

# **ST. JOHNS COUNTY AIRPORT AUTHORITY**

## **FINANCIAL STATEMENTS AND COMPLIANCE REPORTS**

*As of and for the Years Ended September 30, 2024 and 2023*

*And Reports of Independent Auditor*

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
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## Report of Independent Auditor

To the Board of Directors  
St. Johns County Airport Authority  
St. Augustine, Florida

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of St. Johns County Airport Authority (the “Authority”) as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements as listed in the table of contents.

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

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority’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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

## **OTHER MATTERS**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, and schedule of employer contributions 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, 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 Chapter 10.550, Rules of the Florida Auditor General, 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 and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our August 21, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Orlando, Florida  
August 21, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# ST. JOHNS COUNTY AIRPORT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024 AND 2023

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This Discussion and Analysis of the St. Johns County Airport Authority's (the "Authority") financial performance provides an overview and cursory look at the financial activities of the Authority for fiscal years ended September 30, 2024 and 2023. The reader is encouraged to read this section in conjunction with the Authority's financial statements contained elsewhere in this document.

Highlights of the fiscal 2024 and 2023 financial statements, with references to 2022 financial statements for comparative purposes, include:

- Total net position decreased by \$82,940 for the year ended September 30, 2024, as compared to a decrease of \$1,835,039 for the year ended September 30, 2023. There was a decrease in total net position of \$1,796,365 for the year ended September 30, 2022.
- Operating income before depreciation expense was \$1,182,187 for the year ended September 30, 2024, as compared to \$966,666 for the year ended September 30, 2023. Operating income before depreciation expense was \$1,539,126 for the year ended September 30, 2022.
- Operating expense, excluding depreciation, was \$4,602,081 for the year ended September 30, 2024, as compared to \$4,638,852 for the year ended September 30, 2023. Operating expense, excluding depreciation, was \$3,910,238 for the year ended September 30, 2022.
- Capital contribution revenue was \$3,625,949 for the year ended September 30, 2024, as compared to \$2,005,785 for the year ended September 30, 2023. Capital contribution revenue was \$1,383,642 for the year ended September 30, 2022.
- Capital contribution revenue was \$1,526,391 less than depreciation expense for fiscal year 2024 and \$3,053,089 for fiscal year 2023. Capital contribution revenue was \$3,343,926 less than depreciation expense for fiscal year 2022.

## Overview of the Basic Financial Statements

### Statements of Net Position

This financial statement includes all of the Authority's assets, liabilities, and deferred inflows/outflows of resources. This information is developed and presented using the accrual basis of accounting. Accrual accounting is similar to that used in most private sector businesses wherein all current-year revenues and expenses are recorded without regard to when cash is received or paid. The difference between assets plus deferred outflows and liabilities plus deferred inflows results in net position which can be used to measure the Authority's financial position.

### Statements of Revenue, Expenses, and Changes in Net Position

The second financial statement, which again uses an accrual accounting basis, reflects the increases and decreases in net position for the period. Over significant periods of time, this information (increases and decreases) can be useful in assessing the overall financial health of the Authority.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2024 AND 2023

**Statements of Cash Flows**

The last financial statement reflects changes in the cash position of the Authority. Management continually monitors the status of cash-on-hand. The Authority's ability to minimize the need to borrow capital development funds continues to have significant, positive implications with regard to long-term cash flow and overall debt obligations.

**Statements of Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 6,791,427	\$ 6,307,400	\$ 5,592,643
Noncurrent assets	79,013,010	80,046,956	82,765,253
<b>Total Assets</b>	<u>85,804,437</u>	<u>86,354,356</u>	<u>88,357,896</u>
Deferred outflows of resources	<u>154,378</u>	<u>303,195</u>	<u>328,313</u>
Current liabilities	214,627	439,319	687,331
Long-term liabilities	<u>554,473</u>	<u>1,238,323</u>	<u>1,076,939</u>
<b>Total Liabilities</b>	<u>769,100</u>	<u>1,677,642</u>	<u>1,764,270</u>
Deferred inflows of resources	<u>1,551,305</u>	<u>1,258,559</u>	<u>1,365,550</u>
Net Position:			
Net investment in capital assets	78,144,259	78,991,886	81,592,823
Unrestricted	<u>5,494,151</u>	<u>4,729,464</u>	<u>3,963,566</u>
<b>Total Net Position</b>	<u>\$ 83,638,410</u>	<u>\$ 83,721,350</u>	<u>\$ 85,556,389</u>

**ST. JOHNS COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2024 AND 2023

**Statements of Revenue, Expenses, and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Operating revenue	\$ 5,784,268	\$ 5,605,518	\$ 5,449,364
Nonoperating revenue and capital contributions	3,887,213	2,257,169	1,413,086
Total Revenues	<u>9,671,481</u>	<u>7,862,687</u>	<u>6,862,450</u>
Expenses:			
Operating expenses	9,754,421	9,697,726	8,637,806
Nonoperating expenses	-	-	21,009
Total Expenses	<u>9,754,421</u>	<u>9,697,726</u>	<u>8,658,815</u>
Change in net position	(82,940)	(1,835,039)	(1,796,365)
Net position, beginning of year	<u>83,721,350</u>	<u>85,556,389</u>	<u>87,352,754</u>
Net position, end of year	<u>\$ 83,638,410</u>	<u>\$ 83,721,350</u>	<u>\$ 85,556,389</u>

**Overall Financial Position and Results of Operations**

The Authority started several large renovation projects during fiscal year 2019, which were ongoing throughout fiscal year 2024. In fiscal year 2024, additions to capital projects in process were less than completions of capital projects. These projects are largely funded by capital grant proceeds. As portrayed in the financial statements, the Authority has total net position of \$83,638,410, of which \$5,484,562 is unrestricted as of September 30, 2024, as compared to \$83,721,350 total net position, of which \$4,729,464 was unrestricted, as of September 30, 2023.

The total net position decreased by \$82,940 during fiscal year 2024, primarily due to increases in general and administrative expenses, and depreciation expense, which was partially offset by fuel sales, flowage fees, and surcharges. Total net position decreased \$1,835,039 during fiscal year 2023, primarily as a result of capital grant activity. Lease revenue makes up most of operating revenues, which was \$4,134,821 in fiscal year 2024, as compared to \$4,055,765 in fiscal year 2023. Fuel sales, flowage fees, and surcharges increased from the prior year by \$112,605 as a result of increase in the cost of fuel. Operating expenses, excluding depreciation, were \$4,602,081 in fiscal year 2024, as compared to \$4,638,852 in 2023.

