

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

**ANNUAL FINANCIAL REPORT**  
For the fiscal year ended December 31, 2024

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
South Bend, Indiana

**FINANCIAL STATEMENT**  
For the fiscal year ended December 31, 2024

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION (NOT COVERED BY AUDITORS' OPINION)</u></b>	<b>PAGE</b>
Letter of Transmittal .....	3-4
Airport Authority Officials.....	5
<b><u>FINANCIAL SECTION</u></b>	
Independent Auditors' Report.....	6-8
Management's Discussion and Analysis .....	9-23
Basic Financial Statements:	
Fund Financial Statements:	
Statement of Net Position .....	24-25
Statement of Revenues, Expenses and Changes in Net Position .....	26
Statement of Cash Flows .....	27-28
Notes to the Financial Statements .....	29-45
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability .....	46
Schedule of Contributions .....	47
Notes to Required Supplementary Information .....	48
Supplemental Financial Information:	
Schedule of Passenger Facility Charge Collections and Expenditures.....	49

ST. JOSEPH COUNTY AIRPORT AUTHORITY

TABLE OF CONTENTS  
(Continued)

**BUDGET AND TREND SECTION** (NOT COVERED BY AUDITORS' OPINION)

Budgetary Comparison Schedule .....	50
Budget/GAAP Reconciliation.....	51
Schedule of Revenues .....	52
Schedule of Expenses and Changes in Net Position .....	53
Assessed Value of Taxable Property (St. Joseph County).....	54
Property Tax Rates – Direct – Per \$100 of Assessed Value .....	55
Property Tax Levies and Collections .....	56

**COMPLIANCE SECTION**

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	57-58
Independent Auditors' Report on Compliance For The Major Federal Program and Report on Internal Control over Compliance.....	59-61
Schedule of Expenditures of Federal Awards.....	62-63
Schedule of Findings and Questioned Costs.....	64-66
Summary Schedule of Prior Audit Findings .....	67



June 24, 2025

To the Members of the Board:

The Annual Financial Report of the St. Joseph County Airport Authority for the fiscal year ended December 31, 2024, 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 eight (8) main funds (Aviation, Cumulative Building, Restricted, PFC, Debt Service, Section 125, QTA Project Fund and QTA Bond and Interest Fund) 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,



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Mrs. Renata Matousova  
Vice President of Admin and Finance

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
 SOUTH BEND INTERNATIONAL AIRPORT  
 2024 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, 2024, 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, 2024, 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 sections, 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 24, 2025, 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 24, 2025**

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

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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, 2024. 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**

South Bend International Airport experienced continued growth in 2024. Five new routes were announced along with the addition of SBN's fifth airline – Breeze Airways. Allegiant started seasonal service to McGhee Tyson Airport (TYS) in June connecting travelers to the Great Smoky Mountains. Breeze Airways announced their entrance to South Bend in August with twice-weekly flights to Orlando International Airport (MCO) commencing in November and Southwest Florida International Airport (RSW) commencing in February 2025. In September, Breeze made another announcement of nonstop flights to Washington Dulles International Airport (IAD) on Fridays and Mondays beginning in November. In October, United Airlines announced daily flights to IAD that began in December.

Allegiant Travel Company, American Airlines, Breeze Airways, Delta Air Lines, and United Airlines provided nonstop flights to 16 destinations: Atlanta, Charlotte, Chicago, Dallas/Fort Worth, Detroit, Fort Myers, Knoxville, Las Vegas, Minneapolis, Orlando, Punta Gorda, Phoenix/Mesa, Sanford, Sarasota/Bradenton, Tampa /St. Petersburg, and Washington D.C. with easy connections worldwide.

Airlines continued special event flying getting Notre Dame football fans to games. American, Delta, and United all added flights for regular season home games. United also added additional flights for select away games.

In 2024, all twelve months saw increased travel over 2023.

The Airport served 899,409 total air passengers in 2024 which was a 7.08% increase year-over-year. This was above U.S. domestic air travel which saw an average of 4% year-over-year increase. The average load factor for all airlines at SBN increased nearly a full percentage point to 85.7% in 2024.

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

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The Airport completed the fourth year of a multi-year project to reconstruct and realign Taxiway B. Due to increased costs, the total projected project has increased to \$105,000,000. 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 2024 was \$204. This is down 5.1% over 2023 led by increased capacity amid continuing demand. 2024 carrier shares were Allegiant 27%, American 28.23%, Breeze 0.58%, Delta 25.23%, and United 18.96%.

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 201,569 passengers which was a 38.8% increase year over year. This increase was due to the completion of capital improvements made to the South Shore Line infrastructure by the Double Track NWI project.

Monthly activity in 2024 of international aircraft arrivals through the Airport's General Aviation Facility (GAF) totaled 86 for the year, which is a 28.3% decrease year over year, likely due to temporary inconvenience during construction in the proximity. 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 2024 annual statistical report. The report is a comparative analysis of three years of numbers, which calculates increase and decrease percentages by comparing the current year versus the previous year.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

2024 COMPOSITE STATISTIC CHART



	Air Cargo - Pounds Enplaned & Deplaned					Total Gross Landed Weight - Cargo					Aviation Fuel Flowage - Gallons				
	For Ref.					For Ref.					For Ref.				
	2022	2023	2024	Diff.	%	2022	2023	2024	Diff	%	2022	2023	2024	Diff	%
Jan	1,534,927	1,388,489	1,359,896	(28,593)	-2.1%	9,039,600	8,703,435	7,181,500	(1,521,935)	-17.5%	509,330	528,696	536,795	8,099	1.5%
Feb	1,437,603	1,348,676	1,543,817	195,141	14.5%	9,299,000	8,162,415	7,987,000	(175,415)	-2.1%	539,704	544,163	536,844	(7,319)	-1.3%
Mar	1,806,958	1,671,767	1,573,970	(97,797)	-5.8%	10,586,680	9,452,900	8,427,000	(1,025,900)	-10.9%	562,910	588,430	669,234	80,804	13.7%
Apr	1,557,877	1,554,170	1,497,698	(56,472)	-3.6%	9,902,380	9,549,380	8,095,800	(1,453,580)	-15.2%	608,603	589,684	601,940	12,256	2.1%
May	1,629,489	1,742,824	1,650,311	(92,513)	-5.3%	9,237,440	10,304,311	8,587,000	(1,717,311)	-16.7%	601,986	603,999	672,467	68,468	11.3%
Jun	1,798,094	1,841,175	1,558,932	(282,243)	-15.3%	9,870,760	8,893,200	7,996,500	(896,700)	-10.1%	497,879	530,626	549,159	18,533	3.5%
Jul	1,607,973	1,668,049	1,578,833	(89,216)	-5.3%	9,774,060	7,802,100	8,176,500	374,400	4.8%	476,485	569,538	620,106	50,568	8.9%
Aug	1,652,943	1,872,550	1,785,554	(86,996)	-4.6%	9,870,680	9,424,900	8,619,500	(805,400)	-8.5%	487,086	565,380	623,831	58,451	10.3%
Sep	1,654,673	1,874,902	1,535,798	(339,104)	-18.1%	9,490,394	8,824,934	7,233,420	(1,591,514)	-18.0%	550,612	765,185	772,173	6,988	0.9%
Oct	1,535,816	1,598,454	1,792,620	194,166	12.1%	9,408,560	8,188,500	8,811,500	623,000	7.6%	636,767	788,475	745,162	(43,313)	-5.5%
Nov	1,556,970	1,655,028	1,554,657	(100,371)	-6.1%	10,151,468	8,188,500	7,799,000	(389,500)	-4.8%	652,288	617,254	790,675	173,421	28.1%
Dec	1,785,332	1,693,526	1,794,285	100,759	5.9%	11,000,780	9,856,720	8,785,000	(1,071,720)	-10.9%	501,342	514,833	795,734	280,901	54.6%
<b>Total</b>	19,558,655	19,909,610				117,631,802	107,351,295				6,624,992	7,206,263			
<b>YTD</b>	19,558,655	19,909,610	19,226,371	(683,238)	-3.4%	117,631,802	107,351,295	97,699,720	(9,651,575)	-9.0%	6,624,992	7,206,263	7,914,120	707,857	9.8%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

