

PANAMA CITY - BAY COUNTY

AIRPORT AND INDUSTRIAL DISTRICT

PANAMA CITY, FLORIDA

FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

YEARS ENDED SEPTEMBER 30, 2024 AND 2023



Tipton, Marler, Garner & Chastain
The CPA Group

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AIRPORT AND INDUSTRIAL DISTRICT
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CONTENTS

	<u>PAGE</u>
Financial Section:	
Independent Auditor's Report	1
Required Supplementary Information:	
Management's discussion and analysis	5
Financial Statements – Enterprise Fund:	
Statements of net position	15
Statements of revenues, expenses, and changes in net position	16
Statements of cash flows	17
Notes to financial statements	18

CONTENTS (Continued)

	<u>PAGE</u>
Required Supplementary Information other than Management's Discussion and Analysis – Enterprise Fund:	
Schedules of budgeted and actual receipts and expenses	32
Other Supplementary Information – Enterprise Fund:	
Schedule of construction work-in-progress	35
Schedule of non-grant funded capital items	36
Schedule of grant funded capital items	37
Schedules of operations, grants, and capital expenditures	38
Single Audit Section:	
Schedule of expenditures of federal awards, state financial assistance, and passenger facility charges	39
Notes to schedule of expenditures of federal awards, state financial assistance, and passenger facility charges	40
Independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	41
Independent auditor's report on compliance for each major federal program, and passenger facility charge program and on internal control over compliance required by the Uniform Guidance, and Passenger Facility Charge Audit Guide for Public Agencies	43
Schedule of findings and questioned costs	46
Independent auditor's management letter	48
Independent accountant's report	51



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Panama City - Bay County
Airport and Industrial District
Panama City, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Panama City - Bay County Airport and Industrial District, as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Panama City - Bay County Airport and Industrial District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Panama City - Bay County Airport and Industrial District, as of September 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Panama City -Bay County Airport and Industrial District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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. Misstatement are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-14 and 32-

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Panama City - Bay County Airport and Industrial District's basic financial statements. The accompanying schedule of expenditures of federal awards, state financial assistance, and passenger facility charges, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, state financial assistance, and passenger facility charges is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2025 on our consideration of Panama City - Bay County Airport and Industrial District'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 Panama City - Bay County Airport and Industrial District'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 Panama City - Bay County Airport and Industrial District's internal control over financial reporting and compliance.

Lipton, Mauler, Garner & Chastain

Panama City, Florida
February 18, 2025

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Overview of the Financial Statements

The following Management's Discussion and Analysis ("MD&A") of the Panama City-Bay County Airport and Industrial District (the "District") provides an introduction of the basic financial statements of the District for the year ended September 30, 2024. The District's basic financial statements consist of three components: 1) Management's Discussion & Analysis; 2) Financial Statements; and 3) Notes to Financial Statements. Management prepared this unaudited MD&A, which should be read in conjunction with the information contained in the financial statements and the notes thereto, which are essential to a full understanding of the financial statement data.

The financial statements report information about the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The *Statements of Net Position* include all of the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). They also provide the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statements of Revenues, Expenses, and Changes in Net Position* report total operating revenues, operating expenses, non-operating income and expenses, capital contributions and the changes in net position during the year ended September 30, 2024. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows.

The *Statements of Cash Flows* present information showing how the District's cash and cash equivalents position changed during the year ended September 30, 2024. The primary purpose of these statements is to provide information about the District's cash receipts and cash payments during the reporting period. These statements report cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provide answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Since the District charges fees to tenants and concessionaires to cover the costs of the services it provides, the District records its activities in one proprietary fund. Proprietary funds are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Under this method of accounting, all of the current year's revenues and expenses are considered regardless of when cash is received or paid.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Notes to Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements follow the Financial Statements section of this report.

District Background and History

The District was established pursuant to a special act of the Florida Legislature in 1967, recodified and amended by Chapter 2005-311, Laws of Florida, and subsequently amended by Chapter 2010-274, Laws of Florida. It is a political subdivision of the state and is an independent special district pursuant to the constitution and laws of Florida. The District owns and operates the Northwest Florida Beaches International Airport (the "Airport"), which opened on May 23, 2010. The Federal Aviation Administration ("FAA") Airport identifier is ECP.

The District is governed by a seven-member Board of Directors who are appointed to four-year terms. The legislative act requires that two members of the Board be appointed by the City Commission of the City of Panama City, two members be appointed by the Board of County Commissioners of Bay County, two members be appointed by the City Council of Panama City Beach, and one member be appointed by the Board of County Commissioners of Walton County.

The Airport is situated on approximately 4,000 acres located in Bay County, Florida, 12 miles north of Panama City Beach. It is classified as a small hub airport by the FAA. Phase One of development of the Airport property includes approximately 1,200 acres.

The Airport has one concrete/grooved runway, Runway 16/34. It measures 10,000 feet in length and is used by both commercial, military, and general aviation aircraft.

ECP was the first commercial international airport designed and built after September 11, 2001. The terminal building measures approximately 129,000 square feet and houses seven gates.

The District is self-supporting, using aircraft landing fees, airline rentals and fees, terminal and airport property rentals, and revenues from concessions and parking to fund operating expenses. Operating expenses of the District are not taxpayer funded. Construction programs are funded by federal and state grants, Passenger Facility Charges ("PFCs"), and District revenues.

Airport Activity

In FY 2024, enplanements increased to 930,665 from 812,251 in 2023, while total passengers increased 14.3% to 1,857,189. Operations (a landing or takeoff) and landed weight also increased due to more airline activity, with landings increasing 23.7% in FY 2024. Military operations were also up in FY 2024, which also helped contribute to a higher number of operations.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Airport activity during for the past three fiscal years are shown on the following table:

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Enplanements	930,665	812,251	770,665
Deplanements	926,524	812,333	764,926
Total Passengers	1,857,189	1,624,584	1,535,591

The following table below shows additional Airport indicators:

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Passenger Load Factor	81.3%	84.8%	85.2%
Aircraft Operations	82,956	73,544	78,312
Aircraft Landed Weight	1,064,141,250	877,624,220	830,559,830

FINANCIAL HIGHLIGHTS

Net Position

The changes in net position over time may serve as a useful indicator of the District's financial position. In FY 2024:

- Total assets of the District exceeded total liabilities and deferred inflows by \$267,401,602 (net position). Of this amount, \$35,724,990 is unrestricted;
- The District's outstanding long-term debt decreased by \$1,942,638, or 6.7%, from prior year; and
- Total net position increased by \$11,945,512, or 4.7%, from FY 2023.

Investments in capital assets (e.g., land, buildings, and equipment), net of any related outstanding debt used to acquire those assets, represents the District's largest portion of net assets. These capital assets are utilized to provide services to the public; consequently, these assets are not available for future spending. Unrestricted net position, which represents assets available for future spending at the District's discretion, increased by \$5,192,213, or 17.0% in FY 2024. Restricted net position represents assets that are subject to restrictions imposed by law or other agreements as to how they are used.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

The following table provides a summary of the assets, liabilities, deferred inflows of resources and net position of the District for the year ended September 30, 2024:

Condensed Comparative Statements of Net Position

	<u>2024</u>	<u>2023</u>
Current and Other Assets	\$ 43,866,651	\$ 37,485,012
Non-Current Assets	17,156,956	13,705,278
Capital Assets	243,310,765	242,483,277
Total Assets	<u>304,334,372</u>	<u>293,673,567</u>
Long-Term Debt Outstanding	27,121,367	29,064,005
Other Liabilities	9,274,198	8,262,387
Total Liabilities	<u>36,395,565</u>	<u>37,326,392</u>
Deferred Inflows of Resources	<u>537,205</u>	<u>891,085</u>
Net Position:		
Net Investment in Capital Assets	215,012,352	212,069,317
Restricted	16,664,260	12,853,996
Unrestricted	35,724,990	30,532,777
Total Net Position	<u>\$ 267,401,602</u>	<u>\$ 255,456,090</u>

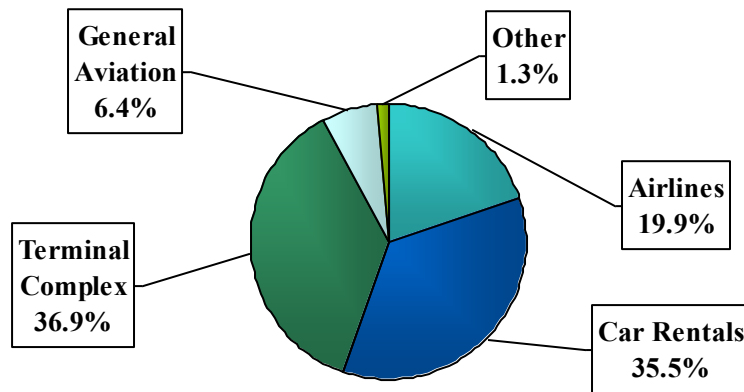
Revenues, Expenses, and Changes in Net Position