**ST. JOHNS COUNTY AIRPORT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

SEPTEMBER 30, 2024 AND 2023

**Capital Assets and Debt Administration**

*Capital Assets* – Additions to the Authority's capital assets were more than the prior year due to the completion of projects from the prior year and a large land purchase. More details regarding the asset and depreciation position of the Authority is provided in the Note 5 to the financial statements. The composition of capital assets as of June 30, is as follows:

	Year		
	2024	2023	2022
Land	\$ 21,890,990	\$ 19,375,641	\$ 19,375,641
Construction in progress	674,440	1,603,401	1,413,292
Furniture and equipment	4,811,487	4,811,487	4,656,901
Buildings	58,151,385	58,114,382	58,039,099
Airport improvements	73,942,674	71,282,927	69,245,280
Total capital assets	159,470,976	155,187,838	152,730,213
Less accumulated depreciation	81,317,128	76,164,787	71,105,913
Total capital assets, net	<u>\$ 78,153,848</u>	<u>\$ 79,023,051</u>	<u>\$ 81,624,300</u>

*Debt Administration* – The Authority has no long-term debt. Pension and compensated absence liabilities are summarized in Note 6 to the financial statements.

**Significant Economic Factors or Conditions**

The Authority's operations consist primarily of lease revenue and the expenses necessary to operate and maintain the facilities. There were no commercial flight operations at the Authority during fiscal year 2024. From November 2021 through June 2022, Elite Airways offered commercial flights at the Authority. At the current time, no commercial activity is planned at the Authority. We are not currently aware of any other conditions that are expected to have a significant effect on the Authority's financial position or results of operations.

**Contacting the Authority's Financial Management**

This financial report is designed to provide a general overview of the Authority's finances. If you have any questions about this report or need additional information please contact the Finance Manager at 4796 U.S. 1 North, St. Augustine, Florida, 32095.

## **FINANCIAL STATEMENTS**

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**STATEMENTS OF NET POSITION**

SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 2,351,753	\$ 2,262,522
Investments	3,879,485	3,648,806
Lease receivable	164,743	162,996
Accounts receivable	22,559	26,659
Grants receivable	-	39,646
Environmental credit purchase option	146,700	-
Prepaid items	87,556	42,174
Fuel Inventory	138,631	124,597
Total Current Assets	<u>6,791,427</u>	<u>6,307,400</u>
Noncurrent Assets:		
Lease receivable	859,162	1,023,905
Capital Assets:		
Nondepreciable	22,565,430	20,979,042
Depreciable, net	<u>55,588,418</u>	<u>58,044,009</u>
Total Noncurrent Assets	<u>79,013,010</u>	<u>80,046,956</u>
<b>TOTAL ASSETS</b>	<u>85,804,437</u>	<u>86,354,356</u>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows - pension related	<u>154,378</u>	<u>303,195</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	57,380	110,959
Accrued liabilities	57,725	55,032
Tenant deposits	77,273	252,799
Unearned revenue	14,644	11,275
Current portion of compensated absences	7,605	9,254
Total Current Liabilities	<u>214,627</u>	<u>439,319</u>
Long-Term Liabilities:		
Net pension liability	536,729	1,216,732
Compensated absences	17,744	21,591
Total Long-Term Liabilities	<u>554,473</u>	<u>1,238,323</u>
<b>TOTAL LIABILITIES</b>	<u>769,100</u>	<u>1,677,642</u>
<b>Deferred Inflows of Resources:</b>		
Deferred inflows - lease related	1,023,905	1,186,901
Deferred inflows - pension related	<u>527,400</u>	<u>71,658</u>
Total Deferred Inflows of Resources	<u>1,551,305</u>	<u>1,258,559</u>
<b>NET POSITION:</b>		
Net investment in capital assets	78,144,259	78,991,886
Unrestricted	<u>5,494,151</u>	<u>4,729,464</u>
<b>TOTAL NET POSITION</b>	<u>\$ 83,638,410</u>	<u>\$ 83,721,350</u>

The accompanying notes to the financial statements are an integral part of these statements.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Operating Revenue:		
Lease revenue	\$ 4,134,821	\$ 4,055,765
Fuel sales, flowage fees, and surcharges	1,327,079	1,214,474
Parking, rental cars, and concession fees	322,368	335,279
Total Operating Revenue	<u>5,784,268</u>	<u>5,605,518</u>
Operating Expenses:		
General and administrative	2,174,448	2,001,760
Salaries and fringe benefits	1,222,100	1,492,900
Cost of fuel sold	851,802	760,112
Maintenance and other	353,731	384,080
Total Operating Expenses, Excluding Depreciation	<u>4,602,081</u>	<u>4,638,852</u>
Operating Income Before Depreciation Expense	1,182,187	966,666
Depreciation expense	<u>5,152,340</u>	<u>5,058,874</u>
Operating Loss	<u>(3,970,153)</u>	<u>(4,092,208)</u>
Nonoperating Revenue:		
Noncapital grant revenue	-	100,000
Investment gains	229,225	132,017
Interest income	2,432	10,736
Other nonoperating revenue	29,607	8,631
Total Nonoperating Revenue, Net	<u>261,264</u>	<u>251,384</u>
Loss Before Capital Contributions	<u>(3,708,889)</u>	<u>(3,840,824)</u>
Capital Contributions:		
Capital grants	<u>3,625,949</u>	<u>2,005,785</u>
Change in net position	(82,940)	(1,835,039)
Net position, beginning of year	<u>83,721,350</u>	<u>85,556,389</u>
Net position, end of year	<u>\$ 83,638,410</u>	<u>\$ 83,721,350</u>

The accompanying notes to the financial statements are an integral part of these statements.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**STATEMENTS OF CASH FLOW**

YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Cash received from tenants	\$ 3,966,764	\$ 3,812,637
Cash received from fuel sales	1,327,079	1,214,474
Cash received from airport operations	322,368	335,279
Cash paid for fuel	(865,836)	(820,785)
Cash paid for personnel services	(1,318,666)	(1,312,805)
Cash paid for maintenance	(353,731)	(384,080)
Cash paid for administrative and other services	(2,233,514)	(2,006,836)
Net cash flows from operating activities	<u>844,464</u>	<u>837,884</u>
<b>Cash flows from noncapital financing activities:</b>		
Other nonoperating revenue	29,607	8,631
Noncapital grant reimbursements	-	100,000
Net cash flows from noncapital financing activities	<u>29,607</u>	<u>108,631</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures	(4,451,413)	(2,457,938)
Capital grants received	3,665,595	1,966,139
Net cash flows from capital and related financial activities	<u>(785,818)</u>	<u>(491,799)</u>
<b>Cash flows from investing activities:</b>		
Interest income received	2,432	10,736
Purchase of investments	(516,776)	(8,341,782)
Proceeds from sale of investments	515,322	7,590,585
Net cash flows from investing activities	<u>978</u>	<u>(740,461)</u>
Net change in cash	89,231	(285,745)
Cash, beginning of year	2,262,522	2,548,267
Cash, end of year	<u>\$ 2,351,753</u>	<u>\$ 2,262,522</u>
<b>Reconciliation of operating loss to net cash flows from operating activities:</b>		
Operating loss	\$ (3,970,153)	\$ (4,092,208)
Depreciation	5,152,340	5,058,874
Changes in assets, deferred outflows, liabilities, and deferred inflows of resources:		
Other current assets	(55,316)	(64,462)
Lease receivable	162,996	103,868
Deferred outflows of resources	148,817	25,118
Accounts payable	(32,003)	(32,579)
Accrued liabilities	2,693	20,254
Net pension liability	(680,003)	182,441
Deferred inflows of resources	292,746	(106,991)
Compensated absences	(5,496)	(30,103)
Tenant deposits	(175,526)	(230,430)
Unearned revenue	3,369	4,102
Net cash flows from operating activities	<u>\$ 844,464</u>	<u>\$ 837,884</u>
<b>Noncash capital and investing activities:</b>		
Capital assets in accounts payable	\$ 9,589	\$ 31,165
Unrealized gain on investments	<u>\$ 229,225</u>	<u>\$ 132,017</u>

