



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

September 23, 2024

To: The Officials of the St. Joseph County Airport Authority
St. Joseph County Airport Authority
St. Joseph County, Indiana

We have received the audit of the St. Joseph County Airport Authority, which was opined upon by FORVIS, LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements present fairly the financial condition of the St. Joseph County Airport Authority as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

ST. JOSEPH COUNTY AIRPORT AUTHORITY
(A Component Unit of St. Joseph County)

ANNUAL FINANCIAL REPORT
For the fiscal year ended December 31, 2023

ST. JOSEPH COUNTY AIRPORT AUTHORITY
South Bend, Indiana

FINANCIAL STATEMENT
For the fiscal year ended December 31, 2023

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ST. JOSEPH COUNTY AIRPORT AUTHORITY

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June 19, 2024

To the Members of the Board:

The Annual Financial Report of the St. Joseph County Airport Authority for the fiscal year ended December 31, 2023, is submitted herewith. This report was prepared by the Department of Administration and Finance of the St. Joseph County Airport Authority in conjunction with Crowe LLP, and the Auditor's Office of St. Joseph County, Indiana.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Airport Authority. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Airport Authority; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Airport Authority's financial affairs have been included.

The guidelines recommended by the Government Finance Officers Association of the United States and Canada have been followed in the preparation of this report. One should read this letter of transmittal in conjunction with the Management Discussion and Analysis (MD&A) that is located immediately following the report of the independent auditor in the Financial Section of this report.

THE REPORTING ENTITY

The St. Joseph County Airport Authority (the "Airport Authority") is a municipal corporation established January 1, 1974, by the St. Joseph County, Indiana, Council, under authority granted by Indiana Statute (I.C. 1971 19-6-2 as amended by Chapter 3.5, commonly known as Public Law 304 and superseded by I.C. 8-22-3). The Authority, a component unit of St. Joseph County, has jurisdiction over a special district and was established for the general purpose of acquiring, maintaining, operating, and financing airports and landing fields in St. Joseph County, Indiana; and in connection therewith is authorized, among other things, to issue general obligation and revenue bonds and to levy taxes in accordance with the provisions of the statute. The Airport Authority administers The South Bend International Airport in South Bend, Indiana. The Airport Authority has no stockholders or equity holders and all revenues and other receipts must be disbursed in accordance with such statute. The Authority has no component units. The Airport Authority's bi-partisan Board consists of four members who are appointed by the St. Joseph County Commissioners.

3.

FINANCIAL INFORMATION

Internal Control Structure and Budgetary Controls

In developing and implementing the Airport Authority's accounting system, consideration has been given to the adequacy of internal accounting controls, designing them to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

We believe that operating within this framework; the Airport Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The accounts of the Airport Authority are maintained in six (6) main funds (Aviation, Cumulative Building, Restricted, PFC, Debt Service and Section 125) as required by state statute for budgetary purposes. Annual budgets are adopted and monthly budget reports are prepared on a cash basis. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations for purchase orders or contracts are carried over and added to the subsequent year's budget. For external financial reporting purposes, the Airport Authority consolidates its financial activity into an enterprise fund which recognizes expenses when incurred. Thus, this component unit financial report has been prepared using the accrual method of accounting.

The annual operating budget of the Airport Authority is prepared by the staff and reviewed and approved by the Airport Authority Board via resolution. It is then adopted by ordinance by the St. Joseph County Council. The budget is then reviewed by the State Department of Local Government Finance. Prior to adoption by the County Council, the budget is advertised and public hearings are conducted to obtain taxpayer comments.

Audit Function

The records of the St. Joseph County Airport Authority are audited annually at the close of each calendar year by Forvis Mazars which also audits federal projects annually. Findings regarding federal projects are reported to the Federal Aviation Administration. All financial data is available to the public.

Respectfully submitted,



Mrs. Renata Matousova
Vice President of Admin and Finance

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 SOUTH BEND INTERNATIONAL AIRPORT
 2023 OFFICIALS

Office	Official	Year Appointed	Term Expires
President	Mr. David R. Sage	1991	12/31/2024
VicePresident	Mr. Michael Misch	2021	12/31/2024
Treasurer/Asst. Secretary	Mr. Andrew Kostielney	2022	01/31/2026
Secretary	Dr. Vincent Henderson	2022	12/31/2026
CEO & Executive Director/Assistant Treasurer	Mr. Michael A Daigle, A.A.E.		

Independent Auditor's Report

Board of Directors
St. Joseph County Airport Authority
South Bend, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the St. Joseph County Airport Authority (the Airport Authority), a component unit of St. Joseph County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Airport Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport Authority as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport Authority's basic financial statements. The schedule of expenditures of passenger facility charge collections and expenditures and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of passenger facility charges collections and expenditures and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and budget and trend section, as presented in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2024, on our consideration of the Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport Authority's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Indianapolis, Indiana
June 19, 2024**

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

This Management Discussion and Analysis (MD&A) provides an introduction to the major activities affecting the operations of the South Bend International Airport (Airport) and an introduction and overview of the financial performance and statements of the St. Joseph County Airport Authority (Airport Authority) for the fiscal year ended December 31, 2023. The information contained in this MD&A should be considered in conjunction with the information contained in the Letter of Transmittal included in the Introduction Section and various historical summaries of activities and financial performance included in the Statistical and Compliance Sections of this report.

Following this MD&A are the basic financial statements of the Airport Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this section also presents certain Required Supplementary Information (R.S.I.). The R.S.I. is followed by Supplemental Financial Information, which includes budgetary comparison and trend schedules, a reconciliation of our budget to Generally Accepted Accounting Principles (G.A.A.P.), and a schedule of expenditures of Passenger Facilities Charges.

AIRPORT ACTIVITIES & HIGHLIGHTS

2023 marked the end of the COVID-19 pandemic recovery as it relates to air travel. Allegiant Travel Company, American Airlines, Delta Air Lines, and United Airlines provided nonstop flights to 12 destinations: Atlanta, Charlotte, Chicago, Dallas/Fort Worth, Detroit, Las Vegas, Minneapolis, Orlando/Sanford, Phoenix/Mesa, Fort Myers/Punta Gorda, Sarasota/Bradenton and Tampa /St. Petersburg with easy connections worldwide. On September 1, 2023, Delta resumed daily flights to and from Detroit. SBN was the first regional market to have the flights restored. The service had been suspended for less than 10 months.

The pilot shortage continued into 2023. A shortage of air traffic controllers emerged due to retirements and training delays resulting from the pandemic. As airlines continue to find the most profitable routes, SBN saw additional flights throughout the Notre Dame football season. American, Delta, and United all added additional flights. SBN saw the largest percentage of all of United's NCAA football flying being dubbed a "College Football Hub".

In 2023, all twelve months saw increased travel over 2022.

The Airport served 839,937 total air passengers in 2023 which was a 15.1% increase year-over-year and exceeds 2019 total air passengers by 0.9%. This is consistent with U.S. domestic air travel which was up 1.5% compared to 2019. The average load factor for all airlines at SBN increased more than a full percentage point to 84.9% in 2023 and continues to surpass 2019's average of 82.6%. This continues the trend of airlines flying fewer flights on larger aircraft with high load factors.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

The Airport completed the third year of a multi-year project to reconstruct and realign Taxiway B. Due to increased costs, the total projected project has increased to \$90,000,000. The project separates the terminal ramp from the taxiway making for safer operations while also repairing the sloping ramp and allowing for larger jets at all jet bridges.

The average one-way fare excluding taxes and fees for year end 2023 was \$215. This is down 7.3% over 2022 attributed to continued pent-up demand for air travel. 2023 carrier shares were Allegiant 28.2%, American 29.3%, Delta 22.7%, and United 19.8%.

In addition to air travel, the Airport serves as the terminating stop for the South Shore inter-urban electric rail service (NICTD), which provides travel between South Bend and Downtown Chicago (Millennium Station). South Shore ridership reached 145,202 passengers which was a decrease of 13% year over year. South Shore has been in final stages of capital improvements made to the South Shore Line infrastructure by the Double Track NWI project, and expects ridership to increase once completed in first half of 2024.

The Airport saw monthly activity in 2023 of international aircraft arrivals through the General Aviation Facility (GAF) totaling 120 for the year, which is 11% lower than pre-pandemic levels. There were 21 fewer international arrivals than in 2022, a nearly 15% decrease in activity. The GAF is staffed with one full-time U.S. Customs and Border Protection (CBP) officer who processes each flight. Aircraft registered in the United States, Austria, Canada, and Mexico have utilized this service with flights originating from a variety of countries. These aircraft are corporate or privately owned with less than 16 passenger seats per aircraft.

Below outlines the Airport Authority 2023 annual statistical report. The report is a comparative analysis of 3 years of numbers, which calculates increase and decrease percentages by comparing the current year versus the previous year.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

2023 COMPOSITE STATISTIC CHART



	Airline Enplanements					Aircraft Landed Weight					Aircraft Operations				
	For Ref.					For Ref.					For Ref.				
	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%
Jan	15,463	24,966	29,703	4,737	19%	40,212,339	46,692,655	46,125,804	(566,851)	-1%	2,323	2,481	1,960	(521)	-21%
Feb	18,512	28,257	30,957	2,700	10%	37,100,102	42,980,546	44,768,740	1,788,194	4%	2,212	2,149	2,412	263	12%
Mar	26,703	32,817	37,664	4,847	15%	49,878,238	46,095,733	50,032,891	3,937,158	9%	3,169	2,793	2,629	(164)	-5%
Apr	23,782	28,119	31,088	2,969	11%	50,190,644	45,111,357	46,511,429	1,400,072	3%	3,263	3,203	2,595	(608)	-19%
May	28,450	30,127	33,695	3,568	12%	48,556,650	44,296,632	48,239,248	4,002,616	9%	3,401	3,385	3,217	(168)	-5%
Jun	30,046	29,528	33,064	3,536	12%	45,485,465	43,348,059	45,022,708	1,674,649	4%	2,968	3,708	3,032	(676)	-18%
Jul	32,515	29,448	34,167	4,719	16%	46,458,257	41,682,314	45,847,394	4,165,080	10%	3,989	3,253	3,077	(176)	-5%
Aug	30,412	27,319	32,757	5,438	20%	48,507,803	40,928,975	46,168,576	5,239,601	13%	3,763	3,560	3,977	417	12%
Sep	30,825	30,163	35,671	5,508	18%	48,437,707	43,991,213	50,264,861	6,273,648	14%	3,866	4,041	3,824	(217)	-5%
Oct	37,324	38,001	40,684	2,683	7%	51,946,325	52,874,638	54,936,574	2,061,936	4%	4,250	3,525	3,678	153	4%
Nov	33,755	34,167	36,003	1,836	5%	50,157,150	51,221,012	49,419,646	(1,801,366)	-4%	3,620	3,067	3,274	207	7%
Dec	33,858	31,860	36,109	4,249	13%	49,173,807	47,515,917	49,565,761	2,049,844	4%	2,314	2,047	2,112	65	3%
Total	341,645	364,772				566,104,487	546,679,051				39,138	37,212			
YTD	341,645	364,772	411,562	46,790	12.83%	566,104,487	546,679,051	576,903,632	30,224,581	5.53%	39,138	37,212	35,787	(1,425)	-3.83%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

2023 COMPOSITE STATISTIC CHART



	Air Cargo - Pounds Enplaned & Deplaned					Total Gross Landed Weight - Cargo					Aviation Fuel Flowage - Gallons				
	For Ref.					For Ref.					For Ref.				
	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%
Jan	1,526,394	1,534,927	1,388,489	(146,438)	-10%	8,007,000	9,039,600	8,703,435	(336,165)	-4%	422,069	509,330	526,696	19,366	4%
Feb	1,318,007	1,437,603	1,348,676	(88,927)	-6%	6,649,820	9,299,000	8,162,415	(1,136,585)	-12%	441,377	539,704	544,163	4,459	1%
Mar	1,784,293	1,806,958	1,671,767	(135,191)	-7%	8,641,070	10,586,680	9,452,900	(1,133,780)	-11%	579,104	562,910	588,430	25,520	5%
Apr	1,838,807	1,557,877	1,554,170	(3,707)	0%	8,439,000	9,902,380	9,549,380	(353,000)	-4%	483,939	608,603	589,684	(18,919)	-3%
May	1,876,932	1,629,489	1,742,824	113,335	7%	8,054,200	9,237,440	10,304,311	1,066,871	12%	539,959	601,986	603,999	2,013	0%
Jun	1,960,534	1,798,094	1,841,175	43,081	2%	8,370,300	9,870,760	8,893,200	(977,560)	-10%	525,641	497,879	530,626	32,747	7%
Jul	1,930,510	1,607,973	1,668,049	60,076	4%	8,419,500	9,774,060	7,802,100	(1,971,960)	-20%	506,406	476,485	569,538	93,053	20%
Aug	1,655,901	1,652,943	1,872,550	219,607	13%	8,396,600	9,870,680	9,424,900	(445,780)	-5%	584,011	487,086	565,380	78,294	16%
Sep	1,885,100	1,654,673	1,874,902	220,229	13%	8,649,600	9,490,394	8,824,934	(665,460)	-7%	609,089	550,612	765,185	214,573	39%
Oct	2,149,123	1,535,816	1,598,454	62,638	4%	8,478,000	9,408,560	8,188,500	(1,220,060)	-13%	816,370	636,767	788,475	151,708	24%
Nov	2,019,444	1,556,970	1,655,028	98,058	6%	9,506,956	10,151,468	8,188,500	(1,962,968)	-19%	723,276	652,288	617,254	(35,034)	-5%
Dec	1,910,637	1,785,332	1,693,526	(91,806)	-5%	11,606,740	11,000,780	9,856,720	(1,144,060)	-10%	499,308	501,342	514,833	13,491	3%
Total	22,055,682	19,558,655				103,218,786	117,631,802				6,730,549	6,624,992			
YTD	22,055,682	19,558,655	19,909,610	350,955	1.79%	103,218,786	117,631,802	107,351,295	(10,280,507)	-8.74%	6,730,549	6,624,992	7,206,263	581,271	8.77%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

