

Jacksonville Aviation Authority

Annual Financial Report Fiscal Year 2015

Comprehensive Annual Financial Report for the
Fiscal Year Ended September 30, 2015
of the Jacksonville Aviation Authority
Jacksonville, Florida



JAA
Jacksonville
Aviation
Authority

www.flyjacksonville.com

**Jacksonville Aviation Authority
Jacksonville, Florida**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND SEPTEMBER 30, 2014**

PREPARED BY:
FINANCE DIVISION

RICHARD A. ROSSI
CHIEF FINANCIAL OFFICER

DIANE PINKERMAN
DIRECTOR OF FINANCE

www.flyjacksonville.com



September 30, 2015

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September 30, 2015

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Introductory

Annual Financial Report Fiscal Year 2015



JAA

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May 19, 2016

To the Board of Directors of the
Jacksonville Aviation Authority:

We present the Annual Financial Report of the Jacksonville Aviation Authority (the Authority) for the fiscal year ended September 30, 2015. The Finance Department prepared this report. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rest with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, changes in financial position, and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information of the financial position of the Authority.

Reporting Entity and Its Services

The Authority, a public body corporate and politic, was established by the State of Florida on June 5, 2001, to own and operate aviation facilities in Duval County, Florida.

A seven member Board of Directors presently governs the Authority. The Board of Directors establishes Authority policy and appoints a Chief Executive Officer to implement it. The Board of Directors annually elects a Chairman, Vice-Chairman, Secretary, and Treasurer. Directors serve a four year term. Directors may serve a maximum of two successive terms. Directors serve as volunteers and do not receive a salary or any other compensation for their services. The Board of Directors appoints Chief Executive Officer who serves at its pleasure.

Steven Grossman, Chief Executive Officer of the Authority, plans and directs all the programs and activities of the Authority, focusing on the future and the development of long-term business strategies.

The Authority airport system consists of Jacksonville International Airport, Jacksonville Executive at Craig Airport, Herlong Recreational Airport, and Cecil Airport.

Economic Condition and Outlook

Situated in the corner of Northeast Florida, Jacksonville is considered the metropolitan market for over ten Florida and South Georgia counties. The City of Jacksonville is the hub of an array of services that include an international airport, three general aviation airports, a deep-water port, travel and tourism, recreational and sports activities, medical and health, higher education and cultural amenities. With a Metropolitan

Statistical Area (MSA) population of over one million, Jacksonville is on the verge of being classified as a first-tier city. The Jacksonville MSA consists of Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties.

The strength of Jacksonville's economy lies in its uniquely diversified structure, not heavily dependent on any one major employer or employment sector. The community enjoys a natural location for distribution and warehousing activities. Quality lifestyle, labor force, and cultural/educational/medical facilities are considered key resources in the market's ability to sustain future growth.

Long-term Financial Planning

The Authority maintains a five year financial planning horizon. The controlling documents are a five year plan of operating and capital.

The Authority is maintaining, at a minimum, over nine months of operating cash on hand to guard against significant economic downturn. In an effort to provide revenue diversification the Authority is currently pursuing various options in real estate development and sources of non-aviation revenue.

In regards to the Authority's long-term debt obligations, the Authority had \$50.53 million outstanding in revenue bonds and \$87.35 million outstanding in revenue notes, for a total of \$137.88 million in long-term debt outstanding as of September 30, 2015. For the same period the Authority's debt service coverage was 2.10 which exceeds the required 1.25.

Accounting Systems

The management of the Authority is responsible for establishing and maintaining internal control designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible for ensuring that adequate internal control is in place to ensure compliance with laws and regulations related to the Airport Improvement Program (AIP) and the Aviation Safety and Capacity Expansion Act.

The objectives of internal control are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data are recorded, maintained and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable financial records from which financial statements are prepared. These accounting controls provide reasonable assurance that accounting data is reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires judgment by management.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. The Authority is a local government proprietary fund, and therefore the activities are reported in conformity with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board (GASB).

