132	134	125	130	138	1,762
2021	142	126	123	126	110	145	101	92	109	107	97	97	1,375
2022	163	161	156	255	118	143	115	100	128	113	122	112	1,686
2023	107	117	108	101	110	122	102	101	114	104	106	107	1,299
2024	117	113	100	128	103	99	101	93	101	95	143	148	1,341
Average	227	208	186	179	170	175	149	132	146	135	140	171	2,019

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Enplaned and Deplaned Passengers – Last Ten Fiscal Years**

Schedule 13

Enplaned and Deplaned Passengers During Each Period													
	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2015	11,620	9,787	8,294	8,844	7,737	8,201	7,041	6,202	7,260	7,745	8,677	9,574	100,982
2016	9,856	8,267	7,609	7,723	7,420	7,282	6,076	5,370	6,543	6,756	6,907	10,822	90,631
2017	9,579	8,072	7,635	4,844	4,673	4,478	3,918	3,302	4,079	4,022	3,872	4,372	62,846
2018	4,252	5,016	3,833	4,339	3,958	3,519	3,659	3,091	3,758	3,762	3,443	4,101	46,731
2019	3,986	3,970	3,679	4,139	4,509	3,997	3,871	3,171	3,557	3,065	3,789	4,525	46,258
2020	4,858	4,471	4,348	4,196	4,356	4,057	3,556	3,005	1,461	-	387	1,075	35,770
2021	1,075	1,847	1,090	2,121	2,289	1,726	1,783	1,839	2,297	3,805	4,838	6,944	31,654
2022	7,732	6,059	4,272	4,294	5,425	4,138	2,618	1,443	4,646	4,020	1,670	1,742	48,059
2023	2,577	2,119	2,395	2,038	2,846	2,631	1,797	1,782	2,219	2,256	1,854	2,875	27,389
2024	2,705	2,494	2,131	2,531	2,923	3,920	1,883	1,701	2,172	1,878	2,706	2,471	29,515
Average	5,824	5,210	4,529	4,507	4,614	4,395	3,620	3,091	3,799	3,731	3,814	4,850	51,984

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Gross Revenue Car Rental Agencies – Last Ten Fiscal Years**

Schedule 14

Gross Revenue Car Rental Agencies During Each Period													
	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2015	249,189	244,035	194,969	213,272	221,904	225,722	164,354	178,801	206,087	214,640	214,125	234,966	2,562,064
2016	248,697	265,869	208,684	229,740	209,245	201,469	196,263	198,157	194,431	197,770	219,632	215,492	2,585,449
2017	277,114	254,350	251,188	211,844	192,381	188,167	172,129	156,134	204,102	180,445	203,634	207,456	2,498,944
2018	250,638	245,115	207,675	212,266	207,223	204,039	194,258	171,913	211,885	203,600	215,434	217,749	2,541,797
2019	253,574	225,761	179,781	173,711	154,394	159,795	155,647	151,490	150,433	154,173	179,341	176,695	2,114,794
2020	205,339	187,499	161,088	182,529	149,461	197,056	154,887	151,536	131,191	66,869	80,846	136,203	1,804,504
2021	154,514	166,665	120,106	105,845	101,856	89,786	73,822	78,136	104,132	122,173	145,179	182,862	1,445,074
2022	189,523	183,189	152,527	140,236	144,956	132,624	109,065	107,235	119,702	143,278	162,452	139,069	1,723,856
2023	172,176	190,851	162,499	163,521	168,440	176,854	122,939	146,258	148,400	153,603	174,232	223,032	2,002,805
2024	164,782	155,202	114,505	127,417	112,483	126,640	98,205	102,360	110,215	118,425	132,516	137,192	1,499,941
Average	216,555	211,854	175,302	176,038	166,234	170,215	144,157	144,202	158,058	155,498	172,739	187,072	2,077,923