2023 COMPOSITE STATISTIC CHART



	Car Rental - Car Rental Days*					TNC Activity					Restaurant/Gift Shop - Gross Sales							
	For Ref.	2021	2022	2023	Diff.	%	For Ref.	2021	2022	2023	Diff.	%	For Ref.	2021	2022	2023	Diff.	%
Jan		3,843	9,583	11,886	2,303	24%		2,169	2,743	3,576	833	30%		\$105,612	\$144,430	\$181,930	\$37,500	26%
Feb		2,555	10,089	11,212	1,123	11%		774	1,771	2,133	362	20%		\$121,695	\$158,357	\$192,762	\$34,405	22%
Mar		5,212	11,100	13,763	2,663	24%		831	1,859	2,133	274	15%		\$172,140	\$201,962	\$254,481	\$52,519	26%
Apr		10,972	13,625	10,292	(3,333)	-24%		817	1,781	3,132	1,351	76%		\$149,689	\$177,767	\$206,520	\$28,753	16%
May		13,990	16,510	16,293	(217)	-1%		1,014	1,958	2,955	997	51%		\$161,123	\$170,637	\$224,765	\$54,128	32%
Jun		15,103	11,154	18,956	7,802	70%		1,477	2,046	2,837	791	39%		\$169,924	\$180,810	\$237,454	\$56,644	31%
Jul		16,793	16,262	19,608	3,346	21%		2,353	2,744	2,123	(621)	-23%		\$179,650	\$181,054	\$247,765	\$66,711	37%
Aug		18,076	16,689	19,927	3,238	19%		1,760	3,110	3,590	480	15%		\$164,149	\$177,556	\$230,033	\$52,477	30%
Sep		15,925	16,667	20,935	4,268	26%		2,581	2,614	3,212	598	23%		\$171,287	\$180,898	\$261,219	\$80,321	44%
Oct		17,945	18,057	18,379	322	2%		2,721	3,588	4,538	950	26%		\$212,199	\$222,155	\$287,797	\$65,642	30%
Nov		14,645	16,059	15,225	(834)	-5%		2,093	3,102	3,671	569	18%		\$175,877	\$215,733	\$229,963	\$14,230	7%
Dec		11,050	11,908	12,956	1,048	9%		1,334	1,808	2,337	529	29%		\$189,168	\$205,334	\$249,849	\$44,515	22%
Ann. To		146,109	167,703					19,924	29,124					\$1,972,513	\$2,216,693			
YTD		146,109	167,703	189,432	21,729	12.96%		19,924	29,124	36,237	7,113	24.42%		\$1,972,513	\$2,216,693	\$2,804,537	\$587,844	26.52%

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

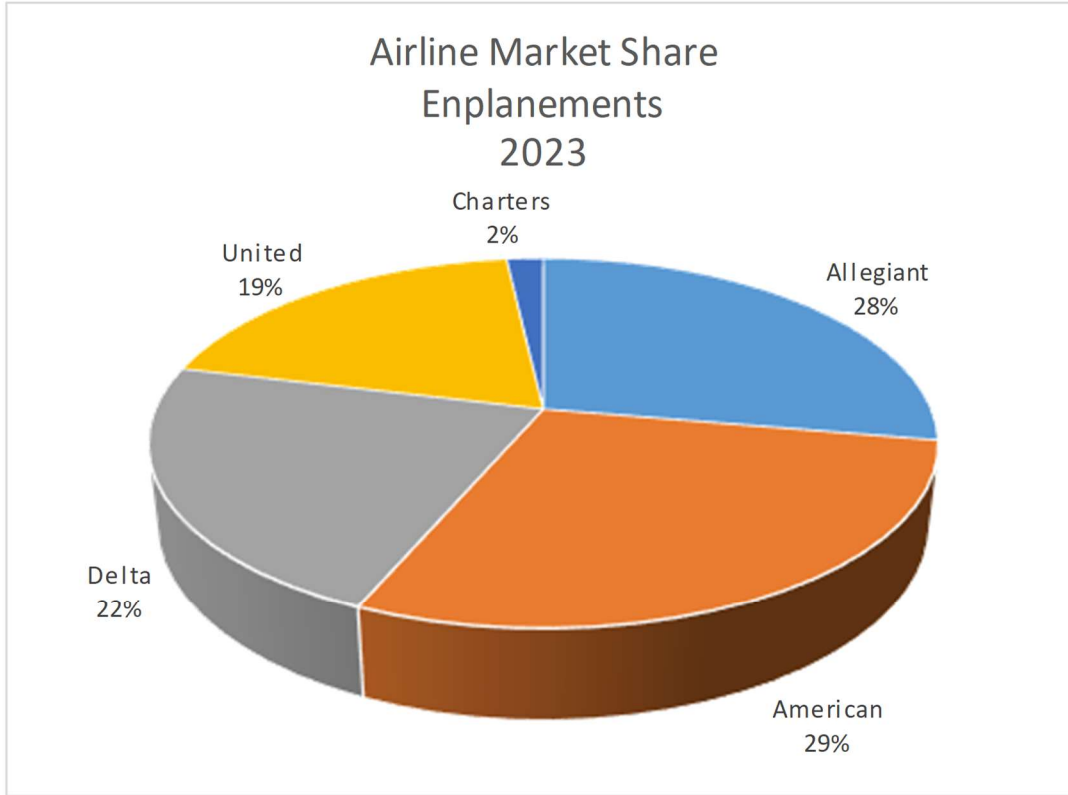
2023 COMPOSITE STATISTIC CHART



	Republic Parking - Gross Sales					South Shore Passengers					International Flights - GAF				
	<u>For Ref.</u>					<u>For Ref.</u>					<u>For Ref.</u>				
	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%	2021	2022	2023	Diff.	%
Jan	\$175,389	\$298,806	\$372,121	\$73,315	25%	4,618	8,972	9,775	803	9%	2	5	9	4	80%
Feb	\$177,392	\$316,284	\$354,454	\$38,170	12%	4,932	8,940	8,829	(111)	-1%	4	6	11	5	83%
Mar	\$280,790	\$364,154	\$486,224	\$122,070	34%	7,332	13,530	12,919	(611)	-5%	1	8	10	2	25%
Apr	\$259,266	\$345,794	\$451,036	\$105,242	30%	10,467	14,608	13,773	(835)	-6%	4	14	13	(1)	-7%
May	\$234,437	\$311,107	\$361,183	\$50,076	16%	10,437	15,290	11,791	(3,499)	-23%	12	17	8	(9)	-53%
Jun	\$245,370	\$263,585	\$333,718	\$70,133	27%	11,197	15,014	12,175	(2,839)	-19%	4	9	15	6	67%
Jul	\$260,188	\$253,972	\$322,194	\$68,222	27%	15,889	18,102	13,964	(4,138)	-23%	7	11	7	(4)	-36%
Aug	\$242,553	\$258,883	\$326,556	\$67,673	26%	11,650	14,814	12,291	(2,523)	-17%	6	16	7	(9)	-56%
Sep	\$268,367	\$278,520	\$365,106	\$86,586	31%	14,806	13,613	11,767	(1,845)	-14%	10	18	9	(9)	-50%
Oct	\$333,167	\$367,839	\$451,892	\$84,053	23%	20,259	16,039	12,390	(3,649)	-23%	13	11	12	1	9%
Nov	\$297,978	\$316,313	\$406,791	\$90,478	29%	15,419	14,639	12,190	(2,449)	-17%	13	18	9	(9)	-50%
Dec	\$274,240	\$273,090	\$371,458	\$98,368	36%	14,889	13,374	13,338	(36)	0%	10	8	10	2	25%
Ann. To	\$3,049,137	\$3,648,347				141,895	166,935				86	141			
YTD	\$3,049,137	\$3,648,347	\$4,602,733	\$954,386	26.16%	141,895	166,935	145,202	(21,733)	-13.02%	86	141	120	(21)	-14.89%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023



Airline Market Share Comparison

	<u>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Change %</u>
Allegiant	114,068	110,155	3,913	3.55%
American	118,534	89,267	29,267	32.79%
Delta	91,821	87,224	4,597	5.27%
United	80,016	70,477	9,539	13.53%
Charters	7,411	7,649	(238)	-3.11%
Totals	<u><u>411,850</u></u>	<u><u>364,772</u></u>	<u><u>47,078</u></u>	<u><u>12.91%</u></u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

FINANCIAL HIGHLIGHTS

Net Position

	<u>2023</u>	<u>2022</u>	<u>Increase/Decrease</u>	
			<u>Amount</u>	<u>Percent</u>
Assets and Deferred Outflows of Resources				
Current Assets	\$ 28,546,974	\$ 32,773,511	\$ (4,226,537)	-12.90%
Capital and Noncurrent Assets	145,292,530	118,441,187	26,851,343	22.67%
Deferred Outflows of Resources	1,147,860	917,441	230,419	25.12%
Total Assets and Deferred Outflows of Resources	<u>174,987,364</u>	<u>152,132,139</u>	<u>22,855,225</u>	<u>15.02%</u>
Liabilities and Deferred Inflows of Resources				
Current Liabilities	4,444,554	4,429,016	15,538	0.35%
Noncurrent Liabilities	6,708,553	7,293,377	(584,824)	-8.02%
Deferred Inflows of Resources	375,791	578,012	(202,221)	-34.99%
Total Liabilities and Deferred Inflows of Resources	<u>11,528,898</u>	<u>12,300,405</u>	<u>(771,507)</u>	<u>-6.27%</u>
Net Position				
Net Investment in Capital Assets	138,021,006	110,047,496	27,973,510	25.42%
Restricted	10,147,362	7,673,809	2,473,553	32.23%
Unrestricted	15,290,098	22,110,429	(6,820,331)	-30.85%
Total Net Position	<u>\$ 163,458,466</u>	<u>\$ 139,831,734</u>	<u>\$ 23,626,732</u>	<u>16.90%</u>

Total assets and deferred outflows of resources increased by \$22.9 million primarily due to an increase in capital assets mostly related to construction. The decrease in current assets was due to cash used for investments into land acquisition, and local share of capital projects. The increase in capital assets was related to planned construction costs that were accrued for per below, and addition of newly acquired land. Total liabilities and deferred inflows of resources decreased by \$0.8 million due to the Authority accruing less capital costs for planned construction projects than previous year. The resulting increase in net position of \$23.6 million is the net result of these major items.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Changes in Net Position