Operating revenues for the District are primarily generated from users of the Airport and include airline fees and charges, concessions, parking, car rentals, general aviation space rentals and building rentals. These collections of revenues are accounted for in the District's one proprietary fund. In FY 2024, highlights include:

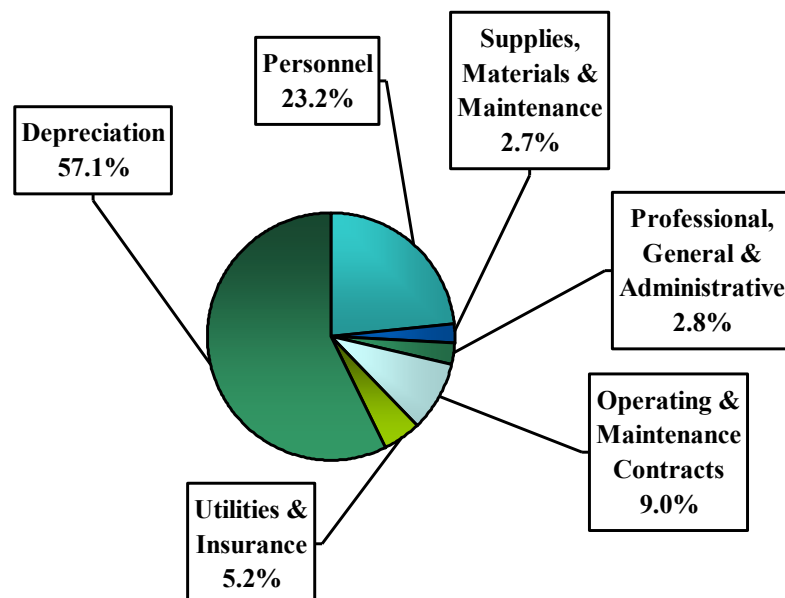
- Operating revenues increased by \$3,118,643, or 19.7%, over prior year operating revenues and totaled \$18,938,117 for the fiscal year.
- Operating expenses increased by \$1,944,282, or 7.3%, over prior year operating expenses and totaled \$28,503,520 for the fiscal year.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

The largest sources of operating revenues for the District are rental cars at \$6,735,585, the terminal complex, which includes parking and concessions, at \$6,989,773, and the airlines at \$3,762,930. The following chart shows the major sources of revenues for the year ended September 30, 2024:



Depreciation accounts for the largest portion of operating expenses at \$16,280,349. Depreciation is not budgeted, and it also represents a high percentage of the District's expenses compared to other airports. Since the facility is relatively new, having opened in 2010, other airports of similar size may have fully depreciated facilities, thus depreciation is not such a large portion of expenses. Other major operating expenses include personnel at \$6,618,234, utilities and insurance at \$1,470,830, and operating maintenance contracts totaling \$2,568,234. The following chart shows the major categories of expenses for the year:



**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Condensed Statements of Revenues, Expenses and Changes in Net Position

	2024	2023
Revenues		
Operating Revenues	\$ 18,938,117	\$ 15,819,474
Grants and Entitlements	16,544,242	5,868,178
PFC Revenues	3,401,281	2,993,370
CFC Revenues	1,759,568	1,404,046
Interest	874,906	735,298
Total Revenues	<u>41,518,114</u>	<u>26,820,366</u>
Expenses		
Operating Expenses	28,503,520	26,559,238
Interest Expense	671,579	715,274
Total Expenses	<u>29,175,099</u>	<u>27,274,512</u>
Excess (Deficiency) Before Special Items	<u>12,343,015</u>	<u>(454,146)</u>
Special Items		
Net Insurance Proceeds	85,600	(17,072)
Disaster/COVID-19 Expense	-	-
Concessions Grants Pass-Through	(584,338)	-
Gain (Loss) on Disposal of Assets	101,235	100
Total Special Items	<u>(397,503)</u>	<u>(16,972)</u>
Increase (Decrease) in Net Position	<u>\$ 11,945,512</u>	<u>\$ (471,118)</u>

Cash Flows

Cash equivalents represent cash on hand, bank deposits and liquid investments with a maturity of twelve months or less. The following shows a summary of the major sources and uses of cash and cash equivalents for the year ended September 30, 2024:

Condensed Statements of Cash Flows

	2024	2023
Net Cash Provided by (used in):		
Operating Activities	\$ 6,969,150	\$ 8,211,693
Capital and Related Activities	(2,282,875)	(412,728)
Interest Earned on Investments	851,379	700,665
Net increase (decrease)	<u>5,537,654</u>	<u>8,499,630</u>
Cash and Cash Equivalents, Beginning of Year	<u>44,439,932</u>	<u>35,940,302</u>
Cash and Cash Equivalents, End of Year	<u>\$ 49,977,586</u>	<u>\$ 44,439,932</u>

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Capital Assets

At September 30, 2024, the District had \$438,499,277 invested in a broad range of capital assets including buildings, furniture and fixtures, police and fire equipment, maintenance equipment, vehicles, and capital improvement projects. This amount represents a net increase before depreciation (including additions and disposals of capital assets) of \$15,391,898, or 3.6%, compared to last year. Total Net Capital Assets, after depreciation, increased \$827,487, or 0.3%, from FY 2023, with asset categories shown below:

	2024	2023
Land	\$ 70,669,561	\$ 70,669,561
Buildings	191,190,512	191,190,512
Improvements Other than Buildings	149,721,285	145,187,596
Furniture & Equipment	12,284,400	11,544,837
Construction Work-in-Progress	14,633,519	4,514,873
Total Before Depreciation	438,499,277	423,107,379
Depreciation	(195,188,512)	(180,624,102)
Total Net Capital Assets	\$ 243,310,765	\$ 242,483,277

Capital assets notable changes during the current fiscal year include the following:

- Capital equipment additions totaled \$1,443,703 with disposals equaling \$704,140;
- Improvements additions totaled \$5,545,487 with disposals of \$1,011,798;
- Mitigation site development was ongoing at a cost of \$373,356, of which \$158,599 was funded by FAA grants;
- Purchase of three new passenger boarding bridges at a total cost of \$3,032,550, of which the FAA funded at 100%;
- Purchase of mobile passenger air stairs at a cost of \$147,558, of which FDOT funded \$73,779;
- Replacement of the audio/visual equipment in the District's board meeting room;
- Installation of replacement fueling systems at the rental car quick turnaround facility and the Airport fuel farm and maintenance facility at a total cost of \$121,958, funding which was provided with a combination of Consolidated Facility Charges ("CFC") funds and the use of the Airport's unrestricted cash; and
- Construction Work-In-Progress net balance increased by \$10,118,646 due to ongoing construction projects.

Total capitalized assets in FY 2024 were \$6,989,190 for grant and non-grant projects and equipment. Federal and state contributions to these expenditures totaled \$4,284,616, CFC funds contributed \$67,754, forfeiture funds contributed \$19,593, and the remaining \$2,617,227 was funded by the District.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Debt Activity

At year-end, the District had long-term debt of \$27,121,367 with the State Infrastructure Bank of Florida ("SIB"). These loans mature in Fiscal Year 2036 and are collateralized by a pledge of net revenues and eligible Passenger Facility Charge revenues. The loan interest rates are 1.97% for Loan #1 and 2.71% for Loan #2. The outstanding balances are shown below:

	Outstanding Debt	
	FY 2024	FY 2023
SIB Loan #1	\$ 14,612,858	\$ 15,683,142
SIB Loan #2	12,508,509	13,380,863
Total Debt	<u>\$ 27,121,367</u>	<u>\$ 29,064,005</u>

In FY 2024, the District received an addition SIB loan in the amount of \$26,000,000 to be used in the construction of a terminal expansion. The loan has an interest rate of 3.8% and a maturity date of October 1, 2051. As of September 30, 2024, no funds had been drawn down on the loan.

Budgetary Analysis

As an Independent Special District, the District must adopt a budget each fiscal year. This adopted budget regulates expenditures of the District. It is unlawful for the District to expend or contract for expenditures in any fiscal year except in fulfillment of appropriations.

The FY 2024 budget projected operating revenues of \$21,357,505 and operating expenses in the amount of \$13,153,230. It also included Airport funds for capital projects and purchases of \$3,831,359, while debt service was budgeted at \$2,614,217. No budget amendments were made during the course of the year.

The operating revenues for FY 2024 totaled \$18,938,117, which is under budget by \$2,419,388. The primary reason for the deficiency is the airline settlement payment, which is discussed below.