2024 COMPOSITE STATISTIC CHART



	Air Cargo - Pounds Enplaned & Deplaned					Total Gross Landed Weight - Cargo					Aviation Fuel Flowage - Gallons				
	For Ref.		2024	Diff.	%	For Ref.		2024	Diff.	%	For Ref.		2024	Diff.	%
	2022	2023				2022	2023				2022	2023			
Jan	1,534,927	1,388,489	1,359,896	(28,593)	-2.1%	9,039,600	8,703,435	7,181,500	(1,521,935)	-17.5%	509,330	528,696	536,795	8,099	1.5%
Feb	1,437,603	1,348,676	1,543,817	195,141	14.5%	9,299,000	8,162,415	7,987,000	(175,415)	-2.1%	539,704	544,163	536,844	(7,319)	-1.3%
Mar	1,806,958	1,671,767	1,573,970	(97,797)	-5.8%	10,586,680	9,452,900	8,427,000	(1,025,900)	-10.9%	562,910	588,430	669,234	80,804	13.7%
Apr	1,557,877	1,554,170	1,497,698	(56,472)	-3.6%	9,902,380	9,549,380	8,095,800	(1,453,580)	-15.2%	608,603	589,684	601,940	12,256	2.1%
May	1,629,489	1,742,824	1,650,311	(92,513)	-5.3%	9,237,440	10,304,311	8,587,000	(1,717,311)	-16.7%	601,986	603,999	672,467	68,468	11.3%
Jun	1,798,094	1,841,175	1,558,932	(282,243)	-15.3%	9,870,760	8,893,200	7,996,500	(896,700)	-10.1%	497,879	530,626	549,159	18,533	3.5%
Jul	1,607,973	1,668,049	1,578,833	(89,216)	-5.3%	9,774,060	7,802,100	8,176,500	374,400	4.8%	476,485	569,538	620,106	50,568	8.9%
Aug	1,652,943	1,872,550	1,785,554	(86,996)	-4.6%	9,870,680	9,424,900	8,619,500	(805,400)	-8.5%	487,086	565,380	623,831	58,451	10.3%
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Oct	1,535,816	1,598,454	1,792,620	194,166	12.1%	9,408,560	8,188,500	8,811,500	623,000	7.6%	636,767	788,475	745,162	(43,313)	-5.5%
Nov	1,556,970	1,655,028	1,554,657	(100,371)	-6.1%	10,151,468	8,188,500	7,799,000	(389,500)	-4.8%	652,288	617,254	790,675	173,421	28.1%
Dec	1,785,332	1,693,526	1,794,285	100,759	5.9%	11,000,780	9,856,720	8,785,000	(1,071,720)	-10.9%	501,342	514,833	795,734	280,901	54.6%
Total	19,558,655	19,909,610				117,631,802	107,351,295				6,624,992	7,206,263			
YTD	19,558,655	19,909,610	19,226,371	(683,238)	-3.4%	117,631,802	107,351,295	97,699,720	(9,651,575)	-9.0%	6,624,992	7,206,263	7,914,120	707,857	9.8%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

2024 COMPOSITE STATISTIC CHART



	Car Rental - Car Rental Days*						TNC Activity					Restaurant/Gift Shop - Gross Sales				
	For Ref.						For Ref.					For Ref.				
	2021	2022	2023	2024	Diff.	%	2022	2023	2024	Diff.	%	2022	2023	2024	Diff.	%
Jan	3,843	9,583	11,886	11,456	(430)	-3.6%	2,743	2,830	3,189	359	12.7%	\$144,430	\$181,930	\$222,172	\$40,242	22.1%
Feb	2,555	10,089	11,212	12,752	1,540	13.7%	1,771	2,111	2,700	589	27.9%	\$158,357	\$192,762	\$225,730	\$32,968	17.1%
Mar	5,212	11,100	13,763	14,235	472	3.4%	1,859	3,064	3,741	677	22.1%	\$201,962	\$254,481	\$270,625	\$16,144	6.3%
Apr	10,972	13,625	11,369	18,447	7,078	62.3%	1,781	2,947	3,599	652	22.1%	\$177,767	\$206,520	\$239,643	\$33,123	16.0%
May	13,990	16,510	16,293	19,100	2,807	17.2%	1,958	2,955	3,395	440	14.9%	\$170,637	\$224,765	\$272,611	\$47,846	21.3%
Jun	15,103	11,154	18,956	19,646	690	3.6%	2,046	2,837	3,414	577	20.3%	\$180,810	\$237,454	\$250,512	\$13,058	5.5%
Jul	16,793	16,262	19,608	22,449	2,841	14.5%	2,744	2,840	3,720	880	31.0%	\$181,054	\$247,765	\$284,760	\$36,995	14.9%
Aug	18,076	16,689	19,927	24,583	4,656	23.4%	3,110	3,590	3,587	(3)	-0.1%	\$177,556	\$230,033	\$293,288	\$63,255	27.5%
Sep	15,925	16,667	20,935	21,831	896	4.3%	2,614	3,212	4,384	1,172	36.5%	\$180,898	\$261,219	\$282,110	\$20,891	8.0%
Oct	17,945	18,057	18,379	20,625	2,246	12.2%	3,588	4,538	5,215	677	14.9%	\$222,155	\$287,797	\$308,982	\$21,185	7.4%
Nov	14,645	16,059	15,225	20,230	5,005	32.9%	3,102	3,671	5,583	1,912	52.1%	\$215,733	\$229,963	\$331,936	\$101,973	44.3%
Dec	11,050	11,908	12,956	20,184	7,228	55.8%	1,808	2,337	4,287	1,950	83.4%	\$205,334	\$249,849	\$370,792	\$120,943	48.4%
Ann. To	146,109	167,703	190,509				29,124	36,932				\$2,216,693	\$2,804,537			
YTD	146,109	167,703	190,509	225,538	35,029	18.4%	29,124	36,932	46,814	9,882	26.8%	\$2,216,693	\$2,804,537	\$3,353,161	\$548,624	19.6%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

2024 COMPOSITE STATISTIC CHART

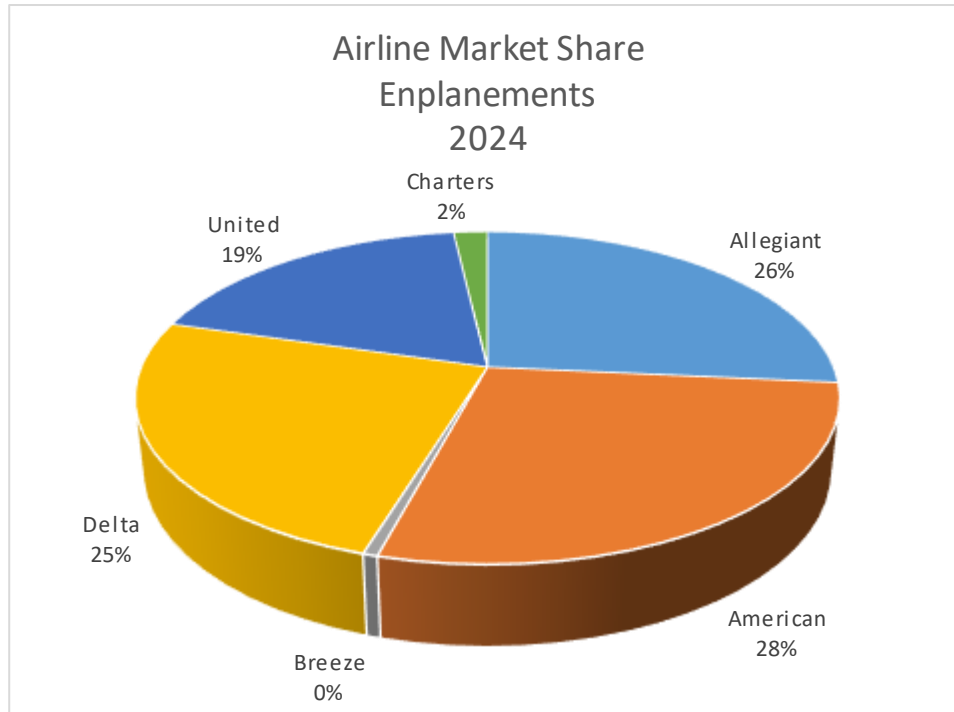


	Republic Parking - Gross Sales					South Shore Passengers					International Flights - GAF				
	For Ref.					For Ref.					For Ref.				
	2022	2023	2024	Diff.	%	2022	2023	2024	Diff.	%	2022	2023	2024	Diff.	%
Jan	\$298,806	\$372,121	\$436,966	\$64,845	17.4%	8,972	9,775	8,213	(1,562)	-16.0%	5	9	7	(2)	-22.2%
Feb	\$316,284	\$354,454	\$466,727	\$112,273	31.7%	8,940	8,829	8,510	(319)	-3.6%	6	11	4	(7)	-63.6%
Mar	\$364,154	\$486,224	\$556,549	\$70,325	14.5%	13,530	12,919	13,427	508	3.9%	8	10	6	(4)	-40.0%
Apr	\$345,794	\$451,036	\$476,179	\$25,143	5.6%	14,608	13,773	12,596	(1,177)	-8.5%	14	13	4	(9)	-69.2%
May	\$311,107	\$361,183	\$411,178	\$49,995	13.8%	15,290	11,791	16,802	5,011	42.5%	17	8	14	6	75.0%
Jun	\$263,585	\$333,718	\$385,171	\$51,453	15.4%	15,014	12,175	17,947	5,772	47.4%	9	15	5	(10)	-66.7%
Jul	\$253,972	\$322,194	\$367,920	\$45,726	14.2%	18,102	13,964	22,167	8,203	58.7%	11	7	9	2	28.6%
Aug	\$258,883	\$326,556	\$408,804	\$82,248	25.2%	14,814	12,291	19,657	7,366	59.9%	16	7	5	(2)	-28.6%
Sep	\$278,520	\$365,106	\$412,647	\$47,541	13.0%	13,613	11,767	18,564	6,797	57.8%	18	9	15	6	66.7%
Oct	\$367,839	\$451,892	\$460,191	\$8,299	1.8%	16,039	12,390	19,508	7,118	57.4%	11	12	4	(8)	-66.7%
Nov	\$316,313	\$406,791	\$427,403	\$20,612	5.1%	14,639	12,190	20,943	8,753	71.8%	18	9	7	(2)	-22.2%
Dec	\$273,090	\$371,458	\$438,690	\$67,232	18.1%	13,374	13,338	23,235	9,897	74.2%	8	10	6	(4)	-40.0%
Ann. To	\$3,648,347	\$4,602,733				166,935	145,202				141	120			
YTD	\$3,648,347	\$4,602,733	\$5,248,426	\$645,693	14.03%	166,935	145,202	201,569	56,367	38.8%	141	120	86	(34)	-28.3%