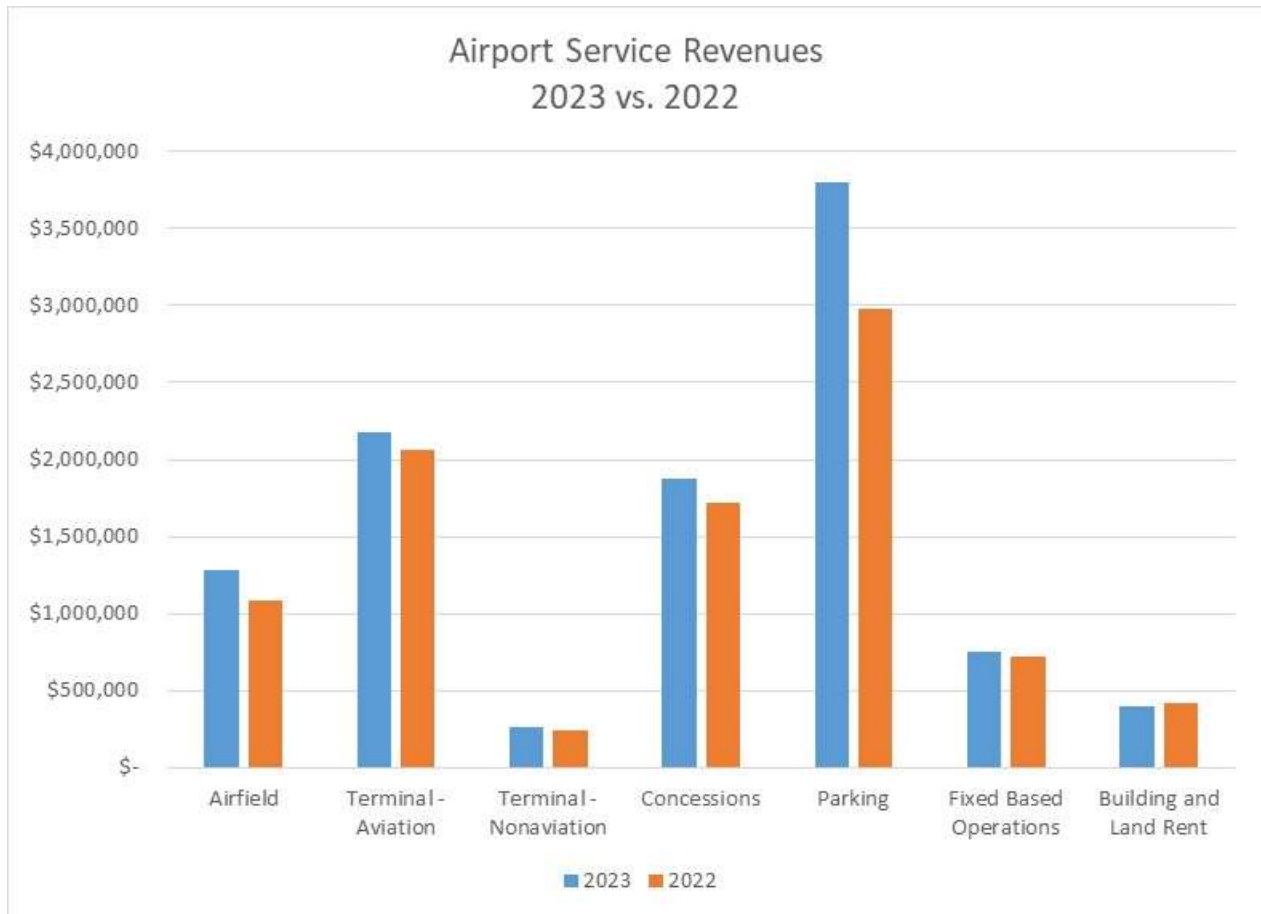
	<u>2023</u>	<u>2022</u>	<u>Increase/Decrease</u>	
			<u>Amount</u>	<u>Percent</u>
Operating Revenues				
Airport Service Revenues				
Airfield	\$ 1,284,798	\$ 1,083,095	\$ 201,703	18.62%
Terminal - Aviation	2,171,942	2,066,044	105,898	5.13%
Terminal - Nonaviation	264,387	238,507	25,880	10.85%
Concessions	1,878,772	1,715,156	163,616	9.54%
Parking	3,806,007	2,980,793	825,214	27.68%
Fixed Based Operations	749,096	718,617	30,479	4.24%
Building and Land Rent	397,732	415,200	(17,468)	-4.21%
Total Airport Service Revenues	<u>10,552,734</u>	<u>9,217,412</u>	<u>1,335,322</u>	<u>14.49%</u>
Other	32,000	21,000	11,000	52.38%
Total Operating Revenues	<u>10,584,734</u>	<u>9,238,412</u>	<u>1,346,322</u>	<u>14.57%</u>
Operating Expenses				
Personal Services	6,942,431	5,837,818	1,104,613	18.92%
Supplies	1,013,372	909,750	103,622	11.39%
Other Services and Charges	6,598,560	6,520,531	78,029	1.20%
Depreciation	4,019,984	3,784,036	235,948	6.24%
Total Operating Expenses	<u>18,574,347</u>	<u>17,052,135</u>	<u>1,522,212</u>	<u>8.93%</u>
Operating Loss	<u>(7,989,613)</u>	<u>(7,813,723)</u>	<u>(175,890)</u>	<u>2.25%</u>
Nonoperating Revenues				
Property Taxes	4,005,534	3,647,169	358,365	9.83%
Other Tax Distributions	944,366	732,770	211,596	28.88%
Interest and Investment Revenue	1,438,159	447,515	990,644	221.37%
Property Management Revenue	841,661	721,757	119,904	16.61%
Federal Operating Grant	116,898	5,083,458	(4,966,560)	-97.70%
Other Revenue	255,614	324,487	(68,873)	-21.23%
Total Nonoperating Revenues	<u>7,602,232</u>	<u>10,957,156</u>	<u>(3,354,924)</u>	<u>-30.62%</u>
Nonoperating Expenses				
Interest Expense	159,193	193,476	(34,283)	-17.72%
Loss on Disposal of Capital Assets	-	535,176	(535,176)	-100.00%
Amortization	(62,893)	(60,432)	(2,461)	4.07%
Total Nonoperating Expenses	<u>96,300</u>	<u>668,220</u>	<u>(571,920)</u>	<u>-85.59%</u>
Income (Loss) Before Capital Contributions and Passenger Facility Charge Revenue	<u>(483,681)</u>	<u>2,475,213</u>	<u>(2,958,894)</u>	<u>-119.54%</u>
Capital Contributions	22,394,033	11,968,710	10,425,323	87.10%
Passenger Facility Charge Revenue	<u>1,716,380</u>	<u>1,536,494</u>	<u>179,886</u>	<u>11.71%</u>
Change in Net Position	<u>23,626,732</u>	<u>15,980,417</u>	<u>7,646,315</u>	<u>47.85%</u>
Total Net Position - Beginning	<u>139,831,734</u>	<u>123,851,317</u>	<u>15,980,417</u>	<u>12.90%</u>
Total Net Position - Ending	<u>\$ 163,458,466</u>	<u>\$ 139,831,734</u>	<u>\$ 23,626,732</u>	<u>16.90%</u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2023

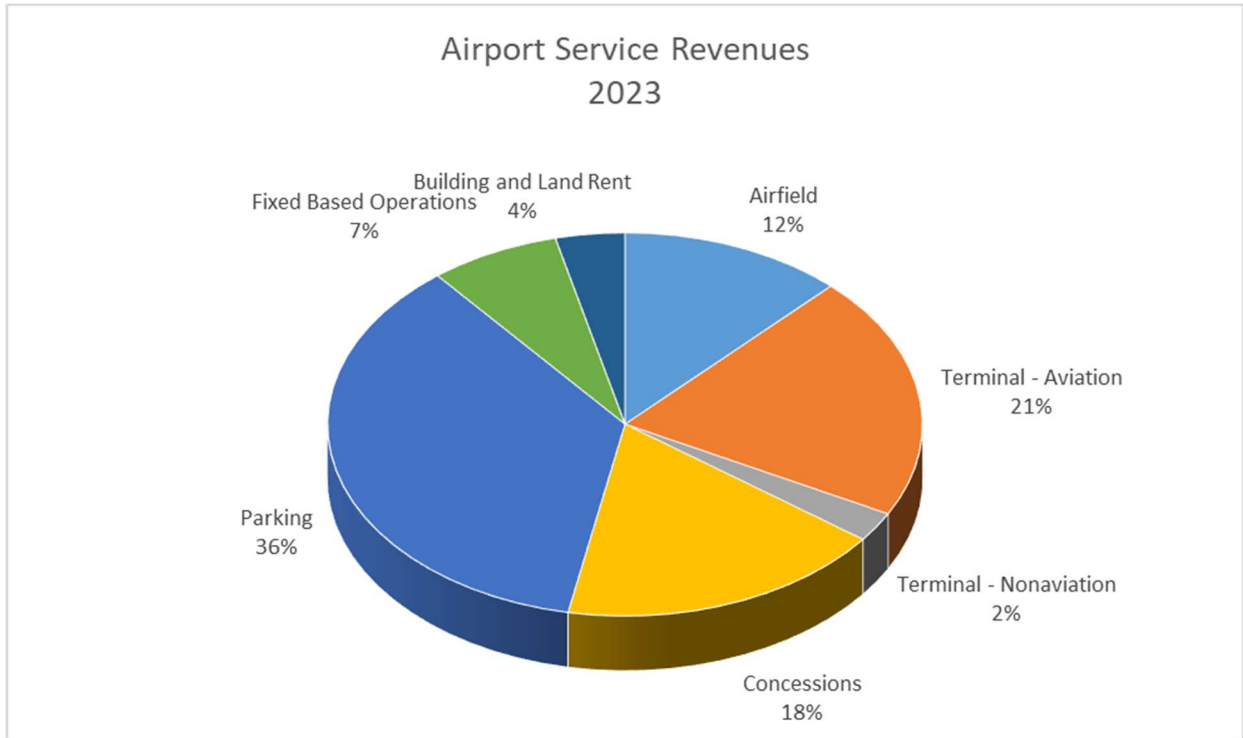
Revenue

Total Operating Revenue increased by 14.6% compared to 2022 levels, in large part due to continued rebound after the COVID-19 pandemic. The Authority was also able to increase some rates and charges, most notably parking, which contributed to increased revenue without affecting passenger traffic. Airport Service Revenue increased by 14.5% and consisted of Airfield, Terminal, Concessions, Parking, Fixed Base Operations, and Building and Land Rental Revenues. The Airfield category, which was composed primarily of landing fees and fuel flowage fees, increased by 18.6%. This figure also includes fee for aircraft parking on non-leased ramp space for GA aircraft, which was newly imposed in fall of 2023. Terminal Rental Revenue increased by 5.1% in 2023. Terminal Non-Aviation Rental Revenue increased by 10.9% in 2023. Concession Revenue increased by 9.5% and Parking Revenue increased by 27.7%. Fixed Base Operations Revenue, a component of General Aviation activity, increased 4.2%. Other Building and Land Rental on the airfield decreased by 4.2%. Non-Operating Revenues decreased by 30.6% due to additional funding received from federal sources to offset loses created by the COVID-19 pandemic in 2022, which was not continued in 2023. Passenger Facility Charge (P.F.C.) Revenues increased in 2023 by 11.7%, again as a result of a passenger traffic slowly recovering from the COVID-19 pandemic. A significant increase in capital contributions occurred in 2023 due to federal funds related airport construction.



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ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

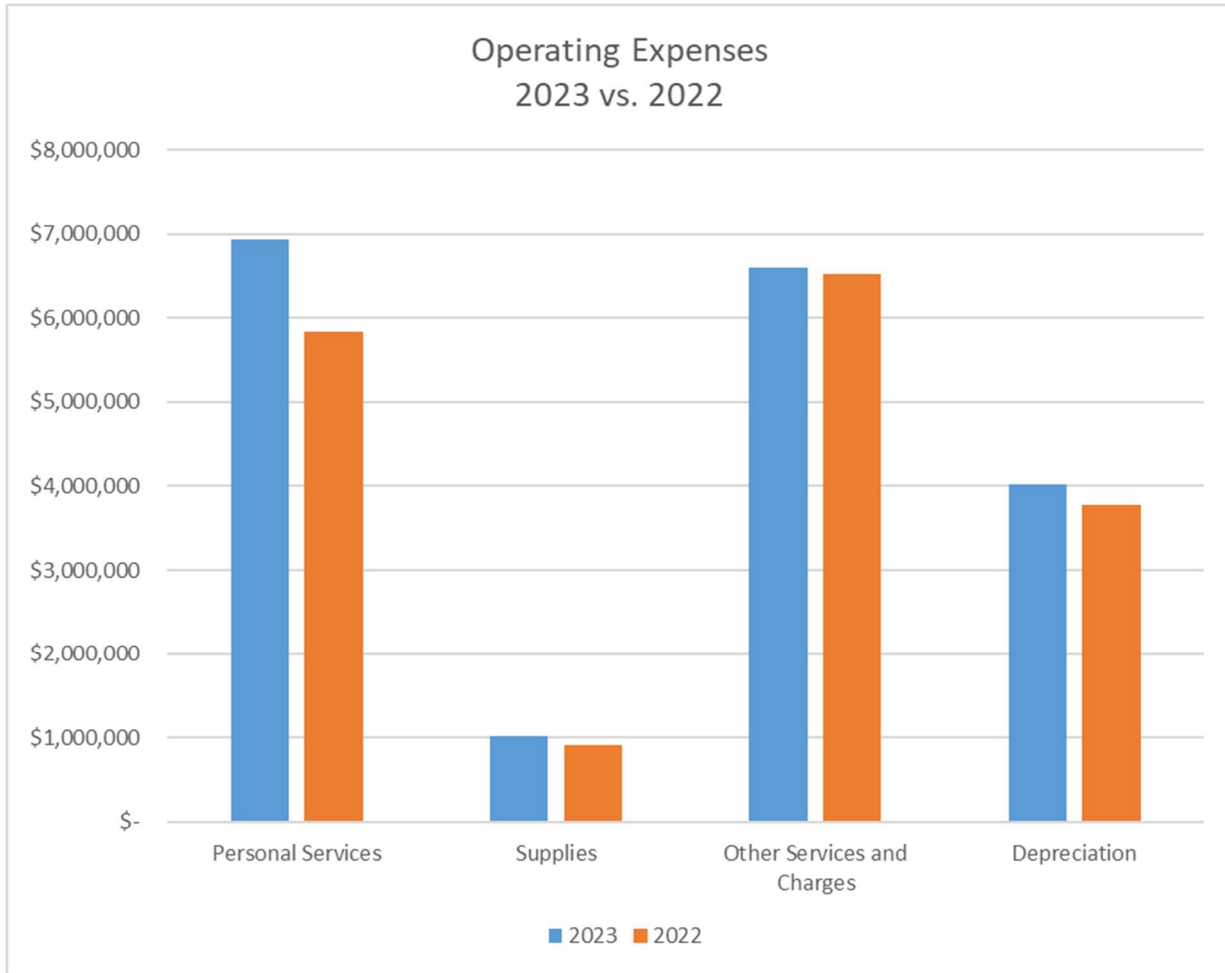


Expenses

Total Operating Expenses increased by 8.9% while Non-Operating Expenses decreased in 2023 by \$0.6 million compared to 2022, mostly due to accumulated depreciation expense related to disposal of capital assets. The Operating Expenses increased fairly evenly across all expense categories, reflecting increased activity, and return of projects and programs that were suspended, or limited during Covid. The Authority has also reorganized the organizational structure, and added or reclassified some positions to better keep up with the growing demands on the organization, reflected in the increase of personnel cost.