The accompanying notes to the financial statements are an integral part of these statements.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

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**Note 1—Reporting entity**

The St. Johns County Airport Authority (the “Authority”) is an independent district which was created by Chapter 63-1853, laws of Florida, in June 1963 for the purpose of owning and operating airport facilities in St. Johns County, Florida. The Authority is governed by an independent body consisting of five members (the “Board”), all of which are elected by the citizens of St. Johns County, Florida.

**Note 2—Summary of significant accounting policies**

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

*Basis of Presentation* – The transactions of the Authority are reported as an enterprise fund. Enterprise funds, a proprietary fund type, are used to account for activities in a manner similar to private-sector business enterprises. The Authority’s operating revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as grants and investment earnings, result from non-exchange transactions or ancillary activities.

*Measurement Focus* – The Authority uses the economic resources measurement focus.

*Basis of Accounting* – The financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of the related cash flows.

*Investments* – The Authority invests temporarily idle resources pursuant to the provisions of Section 218.415, Florida statutes, which limits the investment choices to only certain identified investments as defined in that statute. As of September 30, 2024 and 2023, the Authority’s investments consisted of amounts in the Florida Safe Investment Pool (“Florida SAFE”) and in the local Government Surplus Funds Trust Fund (“Florida PRIME”).

*Capital Assets* – Capital assets are stated at cost if purchased and at acquisition value if contributed. The Authority uses a capitalization threshold of \$10,000 for all classes of capital assets. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in nonoperating revenue (expense). Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are summarized as follows:

Airport improvements	10 – 40 years
Buildings	5 – 50 years
Furniture and equipment	5 – 25 years

*Lease Receivables* – The Authority’s lease receivables are measured at the present value of lease payments expected to be received during the lease term.

*Allowance for Doubtful Accounts* – The Authority did not have an allowance for doubtful accounts at September 30, 2024 or 2023.

*Environmental Credit Purchase Options* – The Authority entered into an option contract on May 17, 2024, which gives the Authority the right to purchase \$1,320,300 in environmental credits needed for proposed development of Authority property. As of fiscal year-end, the Authority has not exercised the option to purchase the environmental credits.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

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**Note 2—Summary of significant accounting policies (continued)**

*Fuel Inventory and Prepaid Items* – Fuel inventory is stated on the first-in, first-out basis. Prepaid items consist principally of insurance prepayments.

*Tenant Deposits* – Tenant deposits represent deposits in advance of leasehold improvements to be provided by the tenant. To the extent deposits exceed amounts required for leasehold improvements, the excess will be credited against rent for the tenant beginning September 30, 2025.

*Pensions* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan and Health Insurance Subsidy Program, and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Deferred Outflows/Inflows of Resources* – A deferred outflow of resources is a consumption of net assets that are applicable to a future reporting period. A deferred inflow of resources is an acquisition of net assets that are applicable to a future reporting period. The Authority has deferred outflows of resources and deferred inflows of resources related to pensions, which are discussed in a subsequent note.

A deferred inflow of resources is recorded for the leases. 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 into revenue on the straight-line bases.

*Net Position* – The Authority classifies its net position into the following three categories:

*Net Investment in Capital Assets* – This represents the Authority's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The Authority did not report any restricted net position as of September 30, 2024 or 2023.

*Unrestricted* – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

*Risk Management* – The Authority maintains insurance coverage on all types of insurable risks. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make various estimates. Actual results could differ from those estimates.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 3—Cash deposits and investments**

The Authority’s deposits are held in financial institutions that qualify as public depositories and, accordingly, are entirely insured or collateralized under Chapter 280 of the Florida Statutes.

The Authority’s investments consist of:

	<u>2024</u>	<u>2023</u>
Florida SAFE - Stable NAV Fund	\$ 3,742,780	\$ 3,032,758
Florida SAFE - Variable NAV Fund	80,368	75,875
Florida SAFE - Term Series Fund	-	499,107
Florida PRIME	56,337	41,066
	<u>\$ 3,879,485</u>	<u>\$ 3,648,806</u>

The Authority does not have a formal investment policy but adheres to the statutory investment policy provisions of Section 218.415, Florida Statutes, which specifies allowable investments and limits risk exposure. Investments held adhere to credit risk ratings and are diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

*Custodial Credit Risk* – This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s cash deposits are held by banks that qualify as a public depository under the Florida Security for Community Deposits Act as required by Chapter 280, Florida Statutes. The Authority’s cash deposits are fully insured by the Public Deposits Trust Fund.

*Interest Rate Risk* – Interest rate risk is the risk of changes in market interest rates adversely affecting the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a policy that addresses its exposure to interest rate risk.

*Credit Risk* – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority does not have a policy that addresses its exposure to credit risk.

*Concentration of Credit Risk* – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Authority does not have a policy that addresses its exposure to concentration of credit risk.

**Florida Surplus Asset Trust Fund (Florida SAFE)**

Florida SAFE is organized pursuant to Florida Statute 163.01. Florida SAFE is overseen by a Board of Trustees comprised of Florida local government officials, who are themselves participants in Florida SAFE. Florida SAFE is uninsured and has three investment pools in which the Authority participates: a Stable NAV Fund, a Variable NAV Fund, and a Term Series Fund.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

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**Note 3—Cash deposits and investments (continued)**

***Florida Surplus Asset Trust Fund (Florida SAFE) (continued)***

The Stable NAV Fund is an external investment pool that seeks but does not guarantee to maintain a constant net asset value at \$1.00 per share and meets all of the necessary criteria to elect to measure all of the investments at amortized cost. Therefore, the Authority's investment in Florida SAFE's Stable NAV Fund is reported at amortized cost. The Stable NAV Fund is rated by Standard & Poor's and has a rating of AAAM at September 30, 2024 and 2023. The weighted average maturity ("WAM") for Florida SAFE's Stable NAV Fund was 30.02 days at September 30, 2024, and 44.71 days at September 30, 2023. The weighted average life ("WAL") was 50.63 days at September 30, 2024, and 66.59 days at September 30, 2023.