Without regard to depreciation, the District's operating expenses were under budget by \$930,059, or 7.1%, due in large part to staff efforts to control costs and operate as efficiently as possible. Actual operating expenses, including unbudgeted depreciation expense of \$16,280,349, exceeded budget by \$15,350,290.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

The annual budget process considers expenses and revenues to calculate the fees and charges that its tenants and users will pay for using the Airport. Costs and revenues are categorized by cost center, of which the Airport has four – Terminal, Airfield, Ground Transportation, and Other. The budgeted Airport Rates & Charges were as follows:

	FY 2024	FY 2023	% Increase (Decrease)
Terminal Rental Rate	\$ 64.86	\$ 64.52	0.5%
Landing Fee	\$ 4.39	\$ 4.86	(9.7%)
Signatory Cost Per Enplanement	\$ 6.47	\$ 5.75	12.5%

The District's agreement with the signatory airlines provides for a rent and fees rebate and revenue sharing based on the financial results of operations of the Airport (the "Settlement"). The agreement requires the Settlement calculation be done at the end of each fiscal year. This calculation takes into consideration all operating revenues and expenses and recalculates the terminal rental rate and landing fee. Any difference in the recalculated rate and the budgeted rate is either refunded or invoiced to the airlines. The agreement also provides for revenue sharing with the signatory partners, and this amount is calculated at the same time as the Settlement. The FY 2024 Settlement amount of \$3,892,539 includes rent rebates of \$214,352, landing fee rebates of \$1,376,100, and revenue sharing of \$2,302,087.

The Settlement rates and charges, as recalculated, for the airlines are as follows:

	FY 2024	FY 2023	% Increase (Decrease)
Terminal Rental Rate	\$ 60.18	\$ 59.29	1.5%
Landing Fee	\$ 3.10	\$ 3.31	(6.3%)
Signatory Cost Per Enplanement	\$ 4.03	\$ 2.02	99.5%

Currently Known Facts, Decisions or Conditions

Northwest Florida Beaches International Airport opened on May 23, 2010 and has shown significant growth since that time. Passenger volumes have consistently increased each fiscal year since 2014 with the exception of FY 2020, which was a result of the COVID-19 pandemic. FY 2024 proved to be a record-breaking year, with an excess of 1.8 million passengers utilizing the Airport.

As seen in the FY 2024 financial statements, the District continues the development of a sound monetary structure. In order to move forward and carry on this trend, the District's goals for 2025 include working with the FAA and FDOT to further efforts in the development of the terminal facility, the airfield, and other Airport property, as well as working with the Bay County Economic Development Alliance ("EDA") and Florida's Great Northwest to encourage aviation-related businesses to locate at the Airport. Currently, ECP is working with a number of prospective tenants on airfield development projects, and the District plans to continue to develop both additional air service and other aviation related business opportunities for our region.

**PANAMA CITY-BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

Working with its partners, the District looks forward to the following on-airport development projects:

- Project InSPIRE (the Institute for Strategic Partnerships, Innovation, Research and Education), a venture with Florida State University, which will be a dynamic hub to create strategic partnerships that bridge the gap between academia and industry, particularly in the fields of high-speed aerodynamics, advanced manufacturing, and technology;
- Premier Aviation, a Canada-based Maintenance, Repair and Overhaul (“MRO”) facility with locations in Miami, South Carolina and Rome, Italy; and
- IAG Aero Group, which is a global leader in the commercial aerospace industry, specializing in MRO services.

FY 2024 was a busy year for the Airport with several ongoing construction and planning projects, including the following:

- The North Terminal Buildout project, which adds gate and holding space, additional restrooms and concessions space, is nearing completion;
- The Baggage Make-up Expansion project, which more than doubles the size of the current facility and adds a “non-readable baggage tag” diversion belt, was put into service;
- The kickoff of projects including the Safety Management System Plan and an updated Stormwater Master Plan;
- The parking facilities were completed with the addition of a new administrative lot;
- Continued Environmental Mitigation; and
- Southern Sky Aviation, the Airport’s new Fixed Base Operator, opened for operations in Spring, 2024.

Notable future construction projects included in the FY 2025 budget include the following projects:

- The Terminal Ramp Rehabilitation and Expansion Project with a budget of \$9.8 million;
- The North Terminal Building Expansion – Phase 1 Construction Project budgeted at \$40 million;
- The Taxilane/Ramp Expansion Project with a cost of \$6 million;
- The installation of an additional escalator and stairs at the east end of the Terminal; and
- The Rental Car Customer Service Relocation Design Project.

Our continued refinement of the business process, improved cost effectiveness and marketing initiatives, and other strategic initiatives will guide our vision for the upcoming fiscal year. The outlook for the Airport and its growth is bright.

Requests for Information

This financial report is designed to provide our customers, investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Director of Finance and Administration, Northwest Florida Beaches International Airport, 6300 West Bay Parkway, Box A, Panama City Beach, Florida 32409.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2024 AND 2023**

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 33,745,175	\$ 31,953,554
Accounts receivable - trade	1,757,417	1,505,577
Accounts receivable - grants	8,255,214	3,935,045
Prepaid items	108,845	90,836
Total current assets	<u>43,866,651</u>	<u>37,485,012</u>
Noncurrent Assets		
Restricted assets	16,664,260	12,853,996
Lease receivable - long term	492,696	851,282
Capital assets:		
Land	70,669,561	70,669,561
Buildings and improvements	191,190,512	191,190,512
Improvements other than buildings	149,721,285	145,187,596
Furniture and equipment	12,284,400	11,544,837
Less accumulated depreciation	(195,188,512)	(180,624,102)
Construction work-in-process	14,633,519	4,514,873
Net capital assets	<u>243,310,765</u>	<u>242,483,277</u>
Total noncurrent assets	<u>260,467,721</u>	<u>256,188,555</u>
Total assets	<u>304,334,372</u>	<u>293,673,567</u>
LIABILITIES		
Current Liabilities		
Accounts payable	8,200,008	7,491,714
Accrued expenses	535,656	329,310
Current maturities of compensated absences	26,939	27,630
Total current liabilities	<u>8,762,603</u>	<u>7,848,654</u>
Long-Term Liabilities		
Long-term debt, less current maturities	27,121,367	29,064,005
Compensated absences, less current maturities	511,595	413,733
Total long-term liabilities	<u>27,632,962</u>	<u>29,477,738</u>
Total liabilities	<u>36,395,565</u>	<u>37,326,392</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	<u>537,205</u>	<u>891,085</u>
NET POSITION		
Net investment in capital assets	215,012,352	212,069,317
Restricted	16,664,260	12,853,996
Unrestricted	35,724,990	30,532,777
Total net position	<u>\$ 267,401,602</u>	<u>\$ 255,456,090</u>

See accompanying notes to the financial statements.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
Operating Revenues		
Airlines	\$ 3,762,930	\$ 1,656,591
Car rentals	6,735,585	6,488,955
Terminal complex	6,989,773	6,345,249
General aviation	1,207,567	1,023,273
Other tenants and miscellaneous	242,262	305,406
Total operating revenues	<u>18,938,117</u>	<u>15,819,474</u>
Operating Expenses		
Personnel costs	6,618,234	5,775,430
Supplies, materials, and maintenance	781,020	533,753
General and administrative expenses	784,853	689,647
Operating maintenance contracts	2,568,234	2,321,226
Utilities and insurance	1,470,830	1,431,232
Depreciation	16,280,349	15,807,950
Total operating expenses	<u>28,503,520</u>	<u>26,559,238</u>
Loss from operations	<u>(9,565,403)</u>	<u>(10,739,764)</u>
Nonoperating Revenues (Expenses)		
Interest income	851,379	700,665
Interest income - leases	23,527	34,633
PFC revenues	3,401,281	2,993,370
CFC revenues	1,759,568	1,404,046
Interest expense	(671,579)	(715,274)
Grant revenues	16,544,242	5,868,178
Gain on disposal of assets	101,235	100
Nonoperating grant expense	(584,338)	-
Net insurance proceeds	85,600	(17,072)
Total nonoperating revenues (expenses)	<u>21,510,915</u>	<u>10,268,646</u>
Change in Net Position	11,945,512	(471,118)
Total Net Position at Beginning of Year	<u>255,456,090</u>	<u>255,927,208</u>
Total Net Position at End of Year	<u><u>\$ 267,401,602</u></u>	<u><u>\$ 255,456,090</u></u>

See accompanying notes to the financial statements.