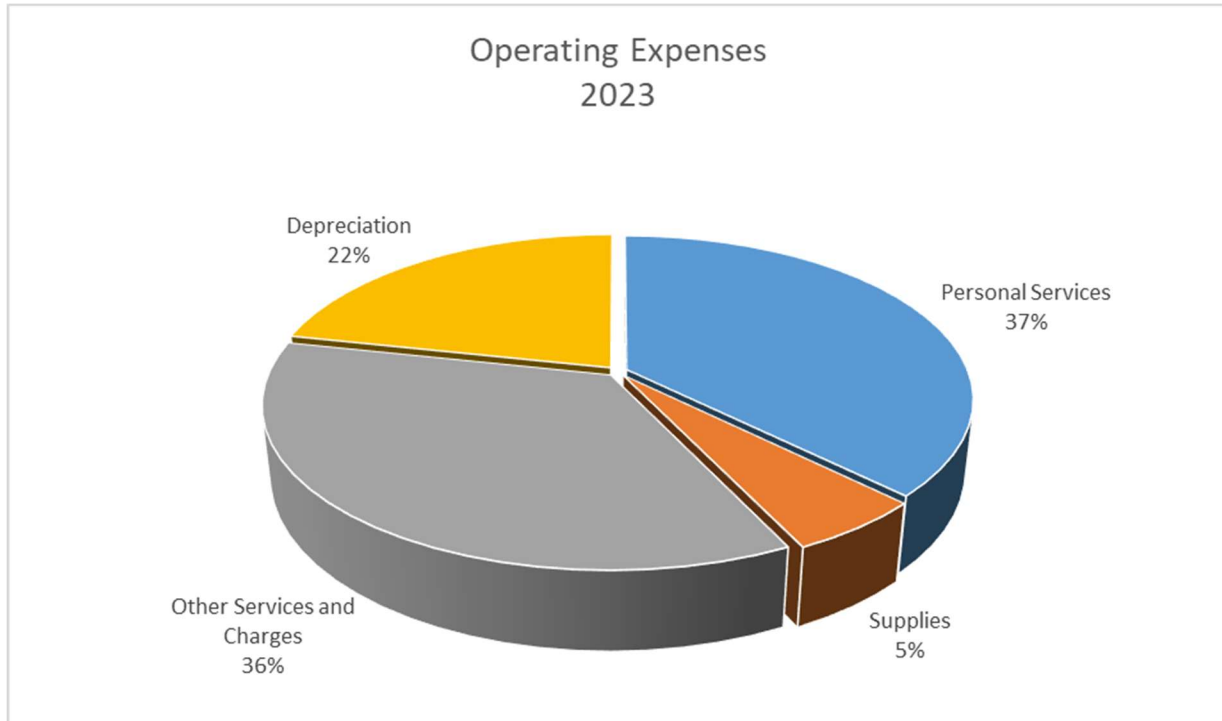
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ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023



(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023



SUMMARY OF CASH FLOW ACTIVITIES

The following is a summary of the major sources and uses of Cash and Cash Equivalents for the past two years.

	<u>2023</u>	<u>2022</u>
Cash Flows		
Operating Activities	\$ (4,687,086)	\$ (3,800,122)
Noncapital Financing Activities	6,172,689	10,470,379
Capital and Related Financing Activities	(11,083,104)	(4,146,137)
Investing Activities	<u>1,438,159</u>	<u>447,515</u>
Net Increase (Decrease)	<u>(8,159,342)</u>	<u>2,971,635</u>
Cash and Cash Equivalents - Beginning	<u>29,364,218</u>	<u>26,392,583</u>
Cash and Cash Equivalents - Ending	<u>\$21,204,876</u>	<u>\$29,364,218</u>

The Authority's available Cash and Cash Equivalents decreased from \$29.4 million at the end of 2022 to \$21.2 million at the end of 2023, mainly due to investment into land acquisition, and local share of capital projects, as well as timing of reimbursement from FAA for large capita projects.

(Continued)

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

CAPITAL ASSETS

The St. Joseph County Airport Authority's investment in Capital Assets as of December 31, 2023, was \$145.3 million (net of Accumulated Depreciation). This investment in Capital Assets includes land, buildings, roadways, airfield and equipment. In total, this represents a \$26.9 million increase from 2022. Major Capital Asset events during the current fiscal year included the following:

During 2023, the Airport Authority District disbursed approximately \$30.7 million for major capital activities. The majority of the expenditure went into the continuation of reconstruction of the terminal ramp and taxiway Bravo project, which is phased over multiple years, and land acquisition. Capital Asset acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing mechanisms, including federal grants with matching state grants and Airport funds, property taxes, debt issuances, and Airport revenues. Additional information on the Authority's Capital Assets and commitments can be found in the Notes to the Financial Statements in Section III.

PASSENGER FACILITY CHARGE (P.F.C.)

Effective July 1, 2011, \$1.50 was added to the existing Passenger Facility Charge (P.F.C.) of \$3.00 per enplaned passenger with the approval of the Federal Aviation Administration (FAA) and the St. Joseph County Airport Authority Board. The P.F.C. receipts are intended to be used to repay the debt service on the 2011 and 2012 Bond issues and for any other purposes allowed by the FAA and the Airport Authority Board. The St. Joseph County Airport Authority is authorized to receive a maximum of \$41,684,619. As of December 31, 2023, the Airport Authority had received a total of \$36,162,419 on the accrual basis of accounting.

LONG TERM DEBT AND CREDIT RATINGS

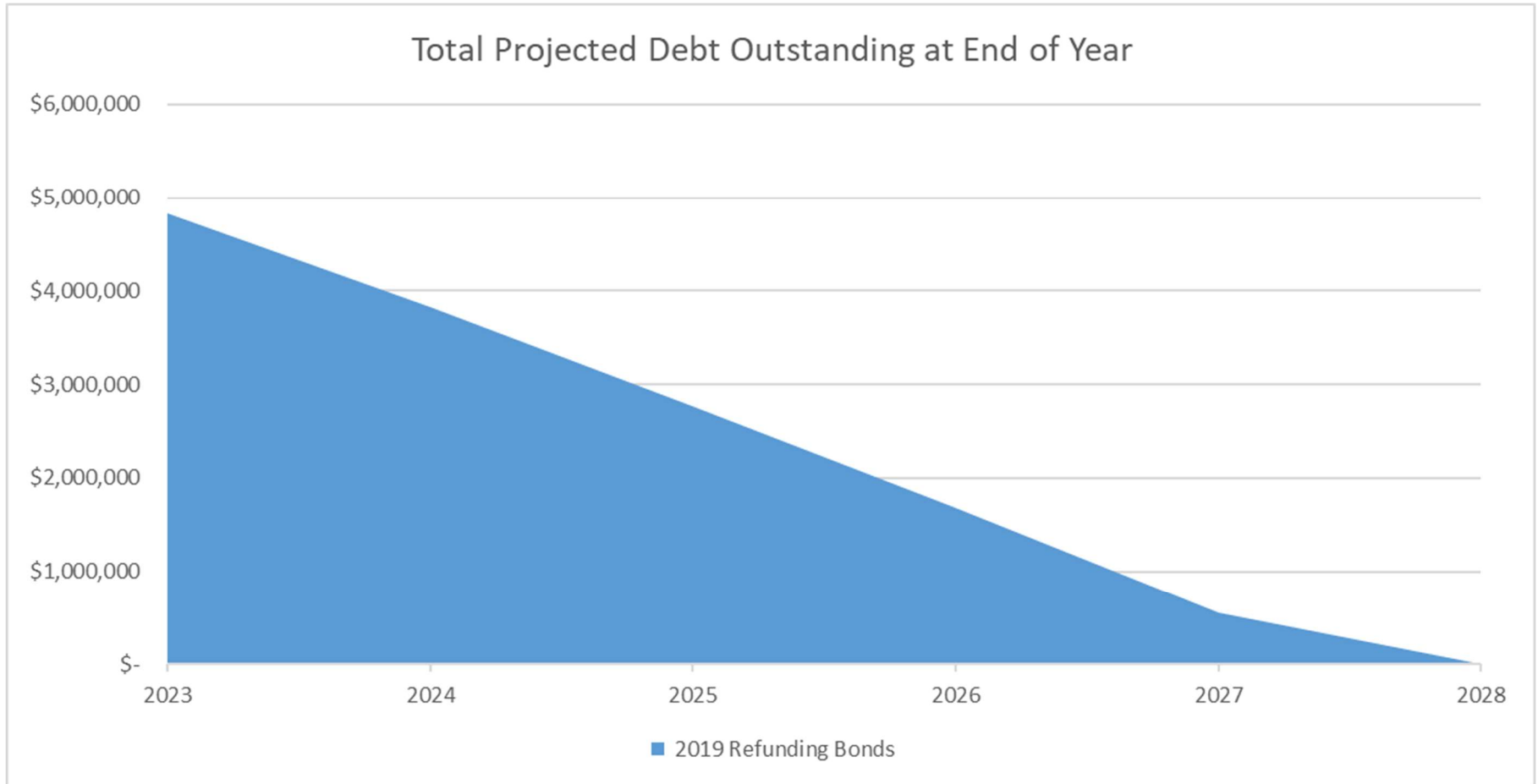
The Airport Authority has \$4.0 million in Outstanding Long-Term Debt plus \$1.0 million in Outstanding Short-Term Debt as of December 31, 2023. Long-Term and Short-Term Debt consisted of the 2019 General Obligation Refunding Bonds issued in October 2019, which refunded the 2011 General Obligation Bonds and 2012 General Obligation Refunding Revenue Bonds completely. The 2019 General Obligation Refunding Bonds (original issue of \$8.4 million) mature in 2027 with interest rates ranging from 0.01% to 4.00%. Both principal and interest are payable from the revenues derived from the proceeds of an approved Passenger Facility Charge (P.F.C.) on each enplanement at South Bend Airport as well as from property taxes levies.

The General Obligation Debt limit for the Airport Authority is 2% of the adjusted value of taxable property in St. Joseph County. Per Indiana Statute, the adjusted value is defined as being equal to one third (1/3) of the actual valuation of property in the County. The current adjusted value is \$4,227,586,189. The debt limit is \$84,551,724 million, and the total outstanding General Obligation Debt is \$5,014,977.

The Authority's General Obligation Debt is rated A+ by Standard and Poors. The rating for the Authority reflects the General Obligation Security for these Bonds. The rating reflects fact that the Authority benefits from a relatively diverse revenue stream including: parking, terminal revenues, concessions, and general property taxes, overall financial strength, and local economy. Details regarding Long-Term Debt are included in the Notes to the Financial Statements in Section III.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023



ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF NET POSITION
December 31, 2023

Assets	
Current assets:	
Unrestricted:	
Cash and cash equivalents	\$ 8,400,176
Accounts receivable (net of allowance)	1,051,781
Intergovernmental receivable	5,243,187
Leases receivable	49,254
Accrued interest receivable - leases	787
Prepaid items	284,632
Deposits held in escrow	412,326
Total unrestricted current assets	<u>15,442,143</u>
Restricted:	
Cash and cash equivalents:	
Passenger facility charge fund	2,682,394
Customer facility charge fund	1,735,827
Debt Service Reserve fund	1,126,168
Cumulative building fund	6,038,669
Excess levy fund	235
Other funds	1,221,407
Accounts receivable - passenger facility charge	250,858
Taxes receivable	49,273
Total restricted current assets	<u>13,104,831</u>
Total current assets	<u>28,546,974</u>
Noncurrent assets:	
Leases receivable	26,569
Capital assets:	
Capital assets not being depreciated	65,744,786
Capital assets, net of accumulated depreciation	79,521,175
Total noncurrent assets	<u>145,292,530</u>
Total assets	<u>173,839,504</u>
Deferred outflows of resources	
Deferred pension outflows	1,112,960
Deferred OPEB outflows	34,900
Total deferred outflows of resources	<u>1,147,860</u>
Total assets and deferred outflows of resources	<u>\$ 174,987,364</u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF NET POSITION
December 31, 2023