Budgetary Control

The Authority's annual budget is a financial planning tool outlining the estimated revenues and expenses for the Authority. Prior to July 1 of each year, the Authority prepares and submits its budget to the City Council of the City of Jacksonville for the ensuing fiscal year. Budgetary control and evaluation are affected by comparing actual interim and annual results with budget. The Authority conducts periodic reviews to ensure compliance with the provisions of the annual operating budget approved by the Board of Directors and the City Council of the City of Jacksonville. Certain assumptions are made in determining the annual budget and accordingly subsequent results could differ substantially from those projected. In keeping with the requirements of a proprietary fund, budgetary comparisons have not been included in the financial section of this report; however, a narrative on the budget is included in the Notes to the Financial Statements.

Independent Audit

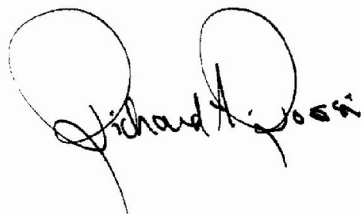
A firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Authority in accordance with auditing standards generally accepted in the United States and to meet the requirements of the Federal Single Audit Act of 1984, as amended. The Authority selected the firm of RSM US, LLP to perform these services. Their opinion is presented with this report. The reports required under the Single Audit Act are presented under separate cover. Each year, the independent certified public accountants meet with the Audit and Finance Committee of the Board of Directors to review the results of the audit.

Acknowledgements

The publication of this annual financial report is the culmination of a year of hard work by the Authority's Finance Department. I appreciate the commitment, effort, and perseverance of the Finance Department staff in the preparation of this report and for our annual accomplishments.

I also thank the Chief Executive Officer, Senior Management, and the Board of Directors for their leadership and support in planning and conducting the financial operations of the Authority in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard A. Rossi". The signature is written in a cursive style with a large initial "R" and "A".

Richard A. Rossi
Chief Financial Officer



Jacksonville, Florida

Board of Directors

Ray Alfred.....	Chairman
Patrick Kilbane.....	Vice Chairman
Teresa H. Davlantes.....	Secretary
Giselle Carson.....	Treasurer
Frank Mackesy.....	Member
Jay Demetree.....	Member
Russell Thomas.....	Member

Senior Staff

Steve Grossman.....	Chief Executive Officer
Tony Cugno.....	Chief Operating Officer
Richard A. Rossi.....	Chief Financial Officer
Rosa Beckett.....	Chief Administrative Officer
Rusty Chandler.....	Chief Cecil Airport and General Aviation
Debra Braga.....	Chief Legal Officer