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**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 18,668,268	\$ 16,022,757
Cash paid to suppliers for goods and services	(5,315,198)	(2,197,717)
Cash paid to employees for services	<u>(6,383,920)</u>	<u>(5,613,347)</u>
Net cash provided by operating activities	<u>6,969,150</u>	<u>8,211,693</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(17,107,836)	(8,366,310)
Proceeds from disposition of assets	101,235	100
PFC/CFC revenues	5,096,616	4,348,385
Interest income - leases	23,527	34,633
Lease receivable	358,586	247,802
Deferred inflows of resources - leases	(353,880)	(260,261)
Net proceeds from insurance	85,600	(17,072)
SIB loan proceeds (principal paid)	(1,942,638)	(1,898,944)
Interest expense on debt	(671,579)	(715,274)
Grants received:		
Florida Department of Transportation	438,255	1,440,639
Federal Aviation Administration	<u>11,689,239</u>	<u>4,773,574</u>
Net cash provided by (used in) capital and related financing activities	<u>(2,282,875)</u>	<u>(412,728)</u>
Cash Flows From Investing Activities		
Interest earned on investments	<u>851,379</u>	<u>700,665</u>
Net Increase in Cash and Cash Equivalents	5,537,654	8,499,630
Cash and Cash Equivalents at Beginning of Year	<u>44,439,932</u>	<u>35,940,302</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 49,977,586</u></u>	<u><u>\$ 44,439,932</u></u>

	2024	2023
Reconciliation of Loss from Operations to Net Cash Provided		
By Operating Activities		
Loss from operations	\$ (9,565,403)	\$ (10,739,764)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	16,280,349	15,807,950
Federal Aviation Administration	2,661	-
TSA	93,920	109,500
(Increase) decrease in assets:		
Accounts receivable	(251,840)	165,635
Prepaid items	(18,009)	37,648
Increase (decrease) in liabilities:		
Accounts payable	123,955	2,778,964
Accrued expenses	206,346	12,733
Compensated absences	97,171	39,028
Net cash provided by operating activities	<u>\$ 6,969,150</u>	<u>\$ 8,211,694</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 671,579</u>	<u>\$ 715,274</u>
Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to the Statement of Net Position		
Cash and cash equivalents	\$ 33,745,175	\$ 31,953,554
Restricted cash and cash equivalents	<u>16,232,411</u>	<u>12,486,378</u>
	<u>\$ 49,977,586</u>	<u>\$ 44,439,932</u>

See accompanying notes to the financial statements.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity:

The Panama City - Bay County Airport and Industrial District (“the District”) is an independent special district created by an act of the Legislature of the State of Florida and is not considered a component unit of any other local governmental unit. The special act which created the District was Chapter 67-1099 of House Bill 1608 filed June 19, 1967, which was later repealed and replaced by Chapter 98-527 of House Bill 4545 filed May 22, 1998, Chapter 2005-311 of House Bill 939 filed June 14, 2005, and Chapter 2005-311 of House Bill 1635 filed July 1, 2010. The District operates the Northwest Florida Beaches International Airport.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The financial statements are reported using the economic resources measurement focus (accrual basis of accounting). This means that all assets and liabilities (whether current or noncurrent) associated with this activity are included on the statement of net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The annual budget is adopted on a basis consistent with generally accepted accounting principles.

The District is accounted for as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District operates as a proprietary (enterprise) fund and applies Financial Accounting Standards Board (FASB) Codification pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Enterprise funds distinguish operating revenues and expenses from nonoperating 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 District are lease fees and related charges. Operating expenses of the District include personnel costs, supplies, materials, maintenance, general and administrative expenses, operating maintenance contracts, utilities and insurance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues (expenses). Capital grants are reported as nonoperating revenues in compliance with GASB Statement No. 33.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Advertising:

Advertising costs are generally charged to operations in the year incurred. Advertising expense was \$257,746 and \$244,438 for the years ended September 30, 2024 and 2023, respectively.

Prepaid Items:

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

Net Position:

Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position, which is associated with non-liquid, capital assets less outstanding capital asset related debt.

Restricted net position is liquid assets which are not accessible for general use because of third party limitations.

Unrestricted net position represents unrestricted liquid assets.

Capital Assets:

Capital assets are recorded at cost and are depreciated principally by the straight-line method over the estimated useful lives of individual assets. Donated capital assets are recorded at estimated fair market value at the date of donation.

Estimated useful lives are generally as follows:

Buildings and improvements	10-39 years
Improvements other than buildings	5-39 years
Furniture and equipment	3-15 years

Cash Equivalents:

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable:

Accounts are charged to bad debt expense as they are deemed uncollectible. At September 30, 2024 and 2023, no allowance for uncollectible accounts was considered necessary.

Lease Receivable:

The District's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. Under the lease agreements, the District may receive variable lease payments that are dependent upon the lessor's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Deferred Inflows of Resources:

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category which is related to leases as discussed in Note 8.

Estimates:

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Recently Issued Accounting Pronouncements:

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB Statements and 2) accounting and financial reporting for financial guarantees. Certain provisions of Statement No. 99 are effective upon issuance, while other provisions of Statement No. 99 are effective for fiscal years beginning after June 15, 2022 and 2023. The District has implemented the provisions of GASB Statement No. 99 in this annual report, however, it does not have any current impact on the District.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections –an Amendment of GASB Statement No. 62*. This statement prescribes the accounting and financial reporting for 1) each type of accounting change and 2) error corrections. This statement requires that a) changes in accounting principles and error corrections be reported retroactively by restating prior period, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement are effective for financial statement for reporting period beginning after June 15, 2023. The District has implemented the provisions of GASB Statement No. 100 in this annual report, however, it does not have any current impact on the District.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement clarifies the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023. The District is evaluating the impact, if any, upon its financial position, results of operation, or cash flows upon adoption.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess (1) whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact and (2) whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this statement are effective for fiscal years beginning after June 15, 2024. The District is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In May 2024, the GASB issued statement No. 103, *Financial Reporting Model Improvements*. This statement outlines new regulations regarding governmental accounting, focusing on enhancing the effectiveness of the financial reporting model for state and local governments. The targeted improvements contained in this statement establish or modify existing accounting and financial reporting requirements related to: 1) management's discussion and analysis 2) unusual or infrequent items 3) presentation of the proprietary fund statements of revenues, expenses and changes in fund net position 4) major component unit information 5) budgetary comparison information. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The District is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In September 2024, The GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The District is evaluating the impact, if any, upon its financial position results of operations, or cash flows upon adoption.

NOTE 2 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; business interruption; job-related illnesses or injuries to employees; and natural disasters for which the District carries commercial insurance.

There have been no significant reductions in insurance coverage from coverage in the prior year. The amounts of settlements have not exceeded insurance coverage for any of the past three fiscal years.

NOTE 3 – PASSENGER FACILITY CHARGES

The District imposes a passenger facility charge (“PFC”) of \$4.50 per enplaned passenger (except for those passengers exempt under the application or the regulation) at the District. The air carriers receive a \$0.11 handling fee per passenger, so the District nets \$4.39 per enplaned passenger. The PFC application allows PFC funds to be collected up to five years in advance of an anticipated project or an alternative project in the event the anticipated project is not undertaken.

NOTE 4 – RESTRICTED ASSETS

The restricted assets primarily represent cash and investments reserved in accordance with the loan ordinances and with requirements of the Passenger Facility Charge program.

At September 30, 2024 and 2023, restricted assets consisted of the following:

Cash and Cash Equivalents:	2024	2023
CFC account	\$ 9,457,584	\$ 7,672,075
PFC excess cash	6,690,194	4,712,538
Forfeiture funds	4,018	3,911
Law Enforcement Trust	637	620
Escrow fund	12,000	12,000
Treasury funds	67,978	85,234
Accounts Receivable - PFC	<u>431,849</u>	<u>367,618</u>
	<u>\$ 16,664,260</u>	<u>\$ 12,853,996</u>

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 5 – COMPENSATED ABSENCES

All full-time employees of the District earn vacation pay based on years of service.

Employees are not paid in lieu of vacation except in the event of resignation or termination, in which case unused vacation pay is paid up to the amount earned. Vacation benefits are accrued in the period they are earned. The liability for accumulated annual leave (excluding payroll taxes) at September 30, 2024 and 2023 is \$379,218 and \$318,449, respectively.

All full-time employees, excluding firefighters, of the District earn or accumulate sick leave with pay at the rate of one day per month and may accumulate a maximum of 60 days. Firefighters earn or accumulate sick leave with pay at 4.89 hours per pay period or 127 hours annually and may accumulate a maximum of 636 hours. Employees accumulating the maximum sick leave may be paid annually for one-third of the excess sick leave earned over the maximum, provided the maximum accumulation is maintained. A percentage of accumulated sick leave may be paid upon termination. The liability for accumulated annual sick leave at September 30, 2024 and 2023 is \$66,215 and \$49,383, respectively.

NOTE 6 – RETIREMENT PLAN

The District provides pension benefits for all of its full-time employees through the Panama City - Bay County Airport and Industrial District Money Purchase Plan, a defined contribution plan. The plan is administered by the District with Regions Morgan Keegan Trust serving as trustee and can only be amended by an action of the Board. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate one month after the date of employment. Benefits fully vest after six years of employment. Plan forfeitures are used to pay Plan administrative fees. Contributions in the amount of 10% of the preceding month's compensation are made each month by the District, as outlined in the adoption agreement which was approved by the Board on November 2, 1982. The Plan is noncontributory. Plan assets are invested in annuity contracts. Contributions made equaled required contributions for the current and two preceding years. The plan had 95 active participants at September 30, 2024.