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 December 31, 2024

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**Airline Market Share Comparison**

	2024	2023	Difference	Change %
Allegiant	119,570	114,068	5,502	4.82%
American	124,985	118,534	6,451	5.44%
Breeze	2,572	-	2,572	100.00%
Delta	111,720	91,821	19,899	21.67%
United	83,952	80,016	3,936	4.92%
Charters	8,385	7,411	974	13.14%
<b>Totals</b>	<b>451,184</b>	<b>411,850</b>	<b>39,334</b>	<b>9.55%</b>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

**FINANCIAL HIGHLIGHTS**

<b>Net Position</b>				
	<u>2024</u>	<u>2023</u>	<b>Increase/Decrease</b>	
			<u>Amount</u>	<u>Percent</u>
<b>Assets and Deferred Outflows of Resources</b>				
Current Assets	\$ 30,551,052	\$ 28,546,974	\$ 2,004,078	7.02%
Capital and Noncurrent Assets	184,543,787	145,292,530	39,251,257	27.02%
Deferred Outflows of Resources	<u>1,099,786</u>	<u>1,147,860</u>	<u>(48,074)</u>	<u>-4.19%</u>
Total Assets and Deferred Outflows of Resources	<u>216,194,625</u>	<u>174,987,364</u>	<u>41,207,261</u>	<u>23.55%</u>
<b>Liabilities and Deferred Inflows of Resources</b>				
Current Liabilities	5,304,637	4,444,554	860,083	19.35%
Noncurrent Liabilities	12,275,091	6,708,553	5,566,538	82.98%
Deferred Inflows of Resources	<u>1,055,058</u>	<u>375,791</u>	<u>679,267</u>	<u>180.76%</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,634,786</u>	<u>11,528,898</u>	<u>7,105,888</u>	<u>61.64%</u>
<b>Net Position</b>				
Net Investment in Capital Assets	171,347,780	138,021,006	33,326,774	24.15%
Restricted	12,194,723	10,147,362	2,047,361	20.18%
Unrestricted	<u>14,017,336</u>	<u>15,290,098</u>	<u>(1,272,762)</u>	<u>-8.32%</u>
Total Net Position	<u>\$ 197,559,839</u>	<u>\$ 163,458,466</u>	<u>\$ 34,101,373</u>	<u>20.86%</u>

Total assets and deferred outflows of resources increased by \$41.2 million primarily due to an increase in capital assets mostly related to construction. The increase in current assets was due to the accumulation of restricted cash and cash equivalents in various funds. 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 increased by \$7.1 million due to the Authority issuing an additional bond during FY24 as noted in the debt footnote of the financial statements. The resulting increase in net position of \$34.1 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, 2024

**Changes in Net Position**

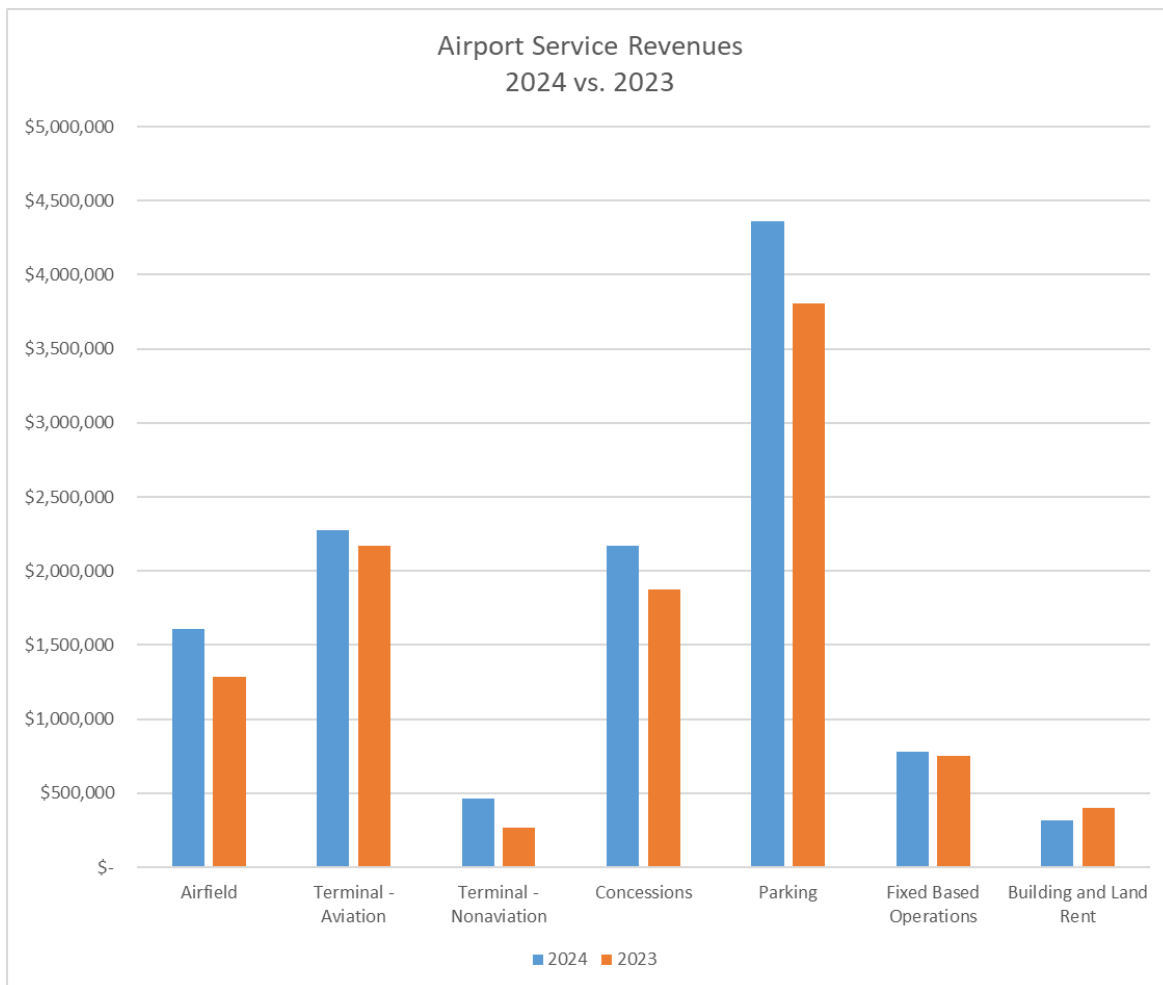
	<u>2024</u>	<u>2023</u>	<u>Increase/Decrease</u>	
			<u>Amount</u>	<u>Percent</u>
<b>Operating Revenues</b>				
Airport Service Revenues				
Airfield	\$ 1,611,979	\$ 1,284,798	\$ 327,181	25.47%
Terminal - Aviation	2,273,818	2,171,942	101,876	4.69%
Terminal - Nonaviation	465,905	264,387	201,518	76.22%
Concessions	2,173,108	1,878,772	294,336	15.67%
Parking	4,364,268	3,806,007	558,261	14.67%
Fixed Based Operations	782,323	749,096	33,227	4.44%
Building and Land Rent	316,086	397,732	(81,646)	-20.53%
Total Airport Service Revenues	11,987,487	10,552,734	1,434,753	13.60%
Other	34,667	32,000	2,667	8.33%
Total Operating Revenues	12,022,154	10,584,734	1,437,420	13.58%
<b>Operating Expenses</b>				
Personal Services	8,051,831	6,942,431	1,109,400	15.98%
Supplies	1,266,779	1,013,372	253,407	25.01%
Other Services and Charges	7,084,752	6,598,560	486,192	7.37%
Depreciation	5,799,160	4,019,984	1,779,176	44.26%
Total Operating Expenses	22,202,522	18,574,347	3,628,175	19.53%
<b>Operating Loss</b>	<u>(10,180,368)</u>	<u>(7,989,613)</u>	<u>(2,190,755)</u>	<u>27.42%</u>
<b>Nonoperating Revenues</b>				
Property Taxes	4,306,895	4,005,534	301,361	7.52%
Other Tax Distributions	960,303	944,366	15,937	1.69%
Interest and Investment Revenue	1,353,894	1,438,159	(84,265)	-5.86%
Property Management Revenue	946,440	841,661	104,779	12.45%
Operating Grant	184,749	116,898	67,851	58.04%
Gain on Disposal of Capital Assets	424,039	-	424,039	100.00%
Other Revenue	195,393	255,614	(60,221)	-23.56%
Total Nonoperating Revenues	8,371,713	7,602,232	769,481	10.12%
<b>Nonoperating Expenses</b>				
Interest Expense	368,569	159,193	209,376	131.52%
Bond Issuance Costs	94,182	-	94,182	100.00%
Amortization	(68,393)	(62,893)	(5,500)	8.75%
Total Nonoperating Expenses	394,358	96,300	298,058	309.51%
<b>Loss Before Capital Contributions and Passenger Facility Charge Revenue</b>	<u>(2,203,013)</u>	<u>(483,681)</u>	<u>(1,719,332)</u>	<u>355.47%</u>
<b>Capital Contributions</b>	34,367,311	22,394,033	11,973,278	53.47%
<b>Passenger Facility Charge Revenue</b>	1,937,075	1,716,380	220,695	12.86%
<b>Change in Net Position</b>	<u>34,101,373</u>	<u>23,626,732</u>	<u>10,474,641</u>	<u>44.33%</u>
<b>Total Net Position - Beginning</b>	163,458,466	139,831,734	23,626,732	16.90%
<b>- Total Net Position - Ending</b>	<u>\$ 197,559,839</u>	<u>\$ 163,458,466</u>	<u>\$ 34,101,373</u>	<u>20.86%</u>