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Certificate of
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for Excellence
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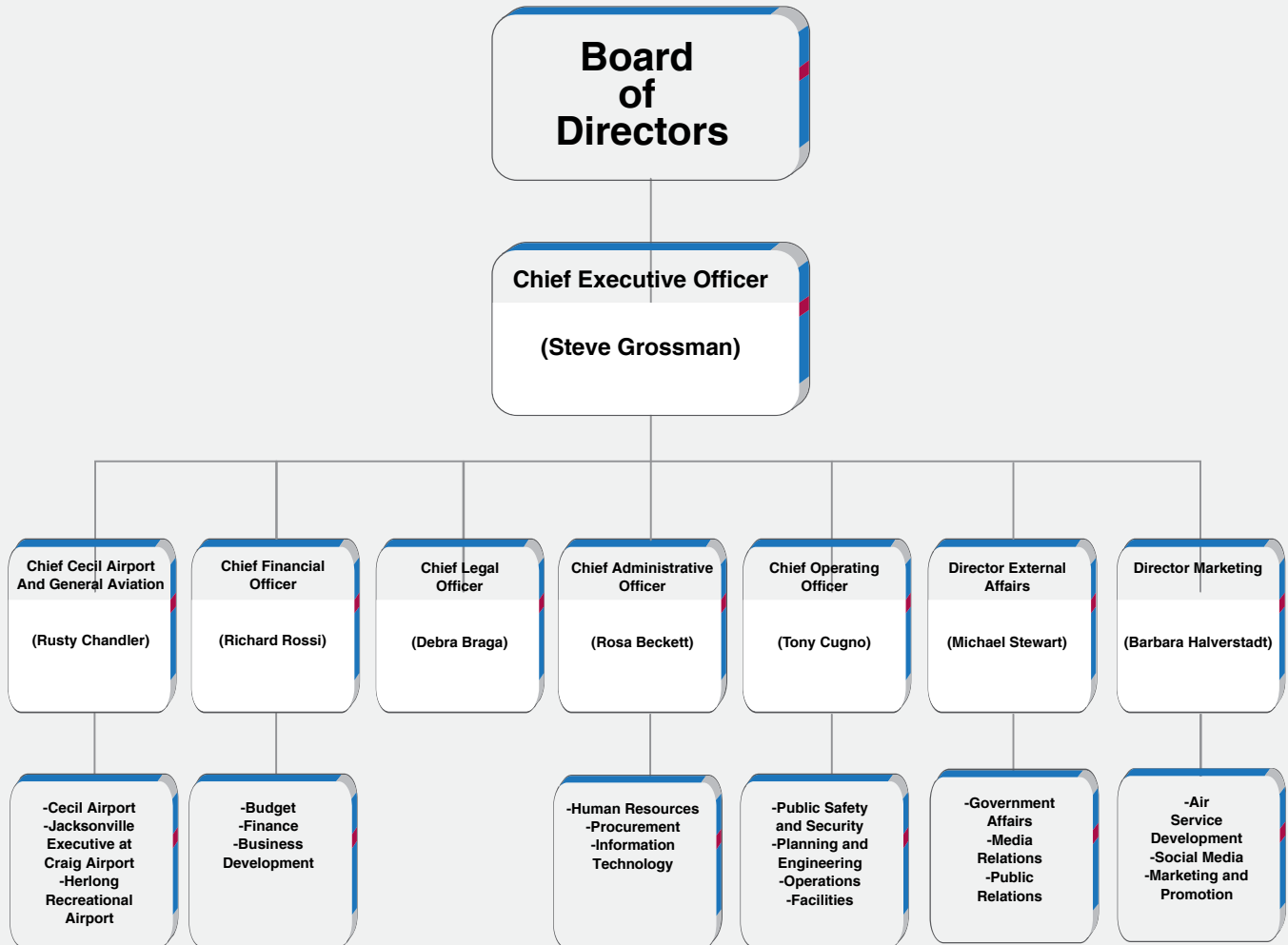
Jacksonville Aviation Authority
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

Jacksonville Aviation Authority Organizational Chart





RSM US LLP

Independent Auditor's Report

The Board of Directors
Jacksonville Aviation Authority
Jacksonville, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Jacksonville Aviation Authority (the Authority), as of and for the years ended September 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

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, 2015 and 2014, and the change in financial position and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transactions for Contributions Made Subsequent to Measurement Date - an Amendment of GASB Statement No. 68*. Accordingly, the net position of the Authority has been restated as of October 1, 2013. Our opinion is not modified in respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), the schedule of funding progress – other post-employment benefits plan, the schedules of the Authority's proportionate share of the net pension liability, and the schedules of Authority contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated May 19, 2016 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

RSM US LLP

Jacksonville, Florida
May 19, 2016

Jacksonville Aviation Authority
Management's Discussion and Analysis

September 30, 2015 and 2014

Introduction

The following discussion and analysis of the financial performance and activity of the Jacksonville Aviation Authority (the Authority) is meant to provide an introduction to and understanding of the Authority's basic financial statements for fiscal years ended September 30, 2015 and 2014. The discussion has been prepared by management and is unaudited and should be read in conjunction with the financial statements and associated notes thereto, which follow this section.