The District's total personnel costs for the years ended September 30, 2024 and 2023 was \$6,618,234 and \$5,775,430, respectively. The District's contributions were calculated using the salary amount of approximately \$4,477,960 and \$4,072,718 for September 30, 2024 and 2023, respectively. The retirement expense of the District was \$460,812 and the amount contributed was \$460,812 for the year ended September 30, 2024; the expense for the year ended September 30, 2023 was \$412,606, and the amount contributed was \$412,606.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 7 – LONG-TERM LIABILITIES

Changes in long-term liabilities are summarized as follows:

	<u>Balance</u> <u>10/1/2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2024</u>	<u>Due in</u> <u>One Year</u>
State Infrastructure Bank Loan: Agreement dated December 21, 2007 authorized a total principal of \$25,000,000; interest payable at 4.60% beginning October 1, 2011 with principal and interest payments of \$1,668,074 due annually beginning October 1, 2011. The agreement was amended August 1, 2021, interest payable at 1.97% with principal and interest payments of \$1,379,241 beginning August 1, 2021 and maturing in 2036; the loan is collateralized by a pledge of net revenues and eligible PFC revenues.	\$ 15,683,141	\$ -	\$ 1,070,283	\$ 14,612,858	\$ -
State Infrastructure Bank Loan: Agreement dated April 27, 2009 authorized a total principal of \$20,000,000; interest payable at 4.60% beginning October 1, 2011 with principal and interest payments of \$1,421,500 due annually beginning October 1, 2012. The agreement was amended August 1, 2021, interest payable at 2.71% with principal and interest payments of \$1,234,976 beginning August 1, 2021 and maturing in 2036; the loan is collateralized by a pledge of net revenues and eligible PFC revenues.	<u>13,380,864</u>	<u>-</u>	<u>872,355</u>	<u>12,508,509</u>	<u>-</u>

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Total Long-Term Debt	<u>29,064,005</u>	<u>-</u>	<u>1,942,638</u>	<u>27,121,367</u>	<u>-</u>
Total Compensated Absences	<u>441,363</u>	<u>113,135</u>	<u>35,964</u>	<u>538,534</u>	<u>26,939</u>
Total Long-Term Debt and Compensated Absences	<u>\$29,505,368</u>	<u>\$ 133,135</u>	<u>\$ 1,978,602</u>	<u>\$ 27,659,901</u>	<u>\$ 26,939</u>

Debt service requirements to maturity for long-term debt subsequent to September 30, 2024, are as follows:

Fiscal Year Ended	State Infrastructure Bank Loan Agreement		State Infrastructure Bank Loan Agreement	
	Principal	Interest	Principal	Interest
2026	1,091,368	287,873	895,995	338,981
2027	1,112,868	266,373	920,277	314,699
2028	1,134,792	244,450	945,216	289,760
2029	1,157,147	222,094	970,831	264,114
2030	1,179,943	199,299	997,141	237,835
2031-2035	6,257,681	638,525	5,405,992	768,888
2036-2040	<u>2,679,059</u>	<u>79,423</u>	<u>2,373,057</u>	<u>96,895</u>
	<u>\$ 14,612,858</u>	<u>\$ 1,938,037</u>	<u>\$ 12,508,509</u>	<u>\$ 2,311,172</u>

The District executed a loan agreement with State Infrastructure Bank dated June 27, 2024, which authorized a total principal of \$26,000,000 and interest payable at 3.80% beginning October 1, 2024, with principal and interest payments of \$1,629,315 due annually beginning October 1, 2027, and maturing in 2051. The balance at September 30, 2024 was \$0. The loan is collateralized by a pledge of net revenues and eligible PFC revenues.

The Florida Department of Environmental Protection (“DEP”) required the District to establish a management endowment to earn interest, which would be used to pay mitigation costs. In lieu of an endowment, the District established a \$6,000,000 letter of credit as agreed upon with the DEP. The DEP is authorized to draw down on the letter of credit. As of September 30, 2024 and 2023, there were no draws on the letter of credit.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 8 – LEASES

The District's financial statements reflect lease activity recorded under the provisions of GASB Statement No. 87. The District, as a Lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with exceptions for certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

For the purposes of GASB No. 87, the District leases have been categorized as follows:

1. GASB No. 87 Leases – Included
2. GASB No. 87 Leases – Excluded Leases – Regulated
3. GASB No. 87 Leases – Excluded Leases – Short Term

GASB No. 87 Leases – Included

In accordance with GASB No. 87, the District recognizes a lease receivable and a deferred inflow of resources for leases the District categorizes as GASB No. 87 – Included. For these leases, the District is reporting Lessor Lease Receivables of \$492,696 and \$851,282 for the years ending September 30, 2024 and 2023, respectively. For fiscal year ending September 30, 2024, the District reported lease revenue of \$358,586 and interest revenue of \$23,527 related to lease payments received.

The leases held by the District do not have an implicit rate of return; therefore, at implementation, the District used its incremental borrowing rate of 3.25% to discount the lease revenue to the net present value. For all subsequent years, the District has used the borrowing index provided by the District's financial institution. In some cases, the leases reported under GASB No. 87 contain termination clauses, wherein the lessee or lessor are required to show cause in order to terminate the lease.

GASB No. 87 included leases are summarized as follows:

Concessionaire Leases:

The District has five-year concessionaire agreements for the non-exclusive use of the food and beverage and gift shop facilities in the terminal, as well as an ongoing concession agreement for terminal advertising. The terms of the concession lease agreements include a fixed revenue component or Minimum Annual Guarantee (MAG). Fixed revenue received for these concession agreements totaled \$116,082 for both fiscal years ended September 30, 2024 and 2023.

The terms of the concessionaire lease agreements include a variable revenue component based on a percentage of gross sales. The variable revenue received was not included in the measurement of the lease receivables.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 8 – LEASES (Continued)

Property Leases:

In addition to concession leases, the District leases property for terms that range from one to ten years. The terms of the property leases include a fixed revenue component based on square footage. The terms of these lease agreements do not include a variable revenue component.

Minimum future lease receipts to be received under property lease agreements are as follows:

Fiscal Year	Principal	Interest	Total
October 1, 2024 - September 30, 2025	\$ 203,633	\$ 7,736	\$ 211,369
October 1, 2025 - September 30, 2026	31,701	4,345	36,046
October 1, 2026 - September 30, 2027	32,982	3,063	36,045
October 1, 2027 - September 30, 2028	12,922	2,033	14,955
October 1, 2028 - September 30, 2029	10,572	1,383	11,955
October 1, 2029 - September 30, 2034	26,451	1,907	28,358
	<u>\$ 318,261</u>	<u>\$ 20,467</u>	<u>\$ 338,728</u>

GASB No. 87 Excluded Leases – Short Term Leases

In accordance with GASB No. 87, the District does not recognize a lease receivable and a deferred inflow of resources for short term leases. Short term leases are certain leases that have a maximum possible term under the lease contract of 12 months or less, including any option to extend, regardless of the probability of the option(s) being exercised.

GASB No. 87 Excluded Leases – Regulated

In accordance with GASB No. 87, the District does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings. For example, the U.S. Department of Transportation and Federal Aviation Administration regulate aviation leases between airports and air carriers and other aeronautical users through various policies and guidance.

Regulated lease assets include terminal passenger holdrooms, operations space, baggage service areas, terminal apron areas, ticket counters, ticket offices, hangars and land.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 8 – LEASES (Continued)

Future expected minimum payments related to the District's regulated leases at September 30, 2024 are as follows:

Fiscal Year Ending 9/30	Amount
2025	\$ 4,748,482
2026	4,835,663
2027	1,190,013
2028	956,154
2029	925,036
3030-2034	4,910,200
2035-2039	5,416,031
2040-2044	5,590,695
2045-2049	2,399,207
2050-2053	1,037,084
	<u>\$ 32,008,565</u>

NOTE 9 – COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Litigation:

There is no pending or, to the knowledge of the District, threatened litigation.

Contract Commitments:

At September 30, 2024, the District had contractual commitments of approximately \$12,805,153 for construction of airport projects. Funding of these future expenditures is expected to be received from federal grants, state grants, and current operations.

Subsequent Events:

The District did not have any other subsequent events requiring disclosure or recording in these financial statements through February 18, 2025, which is the date these financial statements were available to be issued.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 10 – DEPOSITS AND INVESTMENTS

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415, Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest-bearing time deposits or savings accounts in qualified public depositories;
- d) Direct Obligations of the U.S. Treasury.

Securities listed in c) and d) shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest income related to investment activities in the respective funds and reports investments at fair value.

Included in the District's cash balances are amounts deposited with banks in interest-bearing accounts, non-interest-bearing demand accounts, and interest-bearing time deposit accounts. The bank balances are entirely insured by federal depository insurance or by collateral pursuant to the Florida Security for Public Deposits Act of the State of Florida.