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

**Revenue**

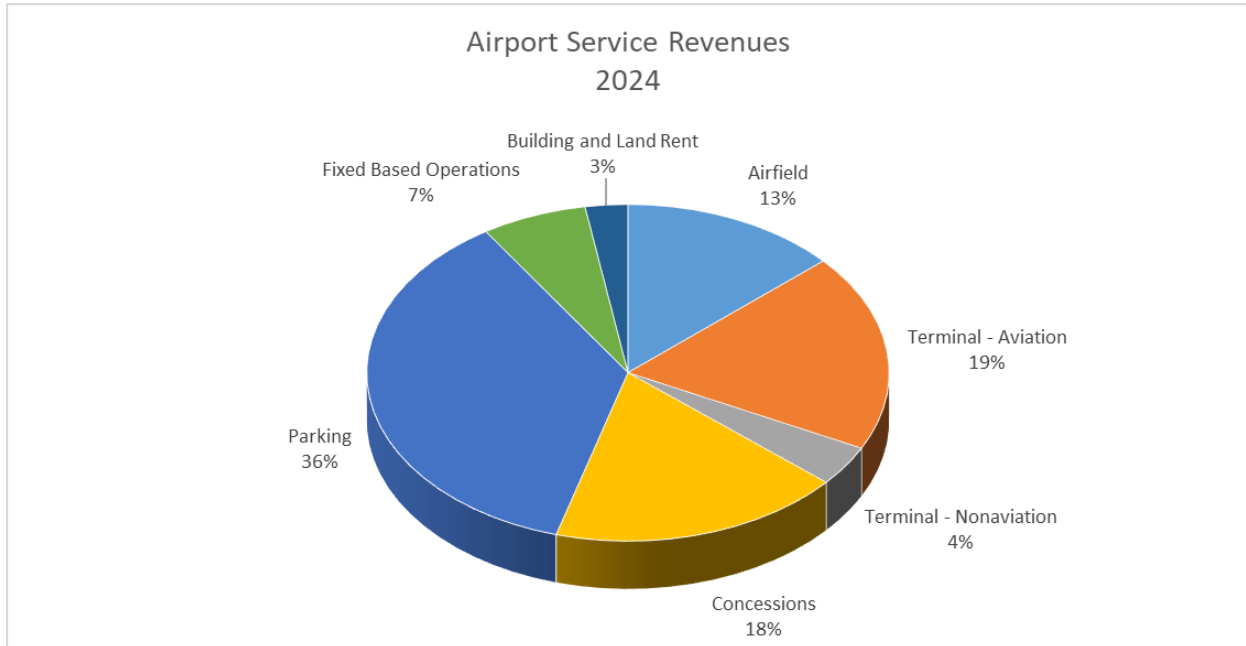
Total Operating Revenue increased by 13.6% compared to 2023 levels, in large part due to continued rebound after the COVID-19 pandemic, and area economic development both contributing to increase passenger traffic, new airline routes and added capacity. The Authority was also able to increase some rates and charges, most notably parking, which contributed to increased revenue without affecting passenger traffic. Airport Service Revenue increased by 13.6% 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 25.47%. 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 4.69% in 2024. Terminal Non-Aviation Rental Revenue increased by 76.22% in 2024. Concession Revenue increased by 15.67% and Parking Revenue increased by 14.67%. Fixed Base Operations Revenue, a component of General Aviation activity, increased 4.44%. Other Building and Land Rental on the airfield decreased by 20.53%. Non-Operating Revenues increased by 10.12% due to additional funding received from federal and state sources in 2024 related to airport construction. Passenger Facility Charge (P.F.C.) Revenues increased in 2024 by 12.86%, again as a result of a passenger traffic slowly recovering from the COVID-19 pandemic. A significant increase in capital contributions occurred in 2024 due to federal funds related airport construction.



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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

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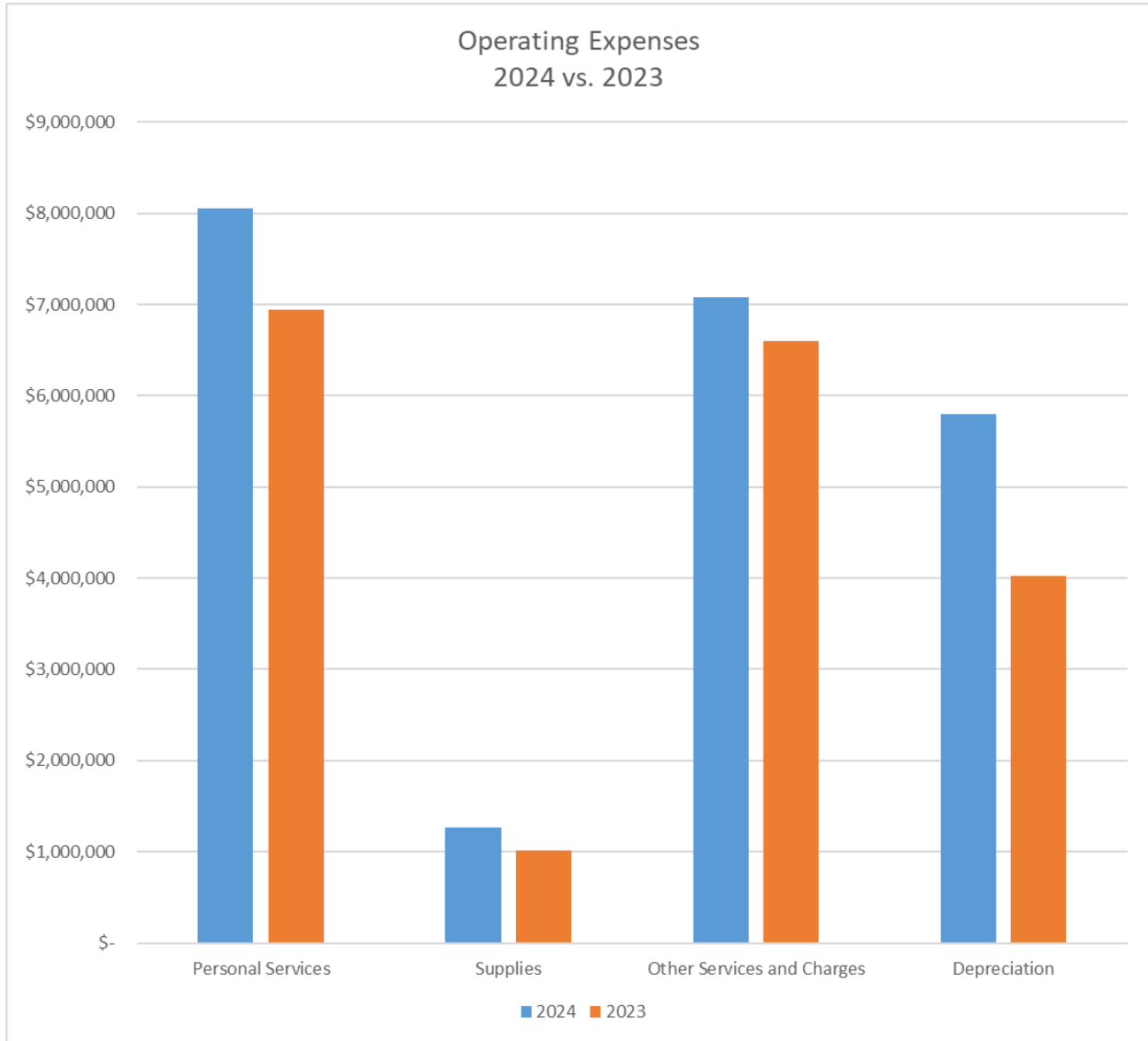
**Expenses**