The Authority is a body corporate and politic, established by the state of Florida on June 5, 2001, pursuant to the provisions of Chapter 2001-319 of the Laws of Florida, to own and operate aviation facilities in Duval County, Florida. Prior to October 1, 2001, the Authority operated as a division of the Jacksonville Port Authority. Pursuant to the provisions of Chapter 2005-328 of the Laws of Florida, the Authority changed its name from Jacksonville Airport Authority to Jacksonville Aviation Authority effective June 10, 2005.

The Authority consists of a seven member board, four members appointed by the Governor of the State of Florida and confirmed by the State Senate, and three members appointed by the Mayor of the City of Jacksonville and confirmed by the City Council of the City of Jacksonville.

The Authority operates an airport system that consists of four airports: Jacksonville International Airport (JIA), Jacksonville Executive at Craig Airport, Herlong Recreational Airport and Cecil Airport. The organization consists of approximately 263 full-time employees in a structure that includes administration, airport management and operations, and police.

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenues from concessions to fund operating expenses. The Authority is not taxpayer funded. The capital construction program is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs) and Authority revenues.

The accompanying financial statements present the financial position of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

Using the Financial Statements

The Authority's financial report includes three financial statements: the statements of net position, the statements of revenues, expenses and changes in net position and the statements of cash flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital asset related costs are capitalized and are depreciated (except land and construction in progress) over their estimated useful lives. Certain components of net position are restricted for debt service and, where applicable, for construction activities.

The statements of net position each present the Authority's financial position as of one point in time, September 30, 2015 and 2014, and include all assets and deferred outflows of resources and liabilities and deferred inflows of resources of the Authority. The statements of net position demonstrate that the Authority's assets and deferred outflows of resources equal liabilities and deferred inflows of resources plus net position. Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position is displayed in three components: invested in capital assets, restricted, and unrestricted.

The statements of revenues, expenses, and changes in net position report total operating revenues, operating expenses, non-operating revenues and expenses, and other changes in net position. Revenues and expenses are categorized as either operating or non-operating based upon management's policy as established and disclosed in the notes to the financial statements. Significant recurring sources of the Authority's revenues, including PFC's, investment income and federal, state and local grants, are reported as non-operating revenues. The Authority's interest expense is reported as non-operating expense.

The statements of cash flows present information about how the Authority's cash and cash equivalents position changed during the fiscal years. The statements of cash flows classify cash receipts and cash payments as resulting from operating activities, financing activities and investing activities.

Authority's Activity Highlights

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of an airport's air trade area (i.e., the geographical area served by an airport). This relationship is particularly true for origin-destination (O&D) passenger traffic, which has been the primary component of demand at JIA. The major portion of demand for air travel at the JIA is largely influenced more by the local characteristics of the area served than by individual air carrier decisions regarding hub and service patterns in support of connecting activity. JIA is classified by the Federal Aviation Administration (FAA) as a medium hub facility based on its percentage of nationwide enplanements.

Passenger enplanements at JIA for the fiscal year ended September 30, 2015 totaled 2.72 million, an increase of 4.58% from the prior fiscal year. The increase is a result of an improving economy. In fiscal year 2014, JIA had enplanements of 2.60 million, an increase of 1.53% from fiscal year 2013.

Authority's Activity Highlights (continued)

Landed weight totaled 3.54 million for fiscal year 2015, a increase of 1.24% from the prior year. In fiscal year 2014, JIA had landed weight of 3.50 million, a decrease of 2.65% from fiscal year 2013.

As in 2014, Delta Airlines and Southwest Airlines dominated 2015 in enplanements activity and landed weight. American, JetBlue, United and US Airways, comprise the remainder of the signatory airlines serving JIA and generated the majority of the enplanements.