Liabilities	
Current liabilities:	
Unrestricted:	
Accounts payable	\$ 508,305
Accrued payroll payable	229,607
Unearned revenue	131,481
Compensated absences	312,669
Leases payable	4,045
Subscriptions payable	72,481
Other current liabilities	<u>11,793</u>
Total unrestricted current liabilities	<u>1,270,381</u>
Restricted:	
General obligation bonds payable	1,010,000
Retainage payable	1,427,818
Customer deposits payable	20,919
Contracts payable	664,450
Other liabilities	<u>50,986</u>
Total restricted current liabilities	<u>3,174,173</u>
Total current liabilities	<u>4,444,554</u>
Noncurrent liabilities:	
Unrestricted:	
Compensated absences	109,383
Leases payable	16,303
Subscriptions payable	52,910
Net pension liability	2,423,947
Total OPEB liability	<u>101,033</u>
Total noncurrent unrestricted liabilities	<u>2,703,576</u>
Restricted:	
General obligation bonds payable (net of unamortized premiums)	<u>4,004,977</u>
Total noncurrent restricted liabilities	<u>4,004,977</u>
Total noncurrent liabilities	<u>6,708,553</u>
Total liabilities	<u>11,153,107</u>
Deferred inflow of resources	
Deferred amount on refunding	137,710
Deferred amount on leases	76,494
Deferred pension inflow	20,569
Deferred OPEB inflow	<u>141,018</u>
Total deferred inflows of resources	<u>375,791</u>
Total liabilities and deferred inflow of resources	<u>11,528,898</u>
Net Position:	
Net investment in capital assets	138,021,006
Restricted for debt service	4,059,420
Restricted for capital assets	6,087,942
Unrestricted	<u>15,290,098</u>
Total net position	<u>\$ 163,458,466</u>

See accompanying notes to financial statements.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year End December 31, 2023

Operating revenues:	
Airfield	\$ 1,284,798
Terminal - aviation	2,171,942
Terminal - nonaviation	264,387
Concessions	1,878,772
Parking	3,806,007
Fixed based operations	749,096
Building and land rent	397,732
Other	<u>32,000</u>
Total operating revenues	<u>10,584,734</u>
Operating expenses:	
Personal services	6,942,431
Supplies	1,013,372
Other services and charges	6,598,560
Depreciation	<u>4,019,984</u>
Total operating expenses	<u>18,574,347</u>
Operating loss	<u>(7,989,613)</u>
Nonoperating revenues:	
Property taxes	4,005,534
Other tax distributions	944,366
Interest and investment revenue	1,438,159
Property management revenue	841,661
Federal operating grant	116,898
Other revenue	<u>255,614</u>
Total nonoperating revenues	<u>7,602,232</u>
Nonoperating expenses:	
Interest expense	159,193
Amortization	<u>(62,893)</u>
Total nonoperating expenses	<u>96,300</u>
Loss before capital contributions and passenger facility charges	<u>(483,681)</u>
Capital contributions	22,394,033
Passenger facility charge revenue	<u>1,716,380</u>
Total capital contributions and passenger facility charges	<u>24,110,413</u>
Change in net position	<u>23,626,732</u>
Total net position - beginning	<u>139,831,734</u>
Total net position - ending	<u>\$ 163,458,466</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
Year End December 31, 2023

Cash flows from operating activities:	
Receipts from customers and users	\$ 10,326,756
Payments to suppliers and contractors	(10,310,194)
Payments to employees	<u>(4,703,648)</u>
Net cash used by operating activities	<u>(4,687,086)</u>
Cash flows from noncapital financing activities:	
Property management activity	841,661
Other nonoperating revenue	255,614
Operating grant received	116,898
Property and county income taxes	<u>4,958,516</u>
Net cash provided by noncapital financing activities	<u>6,172,689</u>
Cash flows from capital and related financing activities:	
Passenger facility charges	1,697,204
Capital contributions	19,163,747
Acquisition and construction of capital assets	(30,744,612)
Interest paid on leases and subscriptions	(3,275)
Principal paid on leases and subscriptions	(70,250)
Interest paid on capital debt	(155,368)
Principal paid on capital bonds	(970,000)
Bond issuance costs	<u>(550)</u>
Net cash used in capital and related financing activities	<u>(11,083,104)</u>
Cash flows from investing activities:	
Interest received	<u>1,438,159</u>
Net cash provided by investing financing activities	<u>1,438,159</u>
Net decrease in cash and cash equivalents	<u>(8,159,342)</u>
Cash and cash equivalents, January 1	<u>29,364,218</u>
Cash and cash equivalents, December 31	<u>\$ 21,204,876</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
Year End December 31, 2023

Reconciliation of operating income to net cash used by operating activities:	
Operating loss	\$ (7,989,613)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	4,019,984
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(255,393)
Prepaid items	(40,845)
Other current assets	(412,326)
Leases receivable	28,102
Accrued interest receivable - leases	255
Deferred pension outflows	(233,921)
Deferred OPEB outflows	3,502
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(105,253)
Accrued payroll payable	19,406
Unearned revenue	(734)
Compensated absences	59,178
Other current liabilities	5,366
Customer deposits payable	(5,800)
Net pension liability	384,995
Total OPEB liability	11,392
Deferred amount on leases	(24,408)
Deferred pension inflows	(122,332)
Deferred OPEB inflows	(28,641)
Total adjustments	<u>3,302,527</u>
Net cash used by operating activities	<u>\$ (4,687,086)</u>
Noncash investing, capital and related financing activities:	
Capital assets purchased on account	\$ 2,092,268

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

I. Summary of Significant Accounting Policies

A. Reporting Entity

The St. Joseph County Airport Authority (Airport Authority) was established August 1, 1973, by the St. Joseph County Council under the provisions of Indiana Code 19-6-3.5, which has been modified as Indiana Code 8-22-3. The Airport Authority operates under the direction of a four member board which is appointed by the Board of County Commissioners of St. Joseph County, an elected board.

Accounting principles generally accepted in the United States of America require that these basic financial statements present the Airport Authority and its significant component units. There are no significant component units which require inclusion. The Airport Authority is a component unit of St. Joseph County. A financial benefit/burden relationship exists between the County and the Airport Authority.

B. Fund Financial Statements

Enterprise fund financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position) report information on all of the Airport Authority's activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Airport Authority only has business-type activities.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Airport Authority is reported as an enterprise fund. The fund is accounted for using the capital maintenance (economic resources) measurement focus and the accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with its activity are included on the Airport Authority's Statement of Net Position. The operating statement represents increases (revenue) and decreases (expenses) in total net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Enterprise funds distinguish operating revenues and expenses from nonoperating items and other items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses or other items and separately stated on the Statement of Revenues, Expenses and Changes in Net Position.

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

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

D. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

E. Assets, Liabilities and Net Position

1. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Airport Authority in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Airport Authority on or prior to December 31 of the year collected. Delinquent property taxes outstanding at year end, net of allowance for uncollectible accounts, are recorded as a receivable.

3. Prepaid Items

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

4. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond indentures, state or federal law, or governing body action.

The financial statements report \$13,104,831 of restricted assets, all of which is restricted by enabling legislation.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., runways, taxiways, tarmac, and similar items), are reported in the applicable financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 20,000	Straight-line	5 – 40 years
Airfield	20,000	Straight-line	10 – 20 years
Equipment	20,000	Straight-line	3 – 15 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is expensed as incurred.

6. Compensated Absences

a. Sick Leave - Airport Authority employees working 8-hour shifts earn sick leave at the rate of 48 hours per year. Employees working 24-hour shifts have the same benefits as employees working 8-hour shifts but earn 72 hours per year. Employees working 8-hour shifts may accumulate a maximum of 720 hours of sick leave. Employees working 24-hour shifts may accumulate a maximum of 1,080 hours of sick leave. Employees have the opportunity at the beginning of each calendar year to roll that year's earned sick leave (accrued during the previous year) into their accumulated balance, to get paid for those earned hours in advance at their current rate of pay, or to split their earned sick leave time between the two options. At the termination of employment, employees are paid at their current rate of pay for a percentage of their accumulated sick leave.

b. Vacation Leave - Airport Authority employees working 8-hour shifts earn vacation leave at rates from 80 to 160 hours per year based upon their number of years of service. Employees working 24-hour shifts have the same benefits as employees working 8-hour shifts but earn from 112 to 288 hours vacation leave per year. Vacation leave does not accumulate from year to year.

Vacation and sick leave is accrued when incurred.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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7. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

8. Deferred Outflows of Resources

The Airport Authority reports net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. Deferred outflows of resources reported at December 31, 2023, related to the defined benefit pension plan and the defined benefit OPEB plan, including contributions made to the plan between the measurement date of the net pension liability and the end of the Airport Authority's fiscal year, actual pension plan investment earnings in excess of the expected amounts, the difference between expected and actual experience on the pension plan, changes in assumptions for the pension plan, changes in the Airport Authority's allocated proportion from the previous year and differences between the Airport Authority's contributions to the plan and its proportionate share, difference between expected and actual experience for the OPEB plan, and changes in assumptions for the OPEB plan. The amounts related to changes in the Airport Authority's allocated proportion from the previous year and differences between the Airport Authority's contributions to the plan and its proportionate share, difference between expected and actual experience for the pension plan and changes in assumptions for the pension plan are being amortized into pension expense over the average expected remaining service lives, except for the difference between expected and actual investment earnings, which is being amortized over five years. For the OPEB plan, the amounts related to experience and changes in assumptions are being amortized into OPEB expense over the average expected remaining service lives.

9. Deferred Inflows of Resources

The Airport Authority's statements of net position reports a separate section for deferred inflows of resources, which reflects an increase in net position that applies to future periods. Deferred inflows of resources reported at December 31, 2023, related to the defined benefit pension plan, including differences between the Airport Authority's contributions to the plan and its proportionate share included in determining pension expense. These amounts are being amortized into pension expense over the average expected remaining service lives. For the defined benefit OPEB plan, these amounts include the difference between expected and actual experience for the OPEB plan, and changes in assumptions for the OPEB plan. These amounts are being amortized into OPEB expense over the average expected remaining service lives. The deferred inflows of resources also include deferred gain on refunding of the Airport Authority's previously issued bonds, which are being amortized over the life of the debt using the effective interest method, as well as deferred inflows from lease contracts which represents the future revenues related to the leasing arrangements the Authority entered into for some of its assets. This is amortized over the life of the lease contract on the straight-line basis.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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10. Net Position Classification

Net Position is classified and displayed in three components:

- a. Restricted net position - Consists of net position with constraints placed on it either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position - All other net position amounts that do not meet the definition of "restricted".
- c. Net Investment in Capital Assets - Consists of investments in capital assets net of related debt.

It is the Airport Authority's policy to first use restricted net position prior to the use of unrestricted net position when a disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

F. Revenues and Expenses

Operating revenues and expenses for the Airport Authority result from providing services and producing and delivering goods and/or services. They also include all revenues and expenses not related to capital and related financing, noncapital financing, or investing activities.

G. Implementation of New Accounting Standards

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users and requires recognition of right to use assets and corresponding liabilities for arrangements that meet certain criteria. Management has not yet completed its assessment of this statement. This Statement is effective for the Airport Authority's fiscal year ended December 31, 2023 and management has implemented the provisions of the Statement by calculating the subscription assets and related subscription liabilities related to these contracts as of January 1, 2023. As the beginning balances were not material, the Airport Authority recognized the beginning balances and current year payment provisions as outflows. The beginning balances of certain footnotes were not restated to reflect this implementation. A restatement of beginning net position due to the change in accounting principle was also not required.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

The Executive Director of the Airport Authority submits to the County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Airport Authority to obtain taxpayer comments. In October of each year, the Airport Authority, through the passage of an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Executive Director of the Airport Authority receives approval from the Indiana Department of Local Government Finance.

The Airport Authority's management cannot transfer budget appropriations between object classifications of a budget without approval of the Airport Authority board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the Airport Authority. The legal level of budgetary control is by object and department within the fund for the Airport Authority.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Airport Authority does not have a deposit policy for custodial credit risk. At December 31, 2023, the Airport Authority had deposit balances in the amount of \$21,433,377. This entire balance was not exposed to custodial credit risk. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Receivables

The Airport Authority recognizes \$54,721 in an allowance account for the expected uncollectibility of payments due from tenants.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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C. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 34,914,769	\$ 4,791,930	\$ -	\$ 39,706,699
Construction in progress	<u>35,488,636</u>	<u>25,802,340</u>	<u>35,252,889</u>	<u>26,038,087</u>
Total capital assets, not being depreciated	70,403,405	30,594,270	35,252,889	65,744,786
Capital assets, being depreciated:				
Buildings	75,782,409	-	-	75,782,409
Airfield	44,297,661	35,132,325	-	79,429,986
Equipment	<u>12,304,961</u>	<u>193,384</u>	<u>495,280</u>	<u>12,003,065</u>
Totals	132,385,031	35,325,709	495,280	167,215,460
Less accumulated depreciation for:				
Buildings	39,555,960	2,039,953	-	41,595,913
Airfield	37,035,960	1,015,479	-	38,051,439
Equipment	<u>7,793,650</u>	<u>900,880</u>	<u>495,280</u>	<u>8,199,250</u>
Totals	<u>84,385,570</u>	<u>3,956,312</u>	<u>495,280</u>	<u>87,846,602</u>
Intangible right-to-use capital assets being amortized:				
Equipment lease assets	-	22,649	-	22,649
Suscription assets	<u>-</u>	<u>193,340</u>	<u>-</u>	<u>193,340</u>
Totals	<u>-</u>	<u>215,989</u>	<u>-</u>	<u>215,989</u>
Less accumulated amortization for:				
Equipment lease assets	-	2,540	-	2,540
Suscription assets	<u>-</u>	<u>61,132</u>	<u>-</u>	<u>61,132</u>
Totals	<u>-</u>	<u>63,672</u>	<u>-</u>	<u>63,672</u>
Total capital assets, being depreciated	<u>47,999,461</u>	<u>31,521,714</u>	<u>-</u>	<u>79,521,175</u>
Total capital assets, net	<u>\$ 118,402,866</u>	<u>\$ 62,115,984</u>	<u>\$ 35,252,889</u>	<u>\$ 145,265,961</u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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D. Construction Commitments to Contractors

Construction work in progress is composed of the following:

<u>Project</u>	<u>Expended to December 31</u>	<u>Total Remaining Committed</u>
Taxiway Bravo and Terminal Ramp	\$ 23,892,498	\$ 26,334,394
Land Acquisition	-	1,487,675
QTA Carwash	273,268	6,054,427
Other	<u>1,872,321</u>	<u>867,278</u>
Totals	<u>\$ 26,038,087</u>	<u>\$ 34,743,774</u>

E. Long-Term Liabilities

1. General Obligation Bonds

The Airport Authority issues general obligation bonds to be paid by income derived from a passenger facility charge (Note IV.D.) and a tax levy to pay debt service.