The Variable NAV Fund is an external investment pool where the net asset value of the fund will fluctuate as the value of securities held by the fund fluctuates. Therefore, the Authority's investment in Florida Safes Variable NAV Fund is reported at net asset value per share. The Variable NAV Fund is rated by Standard & Poor's and had a rating of AAAf/S1 at September 30, 2024 and 2023. The Variable NAV Fund does not have an established WAM or WAL, but targets an average maturity of about one year.

The Stable NAV Fund has no redemption fees or maximum transaction amounts. The Variable NAV Fund requires a minimum participant investment balance of \$250,000 but has no minimum transaction amount, so long as withdrawals do not cause the investment balance to fall below the minimum. All withdrawals from the Variable NAV Fund may only be made on the third Wednesday of each month upon at least two weeks advance written notice to the Trust. The Indenture of Trust for both Funds provides for limited situations in which a participant's access to 100% of the account value is restricted. The Trustees have the authority to resume participant access to the Fund when the situation causing the restriction has been resolved.

The Term Series Fund consists of separate portfolios of specifically identified investments with a fixed investment term and a designated maturity of at least seven (7) days and no more than three (3) years. Although investors in certain Term Series portfolios may have redemption rights, Term Series portfolios are intended to be held until maturity. Shares in certain Term Series investments may be redeemed prior to the maturity date of that Series upon a 7-day advance notice of redemption to the Operational Manager and a penalty will likely be assessed. Each Term Series portfolio may have a weighted average maturity equal to its duration. Any loss in one Term Series portfolio shall not impact other Term Series portfolios. As of September 30, 2024, the Authority's Term Series investments were in United States Treasury notes.

***Investment in State Pool (Florida PRIME)***

The Authority also invests surplus funds in the State Board of Administration's Local Government Surplus Funds Trust Fund. The Florida PRIME is administered by the Florida State Board of Administration ("SBA"), which provides regulatory oversight. The powers and duties of the SBA are defined in Florida Statute 218.409. In addition, Chapter 19-7 of the Florida Administrative Code identifies the rules and regulations governing the administration of the Florida PRIME. These rules provide guidance and establish the general operating procedures for the administration of the pool.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 3—Cash deposits and investments (continued)**

The Florida PRIME is an external investment pool that meets all the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the Authority’s investment in the Florida PRIME is reported at amortized cost. The fair value of the position in the pool is equal to the value of the pool shares. The Florida PRIME is rated by Standard & Poor’s and had a rating of AAAm at September 30, 2024 and 2023. The WAM of the Florida PRIME was 39 days at September 30, 2024, and 35 days at September 30, 2023. The WAL for Florida PRIME was 74 days at September 30, 2024 and 75 days at September 30, 2023.

The Florida Prime does not impose redemption fees or maximum transaction amounts. Florida statutes do provide for situations in which a participant’s access to 100% of the account value is limited. The maximum amount of time provided to limit access is 15 days.

**Note 4—Lease receivable**

A significant portion of the Authority’s buildings and related land are leased to tenants under leases subject to Federal Aviation Administration regulations and other non-regulated leases. These leases are generally for a term of 10 years and allow the lessees to renew for varying periods. The leases generally provide for annual rent increases that are based on changes in the consumer price index.

The Authority recognized \$171,005 and \$158,550 of lease revenue and \$7,911 and \$9,077 of interest revenue related to non-regulated leases for the years ended September 30, 2024 and 2023, respectively. The amounts presented in the financial statements for lease receivables and lease related deferred inflows relate to non-regulated leases.

The principal and interest requirements to maturity for the non-regulated lease receivables at September 30, 2024 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 164,743	\$ 6,829	\$ 171,572
2026	166,519	5,637	172,156
2027	123,538	4,540	128,078
2028	110,069	3,735	113,804
2029	71,598	3,033	74,631
2030-2034	208,877	9,821	218,698
2035-2039	178,561	3,063	181,624
	<u>\$ 1,023,905</u>	<u>\$ 36,658</u>	<u>\$ 1,060,563</u>

**Regulated Leases**

The Authority has leasing agreements for aeronautical use of the Authority’s airfield, terminal, and other facilities, as defined by the Federal Aviation Administration, which qualify to be treated as regulated, without recording corresponding lease receivables and deferred inflows of resources, in accordance with the requirements of U.S. GAAP. The Authority leases land and buildings to third parties under these agreements.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 4—Lease receivable (continued)**

As of September 30, 2024, the remaining amount of expected future minimum payments receivable under regulated lease agreements are as follows:

<u>September 30</u>	<u>Principal</u>
2025	\$ 2,793,447
2026	639,254
2027	510,083
2028	510,083
2029	510,083
2030-2034	1,573,665
2035-2039	242,102
2040-2044	20,846
	<u>\$ 6,799,563</u>

These regulated leases for land and buildings provide respective tenants with exclusive use of the leased asset. The Authority recognized \$3,963,816 and \$3,897,215 of regulated lease revenue related to these leases for the years ended September 30, 2024 and 2023, respectively.

**Note 5—Capital assets and depreciation**

Capital asset activity for the year ended September 30, 2024 are as follows:

	<u>Balance</u> <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>2024</u>
Capital assets not being depreciated:				
Land	\$ 19,375,641	\$ 2,515,349	\$ -	\$ 21,890,990
Construction in progress	1,603,401	2,143,954	3,072,915	674,440
Total capital assets not being depreciated	<u>20,979,042</u>	<u>4,659,303</u>	<u>3,072,915</u>	<u>22,565,430</u>
Capital assets being depreciated:				
Furniture and equipment	4,811,487	-	-	4,811,487
Buildings	58,114,382	37,003	-	58,151,385
Airport improvements	71,282,927	2,659,746	-	73,942,673
Total capital assets being depreciated	<u>134,208,796</u>	<u>2,696,749</u>	<u>-</u>	<u>136,905,545</u>
Less accumulated depreciation for:				
Furniture and equipment	3,699,363	297,041	-	3,996,404
Buildings	28,911,769	1,530,238	-	30,442,007
Airport improvements	43,553,655	3,325,061	-	46,878,716
Total accumulated depreciation	<u>76,164,787</u>	<u>5,152,340</u>	<u>-</u>	<u>81,317,127</u>
Total capital assets being depreciated, net	<u>58,044,009</u>	<u>(2,455,591)</u>	<u>-</u>	<u>55,588,418</u>
Net capital assets	<u>\$ 79,023,051</u>	<u>\$ 2,203,712</u>	<u>\$ 3,072,915</u>	<u>\$ 78,153,848</u>

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 5—Capital assets and depreciation (continued)**

Capital asset activity for the year ended September 30, 2023 are as follows:

	<b>Balance 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 2023</b>
Capital assets not being depreciated:				
Land	\$ 19,375,641	\$ -	\$ -	\$ 19,375,641
Construction in progress	1,413,292	2,328,856	2,138,747	1,603,401
Total capital assets not being depreciated	20,788,933	2,328,856	2,138,747	20,979,042
Capital assets being depreciated:				
Furniture and equipment	4,656,901	154,586	-	4,811,487
Buildings	58,039,099	75,283	-	58,114,382
Airport improvements	69,245,280	2,037,647	-	71,282,927
Total capital assets being depreciated	131,941,280	2,267,516	-	134,208,796
Less accumulated depreciation for:				
Furniture and equipment	3,380,339	319,024	-	3,699,363
Buildings	27,386,765	1,525,004	-	28,911,769
Airport improvements	40,338,809	3,214,846	-	43,553,655
Total accumulated depreciation	71,105,913	5,058,874	-	76,164,787
Total capital assets being depreciated, net	60,835,367	(2,791,358)	-	58,044,009
Net capital assets	\$ 81,624,300	\$ (462,502)	\$ 2,138,747	79,023,051

**Note 6—Long-term liabilities**

Long-term liabilities activity for the year ended September 30, 2024 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Net pension liability	\$ 1,216,732	\$ -	\$ 680,003	\$ 536,729	\$ -
Compensated absences	30,845	46,558	52,054	25,349	7,605
Total long-term liabilities	\$ 1,247,577	\$ 46,558	\$ 732,057	\$ 562,078	\$ 7,605

Long-term liabilities activity for the year ended September 30, 2023 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Net pension liability	\$ 1,034,291	\$ 182,441	\$ -	\$ 1,216,732	\$ -
Compensated absences	60,948	36,477	66,580	30,845	9,254
Total long-term liabilities	\$ 1,095,239	\$ 218,918	\$ 66,580	\$ 1,247,577	\$ 9,254

# ST. JOHNS COUNTY AIRPORT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024 AND 2023

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### **Note 7—State of Florida pension plans**

#### ***Defined Benefit Plans***

The Authority participates in two defined benefit pension plans that are administered by the state of Florida, Department of Management Services, Division of Retirement. The plans provide retirement, disability, or death benefits to retirees or their designated beneficiaries. Chapter 121, Florida Statutes, establishes the authority for benefit provisions. Changes to the law can only occur through an act of the Florida legislature. The state of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report is available from the Florida Department of Management Services' website ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The Florida Retirement System ("FRS") Pension Plan is a cost-sharing, multiple-employer, defined benefit pension plan with a Deferred Retirement Option Program ("DROP") available for eligible employees. The FRS was established and is administered in accordance with Chapter 121, Florida Statutes. Retirees receive a lifetime pension benefit with joint and survivor payment options. FRS membership is compulsory for employees filling regularly established positions in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, Florida Statutes, or allowed to participate in a defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations is optional.

The Retiree Health Insurance Subsidy ("HIS") Program is a cost-sharing, multiple-employer, defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The benefit is a monthly payment to assist retirees and surviving beneficiaries of the state-administered retirement systems in paying their health insurance costs. To be eligible to receive a HIS benefit, a retiree, under a state administered retirement system, must provide proof of eligible health insurance coverage, which can include Medicare.

#### ***Benefits Provided***

Benefits under the FRS pension plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement plan and/or class to which the member belonged when the service credit was earned.

Eligible retirees and beneficiaries receive a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$7.50. The minimum payment is \$45 and the maximum payment is \$225 per month, pursuant to Section 112.363, Florida Statutes.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 7—State of Florida pension plans (continued)**

**Contributions**

The contribution requirements of plan members and the employer are established and may be amended by the Florida legislature. Employees are required to contribute 3.00% of their salary to the FRS pension Plan. The employer's contribution rates as of September 30 were as follows:

	2024		2023	
	FRS	HIS	FRS	HIS
Regular class	11.63%	2.00%	11.57%	2.00%
Special risk class	30.79%	2.00%	30.67%	2.00%
Senior management service class	32.52%	2.00%	32.52%	2.00%
City, county, special district elected officers	56.68%	2.00%	56.68%	2.00%
DROP	19.13%	2.00%	20.79%	2.00%

The employer's contributions for the year ended September 30, 2024, were \$36,038 to the FRS pension plan and \$10,476 to the HIS program. Contributions for the year ended September 30, 2023 were \$99,401 to the FRS pension plan and \$14,813 to the HIS program.

**Pension Liabilities and Pension Expense**

In its financial statements for the year ended September 30, 2024, the Authority reported a liability for its proportionate share of the net pension liability of the FRS pension plan and its proportionate share of the net pension liability of the HIS program. The net pension liabilities were measured as of June 30, 2024. The Authority's proportions of the net pension liabilities were based on its share of contributions to the pension plans relative to the contributions of all participating entities, actuarially determined.

	FRS	HIS
Net pension liability - 2024	\$ 323,376	\$ 213,353
Net pension liability - 2023	\$ 871,254	\$ 345,478
Proportion at:		
Current measurement date	0.000835926%	0.001422258%
Prior measurement date	0.002186507%	0.002175374%
Pension expense - 2024	\$ (21,339)	\$ (7,589)
Pension expense - 2023	\$ 287,760	\$ 171,233

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 7—State of Florida pension plans (continued)**

***Deferred Outflows/Inflows of Resources Related to Pensions***

At September 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,670	\$ -	\$ 2,060	\$ 410
Changes of assumptions	44,322	-	3,776	25,258
Net difference between projected and actual earnings on pension plan investments	-	21,493	-	77
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,580	366,818	34,808	113,344
Employer contributions subsequent to the measurement date	6,516	-	1,646	-
	<u>\$ 112,088</u>	<u>\$ 388,311</u>	<u>\$ 42,290</u>	<u>\$ 139,089</u>

At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS		HIS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 81,803	\$ -	\$ 5,058	\$ 811
Changes of assumptions	56,796	-	9,083	29,937
Net difference between projected and actual earnings on pension plan investments	36,386	-	178	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,064	26,586	44,803	14,324
Employer contributions subsequent to the measurement date	17,813	-	3,211	-
	<u>\$ 240,862</u>	<u>\$ 26,586</u>	<u>\$ 62,333</u>	<u>\$ 45,072</u>

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 7—State of Florida pension plans (continued)**

Deferred outflows of resources related to employer contributions paid subsequent to the measurement date and prior to the employer’s fiscal year-end will be recognized as a reduction of the net pension liability in the reporting period ending September 30, 2025. Other pension related amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<b><u>Years Ending September 30,</u></b>	<b><u>FRS</u></b>	<b><u>HIS</u></b>
2025	\$ (73,657)	\$ (16,922)
2026	(23,812)	(15,809)
2027	(81,856)	(19,911)
2028	(82,004)	(18,842)
2029	(21,410)	(20,379)
Thereafter	-	(6,582)
	<b><u>\$ (282,739)</u></b>	<b><u>\$ (98,445)</u></b>

***Actuarial Assumptions***

The total pension liability for each of the defined benefit plans was measured as of June 30, 2024 and determined by an actuarial valuation dated July 1, 2024. The individual entry age normal actuarial cost method was used for each plan, along with the following significant actuarial assumptions:

	<b><u>FRS</u></b>	<b><u>HIS</u></b>
Inflation	2.40%	2.40%
Salary increase	3.50%	3.50%
Investment rate of return	6.70%	3.93%

Mortality assumptions for the FRS pension plan were based on PUB2010 base tables varies by member category and sex, projected generationally with Scale MP-2018. Mortality assumptions for the HIS program were based on Generational PUB2010 with Projection Scale MP-2018.