Passengers, enplanements and landed weights for the fiscal years ending September 30, were as follows:

	2015	2014	2013
Total passengers	5,425,988	5,191,718	5,125,916
% (decrease) increase	4.51 %	1.28 %	(3.00)%
Enplanements	2,722,032	2,602,821	2,563,570
% (decrease) increase	4.58 %	1.53 %	(3.04)%
Landed weight	3,540,946	3,497,573	3,592,920
% (decrease) increase	1.24 %	(2.65)%	(1.97)%

For fiscal year 2015, the Jacksonville International Airport average daily air carrier departures were 81 compared to 90 and 86 departures in 2014 and 2013, respectively.

Financial Highlights

The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources for fiscal year 2015 by approximately \$477.32 million compared to \$454.74 million and \$440.90 million in fiscal years 2014 and 2013, respectively. Unrestricted net position as of the end of fiscal years 2015, 2014 and 2013 was approximately \$41.00 million, \$37.75 million and \$44.40 million, respectively. The Authority may use these funds for any lawful purpose.

The overall financial position of the Authority has increased as indicated by this fiscal year's increase in total net position. The improving trend for fiscal years 2015 and 2014 is due primarily to earnings from increased passenger activity and rental revenues.

The Authority's total debt decreased by \$12.77 million and \$6.39 million in fiscal years 2015 and 2014, respectively. During fiscal year 2015, the Authority made normal scheduled debt service payments. During fiscal year 2014, the Authority made normal scheduled debt service payments of \$6.39 million.

Operating Revenues

In fiscal year 2015 operating revenues increased by 9.52% from 2014. The primary factor was an increase in Space & facility rentals of 13.14% space rented.

In fiscal year 2014 operating revenues increased by 2.41% from 2013. The primary factor was an increase in Concessions of 7.96% due to an increase in enplanements..

Operating Expenses

In fiscal year 2015 operating expenses before depreciation and amortization increased by 6.85% over 2014. Promotions, advertising & dues increased 46.71% due to increased marketing airline incentives.

In fiscal year 2014 operating expenses before depreciation and amortization increased by 2.18% over 2013. Repairs & maintenance increased 21.98% due to increased spending on preventative maintenance and repairs.

Operating Margin

In fiscal year 2015 the operating margin increased 1.60% from 33.49% in 2014 to 36.04% in 2015. The primary reason for the increase was due to increased enplanements. In fiscal year 2014 the operating margin increased 0.15% from 33.33% in 2013 to 33.49% in 2014.

Non-operating Revenues

Non-operating revenues in fiscal year 2015 increased 6.48% from 2014. This was result of an increase in Passenger Facility Revenue due to increased enplanements.

Non-operating revenues in fiscal year 2014 decreased 7.72% from 2013. This was result of the prior year's increase in fair value of investments.

Non-operating Expenses

Non-operating expenses decreased by 25.16% and 11.42% in fiscal years 2015 and 2014, respectively. This was a result of a decrease in other expenses and a decrease in interest expense which was a result of recent debt refundings and overall reduction in debt outstanding.

Capital Contributions

Capital contributions increased by 17.65% and 17.17% in fiscal years 2015 and 2014, respectively. These fluctuations are influenced by factors such as grant availability and project timing.

Summary Statement of Net Position

The summary statement of net position presents the financial position of the Authority at the end of each fiscal year. The summary statement of net position includes all assets and deferred outflows of resources, liabilities and deferred inflow of resources, and net position of the Authority. Financial position is the difference between total assets and deferred outflows of resources and liabilities and deferred inflows of resources and are an indicator of the current fiscal health of the Authority.