These general obligation bonds are to provide funds for the acquisition and construction of major capital facilities or assets.

General obligation bonds are direct obligations and pledge the full faith and credit of the Airport Authority. General obligation bonds currently outstanding at year end are as follows:

<u>Purpose/Original Issue</u>	<u>Interest Rates</u>	<u>Balance at December 31</u>	<u>Unamortized Bond Premium</u>	<u>Amount</u>
2019 General Obligation Refunding Bonds				
\$8,435,000	0.01% to 4.00%	\$ 4,830,000	\$ 184,977	\$ 5,014,977

In October 2019, the Airport Authority issued the 2019 General Obligation Refunding Bonds for \$8,435,000 and used the proceeds, net of issuance costs, to advance refund the 2011 General Obligation Bonds for \$6,000,000 and the 2012 Refunding Bonds for \$2,835,000. The net proceeds of the refunding issue were placed in an irrevocable escrow account and invested in U.S. Government Securities. As of December 31, 2023, \$0 of the 2011 General Obligation Bonds remained outstanding and \$0 of the 2012 Refunding Bonds remained outstanding, as both bond series were called on January 1, 2020. The economic gain for the Airport Authority on the advance refunding transaction was \$1,089,476.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
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Annual debt service requirements to maturity for general obligation bonds are as follows:

	<u>2019 GO Refunding Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,010,000	\$ 116,168
2025	1,050,000	75,368
2026	1,090,000	32,968
2027	1,120,000	140
2028	<u>560,000</u>	<u>28</u>
Totals	<u>\$ 4,830,000</u>	<u>\$ 224,672</u>

2. Leases Payable

During the year ended December 31, 2023, the Airport Authority entered into a lease agreement for copier equipment. The Airport Authority will make monthly principal and interest payments over the life of the lease, with no variable payment terms. Interest on the lease is 4% per annum. The lease does not have residual guarantees. The Airport Authority recognized total lease assets of \$22,649 with accumulated amortization of \$2,540 as of December 31, 2023. Principal and interest to maturity include:

	<u>Principal</u>	<u>Interest</u>
2024	\$ 4,045	\$ 738
2025	4,212	571
2026	4,384	399
2027	4,563	220
2028	<u>3,144</u>	<u>44</u>
Totals	<u>\$ 20,348</u>	<u>\$ 1,972</u>

3. Subscriptions Payable

The Airport Authority has entered into several subscription-based information technology arrangements. The Airport Authority will make periodic principal and interest payments over the life of the subscriptions, with no variable payment terms. Interest on the various subscriptions is 4%. The subscriptions have no residual guarantees. The Airport Authority recognized total lease assets of \$193,340 with accumulated amortization of \$61,132 as of December 31, 2023. Principal and interest to maturity include:

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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	<u>Principal</u>	<u>Interest</u>	
2024	\$ 72,481	\$ 1,481	
2025	21,847	1,777	
2026	15,221	1,130	
2027	<u>15,842</u>	<u>504</u>	
Totals	<u>\$ 125,391</u>	<u>\$ 4,892</u>	

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2023, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
General obligation bonds	\$ 5,800,000	\$ -	\$ 970,000	\$ 4,830,000	\$ 1,010,000
Plus bond premium	<u>221,030</u>	<u>-</u>	<u>36,053</u>	<u>184,977</u>	<u>-</u>
Total general obligation bonds	<u>6,021,030</u>	<u>-</u>	<u>1,006,053</u>	<u>5,014,977</u>	<u>1,010,000</u>
Compensated absences	362,874	308,298	249,120	422,052	312,669
Leases payable	-	22,649	2,301	20,348	4,045
Subscriptions payable	-	193,340	67,949	125,391	72,481
Net pension liability	2,038,952	868,337	483,342	2,423,947	-
Total OPEB liability	<u>89,641</u>	<u>11,392</u>	<u>-</u>	<u>101,033</u>	<u>-</u>
Total non-current liabilities	<u>\$ 8,512,497</u>	<u>\$ 1,404,016</u>	<u>\$ 1,808,765</u>	<u>\$ 8,107,748</u>	<u>\$ 1,399,195</u>

Compensated absences for the Airport Authority typically have been liquidated from the Aviation Fund.

IV. Other Information

A. Risk Management

The Airport Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters. The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
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B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

St Joseph County Airport Authority Healthcare Plan is a single-employer defined benefit healthcare plan administered by the Airport Authority. The plan provides medical insurance benefits through a third-party insurer to eligible retirees and their spouses/dependents, and the full cost of the benefits is covered by the plan. IC 5-10-8 assigns the authority to establish and amend benefit provisions to the Airport Authority. Employees are eligible for benefits until Medicare eligibility once they attain age 55 with 15 years of service.

The St. Joseph County Airport Authority Healthcare Plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms

As of December 31, 2022, the following employees were covered by the benefit terms:

Active employees	63
Inactive employees entitled to but not yet receiving benefits	-
Inactive employees entitled to and receiving benefits	-
	<u>63</u>

Census data used is only required to be updated on a biannual basis so the next full census will be completed as of December 31, 2024.

Funding Policy and Contributions

The contribution requirements of plan members for the St. Joseph County Airport Authority Healthcare Plan are established by the Airport Authority Board. Currently retirees are required to pay 100% of the monthly premium for medical insurance. Retiree health coverage is implicitly more expensive than active health coverage. This higher cost of coverage creates a liability that the Airport pays in higher premiums for current employees' coverage. Calculated required contributions are based on projected pay-as-you-go financing requirements. For the year ended December 31, 2023, the Airport contributed \$0 to the plan.

Total OPEB Liability

The Airport Authority's total OPEB liability was measured as of December 31, 2023, and the total OPEB liability determined by an actuarial valuation of that date. The plan had no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 as of December 31, 2023, as such, the presentation of a net OPEB liability is not required, as the total OPEB liability is the same as the net OPEB liability.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

Actuarial Methods and Assumption

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.5%
Projected salary increases	2.65% plus merit and productivity which range from 0%-6% based on years of service
Healthcare cost trend rate	7% in 2023, decreasing annually by 0.25% to an ultimate rate of 4.0%

Mortality rates were based on General Healthy Employees and Retirees: SOA Pub-2010 General Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021, and SOA Pub-2010 Contingent Survivor Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2021 for surviving spouses. An actuarial experience study has not been recently conducted.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.26%, which is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale) tax-exempt, high quality 20-year municipal bonds. The prior full valuation used a discount rate of 3.72%. The use of this rate is due to the fact that the plan is unfunded.

Changes in the Total OPEB Liability

The following presents the changes in the total OPEB liability for the fiscal year ended December 31, 2023:

<u>Total OPEB liability</u>	<u>2023</u>
Service cost	\$ 5,287
Interest	3,519
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	3,269
Benefit payments	<u>(683)</u>
Net change in total OPEB liability	<u>11,392</u>
Total OPEB liability - beginning	<u>89,641</u>
Total OPEB liability - ending	<u>\$ 101,033</u>

ST. JOSEPH COUNTY AIRPORT AUTHORITY
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The following assumption changes were included in the actuarial valuation for the year ended December 31, 2023:

- Updated the discount rate assumption based on the yield for 20-year-tax-exempt general obligation municipal bonds as of December 31, 2023 (measurement date). The discount rate is 3.26% as of December 31, 2023 and 3.72% as of January 1, 2022. This change resulted in an increase in liabilities.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health-care Cost Trend Rates

The following presents the total OPEB liability of the Airport Authority, as well as what the Airport Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.26%) or 1% higher (4.26%) than the current discount rate:

	2.26% <u>1% Decrease</u>	3.26% <u>Current Rate</u>	4.26% <u>1% Increase</u>
Total OPEB Liability	\$ <u>110,000</u>	\$ <u>101,033</u>	\$ <u>94,000</u>

The following presents the total OPEB liability of the Airport Authority, as well as what the Airport Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (6% decreasing to 3%) or 1% higher (8% decreasing to 5%) than the current healthcare cost trend rates:

	6.00% <u>1% Decrease</u>	7.00% <u>Current Rate</u>	8.00% <u>1% Increase</u>
Total OPEB Liability	\$ <u>88,000</u>	\$ <u>101,033</u>	\$ <u>117,000</u>

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

For the year ended December 31, 2023, the Airport Authority recognized OPEB expense of \$(13,442). At December 31, 2023, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 17,536	\$ (126,825)
Change of assumptions	<u>17,364</u>	<u>(14,193)</u>
Totals	<u>\$ 34,900</u>	<u>\$ (141,018)</u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending December 31,	Balance
2024	\$ (22,248)
2025	(22,248)
2026	(22,248)
2027	(6,158)
2028	(10,020)
Thereafter	(23,196)
	\$ (106,118)

C. Pension Plan

Cost-Sharing Multiple-Employer Deferred Plan

Public Employees Retirement Fund

Plan Description

The Public Employees' Retirement Fund (PERF) provides pensions for all full-time employees. The plan is a cost-sharing, multiple-employer defined benefit plan administered by the Indiana Public Retirement System (INPRS). The pension system issues a publicly available financial report that can be obtained at <http://www.inprs.in.gov>.

Retirement Benefits - Defined Benefit Pension

The plan provides retirement, disability and survivor benefits. The Indiana Code, Title 5, Articles 10.2 and 10.3, amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the plan.

Retirement benefits for employees are calculated as years of credible service times the average highest 20 quarters of salary times 11% plus the employee's Annuity Savings Account. Normal retirement age is 60 with early retirement at 50-59 with 15 years of service. Vesting period is 10 years. An employee who leaves service may withdraw his or her Annuity Savings Account contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are granted by the Indiana General Assembly on an ad hoc basis.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Contributions

Per Indiana Code, Title 5, Articles 10.2 and 10.3, contributions requirements of the active employees and the participating employers are established and may be amended by the INPRS Board based on recommendations by the INPRS actuary. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2023 is 11.2% percent of annual covered payroll. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the Airport were \$516,202 for the calendar year ended December 31, 2023.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. 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.

At December 31, 2023, the Airport Authority reported a liability of \$2,423,947 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport Authority's proportion of the net pension liability was based on a projection of the Airport Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating units, actuarially determined. At June 30, 2023, the Airport Authority's proportion was 0.06868%, which was an increase of 0.00403% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Airport Authority recognized pension expense of \$545,462. At December 31, 2023, the Airport Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 49,593	\$ -
Net difference between projected and actual investment earnings on pension plan investments	555,575	-
Change of assumptions	132,183	-
Changes in proportion and difference between employer contributions and proportionate share contributions	116,433	20,569
Authority contributions subsequent to the measurement date	259,176	-
 Totals	 \$ 1,112,960	 \$ 20,569

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

\$259,176 reported as deferred outflows of resources related to pensions resulting from the Airport Authority's contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended</u> <u>December 31,</u>
2024	\$ 286,679
2025	86,469
2026	384,394
2027	<u>75,673</u>
Total	<u>\$ 833,215</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation date:	June 30, 2023
Liability valuation date and method:	June 30, 2023 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the liability computed as of June 30, 2022 to the June 30, 2023 measurement date.
Actuarial cost method:	Entry age normal - level percent of payroll
Experience study date:	Computed February 2020 and reflects the experience period from June 30, 2014 to June 30, 2019
Investment rate of return:	6.25%
COLA:	There was no adjustment granted for 2023 through 2025. Thereafter, the adjustment varies per year as follows: 0.4% beginning January 1, 2026 0.5% beginning January 1, 2034 0.6% beginning January 1, 2039
Future salary increases, including inflation:	2.65% - 8.65%
Inflation:	2.0%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

Mortality

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Healthy Employees – General Employee table with a 3 year set forward for males and a 1 year set forward for females.

Retirees – General Retiree table with a 3 year set forward for males and a 1 year set forward for females.

Beneficiaries – Contingent Survivor table with no set forward for males and a 2 year set forward for females.