For both plans, the actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2018, through June 30, 2023.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 7—State of Florida pension plans (continued)**

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the consulting actuary’s assumptions based on the long-term target asset allocation:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Annual Arithmetic Return</b>	<b>Compound Annual (Geometric) Return</b>
Cash	1.0%	3.3%	3.3%
Fixed income	29.0%	5.7%	5.6%
Global equity	45.0%	8.6%	7.0%
Real estate	12.0%	8.1%	6.8%
Private equity	11.0%	12.4%	8.8%
Strategic investments	2.0%	6.6%	6.2%
	<u>100%</u>		

**Discount Rate**

The discount rate used to measure the total pension liability for the FRS pension plan was 6.70% for both the July 1, 2024 and 2023 actuarial valuations. FRS’ fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS program is essentially funded on a pay-as-you-go basis, municipal bond rates of 3.93% and 3.65% were used the July 1, 2024 and 2023 actuarial valuations, respectively, to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 7—State of Florida pension plans (continued)**

**Sensitivity Analysis**

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the employer's proportionate share of the net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate:

	FRS			HIS		
	1.00% Decrease (5.70%)	Current Discount Rate (6.70%)	1.00% Increase (7.70%)	1.00% Decrease (2.93%)	Current Discount Rate (3.93%)	1.00% Increase (4.93%)
Authority's proportionate share of the net pension liability at September 30, 2024	\$ 568,806	\$ 323,376	\$ 117,775	\$ 242,875	\$ 213,353	\$ 188,845
	1.00% Decrease (5.70%)	Current Discount Rate (6.70%)	1.00% Increase (7.70%)	1.00% Decrease (2.65%)	Current Discount Rate (3.65%)	1.00% Increase (4.65%)
Authority's proportionate share of the net pension liability at September 30, 2023	\$ 1,488,279	\$ 871,254	\$ 355,038	\$ 394,137	\$ 345,478	\$ 305,144

**Pension Plans' Fiduciary Net Position**

Detailed information about the pension plans' fiduciary net position is available in the State's separately issued financial reports.

**Defined Contribution Plan**

Pursuant to Chapter 121, Florida Statutes, the Florida legislature created the Florida Retirement Investment Plan ("FRS Investment Plan"), a defined contribution pension plan qualified under Section 401(a) of the Internal Revenue Code. The FRS Investment Plan is an alternative available to members of the Florida Retirement System in lieu of the defined benefit plan. There is a uniform contribution rate covering both the defined benefit and defined contribution plans, depending on membership class. Required employer contributions made to the plan totaled \$30,864 and \$54,904 for the years ended September 30, 2024 and 2023, respectively.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2024 AND 2023

**Note 8—Commitments**

The following is a summary of the major construction contract commitments remaining at fiscal year-end.

<b>Project</b>	<b>Contract Amount</b>	<b>Completed to Date</b>	<b>Balance Committed</b>
Design New T-Hangars	\$ 2,320,000	\$ 309,495	\$ 2,010,505
Hawkeye View Ln Realign	2,410,000	2,117,557	292,443
Airline Equipment Purchase	40,000	13,880	26,120
	<u>\$ 4,770,000</u>	<u>\$ 2,440,932</u>	<u>\$ 2,329,068</u>

**Note 9—Risk management**

The Authority purchases commercial insurance to cover risk of loss for general liability, property and casualty, comprehensive crime, and flood and fire.

The Authority is exposed to various risks and losses related to alleged torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority manages the exposure to these risks through the purchase of commercial insurance.

In the past three years, there have been no claims that have exceeded the Authority's insurance coverage.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS**

*YEAR ENDED SEPTEMBER 30, 2024*

<b>Florida Retirement System</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Employer's proportion of the net pension liability	0.0023%	0.0021%	0.0021%	0.0020%	0.0019%	0.0020%	0.0023%	0.0023%	0.0022%	0.0008%
Employer's proportionate share of the net pension liability	\$ 299,107	\$556,867	\$ 611,344	\$ 595,101	\$ 658,923	\$ 886,280	\$ 173,483	\$ 837,658	\$ 871,254	\$ 323,376
Employer's covered payroll	\$ 682,688	\$ 696,831	\$ 631,369	\$ 593,891	\$ 519,011	\$ 585,496	\$ 688,638	\$ 676,565	\$ 672,227	\$ 359,372
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	43.81%	79.91%	96.83%	100.20%	126.96%	151.37%	25.19%	123.81%	129.61%	89.98%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%	78.84%	96.40%	82.89%	82.38%	83.70%
<b>Health Insurance Subsidy Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Employer's proportion of the net pension liability	0.0023%	0.0023%	0.0020%	0.0018%	0.0017%	0.0017%	0.0019%	0.0019%	0.0022%	0.0014%
Employer's proportionate share of the net pension liability	\$ 229,491	\$263,074	\$ 211,794	\$ 192,448	\$ 189,753	\$ 210,319	\$ 238,605	\$ 196,633	\$ 345,478	\$ 213,353
Employer's covered payroll	\$ 682,688	\$ 696,831	\$ 631,369	\$ 593,891	\$ 519,011	\$ 585,496	\$ 688,638	\$ 676,565	\$ 672,227	\$ 359,372
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	33.62%	37.75%	33.55%	32.40%	36.56%	35.92%	34.65%	29.06%	51.39%	59.37%
Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%	3.00%	3.56%	4.81%	4.12%	4.80%

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS**

*YEAR ENDED SEPTEMBER 30, 2024*

<b>Florida Retirement System</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Contractually retired contribution	\$ 58,677	\$ 55,584	\$ 52,846	\$ 56,681	\$ 61,027	\$ 73,768	\$ 86,800	\$ 97,358	\$ 99,401	\$ 36,038
Contributions in relation to the contractually required contribution	58,677	55,584	52,846	56,681	61,027	73,768	86,800	97,358	99,401	36,038
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$727,518	\$691,528	\$615,500	\$580,058	\$506,497	\$618,277	\$673,800	\$680,144	\$618,120	\$296,441
Contributions as a percentage of covered payroll	8.07%	8.04%	8.59%	9.77%	12.05%	11.93%	12.88%	14.31%	16.08%	12.16%
<b>Health Insurance Subsidy Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Contractually retired contribution	\$ 9,903	\$ 11,482	\$ 10,220	\$ 9,585	\$ 9,549	\$ 10,265	\$ 11,188	\$ 11,292	\$ 14,813	\$ 10,476
Contributions in relation to the contractually required contribution	9,903	11,482	10,220	9,585	9,549	10,265	11,188	11,292	14,813	10,476
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	\$727,518	\$691,528	\$615,500	\$580,058	\$506,497	\$618,277	\$673,800	\$680,144	\$618,120	\$296,441
Contributions as a percentage of covered payroll	1.36%	1.66%	1.66%	1.65%	1.89%	1.66%	1.66%	1.66%	2.40%	3.53%