NOTE 11 – BUDGET TO ACTUAL - REVENUES AND EXPENSES

The annual budget is adopted on a basis consistent with generally accepted accounting principles. Management may not increase a department's total expenditures without seeking the approval of the Board of Directors, who may amend the budget at any time during the fiscal year. Amounts shown in the financial statements represent the original budgeted amounts and all supplemental amendments.

For the year ended September 30, 2024, the District's actual operating revenues were less than budgeted operating revenues by \$2,419,388, due to revenue sharing with the airlines of \$2,302,088, and actual total operating expenses exceeded total budgeted operating expenses by \$15,350,290. The actual operating expenses increase over budgeted operating expenses was due to the following:

- \$16,280,349 in depreciation expense that was not budgeted by the District in 2024.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 AND 2023**

NOTE 11 – BUDGET TO ACTUAL - REVENUES AND EXPENSES (Continued)

For the year ended September 30, 2023, the District's actual operating revenues were less than budgeted operating revenues by \$2,802,045, due to revenue sharing with the airlines of \$3,881,696, and actual total operating expenses exceeded total budgeted operating expenses by \$14,786,847. The actual operating expenses increase over budgeted operating expenses was due to the following:

- \$15,807,950 in depreciation expense that was not budgeted by the District in 2023.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

NOTE 12 – CAPITAL ASSETS

Changes in capital assets were as follows:

	Balance 9/30/2022	Increases	Decreases	Balance 9/30/2023	Increases	Decreases	Balance 9/30/2024
Capital assets, not being depreciated:							
Land	\$ 70,669,561	\$ -	\$ -	\$ 70,669,561	\$ -	\$ -	\$ 70,669,561
Construction work-in-process	832,237	10,190,505	(6,507,869)	4,514,873	19,678,988	(9,560,342)	14,633,519
Total capital assets, not being depreciated	<u>71,501,798</u>	<u>10,190,505</u>	<u>(6,507,869)</u>	<u>75,184,434</u>	<u>19,678,988</u>	<u>(9,560,342)</u>	<u>85,303,080</u>
Capital assets, being depreciated:							
Buildings and improvements	191,190,512	-	-	191,190,512	-	-	191,190,512
Improvements other than buildings	141,630,402	3,601,719	(44,525)	145,187,596	5,545,487	(1,011,798)	149,721,285
Furniture and equipment	10,529,766	1,081,956	(66,885)	11,544,837	1,443,703	(704,140)	12,284,400
Total capital assets, being depreciated	<u>343,350,680</u>	<u>4,683,675</u>	<u>(111,410)</u>	<u>347,922,945</u>	<u>6,989,190</u>	<u>(1,715,938)</u>	<u>353,196,197</u>
Less accumulated depreciation for:							
Buildings and improvements	59,300,445	5,202,337	-	64,502,782	5,198,284	-	69,701,066
Improvements other than buildings	98,142,302	9,915,606	(44,525)	108,013,383	10,299,870	(1,011,798)	117,301,455
Furniture and equipment	7,484,815	690,007	(66,885)	8,107,937	782,194	(704,140)	8,185,991
Total accumulated depreciation	<u>164,927,562</u>	<u>15,807,950</u>	<u>(111,410)</u>	<u>180,624,102</u>	<u>16,280,348</u>	<u>(1,715,938)</u>	<u>195,188,512</u>
Total capital assets being depreciated, net	<u>178,423,118</u>	<u>(11,124,275)</u>	<u>-</u>	<u>167,298,843</u>	<u>(9,291,158)</u>	<u>-</u>	<u>158,007,685</u>
Capital assets, net	<u>\$ 249,924,916</u>	<u>\$ (933,770)</u>	<u>\$ (6,507,869)</u>	<u>\$ 242,483,277</u>	<u>\$ 10,387,830</u>	<u>\$ (9,560,342)</u>	<u>\$ 243,310,765</u>

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION
AND ANALYSIS – ENTERPRISE FUND**

PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULES OF BUDGETED AND ACTUAL RECEIPTS AND EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024		2023
	Budget	Actual	Actual
Operating Revenues			
Airlines -			
Airline landing fees	\$ 4,121,547	\$ 3,295,495	\$ 2,903,062
Cargo airline landing fees	12,000	12,095	14,284
Airline terminal rent	3,179,467	2,757,427	2,620,941
Signatory airline revenue sharing	-	(2,302,087)	(3,881,696)
Total airlines	<u>7,313,014</u>	<u>3,762,930</u>	<u>1,656,591</u>
Car rentals -			
Rental cars concession fees	4,823,546	5,173,851	4,936,144
Rental cars customer facility charges	<u>1,561,734</u>	<u>1,561,734</u>	<u>1,552,811</u>
Total car rentals	<u>6,385,280</u>	<u>6,735,585</u>	<u>6,488,955</u>
Terminal complex -			
Public and employee parking	4,642,999	5,043,017	4,589,564
Ground transportation fees	456,428	630,150	523,996
Advertising concessions	84,000	81,636	79,249
Retail merchandise concessions	237,588	327,577	266,987
Food and beverage concessions	560,760	678,135	586,077
Other terminal revenue	<u>233,276</u>	<u>229,258</u>	<u>299,376</u>
Total terminal complex	<u>6,215,051</u>	<u>6,989,773</u>	<u>6,345,249</u>
General aviation -			
Fixed base operator rents	644,943	638,000	479,727
Fuel flowage fees	100,000	105,829	98,030
Hangar/land rentals	<u>454,720</u>	<u>463,738</u>	<u>445,516</u>
Total general aviation	<u>1,199,663</u>	<u>1,207,567</u>	<u>1,023,273</u>
Other tenants and miscellaneous -			
Other tenants and miscellaneous	75,385	74,088	136,933
Fuel farm	139,714	139,714	139,714
Cargo building rental	<u>29,398</u>	<u>28,460</u>	<u>28,759</u>
Total other tenants and miscellaneous	<u>244,497</u>	<u>242,262</u>	<u>305,406</u>
Total operating revenues	<u>21,357,505</u>	<u>18,938,117</u>	<u>15,819,474</u>

See independent auditor's report.

PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULES OF BUDGETED AND ACTUAL RECEIPTS AND EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024		2023
	Budget	Actual	Actual
Operating Expenses			
Personnel costs -			
Salary and wages	4,885,601	4,694,382	4,092,248
Overtime	118,512	118,450	103,603
FICA contributions	377,328	351,356	306,453
Group insurance	971,360	829,618	727,314
Retirement	484,186	460,812	412,606
Workers compensation insurance	146,738	151,580	120,706
Other personnel costs	42,500	12,036	12,500
Total personnel costs	7,026,225	6,618,234	5,775,430
Supplies, materials, and maintenance -			
Airfield and grounds	166,060	134,945	91,082
Computer supplies and software	46,000	52,032	30,587
Machinery and equipment	38,500	42,329	38,177
Miscellaneous supplies	6,700	6,979	4,711
Radio equipment	32,800	32,184	32,000
Capital Items <\$5,000	82,620	110,672	-
Safety and security	45,500	36,212	34,711
Small tools and equipment	12,400	9,059	5,860
Terminal facility services and supplies	277,500	244,351	207,692
Uniforms, clothing, and boots	34,200	31,537	11,937
Vehicles, oil, tires, and fuel	96,000	80,720	76,996
Total supplies, materials, and maintenance	838,280	781,020	533,753
General and administrative expenses -			
Bank charges	71,750	83,283	71,709
Bad debt expense	2,000	-	-
Business meetings and events	8,000	8,914	8,746
Dues, licenses, publications, and training	107,700	87,915	79,335
Marketing and advertising	300,000	257,746	244,438
Office services and supplies	30,417	29,030	25,752
Financial consulting services	165,000	57,915	41,263
Legal services	75,000	44,669	49,053
Professional services	300,000	185,407	137,243
Travel and conferences	46,560	29,974	32,108
Total general and administrative expenses	1,106,427	784,853	689,647

See independent auditor's report.

PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULES OF BUDGETED AND ACTUAL RECEIPTS AND EXPENSES
YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024		2023
	Budget	Actual	Actual
Operating Expenses (continued)			
Operating maintenance contracts			
Computer services	310,100	163,037	176,085
Janitorial service and supplies	1,282,132	1,258,403	1,197,572
Elevator and escalator services	55,000	73,066	47,535
Loading bridges contract and parts	360,525	344,865	334,178
Parking lot management	567,544	728,863	565,856
Total operating maintenance contracts	<u>2,575,301</u>	<u>2,568,234</u>	<u>2,321,226</u>
Utilities and insurance			
Electricity	933,807	830,778	864,405
Telephone	47,400	55,423	49,023
Water and sewer	246,783	211,183	213,174
Building and contents insurance	242,291	235,304	180,723
Liability insurance	136,716	138,142	123,907
Total utilities and insurance	<u>1,606,997</u>	<u>1,470,830</u>	<u>1,431,232</u>
Total	13,153,230	12,223,171	10,751,288
Depreciation	<u>-</u>	<u>16,280,349</u>	<u>15,807,950</u>
Total operating expenses	<u>13,153,230</u>	<u>28,503,520</u>	<u>26,559,238</u>
Operating income (loss)	<u>8,204,275</u>	<u>(9,565,403)</u>	<u>(10,739,764)</u>
Nonoperating Revenues (Expenses)			
Interest income	575,000	851,379	700,665
Interest income - leases	-	23,527	34,633
PFC revenues	3,409,803	3,401,281	2,993,370
CFC revenues	955,107	1,759,568	1,404,046
Interest expense	-	(671,579)	(715,274)
Grant revenues	8,662,048	16,544,242	5,868,178
Gain on disposal of assets	-	101,235	100
Nonoperating grant expense	(665,445)	(584,338)	-
Net insurance proceeds	<u>-</u>	<u>85,600</u>	<u>(17,072)</u>
Total nonoperating revenues (expenses)	<u>12,936,513</u>	<u>21,510,915</u>	<u>10,268,646</u>
Income (Loss)	<u>\$ 21,140,788</u>	<u>\$ 11,945,512</u>	<u>\$ (471,118)</u>

See independent auditor's report.

**OTHER SUPPLEMENTARY
INFORMATION – ENTERPRISE FUND**

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF CONSTRUCTION WORK-IN-PROGRESS
SEPTEMBER 30, 2024**

<u>Funding Source</u>		
FDOT JPA 423599-2-94-01	Terminal expansion design	\$ 3,055,498
FDOT JPA 423599-2-94-01	Terminal buildout	3,091,623
FAA AIP 3-12-0159-041-2024	Baggage make-up expansion	8,333,301
Airport Funding	Escalator addition	80,861
Airport Funding	Apron Expansion	44,136
FAA AIP 3-12-0159-048-2024	SMS	28,100
		<u>\$ 14,633,519</u>

See independent auditor's report.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF NON-GRANT FUNDED CAPITAL ITEMS
ACQUIRED DURING THE YEAR ENDED SEPTEMBER 30, 2024**

LED Portable Message Signs	\$ 33,949
Shade Structure	9,970
All Terrain Vehicle	15,900
Parking Lot Shuttles	53,599
Vehicle Wraps for Shuttle Buses	26,700
Replacement Fuel Pumps	121,958
Hot Water Heaters	19,118
2024 Pickup Truck	44,861
Common Use System Equipment	68,156
Replacement A/V Equipment for Boardroom	133,226
Long Term/Employee Parking Expansion	1,397,927
	<u>\$ 1,925,364</u>

See independent auditor's report.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF GRANT FUNDED CAPITAL ITEMS
EXPENDED DURING THE YEAR ENDED SEPTEMBER 30, 2024**

Project Number	Description	Airport Funding	FAA Funding	FDOT Funding	Total
Capital Projects:					
AIP 3-12-0159-042-2023	North Terminal Buildout	\$ 355,217	\$ 1,760,645	\$ -	\$ 2,115,862
JPA 423599-2-94-01	North Terminal Buildout	3,885	-	3,885	7,770
		<u>359,102</u>	<u>1,760,645</u>	<u>3,885</u>	<u>2,123,632</u>
AIP 3-12-0159-036-2022	Mitigation site development	138,732	94,616	-	233,348
AIP 3-12-0159-040-2023	Mitigation site development	76,025	63,983	-	140,008
	Total mitigation site development	<u>214,757</u>	<u>158,599</u>	<u>-</u>	<u>373,356</u>
AIP 3-12-0159-041-2023	Baggage Make-up Expansion	1,112,793	6,969,890	-	8,082,683
JPA 230599-4-94-01	North Concourse Expansion Design	517,552	-	374	517,926
JPA 454249-1-94-01	Taxilane Tie-Ins, Asphalt Median, Parking Lot	257,225	-	200,000	457,225
AIP 3-12-0159-048-2024	Safety Management System Manual	2,810	25,290	-	28,100
	Total capital projects	<u>2,464,239</u>	<u>8,914,424</u>	<u>204,259</u>	<u>11,582,922</u>
Capital Equipment:					
AIP 3-12-0159-042-2023	Air Traffic Control Tower Radio	50,486	422,374	-	472,860
AIP 3-12-0159-043-2023	Passenger Boarding Bridges (3)	-	3,032,550	-	3,032,550
JPA 428363-9-94-01	Maintenance Equipment	211,907	-	211,907	423,814
	Total capital equipment	<u>262,393</u>	<u>3,454,924</u>	<u>211,907</u>	<u>3,929,224</u>
Operating Costs:					
CARES 3-12-0159-018-2020	Operating costs	-	789,545	-	789,545
CRRSA 3-12-0159-021-2021	Operating costs	-	1,109,745	-	1,109,745
ARPA 3-12-0159-023-2022	Operating costs	-	1,206,960	-	1,206,960
	Total operating costs	<u>-</u>	<u>3,106,250</u>	<u>-</u>	<u>3,106,250</u>
Concessions Grants:					
CRRSA 3-12-0159-022-2021	Concession Grant - Pass Through	-	133,089	-	133,089
ARPA 3-12-0159-024-2022	Concession Grant - Pass Through	-	453,910	-	453,910
	Total concessions grants	<u>-</u>	<u>586,999</u>	<u>-</u>	<u>586,999</u>
Total Grant Funded Capital Items		<u>\$ 2,726,632</u>	<u>\$ 16,062,597</u>	<u>\$ 416,166</u>	<u>\$ 19,205,395</u>

See independent auditor's report.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULES OF OPERATIONS, GRANTS, AND CAPITAL EXPENDITURES
LAST TEN FISCAL YEARS**

Year Ended 9/30	Percentage Increase (Decrease) of Operating Revenues Over Prior Year	Operating Revenues	Operating Expenses	Net Operating Income (Loss)	PFC Revenues	Contributions/ Grants for Capital Outlay/ Other Costs	Net Operating Income, PFC Revenues, and Contributions	Capital/ Grant Expenditures
2024	20%	\$ 18,938,117	\$ 28,503,520	\$ (9,565,403)	\$ 3,401,281	\$ 16,544,242	\$ 10,380,120	\$ 17,107,836
2023	7%	15,819,474	26,559,238	(10,739,764)	2,993,370	5,868,178	(1,878,216)	8,366,310
2022	10%	14,723,034	25,370,269	(10,647,235)	2,693,720	4,968,139	(2,985,376)	4,238,430
2021	11%	13,428,769	23,815,442	(10,386,673)	2,714,234	7,208,155	(464,284)	6,993,749
2020	-5%	12,147,202	22,436,981	(10,289,779)	1,619,871	8,798,424	128,516	10,868,908
2019	8%	12,769,223	21,295,226	(8,526,003)	2,169,008	3,199,856	(3,157,139)	3,855,724
2018	3%	11,845,657	20,907,556	(9,061,899)	1,795,951	4,070,819	(3,195,129)	5,356,885
2017	3%	11,504,891	20,696,329	(9,191,438)	1,579,988	2,794,938	(4,816,512)	3,141,260
2016	8%	11,152,922	21,281,096	(10,128,174)	1,530,157	1,279,147	(7,318,870)	1,402,366
2015	3%	10,320,416	20,300,887	(9,980,471)	1,503,418	823,494	(7,653,559)	2,002,064

The following are omitted from the above data:

- (1) Interest income
- (2) Interest expense
- (3) Gain on disposal of assets
- (4) Miscellaneous nonoperating revenues (expenses)
- (5) CFC revenues

See independent auditor's report.