Summary Statement of Net Position

	<i>(dollar amounts in thousands)</i>			
	2015	2014	Increase/ (Decrease) from 2014	% Increase/ (Decrease) from 2014
Assets				
Current	\$ 89,380	\$ 83,106	\$ 6,274	7.55 %
Noncurrent (restricted/other)	23,143	22,464	679	3.02
Capital assets, net	541,669	540,873	796	0.15
Total Assets	<u>654,192</u>	<u>646,443</u>	7,749	1.20
Deferred outflow of resources	11,303	6,303	5,000	79.33 %
Liabilities				
Current	26,356	28,161	(1,805)	(6.41)%
Current - Restricted	13,808	13,669	139	1.02
Long-term	143,509	152,033	(8,524)	(5.61)
Total liabilities	<u>183,673</u>	<u>193,863</u>	(10,190)	(5.26)
Deferred inflow of resources	4,505	5,705	(1,200)	(21.03)%
Net Position				
Net investment in capital assets	404,670	386,556	18,114	4.69 %
Restricted	31,646	30,437	1,209	3.97
Unrestricted	41,001	37,750	3,251	8.61
Total net position	<u>\$ 477,317</u>	<u>\$ 454,743</u>	<u>\$ 22,574</u>	4.96
Working capital				
Current assets	\$ 89,380	\$ 83,106	\$ 6,274	7.55 %
Current liabilities	(40,164)	(41,830)	1,666	(3.98)
Working capital	<u>\$ 49,216</u>	<u>\$ 41,276</u>	<u>\$ 7,940</u>	19.24
Current ratio	2.23	1.99		

During 2015 total assets increased by 1.20%, deferred outflow of resources increased by 79.33%, total liabilities decreased by 5.26%, and total deferred inflow of resources decreased by 21.03%. These changes resulted in an increase in net position of 4.96%.

Summary Statement of Net Position (continued)

	<i>(dollar amounts in thousands)</i>			
	2014	2013	Increase/ (Decrease) from 2013	% Increase/ (Decrease) from 2013
Assets				
Current	\$ 83,106	\$ 66,680	\$ 16,426	24.63 %
Noncurrent (restricted/other)	22,464	30,066	(7,602)	(25.28)
Capital assets, net	540,873	536,478	4,395	0.82
Total Assets	<u>646,443</u>	<u>633,224</u>	13,219	2.09
Deferred outflow of resources	7,867	7,173	694	9.68 %
Liabilities				
Current	28,161	22,057	6,104	27.67 %
Current - Restricted	13,669	8,330	5,339	64.09
Long-term	152,033	156,373	(4,340)	(2.78)
Total liabilities	<u>193,863</u>	<u>186,760</u>	7,103	3.80
Deferred inflow of resources	5,705	292	5,413	1,853.77 %
Net Position				
Net investment in capital assets	386,557	381,529	5,028	1.32 %
Restricted	30,436	27,413	3,023	11.03
Unrestricted	37,750	44,403	(6,653)	(14.98)
Total net position	<u>\$ 454,743</u>	<u>\$ 453,345</u>	<u>\$ 1,398</u>	0.31
Working capital				
Current assets	\$ 83,106	\$ 66,680	\$ 16,426	24.63 %
Current liabilities	(41,830)	(30,387)	(11,443)	37.66
Working capital	<u>\$ 41,276</u>	<u>\$ 36,293</u>	<u>\$ 4,983</u>	13.73
Current ratio	1.99	2.19		

During 2014 total assets increased by 2.09%, deferred outflow of resources increased by 9.68%, total liabilities increased by 3.80% and deferred inflow of resources increased by 1,853.77%. These changes resulted in an increase in net position of 0.31%.

Signatory Airline Rates and Charges

The Authority entered into a new airline use and lease agreement (the agreement) effective October 1, 2012. This is a five year agreement that terminates on September 30, 2017. Airlines that have entered into the agreement are considered signatory airlines. The signatory airlines are responsible for their affiliates. The affiliates claimed by the signatory airlines receive the signatory rate. All other airlines will be assessed at 125 percent of the signatory rates.

In the agreement the terminal and airfield are residual. Under the residual method the Airlines agree to pay the cost of running the terminal and airfield that are not allocated to other airport users or covered by nonairline sources of revenue. The cost less the revenue associated with the terminal is divided by the airline terminal leased square footage to determine the average rental rate. The residual method guarantees the Authority will break even on the airfield and terminal cost centers.