## **COMPLIANCE AND SINGLE AUDIT**

**Report of Independent Auditor 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  
St. Johns County Airport Authority  
St. Augustine, 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 St. Johns County Airport Authority (the "Authority"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 21, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
August 21, 2025

**Report of Independent Auditor on Compliance for the Major Federal Awards Program and State Financial Assistance Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

To the Board of Directors  
St. Johns County Airport Authority  
St. Augustine, Florida

**Report on Compliance for the Major Federal Program and State Financial Assistance Project**

***Opinion on the Major Federal Program and State Financial Assistance Project***

We have audited the St. Johns County Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements identified as subject to audit in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on the Authority's major federal program and state financial assistance project for the year ended September 30, 2024. The Authority's major federal program and state financial assistance project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and state financial assistance project for the year ended September 30, 2024.

***Basis for Opinion on the Major Federal Program and State Financial Assistance Project***

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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

***Responsibility of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program or the state financial assistance project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program and state financial assistance project is not modified with respect to these matters.

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

## Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 or state financial assistance project 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 or state financial assistance project 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 or state financial assistance project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 to be significant deficiencies.

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.

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

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 Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
August 21, 2025

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**

YEAR ENDED SEPTEMBER 30, 2024

<u>Federal / State Agency, Pass-Through Entity, Federal Program / State Project, Project Name</u>	<u>Assistance Listing Number / CSFA</u>	<u>Contract Number</u>	<u>Expenditures*</u>
<b>Federal Awards</b>			
Department of Transportation:			
Federal Aviation Administration			
Airport Improvement Program:			
Reconstruct Security Fence	20.106	3-12-0073-052-2023	\$ 1,518,388
Rehabilitate Contract Tower	20.106	3-12-0073-053-2023	192,000
Total Expenditures of Federal Financial Assistance			<u>\$ 1,710,388</u>
<b>State Financial Assistance</b>			
Florida Department of Transportation:			
Aviation Grant Program:			
PDE Study West Access Rd.	55.004	G1993	\$ 500
Design New T-Hangars	55.004	G2F06	134,652
Security Fencing, Gates & Access Control	55.004	G2L14	74,900
Purchase Airline Equipment	55.004	G2T45	11,104
Hawkey View Lane Realignment	55.004	G2V47	1,694,045
Total Expenditures of State Financial Assistance			<u>\$ 1,915,201</u>

\* The Authority did not provide awards to subrecipients.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**

*SEPTEMBER 30, 2024*

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**Note 1—Basis of presentation**

*Reporting Entity* – The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the federal and state award activity of the St. Johns County Airport Authority (the “Authority”) for the year ended September 30, 2024 in accordance with the Uniform Guidance. Since the Schedule presents only a select portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the Authority.

**Note 2—Summary of significant accounting policies**

Expenditures reported in the Schedule are reported on the accrual basis of accounting.

**Note 3—Indirect cost rate**

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

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2024

**Part I – Summary of Auditor's Results**

**Financial Statement Section**

Type of auditor's report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes          x     no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes          x     none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes          x     no

**Federal Awards and State Projects Section**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes          x     no

Significant deficiency(ies) identified?

    x     yes      \_\_\_\_\_ none reported

Type of auditor's report on compliance for the major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or Chapter 10.550?

    x     yes      \_\_\_\_\_ no

Identification of major federal programs and state projects:

**Federal Program:**

<u>Name of Program</u>	<u>Assistance Listing Number</u>
Airport Improvement Program	20.106

**State Projects:**

<u>Name of Program</u>	<u>Assistance Listing Number</u>
Florida Department of Transportation Aviation Grant Program	55.004

Dollar threshold used to determine Type A programs:

Federal	\$ 750,000
State	<u>\$ 574,560</u>

Auditee qualified as low-risk auditee for federal purposes?

\_\_\_\_\_ yes          x     no

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2024

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**Part II – Financial Statement Findings**

None reported.

**Part III – Federal Awards Findings and Questioned Costs**

**U.S. Department of Transportation**  
**Assistance Listing # 20.106 – Airport Improvement Program**

2024-001: Equipment and Real Property Management (Significant Deficiency in Internal Control over Compliance and Immaterial Noncompliance)

**Criteria:** Property records for equipment purchased with federal funds must be maintained at a level of detail that includes a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award identification number), who holds title, the acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property (2 CFR section 200.313(d)(1)).

**Condition:** Our testing of the expenditures of Airport Improvement Program funds identified \$192,000 of equipment purchased as part of the rehabilitation of the air traffic control tower. This equipment was recorded in the Authority's property records. However, the property records did not contain the required data elements noted above.

**Effect:** The Authority lacks a policy for recording federally funded equipment purchases within the property records that ensures the required data elements are captured within the property records. As a result, the Authority was not compliant with the equipment and real property management requirements of the Airport Improvement Program.

**Cause:** The Authority's management during the 2024 fiscal year did not appear to be aware of the equipment and real property management requirements of the Airport Improvement Program.

**Questioned Costs:** None

**Context:** The Authority administered two Airport Improvement Programs during the 2024 fiscal year. Total 2024 expenditures of Airport Improvement Program funds amounted to \$1,710,388. Of this amount, \$192,000 was for equipment that is subject to the equipment and real property management.

**Recommendation:** We recommend the Authority review its current policies, procedures, and internal controls over the expenditure of federal awards. We recommend management establish a procedure for tracking equipment purchased with federal funding to ensure the property records contain the required data elements of the equipment and real property management compliance requirement of the Airport Improvement Program.

**Management's Response:** We agree with the auditor's findings and will implement procedures to ensure our property records capture the date elements required by the equipment and real property management compliance requirement.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)**

YEAR ENDED SEPTEMBER 30, 2024

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**Part IV – State Projects Findings and Questioned Costs**

**Florida Department of Transportation**  
**CSFA# 55.004 – Aviation Grant Programs**

2024-002: Reporting (Significant Deficiency in Internal Control over Compliance)

**Criteria:** Under the State of Florida’s Aviation Grant Program, progress reports are required to be submitted in conjunction with reimbursement requests.

**Condition:** For each of the three progress reports selected for testing, evidence of management’s review and approval of the reports was not maintained.

**Effect:** While there were no errors noted in the reports selected for testing, without documentation of management’s review and approval of these reports, it is not possible to monitor whether the internal control over grant reporting is being performed.

**Cause:** The Authority has established a process where progress reports are prepared by the controller and reviewed and approved by the executive director. However, documentation of the executive director’s review and approval was not required by policy.