Disableds – General Disabled table with a 140% load.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the four years ended June 30, 2019. The Study was performed in February 2020. There were no significant assumption changes for the measurement period ending June 30, 2023.

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated geometric asset classes.

<u>Global Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	20.0%	3.7%
Private Equity	15.0%	6.4%
Fixed income - Ex inflation linked	20.0%	2.2%
Fixed income - Inflation linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real estate	10.0%	3.4%
Absolute return	5.0%	1.6%
Risk parity	20.0%	5.9%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2023

Discount Rate

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Airport Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Airport Authority's proportional share of the net pension liability calculated using the discount rate of 6.25%, as well as what the Airport Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage point higher (7.25%) than the current rate:

	<u>5.25%</u> <u>1% Decrease</u>	<u>6.25%</u> <u>Current Rate</u>	<u>7.25%</u> <u>1% Increase</u>
Net Pension Liability	\$ <u>3,950,263</u>	\$ <u>2,423,947</u>	\$ <u>1,151,299</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report and Actuarial Valuations. These reports can be found at:

<https://www.in.gov/inprs/publications/annual-reports/>

<https://www.in.gov/inprs/publications/actuarial-valuation-reports/>

D. Passenger Facility Charge

Effective November 1, 1994, a Passenger Facility Charge (PFC) of \$3.00 per ticket was implemented by the approval of the Federal Aviation Administration (FAA) and the Airport Authority. Effective July 1, 2011, the Passenger Facility Charge was increased to \$4.50 per ticket. The revenues are to be used to repay the debt service on the 2019 refunding bond issue, and for any other purposes allowed by the FAA and the Airport Authority Board. During 2023, the Airport Authority earned \$1,846,514 from 39 separate airlines. The Airport Authority is authorized to receive a maximum of \$41,684,619. As of December 31, 2023, the Airport Authority has earned a total of \$36,162,419.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

E. Leases

The Airport Authority leases space in the St. Joseph County Airport terminal along with other land and buildings on a fixed fee as well as a contingent rental basis. Many of the leases provide for a periodic review and adjustment of the rental amounts. Substantially all capital assets are held by the Airport Authority for the purpose of rental or related use.

Lease Receivable

The Airport Authority leases space for advertising structures, equipment and certain structures. The leases have an estimated life of 5 – 20 years from the commencement date. The Airport Authority recognized \$75,245 of lease revenue and \$7,154 of interest revenue related to these leases for the fiscal year ended December 31, 2023. The following is a schedule of future income for leases receivable:

Year Ending December 31,

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 49,254	\$ 1,846	\$ 51,100
2025	12,235	873	13,108
2026	12,734	366	13,100
2027	1,600	25	1,625
2028	-	-	-
	\$ 75,823	\$ 3,110	\$ 78,933

Regulated Leases

The Airport Authority has entered into an Agreement and Lease of Premises (Airline Agreement) with certain passenger, charter and cargo airlines serving the airport (collectively, the Signatory Airlines). Other airlines operate under an airport use permit that generally has a term of no more than two years. The Airline Agreement's residual rate-making features are designed to ensure that the Airport Authority's debt service and related coverage obligations will be met. The Airline Agreement authorizes the Airport Authority to implement new fees and charges as necessary. In the event of an airline bankruptcy, the Airport Authority may adjust the rates and charges for all Signatory Airlines in the current rate period to recover the rates and charges due from the bankrupt carrier. However, there can be no assurance that such other airlines will be financially able to absorb the additional costs. Rental rates under these agreements are determined annually. Certain other regulated leases for various hangars, tie-down spaces, and FBO lease agreements with tenants for the use of spaces has also been entered into. Most of these leases allow the lessee the exclusive use of the premises, however, aircraft and vehicles may traverse the space and lessees are prohibited from any use that would interfere with airport operations. The net portion of land, buildings and improvements that are exclusive as of December 31, 2023 are \$3.1 million. In addition, with the exception of T-hangers, all Airport Authority owned hangars as of December 31, 2023 are for the exclusive use of the lessees. During the year, total revenues of \$938,837 were recorded for these regulated leases. The following is a schedule of future rental income for regulated leases:

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

Year Ending December 31,	<u>Minimum Future Rents</u>
2024	\$ 931,309
2025	700,000
2026	452,453
2027	382,196
2028	279,655
2029-2033	1,083,790
2034-2038	174,330
2029-2043	<u>53,200</u>
	<u>\$ 4,056,934</u>

F. Subsequent Event

On April 30, 2024, the Airport Authority issued its Taxable General Obligation Bonds of 2024 with principal of \$6,255,000. The proceeds will be used for paying the costs of acquisition, construction and equipping a new rental car quick-turn-around facility which will consolidate existing maintenance, cleaning and fueling rental car operations into one facility. The bonds will be paid by income derived from a customer facility charge and a tax levy to pay debt service. Principal and interest payments will begin on January 1, 2025 and continue through the bonds' maturity date of January 1, 2041. Interest rates on the bonds range from 5.1% to 8%.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employees' Retirement Fund
Last 10 Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.06868%	0.06465%	0.06245%	0.06511%	0.06140%	0.05988%	0.06049%	0.06415%	0.05773%	0.06523%
Proportionate share of the net pension liability	\$ 2,423,947	\$ 2,038,952	\$ 821,747	\$ 1,966,579	\$ 2,029,309	\$ 2,034,151	\$ 2,698,788	\$ 2,911,412	\$ 2,351,286	\$ 1,714,202
Covered payroll	\$ 4,317,822	\$ 3,720,689	\$ 3,442,920	\$ 3,515,251	\$ 3,198,761	\$ 3,055,430	\$ 3,001,187	\$ 3,074,236	\$ 2,765,233	\$ 3,184,649
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	78.9%	75.3%	77.3%	84.3%

Note: Each year's information is reported as of the plan year end of June 30, which is used as the measurement date to report for the Airport Authority's fiscal year end of December 31.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
Public Employees' Retirement Fund
Last 10 Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 516,974	\$ 446,492	\$ 385,607	\$ 393,708	\$ 358,261	\$ 342,208	\$ 336,133	\$ 344,314	\$ 309,706	\$ 322,365
Contributions in relation to the contractually required contribution	<u>(516,202)</u>	<u>(446,493)</u>	<u>(392,838)</u>	<u>(393,708)</u>	<u>(358,261)</u>	<u>(342,208)</u>	<u>(336,133)</u>	<u>(344,314)</u>	<u>(309,706)</u>	<u>(322,365)</u>
Contribution deficiency (excess)	\$ <u>772</u>	\$ <u>(1)</u>	\$ <u>(7,231)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 4,615,837	\$ 3,986,540	\$ 3,442,920	\$ 3,515,251	\$ 3,198,761	\$ 3,055,430	\$ 3,001,187	\$ 3,074,236	\$ 2,765,233	N/A
Contributions as a percentage of covered payroll	11.18%	11.20%	11.41%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	N/A

N/A - information not available

Amounts presented for each fiscal year were determined as of December 31.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Single Employer Defined Benefit OPEB Plan
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 5,287	\$ 8,802	\$ 13,657	\$ 11,158	\$ 6,089	\$ 6,760	\$ 13,576
Interest	3,519	2,188	3,984	5,261	4,317	3,767	8,887
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	1,996	(110,298)	(4,335)	35,563	(6,794)	(147,658)
Changes of assumptions	3,269	(11,792)	6,824	11,960	5,311	(3,833)	(8,984)
Benefit payments	(683)	-	-	-	-	-	-
Net change in total OPEB liability	<u>11,392</u>	<u>1,194</u>	<u>(85,833)</u>	<u>24,044</u>	<u>51,280</u>	<u>(100)</u>	<u>(134,179)</u>
Total OPEB liability - beginning	<u>89,641</u>	<u>88,447</u>	<u>174,280</u>	<u>150,236</u>	<u>98,956</u>	<u>99,056</u>	<u>233,235</u>
Total OPEB liability - ending	<u>\$ 101,033</u>	<u>\$ 89,641</u>	<u>\$ 88,447</u>	<u>\$ 174,280</u>	<u>\$ 150,236</u>	<u>\$ 98,956</u>	<u>\$ 99,056</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%	0%	0%
Covered payroll	\$ 4,161,000	\$ 4,053,495	\$ 3,431,491	\$ 3,355,861	\$ 3,204,601	\$ 2,957,193	\$ 2,892,120
Total OPEB liability as a percentage of covered payroll	2.4%	2.2%	2.6%	5.2%	4.7%	3.3%	3.4%

Note: Fiscal year 2017 was the 1st year of implementation, therefore only seven years are shown.

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year End December 31, 2023

Public Employees' Retirement Fund

A. Plan Amendments

There were no plan amendments during the fiscal year.

B. Assumption Changes

There were no assumption changes during the fiscal year.

Single Employer Defined Benefit OPEB Plan

A. Plan Amendments

There were no plan amendments during the fiscal year.

B. Assumption Changes

The following assumptions were changed during the fiscal year:

Updated the discount rate assumption based on the yield for 20-year-tax-exempt general obligation municipal bonds as of December 31, 2023 (measurement date). The discount rate is 3.26% as of December 31, 2023 and 3.72% as of January 1, 2022. This change resulted in a increase in liabilities.

C. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Collections	Date Approved	Amount Approved For Use	Cumulative Total - December 31, 2022	Quarter Ended				Year Ended December 31, 2023	Cumulative Total - December 31, 2023
				March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023		
Passenger facility charge collections			\$ 33,988,703	\$ 534,147	\$ 422,322	\$ 280,529	\$ 460,207	\$ 1,697,205	\$ 35,685,908
Interest earned			<u>1,060,413</u>	<u>24,563</u>	<u>31,799</u>	<u>33,949</u>	<u>39,823</u>	<u>130,134</u>	<u>1,190,547</u>
Total passenger facility charge collections received			<u>\$ 35,049,116</u>	<u>\$ 558,710</u>	<u>\$ 454,121</u>	<u>\$ 314,478</u>	<u>\$ 500,030</u>	<u>\$ 1,827,339</u>	<u>\$ 36,876,455</u>
Expenditures									
Application #1994-01-C	8/26/1994	\$ 8,887,430	\$ 8,887,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,887,430
Application #1998-02-C	12/7/1998	1,387,143	1,387,143	-	-	-	-	-	1,387,143
Application #2003-03-C	1/21/2003	23,898,229	15,339,566	-	536,260	-	531,847	1,068,107	16,407,673
Application #2011-04-C	5/23/2011	6,000,000	6,000,000	-	-	-	-	-	6,000,000
Application #2022-06-C	12/13/2021	<u>1,511,817</u>	<u>1,511,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,511,817</u>
Total passenger facility charge collections expended		<u>\$ 41,684,619</u>	<u>\$ 33,125,956</u>	<u>\$ -</u>	<u>\$ 536,260</u>	<u>\$ -</u>	<u>\$ 531,847</u>	<u>\$ 1,068,107</u>	<u>\$ 34,194,063</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SUPPLEMENTAL FINANCIAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
Year End December 31, 2023**

	Budgeted Amounts - Original & Final	Actual Budgetary Basis Amounts	Variance With Final Budget
Revenues:			
Airfield	\$ 1,177,861	\$ 1,540,925	\$ 363,064
Terminal - aviation	2,238,439	2,171,942	(66,497)
Terminal - non-aviation	214,615	264,387	49,772
Concessions	1,422,276	1,878,772	456,496
Parking	3,286,748	3,806,007	519,259
Fixed based operations	642,862	749,096	106,234
Building and land rent	397,277	397,732	455
Other	116,000	32,000	(84,000)
Total revenues	<u>9,496,078</u>	<u>10,840,861</u>	<u>1,344,783</u>
Expenses:			
Personal services	6,806,306	7,036,010	(229,704)
Supplies	1,987,600	454,514	1,533,086
Other services and charges	<u>6,692,275</u>	<u>6,598,560</u>	<u>93,715</u>
Total operating expenses	<u>15,486,181</u>	<u>14,089,084</u>	<u>1,397,097</u>
Debt service:			
Other services and charges	<u>1,122,968</u>	<u>1,129,193</u>	<u>(6,225)</u>
Total expenses	<u>16,609,149</u>	<u>15,218,277</u>	<u>1,390,872</u>
Other financing sources (uses):			
Property taxes	3,300,000	4,014,150	714,150
Other tax distributions	746,079	944,366	198,287
Interest income	88,819	1,438,159	1,349,340
Federal and state grants	38,178,226	(3,113,388)	(41,291,614)
Capital outlay	<u>(47,809,858)</u>	<u>(30,744,612)</u>	<u>17,065,246</u>
Total other financing sources (uses)	<u>(5,496,734)</u>	<u>(27,461,325)</u>	<u>(21,964,591)</u>
Deficiency of revenues and other financing sources under expenses and other financing uses			
	<u>\$ (12,609,805)</u>	<u>\$ (31,838,741)</u>	<u>\$ (19,228,936)</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SUPPLEMENTAL FINANCIAL INFORMATION
BUDGET/GAAP RECONCILIATION
Year End December 31, 2023**