The agreement with the signatory airlines was hybrid in nature, with a residual rate-making methodology for the airfield and a compensatory methodology for the terminal. The Authority also had the ability under the agreement to adjust airlines rates and charges at any time throughout the year to ensure adherence to all financial covenants in its bond resolutions. No such adjustments were made during fiscal years 2015, 2014, and 2013.

The rates and charges for the signatory airlines at September 30 were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Landing fees (per 1,000 lbs. MGLW)	\$ 2.87	\$ 2.80	\$ 2.63
Average terminal rental rate (per square foot)	132.06	133.62	143.23
Conditioned space (per square foot)	167.69	171.31	183.62
Unconditioned space (per square foot)	58.69	59.96	64.27

Note: 2015 rates are estimates

Operating Revenues and Expenses

The following charts and tables show the major sources and the percentage of operating revenues and expenses for fiscal years 2015, 2014 and 2013.

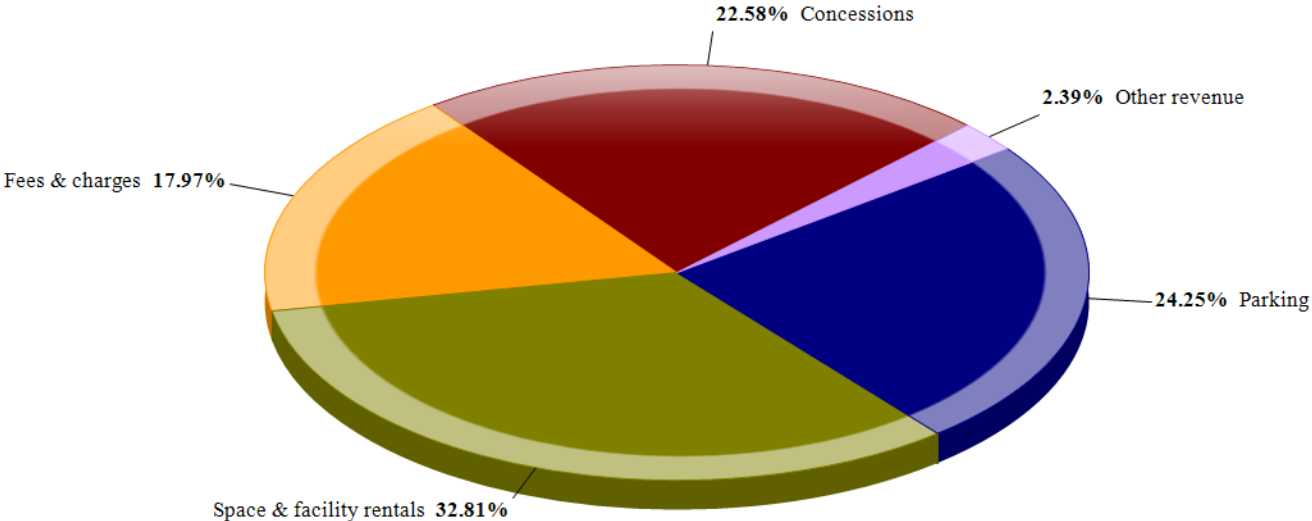
	<i>(dollar amounts in thousands)</i>		
	2015	2014	2013
Operating revenues:			
Concessions	\$ 16,933	\$ 15,504	\$ 14,361
Fees & charges	13,479	12,189	12,513
Space & facility rentals	24,608	21,751	21,478
Parking	18,191	17,257	16,601
Other revenue	1,794	1,783	1,919
Total operating revenues	<u>75,005</u>	<u>68,484</u>	<u>66,872</u>
Operating expenses:			
Wage & benefits	21,578	19,613	20,138
Services & supplies	14,537	14,208	14,054
Repairs & maintenance	2,097	2,209	1,811
Promotions, advertising & dues	2,453	1,672	1,409
Registration & travel	313	289	248
Utilities & taxes	5,116	5,223	5,256
Other operating expenses	1,877	1,682	1,661
Depreciation & amortization	28,575	28,951	27,812
Total operating expenses	<u>76,546</u>	<u>73,847</u>	<u>72,389</u>
Operating loss	(1,541)	(5,363)	(5,517)
Nonoperating revenues:			
Passenger facility charges	10,955	10,554	10,310
Investment income	926	667	659
Payments from primary government	-	-	31
Payments from federal & state agencies	369	483	392
Other revenues	319	100	1,400
Total nonoperating revenues	<u>12,569</u>	<u>11,804</u>	<u>12,792</u>
Nonoperating expenses:			
Interest expense	4,775	5,071	7,273
Other expenses	204	1,582	238
Total nonoperating expenses	<u>4,979</u>	<u>6,653</u>	<u>7,511</u>
Income (loss) before capital contributions	6,049	(212)	(236)
Capital contributions	<u>16,526</u>	<u>14,047</u>	<u>11,989</u>
Change in net position	<u>22,575</u>	<u>13,835</u>	<u>11,753</u>
Net position, beginning of year, as restated	<u>454,742</u>	<u>440,907</u>	<u>441,592</u>
Net position, end of year	<u><u>477,317</u></u>	<u><u>\$ 454,742</u></u>	<u><u>\$ 453,345</u></u>