**Questioned Costs:** None

**Context:** In testing the reporting compliance requirement, we selected three of the ten progress reports submitted. All of the selected reports lacked evidence of the executive director’s review and approval.

**Recommendation:** Reports submitted to the State should be reviewed and approved by an individual who sufficiently understands the Aviation Grant Program’s reporting requirements. Evidence of the review should be maintained so the Authority can monitor whether the control activity is being performed.

**Management’s Response:** The Authority’s management agrees with the finding and has established a Standard Operating Procedure (SOP) requiring all progress reports to undergo documented review and sign-off by the Executive Director prior to submission. Signed documentation will be retained in the project file to provide verifiable evidence of compliance.

**ST. JOHNS COUNTY AIRPORT AUTHORITY**  
**SUMMARY OF PRIOR AUDIT FINDINGS**

*YEAR ENDED SEPTEMBER 30, 2024*

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**Summary of Prior Audit Findings:**

**2023-001 Internal Control Over Financial Reporting**

*Condition 2023-001* - During the course of our audit, we noted the following groups of transactions that required adjustment in order for the financial statements to achieve fair presentation:

- a. The St. Johns County Airport Authority's (the "Authority") equity in the Florida SAFE investment pool was not adjusted to reflect the fair value provided by the pool on September 30, 2023. As a result, an audit adjustment was proposed to increase the recorded value of the Authority's interest in the pool and recognize investment income in the approximate amount of \$41,000.
- b. An audit adjustment pertaining to a fiscal 2022 accrual was posted by management but not reversed in fiscal 2023. To correct the balance of two construction in progress projects, an audit adjustment was proposed to increase construction in progress by approximately \$31,000.
- c. The cost of a strategic business plan was incorrectly recorded as construction in progress. To correct this error, an adjustment was proposed to decrease construction in progress and increase expense by approximately \$250,000.
- d. As it pertains to unregulated leases, the balance of leases receivable and deferred inflows were not adjusted to reflect the actual September 30, 2023 balances. As a result, an audit adjustment was proposed to increase leases receivable and deferred inflows in the approximate amount of \$55,000.
- e. The balance of accrued wages payable was not adjusted to reflect the actual balance on September 30, 2023. As a result, an audit adjustment was proposed to increase salary expense and wages payable by approximately \$25,000.

*Status* - These conditions were not observed in the current year.

## **OTHER REPORTS**

## Independent Auditor's Management Letter

To the Board of Directors  
St. Johns County Airport Authority  
St. Augustine, Florida

### Report on the Financial Statements

We have audited the financial statements of the St. Johns County Airport Authority (the "Authority") as of and for the fiscal years ended September 30, 2024 and 2023, and have issued our report thereon dated August 21, 2025.

### Auditors' Responsibility

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Chapter 10.550, Rules of the Auditor General.

### 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 of on Compliance for the Major Federal Program and State Project and Report on 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 in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated August 21, 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. Corrective actions have been taken to address findings and 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. Such information is disclosed Note 1 to the financial statements.

### 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 the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined the Authority 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 the Authority. It is management's responsibility to monitor the Authority'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.

**Property Assessed Clean Energy (“PACE”) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Authority shall make a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Authority’s geographical boundaries during the fiscal year under audit. In this regard, a PACE program did not operate within the Authority’s physical boundaries.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Authority, a list of all program administrators and third party administrators that administered the program. As noted above, the Authority did not operate a PACE program within its geographical area.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Authority, the full names and contact information of each such program administrator and third party administrator. As noted above, the Authority did not operate a PACE program within its geographical area.

**Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Authority provided the following information (unaudited):

- a. The total number of Authority employees compensated in the last pay period of the Authority’s fiscal year was 11.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority’s fiscal year was zero.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$952,744.
- d. All compensation earned or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as zero.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority 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 described below:

<u>Project</u>	<u>Approved Amount</u>	<u>Completed to Date</u>
Design New T-Hangars	\$2,320,000	\$309,495

- 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 Authority amends a final adopted budget under Section 159.016(6), Florida Statutes, as zero. There were no budget amendments during the fiscal year.

**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 abuse, that have occurred, or are likely to have occurred, that have 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 of the St. Johns County Airport Authority, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Cherry Bekaert LLP*

Orlando, Florida  
August 21, 2025

**Report of Independent Accountant on Compliance  
with Local Government Investment Policies**

To the Board of Directors  
St. Johns County Airport Authority  
St. Augustine, Florida

We have examined the St. Johns County Airport Authority's (the "Authority") compliance with the requirements of Section 218.415, Florida Statutes (the "specified requirements"), during the year ended September 30, 2024. Management is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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 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 engagement.

Our examination does not provide legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the Authority Board members, and applicable management and is not intended to be, and should not be, used by anyone other than the specified parties.

*Cherry Bekaert LLP*

Orlando, Florida  
August 21, 2025



ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

Aug 20, 2025

St. Johns County Airport Authority

For the Fiscal Year Ended September 30, 2024

**Finding Number: 2024-001**

**Equipment and Real Property Management (Internal Control and Compliance)**

**Condition**

Our testing of the expenditures of Airport Improvement Program funds identified \$192,000 of equipment purchased as part of the rehabilitation of the air traffic control tower. This equipment was recorded in the Authority's property records. However, the property records did not contain the required data elements noted above.

***Response/Planned Corrective Action***

We agree with the auditor's findings and have already taken corrective measures to ensure compliance. Specifically, we conducted a full review of the Authority's property records and updated the equipment entries associated with this project to include all required data elements.

To strengthen compliance moving forward, we have created a Standard Operating Procedure (SOP) that mandates completion of all required data elements before any asset record is finalized. In addition, the SOP establishes a protocol for conducting periodic internal audits of property records to confirm accuracy, completeness, and adherence to federal requirements.

These corrective actions have already been implemented, and the Authority will maintain ongoing oversight to prevent recurrence.

**Finding Number: 2024-002**

**Reporting (Internal Control)**

**Condition**

For each of the three progress reports selected for testing, evidence of management's review and approval of the reports was not maintained.

***Response/Planned Corrective Action***

The Authority's management agrees with the finding and has established a Standard Operating Procedure (SOP) to ensure management review and approval of progress reports. This SOP requires that all progress reports undergo a documented review and sign-off by the Executive Director prior to submission. The signed documentation is retained as part of the project file to provide verifiable evidence of compliance.



ST. AUGUSTINE/ST JOHNS COUNTY AIRPORT AUTHORITY

### **Certification of Corrective Action Plan**

The St. Johns County Airport Authority certifies that the corrective actions described above have been reviewed, adopted, and implemented to address the audit findings. The Authority is committed to maintaining compliance with all applicable federal and state regulations and will ensure ongoing oversight to prevent recurrence.

Responsible Contact Person:

Courtney K. Pittman

Interim Executive Director, St. Johns County Airport Authority