Total Operating Expenses increased by 19.53% while Non-Operating Expenses increased in 2024 by \$298 thousand compared to 2023, mostly due to the new bond issuance in FY24. 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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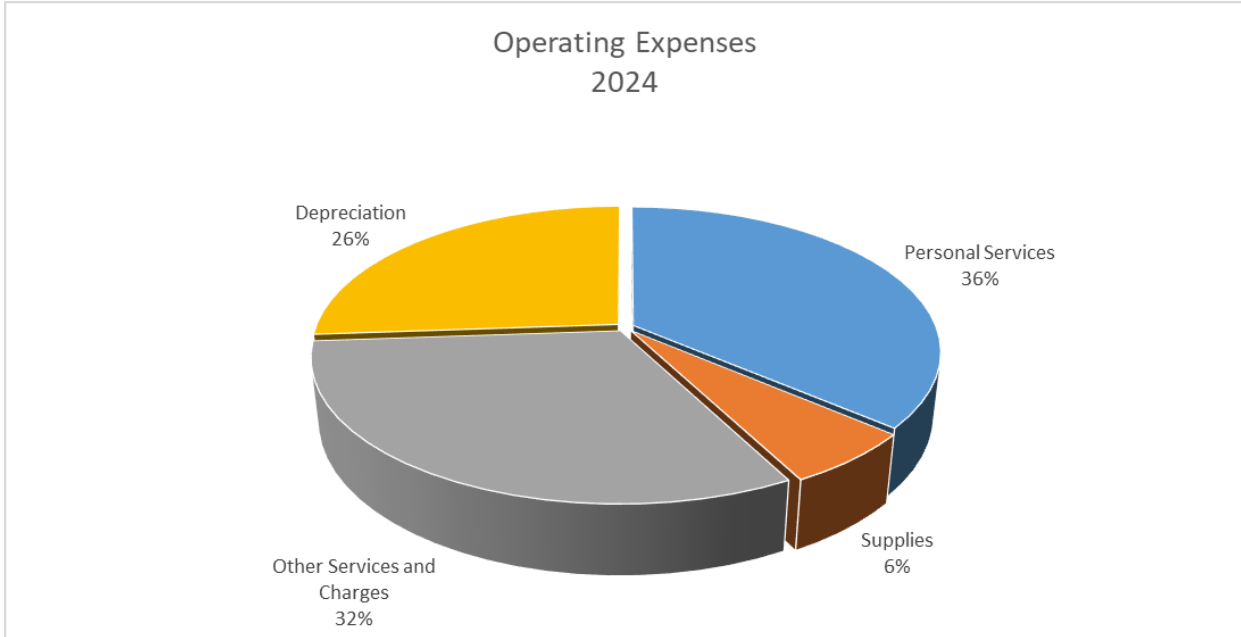
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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024



(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024



**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>2024</u>	<u>2023</u>
<b>Cash Flows</b>		
Operating Activities	\$ (3,031,494)	\$ (4,687,086)
Noncapital Financing Activities	6,613,943	6,172,689
Capital and Related Financing Activities	1,090,648	(11,083,104)
Investing Activities	<u>1,353,894</u>	<u>1,438,159</u>
Net Increase (Decrease)	<u>6,026,991</u>	<u>(8,159,342)</u>
Cash and Cash Equivalents - Beginning	<u>21,204,876</u>	<u>29,364,218</u>
Cash and Cash Equivalents - Ending	<u>\$27,231,867</u>	<u>\$21,204,876</u>

The Authority's available Cash and Cash Equivalents increased from \$21.2 million at the end of 2023 to \$27.2 million at the end of 2024, mainly due to an increase in revenue from federal and state sources, as well as an additional bond issuance in 2024.

(Continued)

## **CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES**

### **CAPITAL ASSETS**

The St. Joseph County Airport Authority's investment in Capital Assets as of December 31, 2024, was \$183.8 million (net of Accumulated Depreciation and Amortization). This investment in Capital Assets includes land, buildings, roadways, airfield and equipment. In total, this represents a \$38.6 million increase from 2023. Major Capital Asset events during the current fiscal year included the following:

During 2024, the Airport Authority District disbursed approximately \$45.1 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, some terminal improvements, construction of a new Quick Turnaround Facility for rental car companies, 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, 2024, the Airport Authority had received a total of \$39,085,216 on the accrual basis of accounting.

### **LONG TERM DEBT AND CREDIT RATINGS**

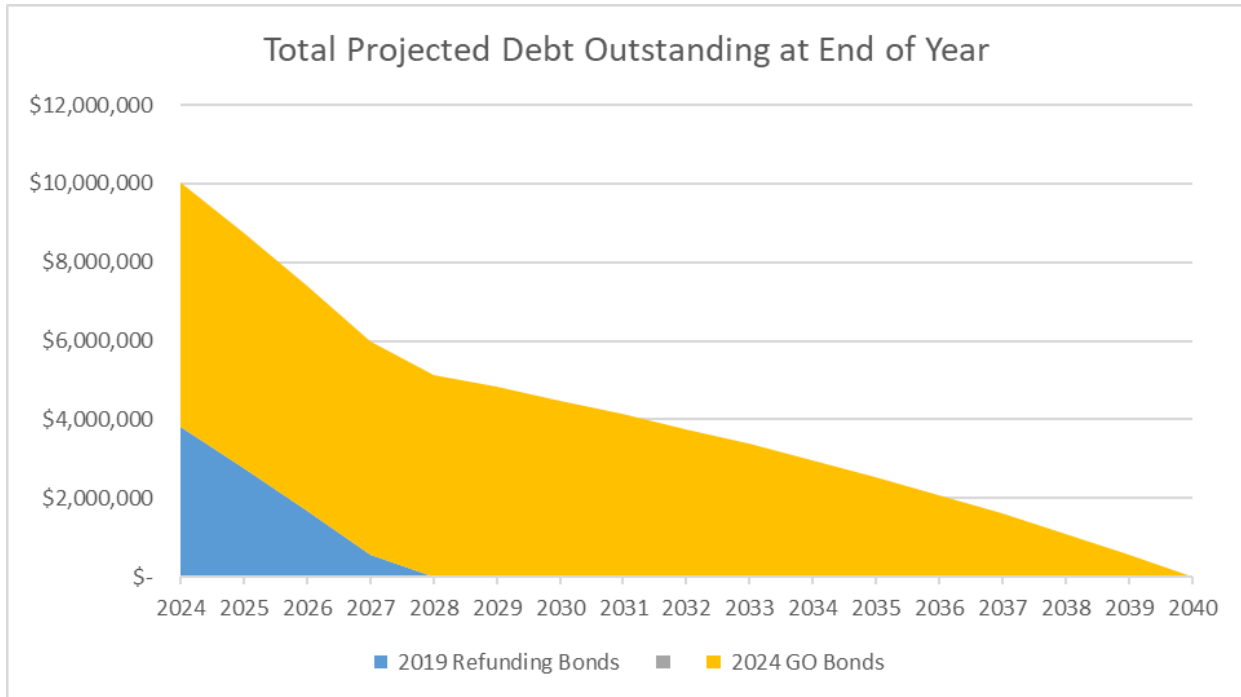
The Airport Authority has \$8.92 million in Outstanding Long-Term Debt plus \$1.28 million in Outstanding Short-Term Debt as of December 31, 2024. Long-Term and Short-Term Debt consisted of the 2019 General Obligation Refunding Bonds issued in October 2019, which refunded the 2011 General Obligation 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. Additionally, in April 2024, the Airport Authority issued the 2024 Taxable General Obligations Bonds for \$6,255,000. The Proceeds of the Bonds are being issued for the purpose of paying the costs of acquisition, construction, and equipping of a new rental car Quick-Turn Around facility to consolidate existing maintenance, cleaning and fueling rental car operations at the Airport into one Facility, and related and incidental expenses to be incurred in connection therewith the "Project" and to pay bond Issuance Costs.

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 \$4,154,161,187. The debt limit is \$83,083,224 million, and the total outstanding General Obligation Debt is \$10,206,138.

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024

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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.