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Fuel Flowage Reports in Gallons – Last Ten Fiscal Years**

Schedule 15

Fuel Flowage Reports in Gallons During Each Period													
	July	August	September	October	November	December	January	February	March	April	May	June	Totals
2015	95,235	72,788	71,951	88,149	63,283	52,483	44,008	56,284	64,267	51,751	88,174	89,025	837,398
2016	113,096	111,244	160,277	118,877	79,719	79,909	76,532	72,136	63,825	64,161	88,717	324,451	1,352,944
2017	336,183	342,974	462,506	63,947	48,315	64,001	40,039	50,119	44,087	67,333	55,789	81,670	1,656,963
2018	331,939	67,169	74,307	72,241	51,775	240,012	82,376	41,907	51,355	40,632	63,096	59,216	1,176,025
2019	53,883	87,197	45,007	88,094	116,017	56,023	31,724	55,482	55,866	47,755	63,981	47,865	748,894
2020	39,347	55,633	98,632	115,147	125,916	56,386	71,612	207,176	64,384	-	63,797	218,066	1,116,096
2021	177,639	231,831	233,974	64,233	56,456	55,776	40,547	57,006	47,572	47,870	71,667	118,262	1,202,833
2022	104,657	161,224	137,368	199,816	67,193	57,254	73,265	41,631	65,946	82,189	80,997	113,343	1,184,883
2023	99,815	102,992	188,149	161,469	139,029	171,983	48,599	88,601	47,682	174,052	95,762	143,546	1,461,679
2024	80,876	183,434	184,531	168,057	129,018	137,379	49,406	56,891	66,697	91,827	113,681	251,413	1,513,210
Average	143,267	141,649	165,670	114,003	87,672	97,121	55,811	72,723	57,168	66,757	78,566	144,686	1,225,093

Source: Santa Maria Public Airport District - Finance Department

**Santa Maria Public Airport District
Demographic Information – Principal Employers Prior Fiscal Year and Ten Fiscal Years Ago***

Schedule 16

City of Santa Maria Northern Santa Barbara County/Santa Maria Employer	Fiscal Year 2021*			Fiscal Year 2012*		
	Employees	Rank	Percentage of	Employees	Rank	Percentage of
			Total City Employment			Total City Employment
#Vandenberg Airforce Base	3047	1	6.25%	4300	1	8.75%
CommonSpirit Health	2170	2	4.45%	1450	3	2.95%
Santa Maria-Bonita School District	2050	3	4.20%	1400	2	2.85%
Allan Hancock College	950	5	1.95%	890	4	1.81%
Santa Maria Joint Union High School District	880	4	1.80%	871	5	1.77%
Community Health Centers	810	6	1.66%			
Windset Farms	750	7	1.54%			
Various Federal Agencies	674	8	1.38%			
City of Santa Maria	648	9	1.33%	622	6	1.27%
Safran Aerospace	622	10	1.28%	491	8	1.00%
Wal-Mart (3 locations)	440	11	0.90%			
Agro-Jal Farms						
Betteravia Farms				533	7	1.08%
Den-Mat Corporation				361	9	0.73%
Vocational Training Center				340	10	0.69%
Total	13,041		26.74%	11,258		22.90%

Note:

* Only 2021 data was available at time of District ACFR publishing

Although outside the City limits, Northern Santa Barbara County Economic Outlook considered Vandenberg Air Force base as a principal employer; whereas the more current survey condu

Source - City of Santa Maria - Annual Comprehensive Financial Report 2021

Report on Compliance and Internal Controls



C.J. Brown & Company CPAs
An Accountancy Corporation

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**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Santa Maria Public Airport District
Santa Maria, California

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 Santa Maria Public Airport District (District) as of and for the years ended June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements and have issued our report thereon dated February 27, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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*.

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with Government Auditing Standards, continued**

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs

C.J. Brown & Company, CPAs
Cypress, California
February 27, 2025