The major differences between budgetary (non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when earned (GAAP).
- b. Expenses are recorded when paid in cash (budgetary) as opposed to when incurred (GAAP).
- c. Encumbrances outstanding at year-end are recorded as expenses for budgetary purposes.
- d. Capital outlays are recorded as expenses when paid (budgetary) as opposed to additions to capital assets when costs are incurred (GAAP).
- e. Depreciation and amortization expense is not recognized in budgetary basis.
- f. Principal paid on bonds is recorded as expenses when paid (budgetary) as opposed to a reduction of liabilities (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

Excess of revenues and other financing sources under expenses and other financing uses (budgetary basis)	\$ (31,838,741)
Adjustments:	
Capital expenses	30,744,612
Depreciation	(4,019,984)
Amortization of deferred amount on refunding and bond premium	62,893
Debt payments	970,000
Capital contributions	22,394,033
Passenger facility charge revenue	1,716,380
Other non-operating revenue	255,614
Property management activity (net revenue)	841,661
Change in operating revenues receivable and unearned revenues	(256,127)
Change in intergovernmental receivable	3,230,286
Change in taxes receivable	(8,616)
Change in wages and benefits payable	78,584
Changes in payables and prepaid items	(558,858)
Net pension adjustment	28,742
Net OPEB adjustment	<u>(13,747)</u>
Change in net position (GAAP basis)	<u>\$ 23,626,732</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF REVENUES
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues:										
Airport service revenues:										
Airfield	\$ 1,284,798	\$ 1,083,095	\$ 1,030,453	\$ 761,880	\$ 965,160	\$ 849,954	\$ 758,121	\$ 765,204	\$ 716,108	\$ 669,881
Terminal - aviation	2,171,942	2,066,044	1,997,096	1,946,192	1,946,664	1,828,902	1,679,980	1,597,758	1,525,343	1,466,228
Terminal - nonaviation	264,387	238,507	181,640	134,478	229,213	245,934	189,186	142,353	115,954	128,179
Concessions	1,878,772	1,715,156	1,483,203	968,737	1,714,885	1,596,856	1,398,926	1,436,479	1,390,394	1,288,817
Parking	3,806,007	2,980,793	2,400,620	1,439,708	3,403,679	2,974,465	2,552,315	2,680,569	2,551,298	2,435,889
Fixed based operations	749,096	718,617	614,469	526,460	550,164	578,701	532,958	502,448	425,101	386,809
Building and land rent	397,732	415,200	371,666	458,747	637,982	577,613	624,331	477,983	311,083	409,037
Airport service revenues - total	10,552,734	9,217,412	8,079,147	6,236,202	9,447,747	8,652,425	7,735,817	7,602,794	7,035,281	6,784,840
Other	32,000	21,000	13,000	13,000	13,000	13,000	13,000	13,000	3,000	4,000
Total operating revenues	10,584,734	9,238,412	8,092,147	6,249,202	9,460,747	8,665,425	7,748,817	7,615,794	7,038,281	6,788,840
Nonoperating revenues:										
Property taxes	4,005,534	3,647,169	3,518,924	3,318,073	2,585,031	4,034,389	1,998,868	2,527,146	2,256,861	2,208,451
Other tax distributions	944,366	732,770	895,009	792,325	688,716	731,724	548,973	710,580	509,765	493,925
Interest and investment revenue	1,438,159	447,515	70,145	124,024	441,422	309,992	144,914	19,554	9,963	12,203
Property management revenue	841,661	721,757	377,805	321,545	594,422	535,868	449,526	526,419	281,952	242,757
Federal operating grant	116,898	5,083,458	3,201,989	7,388,917	112,850	108,596	105,396	112,226	12,098	238,490
Gain on disposal of assets	-	-	-	-	-	-	-	-	-	56,402
Other revenue	255,614	324,487	71,481	282,487	66,752	68,410	115,035	49,614	310,005	84,670
Total nonoperating revenues	7,602,232	10,957,156	8,135,353	12,227,371	4,489,193	5,788,979	3,362,712	3,945,539	3,380,644	3,336,898
Total revenue	\$ 18,186,966	\$ 20,195,568	\$ 16,227,500	\$ 18,476,573	\$ 13,949,940	\$ 14,454,404	\$ 11,111,529	\$ 11,561,333	\$ 10,418,925	\$ 10,125,738

ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENSES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating expenses:										
Personal services	\$ 6,942,431	\$ 5,837,818	\$ 5,048,647	\$ 5,126,523	\$ 5,164,751	\$ 5,115,392	\$ 4,614,911	\$ 4,777,184	\$ 4,929,934	\$ 4,554,567
Supplies	1,013,372	909,750	855,135	709,984	947,963	809,018	722,503	665,317	736,469	702,877
Other services and charges	6,598,560	6,520,531	4,856,362	3,999,895	5,212,816	4,798,204	3,555,030	2,660,041	3,290,097	2,243,370
Depreciation	4,019,984	3,784,036	3,988,557	3,550,613	3,393,684	3,618,554	3,284,883	3,405,519	3,208,875	3,198,452
Total operating expenses	<u>18,574,347</u>	<u>17,052,135</u>	<u>14,748,701</u>	<u>13,387,015</u>	<u>14,719,214</u>	<u>14,341,168</u>	<u>12,177,327</u>	<u>11,508,061</u>	<u>12,165,375</u>	<u>10,699,266</u>
Nonoperating expenses:										
Interest expense	159,193	193,476	228,968	309,831	192,019	408,203	435,222	465,836	467,639	487,856
Property management expense	-	-	-	-	-	-	-	-	150,541	199,801
Loss on disposal of capital assets	-	535,176	19,693	-	-	-	-	-	1,055,552	69,948
Bond issuance costs	-	-	84	-	742,154	-	-	-	-	-
Amortization	(62,893)	(60,432)	(58,066)	(55,793)	3,167	17,728	18,578	17,728	79,399	575
Total nonoperating expenses	<u>96,300</u>	<u>668,220</u>	<u>190,679</u>	<u>254,038</u>	<u>937,340</u>	<u>425,931</u>	<u>453,800</u>	<u>483,564</u>	<u>1,753,131</u>	<u>758,180</u>
Total expenses	<u>18,670,647</u>	<u>17,720,355</u>	<u>14,939,380</u>	<u>13,641,053</u>	<u>15,656,554</u>	<u>14,767,099</u>	<u>12,631,127</u>	<u>11,991,625</u>	<u>13,918,506</u>	<u>11,457,446</u>
Income before capital contributions and passenger facility charge revenues	<u>(483,681)</u>	<u>2,475,213</u>	<u>1,288,120</u>	<u>4,835,520</u>	<u>(1,706,614)</u>	<u>(312,695)</u>	<u>(1,519,598)</u>	<u>(430,292)</u>	<u>(3,499,581)</u>	<u>(1,331,708)</u>
Capital contributions	22,394,033	11,968,710	17,373,237	2,065,660	2,932,458	1,962,241	1,202,597	6,939,705	4,499,206	1,752,133
Passenger facility charge revenue	1,716,380	1,536,494	1,479,583	895,478	1,759,925	1,609,047	1,248,795	1,395,957	1,291,355	1,287,426
Capital assets donated to County government	-	-	-	-	-	-	-	-	-	(1,552,241)
Total contributions	<u>24,110,413</u>	<u>13,505,204</u>	<u>18,852,820</u>	<u>2,961,138</u>	<u>4,692,383</u>	<u>3,571,288</u>	<u>2,451,392</u>	<u>8,335,662</u>	<u>5,790,561</u>	<u>1,487,318</u>
Change in net position	<u>23,626,732</u>	<u>15,980,417</u>	<u>20,140,940</u>	<u>7,796,658</u>	<u>2,985,769</u>	<u>3,258,593</u>	<u>931,794</u>	<u>7,905,370</u>	<u>2,290,980</u>	<u>155,610</u>
Total net position - beginning	139,831,734	123,851,317	103,710,377	95,913,719	92,927,950	89,669,357	87,646,012	79,740,641	79,036,257	78,713,318
Total net position - adjustments	-	-	-	-	-	-	1,091,551	1	(1,586,596)	167,329
Total net position - ending	<u>\$ 163,458,466</u>	<u>\$ 139,831,734</u>	<u>\$ 123,851,317</u>	<u>\$ 103,710,377</u>	<u>\$ 95,913,719</u>	<u>\$ 92,927,950</u>	<u>\$ 89,669,357</u>	<u>\$ 87,646,012</u>	<u>\$ 79,740,641</u>	<u>\$ 79,036,257</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
 ASSESSED VALUE OF TAXABLE PROPERTY (ST. JOSEPH COUNTY)
 LAST TEN FISCAL YEARS**

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Direct Tax Rate	Total Assessed Value
2023	\$ 10,909,571,697	\$ 1,773,186,870	0.0386	\$ 12,682,758,567
2022	8,806,226,558	1,728,099,154	0.0424	10,534,325,712
2021	8,234,641,061	1,598,964,724	0.0435	9,833,605,785
2020	7,992,990,080	1,393,311,965	0.0437	9,386,302,045
2019	7,961,425,433	1,018,338,759	0.0343	8,979,764,192
2018	8,689,277,219	1,425,772,924	0.0555	10,115,050,143
2017	6,892,445,603	1,308,757,421	0.0436	8,201,203,024
2016	6,964,917,748	1,297,718,622	0.0423	8,262,636,370
2015	8,024,367,267	1,252,802,776	0.0338	9,277,170,043
2014	6,344,717,735	1,169,480,507	0.0345	7,514,198,242

Source: Indiana State Department of Local Government Finance and the St. Joseph County Auditor

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
PROPERTY TAX RATES - DIRECT - PER \$100 OF ASSESSED VALUE
LAST TEN FISCAL YEARS**

Year	Airport General	Airport Cumulative Building	Airport Debt Service	Total Rate
2023	\$ 0.0256	\$ 0.0130	\$ -	\$ 0.0386
2022	0.0294	0.0130	-	0.0424
2021	0.0302	0.0133	-	0.0435
2020	0.0304	0.0133	-	0.0437
2019	0.0312	0.0031	-	0.0343
2018	0.0356	0.0031	0.0168	0.0555
2017	0.0254	0.0031	0.0151	0.0436
2016	0.0312	0.0032	0.0079	0.0423
2015	0.0306	0.0032	-	0.0338
2014	0.0312	0.0033	-	0.0345

Source: St. Joseph County Auditor

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS**

Year	Certified Levy (1)	Collections During the Year	
		Amount	Percentage of Levy
2023	\$ 4,895,545	\$ 4,005,534	81.82%
2022	4,466,554	3,647,169	81.66%
2021	4,277,619	3,518,924	82.26%
2020	4,101,814	3,318,073	80.89%
2019	3,030,967	2,585,031	85.29%
2018	4,705,713	4,034,389	85.73%
2017	2,337,343	1,998,868	85.52%
2016	2,719,925	2,527,156	92.91%
2015	2,658,035	2,256,861	84.91%

(1) Source: Budget Order Approved by Indiana Department of Local Government Finance

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
St. Joseph County Airport Authority
South Bend, Indiana

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 (*Government Auditing Standards*), the financial statements of St. Joseph County Airport Authority (Airport Authority), a component unit of St. Joseph County, which comprise the Airport Authority's statement of financial position as of December 31, 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, and have issued our report thereon dated June 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Indianapolis, Indiana
June 19, 2024**

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
St. Joseph County Airport Authority
South Bend, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Joseph County Airport Authority's (Airport Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Airport Authority's major federal programs for the year ended December 31, 2023. The Airport Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Airport Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airport Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Airport Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Forvis Mazars, LLP

**Indianapolis, Indiana
June 19, 2024**

**ST. JOSEPH COUNTY AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Pass-Through Grantor Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Grant Number</u>	<u>Program or Award Amount</u>	<u>Amount Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION					
Airport Improvement Program	20.106	03-18-0079-053-2019	\$ 3,189,188	\$ -	\$ 19,567
Airport Improvement Program	20.106	03-18-0079-055-2020	14,504,795	-	1,491,741
Airport Improvement Program	20.106	03-18-0079-056-2020	1,502,880	-	-
Airport Improvement Program	20.106	03-18-0079-057-2020	3,085,898	-	-
Airport Improvement Program	20.106	03-18-0079-058-2020	13,271,031	-	839,276
Airport Improvement Program	20.106	03-18-0079-060-2022	4,994,943	-	-
Airport Improvement Program	20.106	3-18-0079-062-2022	20,462,969	-	17,377,467
Airport Improvement Program	20.106	3-18-0079-063-2023	22,658,739	-	777,325
Total U.S Department of Transportation				-	20,505,376
U.S. DEPARTMENT OF TREASURY					
Northern Indiana Regional Development Authority COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	SLFR4176	800,000	-	800,000
Total U.S Department of Treasury				-	800,000
Grand Total				\$ -	\$ 21,305,376

ST. JOSEPH COUNTY AIRPORT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of St. Joseph County Airport Authority (the Airport Authority) for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Airport Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Airport Authority.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported in accordance with the generally accepted accounting principles basis of accounting used in the preparation of the financial statements. Such expenditures are recognized following the cost principles in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

The Airport Authority has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The County qualified as a low-risk auditee? Yes No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

**St. Joseph County Airport Authority
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2023**

Reference Number	Summary of Finding	Status
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No matters are reportable.