**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

<b>Assets</b>	
Current assets:	
Unrestricted:	
Cash and cash equivalents	\$ 12,306,282
Accounts receivable (net of allowance)	1,294,628
Intergovernmental receivable	1,304,129
Leases receivable	161,571
Accrued interest receivable - leases	3,441
Prepaid items	364,644
Total unrestricted current assets	15,434,695
Restricted:	
Cash and cash equivalents:	
Passenger facility charge fund	3,823,556
Customer facility charge fund	2,442,684
Bond and interest fund	4,583
Debt Service Reserve fund	1,125,368
Cumulative building fund	7,050,444
Excess levy fund	235
Other funds	478,715
Accounts receivable - passenger facility charge	161,662
Taxes receivable	29,110
Total restricted current assets	15,116,357
Total current assets	30,551,052
Noncurrent assets:	
Leases receivable	716,657
Capital assets:	
Capital assets not being depreciated	50,768,195
Capital assets, net of accumulated depreciation	133,058,935
Total noncurrent assets	184,543,787
Total assets	215,094,839
Deferred outflows of resources	
Deferred pension outflows	1,099,786
Total deferred outflows of resources	1,099,786
Total assets and deferred outflows of resources	\$ 216,194,625

(Continued)

**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**STATEMENT OF NET POSITION**  
**December 31, 2024**

Liabilities	
Current liabilities:	
Unrestricted:	
Accounts payable	\$ 1,246,518
Accrued payroll payable	288,422
Unearned revenue	221,741
Compensated absences	350,049
Leases payable	4,212
Subscriptions payable	89,051
Other current liabilities	20,353
Total unrestricted current liabilities	2,220,346
Restricted:	
General obligation bonds payable	1,285,000
Retainage payable	1,074,757
Customer deposits payable	25,919
Contracts payable	636,981
Other liabilities	61,634
Total restricted current liabilities	3,084,291
Total current liabilities	5,304,637
Noncurrent liabilities:	
Unrestricted:	
Compensated absences	110,542
Leases payable	12,091
Subscriptions payable	346,344
Net pension liability	2,884,976
Total noncurrent unrestricted liabilities	3,353,953
Restricted:	
General obligation bonds payable (net of unamortized premiums)	8,921,138
Total noncurrent restricted liabilities	8,921,138
Total noncurrent liabilities	12,275,091
Total liabilities	17,579,728
Deferred inflow of resources	
Deferred amount on refunding	109,776
Deferred amount on leases	945,282
Total deferred inflows of resources	1,055,058
Total liabilities and deferred inflow of resources	18,634,786
Net Position:	
Net investment in capital assets	171,347,780
Restricted for debt service	5,115,169
Restricted for capital assets	7,079,554
Unrestricted	14,017,336
Total net position	\$ 197,559,839

**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year End December 31, 2024**

Operating revenues:	
Airfield	\$ 1,611,979
Terminal - aviation	2,273,818
Terminal - nonaviation	465,905
Concessions	2,173,108
Parking	4,364,268
Fixed based operations	782,323
Building and land rent	316,086
Other	34,667
Total operating revenues	12,022,154
Operating expenses:	
Personal services	8,051,831
Supplies	1,266,779
Other services and charges	7,084,752
Depreciation	5,799,160
Total operating expenses	22,202,522
Operating loss	(10,180,368)
Nonoperating revenues:	
Property taxes	4,306,895
Other tax distributions	960,303
Interest and investment revenue	1,353,894
Property management revenue	946,440
Operating grant	184,749
Gain on disposal of assets	424,039
Other revenue	195,393
Total nonoperating revenues	8,371,713
Nonoperating expenses:	
Interest expense	368,569
Bond issuance costs	94,182
Amortization	(68,393)
Total nonoperating expenses	394,358
Loss before capital contributions and passenger facility charges	(2,203,013)
Capital contributions	34,367,311
Passenger facility charge revenue	1,937,075
Total capital contributions and passenger facility charges	36,304,386
Change in net position	34,101,373
Total net position - beginning	163,458,466
Total net position - ending	\$ 197,559,839

See accompanying notes to financial statements.

**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**Year End December 31, 2024**

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Cash flows from operating activities:	
Receipts from customers and users	\$ 11,938,296
Payments to suppliers and contractors	(10,010,973)
Payments to employees	(4,958,817)
Net cash used by operating activities	(3,031,494)
Cash flows from noncapital financing activities:	
Property management activity	946,440
Other nonoperating revenue	195,393
Operating grant received	184,749
Property and county income taxes	5,287,361
Net cash provided by noncapital financing activities	6,613,943
Cash flows from capital and related financing activities:	
Passenger facility charges	2,026,271
Capital contributions	38,306,369
Acquisition and construction of capital assets	(45,072,471)
Interest paid on leases and subscriptions	(15,056)
Principal paid on leases and subscriptions	(151,164)
Interest paid on capital debt	(353,513)
Principal paid on capital bonds	(1,065,000)
Proceeds from sale of land	1,212,774
Proceeds received on bond issuance	6,296,620
Bond issuance costs	(94,182)
Net cash provided by capital and related financing activities	1,090,648
Cash flows from investing activities:	
Interest received	1,353,894
Net cash provided by investing activities	1,353,894
Net increase in cash and cash equivalents	6,026,991
Cash and cash equivalents, January 1	21,204,876
Cash and cash equivalents, December 31	\$ 27,231,867

**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**Year End December 31, 2024**

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Reconciliation of operating income to net cash used by operating activities:	
Operating loss	\$ (10,180,368)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	5,799,160
(Increase) decrease in assets and deferred outflows of resources:	
Accounts receivable	(242,847)
Prepaid items	(80,012)
Other current assets	412,326
Leases receivable	(802,405)
Accrued interest receivable - leases	(2,654)
Deferred pension outflows	13,174
Deferred OPEB outflows	34,900
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	738,213
Accrued payroll payable	58,815
Unearned revenue	90,260
Compensated absences	38,539
Other current liabilities	19,208
Customer deposits payable	5,000
Net pension liability	461,029
Total OPEB liability	(101,033)
Deferred amount on leases	868,788
Deferred pension inflows	(20,569)
Deferred OPEB inflows	(141,018)
Total adjustments	7,148,874
Net cash used by operating activities	\$ (3,031,494)
Noncash investing, capital and related financing activities:	
Gain on disposal of capital assets	424,039

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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.

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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 \$15,116,357 of restricted assets, all of which is restricted by enabling legislation.

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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, 2024, related to the defined benefit pension 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, and 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. 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.

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, 2024, 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. 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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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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.

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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, 2024, the Airport Authority had deposit balances in the amount of \$27,231,869. 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 \$60,205 in an allowance account for the expected uncollectibility of payments due from tenants.

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

C. Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 39,706,699	\$ 1,753,194	\$ 659,690	\$ 40,800,203
Construction in progress	<u>26,038,087</u>	<u>40,961,149</u>	<u>57,031,244</u>	<u>9,967,992</u>
Total capital assets, not being depreciated	65,744,786	42,714,343	57,690,934	50,768,195
Capital assets, being depreciated:				
Buildings	75,782,409	2,966,039	420,564	78,327,884
Airfield	79,429,986	52,012,930	-	131,442,916
Equipment	<u>12,003,065</u>	<u>4,011,558</u>	<u>756,868</u>	<u>15,257,755</u>
Totals	167,215,460	58,990,527	1,177,432	225,028,555
Less accumulated depreciation for:				
Buildings	41,595,913	2,039,954	365,609	43,270,258
Airfield	38,051,439	2,905,330	-	40,956,769
Equipment	<u>8,199,250</u>	<u>766,698</u>	<u>740,088</u>	<u>8,225,860</u>
Totals	<u>87,846,602</u>	<u>5,711,982</u>	<u>1,105,697</u>	<u>92,452,887</u>
Intangible right-to-use capital assets being amortized:				
Equipment lease assets	22,649	-	-	22,649
Subscription assets	<u>193,340</u>	<u>457,123</u>	<u>81,765</u>	<u>568,698</u>
Totals	<u>215,989</u>	<u>457,123</u>	<u>81,765</u>	<u>591,347</u>
Less accumulated amortization for:				
Equipment lease assets	2,540	4,314	-	6,854
Subscription assets	<u>61,132</u>	<u>82,864</u>	<u>42,770</u>	<u>101,226</u>
Totals	<u>63,672</u>	<u>87,178</u>	<u>42,770</u>	<u>108,080</u>
Total capital assets, being depreciated and amortized	<u>79,521,175</u>	<u>53,648,490</u>	<u>110,730</u>	<u>133,058,935</u>
Total capital assets, net	<u>\$ 145,265,961</u>	<u>\$ 96,362,833</u>	<u>\$ 57,801,664</u>	<u>\$ 183,827,130</u>

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

D. Construction Commitments to Contractors

Construction work in progress is composed of the following:

Project	Expended to December 31	Remaining Committed
Taxiway Bravo and Terminal Ramp	\$ 96,620	\$ 18,768,191
Terminal Frontage Improvements	348,240	2,329,557
Other	<u>9,523,132</u>	<u>1,427,938</u>
Totals	<u>\$ 9,967,992</u>	<u>\$ 22,525,686</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%	\$ 3,820,000	\$ 147,455	\$ 3,967,455
2024 Taxable General Obligation Bonds \$6,255,000	5.10% to 8.00%	6,200,000	38,683	6,238,683

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, 2024, \$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.

In April 2024, the Airport Authority issued the 2024 Taxable General Obligations Bonds for \$6,255,000. The Proceeds of the Bonds are being issued for the purpose of paying the costs of acquisition, construction, and equipping of a new rental car Quick-Turn Around facility to consolidate existing maintenance, cleaning and fueling rental car operations at the Airport into one Facility, and related and incidental expenses to be incurred in connection therewith the "Project" and to pay bond Issuance Costs.