SINGLE AUDIT SECTION

PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, STATE
FINANCIAL ASSISTANCE, AND PASSENGER FACILITY CHARGES
YEAR ENDED SEPTEMBER 30, 2024

	CFDA/ CSFA Number	Balance 10/01/2023	Cash Receipts	Expenditures	Balance 09/30/2024
<u>Federal Aviation Administration</u>					
3-12-0159-018-2020	20.106	\$ -	\$ 789,545	\$ (789,545)	\$ -
3-12-0159-021-2021	20.106	-	746,268	(1,109,745)	363,477
3-12-0159-022-2021	20.106	-	-	(133,089)	133,089
3-12-0159-023-2022	20.106	-	-	(1,206,960)	1,206,960
3-12-0159-024-2022	20.106	-	-	(453,910)	453,910
3-12-0159-036-2022	20.106	-	94,616	(94,616)	-
3-12-0159-040-2022	20.106	-	33,498	(63,983)	30,485
3-12-0159-041-2023	20.106	481,781	4,480,572	(6,969,890)	2,971,099
3-12-0159-042-2023	20.106	871,193	2,514,848	(2,183,019)	539,364
3-12-0159-043-2023	20.106	-	3,032,550	(3,032,550)	-
3-12-0159-048-2024	20.106	-	-	(25,290)	25,290
Total Federal Aviation Administration		<u>1,352,974</u>	<u>11,691,897</u>	<u>(16,062,597)</u>	<u>5,723,674</u>
<u>Department of Homeland Security</u>					
70T02021-T6114N098	NA	<u>28,440</u>	<u>93,920</u>	<u>(65,480)</u>	<u>-</u>
<u>FEMA</u>					
15-SP-8Z-01-13-13-557	97.036	<u>1,940,063</u>	<u>-</u>	<u>-</u>	<u>1,940,063</u>
Total Federal Awards		<u>\$ 3,321,477</u>	<u>\$ 11,785,817</u>	<u>\$ (16,128,077)</u>	<u>\$ 7,663,737</u>
<u>Florida Department of Transportation</u>					
423599-2-94-01	55.004	\$ 34,282	\$ 38,540	\$ (4,258)	\$ -
423599-4-94-01	55.004	261,588	261,588	-	-
428363-9-94-01	55.004	-	138,128	(211,907)	73,779
454249-1-94-01	55.004	-	-	(200,000)	200,000
Total Florida Department of Transportation		<u>295,870</u>	<u>438,256</u>	<u>(416,165)</u>	<u>273,779</u>
<u>SERT</u>					
SERT		<u>317,700</u>	<u>-</u>	<u>-</u>	<u>317,700</u>
Total State Financial Assistance		<u>\$ 613,570</u>	<u>\$ 438,256</u>	<u>\$ (416,165)</u>	<u>\$ 591,479</u>
		Cash/Investments/ Receivables 10/01/2023	Revenue (1)	Expenditures	Cash/Investments/ Receivables 09/30/2024
Passenger Facility Charges		<u>\$ 5,080,155</u>	<u>\$ 3,401,281</u>	<u>\$ (1,359,393)</u>	<u>\$ 7,122,043</u>

(1) Including interest earnings

See independent auditor's report and accompanying notes to the schedule of expenditures of federal awards, state financial assistance, and passenger facility charges.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
STATE FINANCIAL ASSISTANCE, AND PASSENGER FACILITY CHARGES
YEAR ENDED SEPTEMBER 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and passenger facility charges (the Schedule), includes the grant activity of the District and is presented on the accrual basis of accounting.

The accompanying Schedule summarizes the federal and passenger facility charge expenditures of the District under programs of the federal government and Passenger Facility Charge Audit Guide for Public Agencies, for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the FAA. The amounts reported as federal awards and passenger facility charge expenditures were obtained from the District's general ledger. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

For purposes of the Schedule, federal awards and passenger facility charges include all grants, contracts, and similar agreements entered into directly with the federal government and passenger facility charge programs. The District has obtained Catalog of Federal Domestic Assistance (CFDA) to ensure that all programs and projects have been identified in the Schedule.

Indirect Cost Rate:

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



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

To the Board of Directors
Panama City - Bay County
Airport and Industrial District
Panama City, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Panama City - Bay County Airport and Industrial District, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Panama City - Bay County Airport and Industrial District's basic financial statements and have issued our report thereon dated February 18, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant efficiencies may exist that were not identified. 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 Panama City - Bay County Airport and Industrial District'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.

Lipton, Mauler, Garner & Chastain

Panama City, Florida
February 18, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE, AND PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

To the Board of Directors
Panama City - Bay County
Airport and Industrial District
Panama City, Florida

Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program

Opinion on Each Major Federal Program and Passenger Facility Charge Program

We have audited Panama City - Bay County Airport and Industrial District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance* and the requirements described in the Passenger Facility Audit Guide for Public Agencies, issued by the Federal Aviation Administration that could have a direct and material effect on each of Panama City - Bay County Airport and Industrial District's major federal programs and Passenger Facility Charge programs for the year ended September 30, 2024. Panama City - Bay County Airport and Industrial District's major federal programs and Passenger Facility Charge programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Panama City - Bay County Airport and Industrial District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and Passenger Facility Charge programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program and Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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) and the requirements described in the Passenger Facility Audit Guide for Public Agencies, issued by the Federal Aviation Administration. Our responsibilities under those standards, the Uniform Guidance, and the Passenger Facility Audit Guide for Public Agencies, are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Panama City - Bay County Airport and Industrial District 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 and Passenger Facility Charge program. Our audit does not provide a legal determination of Panama City - Bay County Airport and Industrial District'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 Panama City - Bay County Airport and Industrial District's federal programs and Passenger Facility Charge 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 Panama City - Bay County Airport and Industrial District's compliance based on our audit. Reasonable assurance is a high level of assurance but is no absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Passenger Facility Audit Guide for Public Agencies 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 Panama City - Bay County Airport and Industrial District's compliance with the requirements of each major federal program and Passenger Facility Charge program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Passenger Facility Audit Guide for Public Agencies, 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 Panama City - Bay County Airport and Industrial District'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 Panama City - Bay County Airport and Industrial District'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, and the Passenger Facility Audit Guide for Public Agencies, but not for the purpose of expressing an opinion on the effectiveness of Panama City - Bay County Airport and Industrial District'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 and Passenger Facility Charge 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 and Passenger Facility Charge 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 and Passenger Facility Charge 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 and the Passenger Facility Audit Guide for Public Agencies. Accordingly, this report is not suitable for any other purpose.

Lipton, Maule, Garner & Chastain

Panama City, Florida
February 18, 2025

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Panama City - Bay County Airport and Industrial District were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Panama City - Bay County Airport and Industrial District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control relating to the audit of the major federal award programs or Passenger Facility Charge programs are reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program and on Internal Control over Compliance Required by the Uniform Guidance and Passenger Facility Charge Audit Guide for Public Agencies.
5. The auditor's report on compliance for the major federal award programs and Passenger Facility Charge programs for Panama City - Bay County Airport and Industrial District expresses an unmodified opinion on all major federal programs and Passenger Facility Charge programs.
6. Our audit disclosed no findings that are required to be reported in accordance with 2 CFR section 200.516(a)
7. The programs and projects tested as major programs included the following:

Federal Program	Federal CFDA No.
Federal Aviation Administration	20.106

8. The threshold used for distinguishing between Type A and Type B federal programs was \$750,000.
9. Panama City - Bay County Airport and Industrial District was determined to be a low-risk auditee for federal programs.

**PANAMA CITY - BAY COUNTY
AIRPORT AND INDUSTRIAL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2024**

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors
Panama City - Bay County
Airport and Industrial District
Panama City, Florida

Report on the Financial Statements

We have audited the financial statements of Panama City - Bay County Airport and Industrial District, as of and for the fiscal year ended September 30, 2024, and have issued our report thereon February 18, 2025.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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).

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program and Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements. Disclosures in those reports and schedule, which are dated February 18, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Panama City - Bay County Airport and Industrial District is an independent special district created by an act of the Legislature of the State of Florida and is not considered a component unit of any other local governmental unit. The special act which created the District was Chapter 67-1099 of House Bill 1608 filed June 19, 1967, which was later repealed and replaced by Chapter 98-527 of House Bill 4545 filed May 22, 1998, Chapter 2005-311 of House Bill 939 filed June 14, 2005, and Chapter 2005-311 of House Bill 1635 filed July 1, 2010.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Panama City - Bay County Airport and Industrial District met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that Panama City - Bay County Airport and Industrial District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Panama City - Bay County Airport and Industrial District. It is management's responsibility to monitor Panama City - Bay County Airport and Industrial District's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, Panama City - Bay County Airport and Industrial District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as: 79.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as: 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as: \$4,812,833.

- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as: \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

<u>Project Name</u>	<u>FY24 Expenditures</u>
Taxilane Tie-Ins	\$ 202,540
Administrative Parking Lot	378,777
Slip Road Median	135,977
Bag Make-Up Expansion	103,325
North Terminal Buildout	46,499
	<u>\$ 867,118</u>

- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, is included on pages 32-34.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lipton, Mauler, Garner & Chastain

Panama City, Florida
February 18, 2025



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Panama City - Bay County
Airport and Industrial District
Panama City, Florida

We have examined Panama City - Bay County Airport and Industrial District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2024. Management of Panama City - Bay County Airport and Industrial District is responsible for Panama City - Bay County Airport and Industrial District's compliance with the specified requirements. Our responsibility is to express an opinion on Panama City - Bay County Airport and Industrial District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Panama City - Bay County Airport and Industrial District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Panama City - Bay County Airport and Industrial District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on Panama City - Bay County Airport and Industrial District's compliance with specified requirements.

In our opinion, Panama City - Bay County Airport and Industrial District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2024.

This report is intended solely for the information and use of Panama City - Bay County Airport and Industrial District and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than the specified parties.

Tipton, Marler, Garner & Chastain

Panama City, Florida
February 18, 2025