(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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>
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>\$ 3,820,000</u>	<u>\$ 108,504</u>

	<u>2024 Taxable GO Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2025	235,000	345,540
2026	255,000	326,340
2027	275,000	305,540
2028	300,000	283,140
2029	315,000	265,483
2030-2034	1,855,000	1,062,364
2035-2039	2,405,000	514,657
2040	<u>560,000</u>	<u>22,604</u>
Totals	<u>\$ 6,200,000</u>	<u>\$ 3,125,668</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 \$6,854 as of December 31, 2024. Principal and interest to maturity include:

	<u>Principal</u>	<u>Interest</u>
2025	\$ 4,212	\$ 571
2026	4,384	399
2027	4,563	220
2028	<u>3,144</u>	<u>44</u>
Totals	<u>\$ 16,303</u>	<u>\$ 1,234</u>

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(Continued)

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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 subscription assets of \$568,698 with accumulated amortization of \$101,226 as of December 31, 2024. Principal and interest to maturity include:

	<u>Principal</u>	<u>Interest</u>	
2025	\$ 89,051	\$ 15,454	
2026	83,745	12,075	
2027	91,250	8,463	
2028	80,105	4,781	
2029	43,328	2,375	
2030-2034	47,916	467	
Totals	\$ 435,395	\$ 43,615	

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2024, 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:					
2019 General obligation bonds	\$ 4,830,000	\$ -	\$ 1,010,000	\$ 3,820,000	\$ 1,050,000
Plus 2019 bond premium	184,977	-	37,522	147,455	-
2024 General obligation bonds	-	6,255,000	55,000	6,200,000	235,000
Plus 2024 bond premium	-	41,620	2,937	38,683	-
Total general obligation bonds	5,014,977	6,296,620	1,105,459	10,206,138	1,285,000
Compensated absences	422,052	38,539	-	460,591	350,049
Leases payable	20,348	-	4,045	16,303	4,212
Subscriptions payable	125,391	457,123	147,119	435,395	89,051
Net pension liability	2,423,947	998,842	537,813	2,884,976	-
Total OPEB liability	101,033	-	101,033	-	-
Total non-current liabilities	\$ 8,107,748	\$ 7,791,124	\$ 1,895,469	\$ 14,003,403	\$ 1,728,312

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

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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.

B. Other Postemployment Benefits

During the fiscal year ended December 31, 2024, the Airport Authority determined the Airport no longer provides healthcare benefits to retirees via an other postemployment benefit plan. \$207,151 was recorded as a credit to expense to remove prior year obligations associated with this OPEB plan.

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.

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 2024 is 11.2% percent of annual

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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 \$566,173 for the calendar year ended December 31, 2024.

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, 2024, the Airport Authority reported a liability of \$2,884,976 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 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, 2024, the Airport Authority's proportion was 0.07157%, which was an increase of 0.00289% from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Airport Authority recognized pension expense of \$1,019,722. At December 31, 2024, 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	\$ 295,675	\$ -
Net difference between projected and actual investment earnings on pension plan investments	381,981	-
Change of assumptions	-	-
Changes in proportion and difference between employer contributions and proportionate share contributions	134,679	-
Authority contributions subsequent to the measurement date	287,451	-
 Totals	 \$ 1,099,786	 \$ -

\$287,451 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024

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	Year Ended <u>December 31,</u>
2025	\$ 190,049
2026	501,554
2027	144,330
2028	<u>-23,598</u>
Total	<u>\$ 812,335</u>

Actuarial Assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation date:	June 30, 2024
Liability valuation date and method:	June 30, 2024 - Member census data as of June 30, 2023 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the liability computed as of June 30, 2023 to the June 30, 2024 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:	As of June 30, 2024: A one-time 13 <sup>th</sup> check was granted and payable by October 1, 2024. Thereafter, it is assumed participants who have commenced benefits prior to July 1, 2025 will receive an annual 13 <sup>th</sup> check indexed with inflation. Participants commencing on or after July 1, 2025 are assumed to receive a 1% COLA.
Future salary increases, including inflation:	2.65% - 8.65%
Inflation:	2.0%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 December 31, 2024

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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, 2024 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. The COLA assumption was revised by the passage of HEA 1004-2024

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%	4.6%
Private Equity	15.0%	7.1%
Fixed income - Ex inflation linked	20.0%	3.6%
Fixed income - Inflation linked	15.0%	2.1%
Commodities	10.0%	2.8%
Real estate	10.0%	5.4%
Absolute return	5.0%	2.5%
Risk parity	20.0%	6.3%
Cash and Cash Overlay	-15.0%	1.7%

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

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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>4,596,181</u>	\$ <u>2,884,976</u>	\$ <u>1,462,143</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/>

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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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 2024, the Airport Authority earned \$1,937,075 from 39 separate airlines. The Airport Authority is authorized to receive a maximum of \$41,684,619. As of December 31, 2024, the Airport Authority has earned a total of \$38,099,494.

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 \$100,584 of lease revenue and \$14,529 of interest revenue related to these leases for the fiscal year ended December 31, 2024. The following is a schedule of future income for leases receivable:

Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 161,571	\$ 33,576	\$ 195,146
2026	129,122	27,925	157,046
2027	122,728	22,663	145,391
2028	126,013	17,715	143,728
2029	56,199	12,529	68,728
2030-2035	<u>282,596</u>	<u>26,678</u>	<u>309,274</u>
	<u>\$ 878,228</u>	<u>\$ 141,085</u>	<u>\$ 1,019,313</u>

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, 2024 are \$3.1

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ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2024

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million. In addition, with the exception of T-hangers, all Airport Authority owned hangars as of December 31, 2024 are for the exclusive use of the lessees. During the year, total revenues of \$973,545 were recorded for these regulated leases. The following is a schedule of future rental income for regulated leases:

Year Ending December 31,	<u>Minimum Future Rents</u>
2025	\$ 737,071
2026	452,453
2027	382,196
2028	279,655
2029	274,467
2030-2034	890,288
2035-2039	109,326
2040-2044	<u>37,240</u>
	<u>\$ 3,162,695</u>

**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>2024</u>	<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>
Proportion of the net pension liability	0.07157%	0.06868%	0.06465%	0.06245%	0.06511%	0.06140%	0.05988%	0.06049%	0.06415%	0.05773%
Proportionate share of the net pension liability	\$ 2,884,976	\$ 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
Covered payroll	\$ 4,807,422	\$ 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
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	60.0%	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%
Plan fiduciary net position as a percentage of total pension liability	79.5%	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	78.9%	75.3%	77.3%

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>2024</u>	<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>
Contractually required contributions	\$ 572,292	\$ 516,974	\$ 446,492	\$ 385,607	\$ 393,708	\$ 358,261	\$ 342,208	\$ 336,133	\$ 344,314	\$ 309,706
Contributions in relation to the contractually required contribution	<u>(566,173)</u>	<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>
Contribution deficiency (excess)	\$ 6,119	\$ 772	\$ (1)	\$ (7,231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,109,749	\$ 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
Contributions as a percentage of covered payroll	11.08%	11.18%	11.20%	11.41%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%

N/A - information not available

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

**ST. JOSEPH COUNTY AIRPORT AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year End December 31, 2024**

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**Public Employees' Retirement Fund**

A. Plan Amendments

A 13th check to be paid in Fiscal Year 2025 from the SRA was granted. The Supplemental Benefit funding for an inflation-indexed 13th check for participants who have commenced prior to July 1, 2025 and a 1% COLA for commencements thereafter is now required by legislation, although no additional benefits have yet been granted beyond this FY 2025 13th Check.

B. Assumption Changes

The COLA assumption was revised by the passage of HEA 1004-2024

**ST. JOSEPH COUNTY AIRPORT AUTHORITY  
SCHEDULE OF PASSENGER FACILITY CHARGE COLLECTIONS AND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Collections	Date Approved	Amount Approved For Use	Cumulative Total - December 31, 2023	Quarter Ended				Year Ended December 31, 2024	Cumulative Total - December 31, 2024
				March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024		
Passenger facility charge collections			\$ 35,685,908	\$ 425,495	\$ 467,736	\$ 634,638	\$ 498,403	\$ 2,026,272	\$ 37,712,180
Interest earned			<u>1,190,547</u>	<u>40,574</u>	<u>46,185</u>	<u>47,550</u>	<u>48,180</u>	<u>182,489</u>	<u>1,373,036</u>
Total passenger facility charge collections received			<u>\$ 36,876,455</u>	<u>\$ 466,069</u>	<u>\$ 513,921</u>	<u>\$ 682,188</u>	<u>\$ 546,583</u>	<u>\$ 2,208,761</u>	<u>\$ 39,085,216</u>
<b>Expenditures</b>									
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	16,407,673	32	531,180	32	536,354	1,067,597	17,475,270
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>\$ 34,194,063</u>	<u>\$ 32</u>	<u>\$ 531,180</u>	<u>\$ 32</u>	<u>\$ 536,354</u>	<u>\$ 1,067,597</u>	<u>\$ 35,261,660</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY  
SUPPLEMENTAL FINANCIAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
Year End December 31, 2024**

	Budgeted Amounts - Original & Final	Actual Budgetary Basis Amounts	Variance With Final Budget
<b>Revenues:</b>			
Airfield	\$ 1,342,403	\$ 1,764,566	\$ 422,163
Terminal - aviation	2,359,684	2,273,818	(85,866)
Terminal - non-aviation	283,880	465,905	182,025
Concessions	1,715,496	2,173,108	457,612
Parking	4,368,205	4,364,268	(3,937)
Fixed based operations	762,583	782,323	19,740
Building and land rent	389,179	316,086	(73,093)
Other	26,000	34,667	8,667
Total revenues	<u>11,247,430</u>	<u>12,174,741</u>	<u>927,311</u>
<b>Expenses:</b>			
Personal services	8,065,266	8,395,668	(330,402)
Supplies	1,788,850	2,361,514	(572,664)
Other services and charges	<u>7,894,814</u>	<u>7,084,752</u>	<u>810,062</u>
Total operating expenses	<u>17,748,930</u>	<u>17,841,934</u>	<u>(93,004)</u>
<b>Debt service:</b>			
Other services and charges	<u>1,127,168</u>	<u>1,472,751</u>	<u>(345,583)</u>
Total expenses	<u>18,876,098</u>	<u>19,314,685</u>	<u>(438,587)</u>
<b>Other financing sources (uses):</b>			
Property taxes	4,764,442	4,327,058	(437,384)
Other tax distributions	636,000	960,303	324,303
Interest income	1,000,000	1,353,894	353,894
Federal and state grants	51,698,838	38,491,118	(13,207,720)
Capital outlay	<u>(51,597,781)</u>	<u>(44,394,466)</u>	<u>7,203,315</u>
Total other financing sources (uses)	<u>6,501,499</u>	<u>737,907</u>	<u>(5,763,592)</u>
Deficiency of revenues and other financing sources under expenses and other financing uses	<u>\$ (1,127,169)</u>	<u>\$ (6,402,037)</u>	<u>\$ (5,274,868)</u>

**ST. JOSEPH COUNTY AIRPORT AUTHORITY  
SUPPLEMENTAL FINANCIAL INFORMATION  
BUDGET/GAAP RECONCILIATION  
Year End December 31, 2024**

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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)	\$	(6,402,037)
Adjustments:		
Capital expenses		44,394,466
Depreciation		(5,799,160)
Amortization of deferred amount on refunding and bond premium		68,393
Debt payments		1,010,000
Gain on sale of capital asset		424,039
Passenger facility charge revenue		1,937,075
Other non-operating revenue		195,393
Property management activity (net revenue)		946,440
Change in operating revenues receivable and unearned revenues		(152,587)
Change in intergovernmental receivable		(3,939,058)
Change in taxes receivable		(20,163)
Change in wages and benefits payable		97,354
Changes in payables and prepaid items		1,094,735
Net pension adjustment		453,634
Net OPEB adjustment		(207,151)
		(207,151)
Change in net position (GAAP basis)	\$	34,101,373

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

	<u>2024</u>	<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>
Operating revenues:										
Airport service revenues:										
Airfield	\$ 1,611,979	\$ 1,284,798	\$ 1,083,095	\$ 1,030,453	\$ 761,880	\$ 965,160	\$ 849,954	\$ 758,121	\$ 765,204	\$ 716,108
Terminal - aviation	2,273,818	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
Terminal - nonaviation	465,905	264,387	238,507	181,640	134,478	229,213	245,934	189,186	142,353	115,954
Concessions	2,173,108	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
Parking	4,364,268	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
Fixed based operations	782,323	749,096	718,617	614,469	526,460	550,164	578,701	532,958	502,448	425,101
Building and land rent	316,086	397,732	415,200	371,666	458,747	637,982	577,613	624,331	477,983	311,083
Airport service revenues - total	11,987,487	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
Other	34,667	32,000	21,000	13,000	13,000	13,000	13,000	13,000	13,000	3,000
Total operating revenues	12,022,154	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
Nonoperating revenues:										
Property taxes	4,306,895	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
Other tax distributions	960,303	944,366	732,770	895,009	792,325	688,716	731,724	548,973	710,580	509,765
Interest and investment revenue	1,353,894	1,438,159	447,515	70,145	124,024	441,422	309,992	144,914	19,554	9,963
Property management revenue	946,440	841,661	721,757	377,805	321,545	594,422	535,868	449,526	526,419	281,952
Operating grant	184,749	116,898	5,083,458	3,201,989	7,388,917	112,850	108,596	105,396	112,226	12,098
Gain on disposal of assets	424,039	-	-	-	-	-	-	-	-	-
Other revenue	195,393	255,614	324,487	71,481	282,487	66,752	68,410	115,035	49,614	310,005
Total nonoperating revenues	8,371,713	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
Total revenue	\$ 20,393,867	\$ 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

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

	<u>2024</u>	<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>
Operating expenses:										
Personal services	\$ 8,051,831	\$ 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
Supplies	1,266,779	1,013,372	909,750	855,135	709,984	947,963	809,018	722,503	665,317	736,469
Other services and charges	7,084,752	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
Depreciation	5,799,160	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
Total operating expenses	<u>22,202,522</u>	<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>
Nonoperating expenses:										
Interest expense	368,569	159,193	193,476	228,968	309,831	192,019	408,203	435,222	465,836	467,639
Property management expense	-	-	-	-	-	-	-	-	-	150,541
Loss on disposal of capital assets	-	-	535,176	19,693	-	-	-	-	-	1,055,552
Bond issuance costs	94,182	-	-	84	-	742,154	-	-	-	-
Amortization	(68,393)	(62,893)	(60,432)	(58,066)	(55,793)	3,167	17,728	18,578	17,728	79,399
Total nonoperating expenses	<u>394,358</u>	<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>
Total expenses	<u>22,596,880</u>	<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>
Income before capital contributions and passenger facility charge revenues	<u>(2,203,013)</u>	<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>
Capital contributions	34,367,311	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
Passenger facility charge revenue	1,937,075	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
Capital assets donated to County government	-	-	-	-	-	-	-	-	-	-
Total contributions	<u>36,304,386</u>	<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>
Change in net position	<u>34,101,373</u>	<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>
Total net position - beginning	163,458,466	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
Total net position - adjustments	-	-	-	-	-	-	-	1,091,551	1	(1,586,596)
Total net position - ending	<u>\$ 197,559,839</u>	<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>

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

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<b>Year</b>	<b>Real Property Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Total Assessed Value</b>
2024	\$ 10,636,469,987	\$ 1,826,013,573	0.0401	\$ 12,462,483,560
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

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**

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<b>Year</b>	<b>Airport General</b>	<b>Airport Cumulative Building</b>	<b>Airport Debt Service</b>	<b>Total Rate</b>
2024	\$ 0.0271	\$ 0.0130	-	\$ 0.0401
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

Source: St. Joseph County Auditor

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

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<b>Year</b>	<b>Certified Levy (1)</b>	<b>Collections During the Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
2024	\$ 4,997,456	\$ 4,306,895	86.18%
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 the St. Joseph County Airport Authority (the Airport Authority), a component unit of St. Joseph County, which comprise the Airport Authority's statement of financial position as of December 31, 2024, 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 24, 2025.

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

***Forvis Mazars, LLP***

**Indianapolis, Indiana  
June 24, 2025**

## **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, 2024. 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, 2024

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 24, 2025**

**ST. JOSEPH COUNTY AIRPORT AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Grant Number</b>	<b>Program or Award Amount</b>	<b>Amount Provided to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Airport Improvement Program	20.106	03-18-0079-056-2020	1,502,880	\$ -	\$ 73,730
Airport Improvement Program	20.106	03-18-0079-058-2020	13,271,031	-	704,085
Airport Improvement Program	20.106	03-18-0079-059-2021	89,126	-	89,126
Airport Improvement Program	20.106	3-18-0079-062-2022	20,462,969	-	1,692,447
Airport Improvement Program	20.106	3-18-0079-063-2023	22,658,739	-	21,553,993
Airport Improvement Program	20.106	3-18-0079-064-2024	1,815,666	-	1,815,666
Airport Improvement Program	20.106	3-18-0079-065-2024	1,022,243	-	1,049,964
Airport Improvement Program	20.106	3-18-0079-066-2024	132,087	-	132,087
Airport Improvement Program	20.106	3-18-0079-067-2024	3,442,447	-	3,035,867
Airport Improvement Program	20.106	3-18-0079-068-2024	18,754,950	-	1,384,687
Total Airport Improvement Program				-	31,531,652
Payments for Small Community Air Service Development	20.930	FAIN 69A3452200400070036	750,000	-	73,516
Total Payments for Small Community Air Service Development				-	73,516
Total U.S Department of Transportation				-	31,605,168
<b>U.S. DEPARTMENT OF TREASURY</b>					
St. Joseph County COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027	20738	853,000	-	853,000
Total U.S Department of Treasury				-	853,000
Grand Total				\$ -	\$ 32,458,168

ST. JOSEPH COUNTY AIRPORT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
December 31, 2024

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**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, 2024. 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 \$973,745.

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

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**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
	No matters are reportable.

**St. Joseph County Airport Authority  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2024**

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<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
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No matters are reportable.