*The beginning balance as of October 1, 2013 and the amounts in the 2014 column have been adjusted to reflect the adoption of GASB Statements No. 68 and 71.

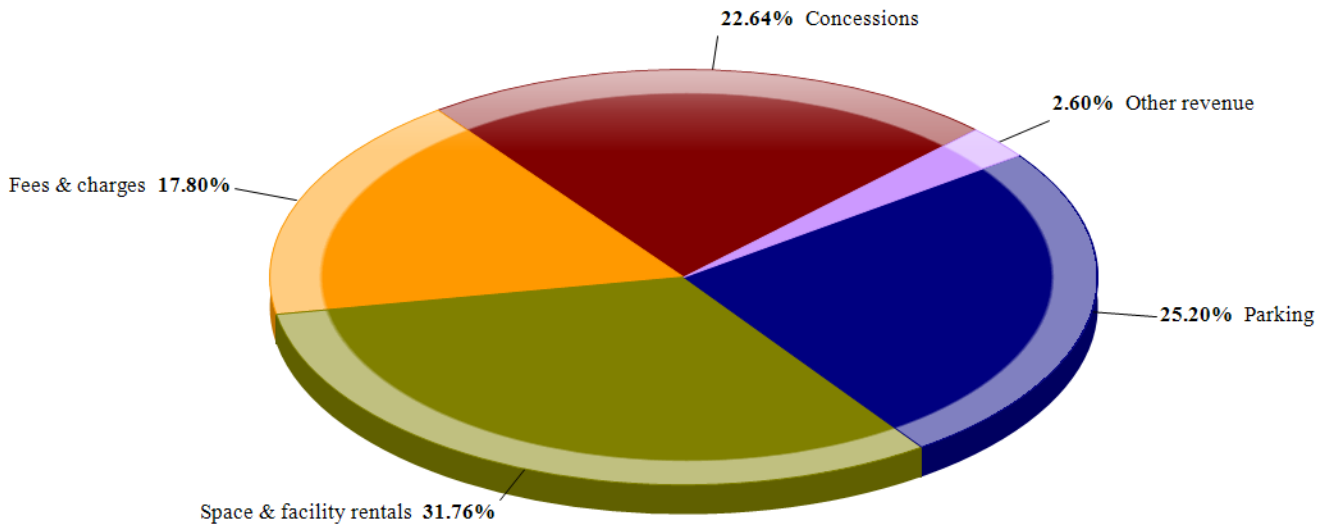
Operating Revenues

Operating revenue increased by 9.52% and 2.41% in fiscal years 2015 and 2014, respectively. Refer to the changes in net position section of this MD&A for additional information related to operating revenues.

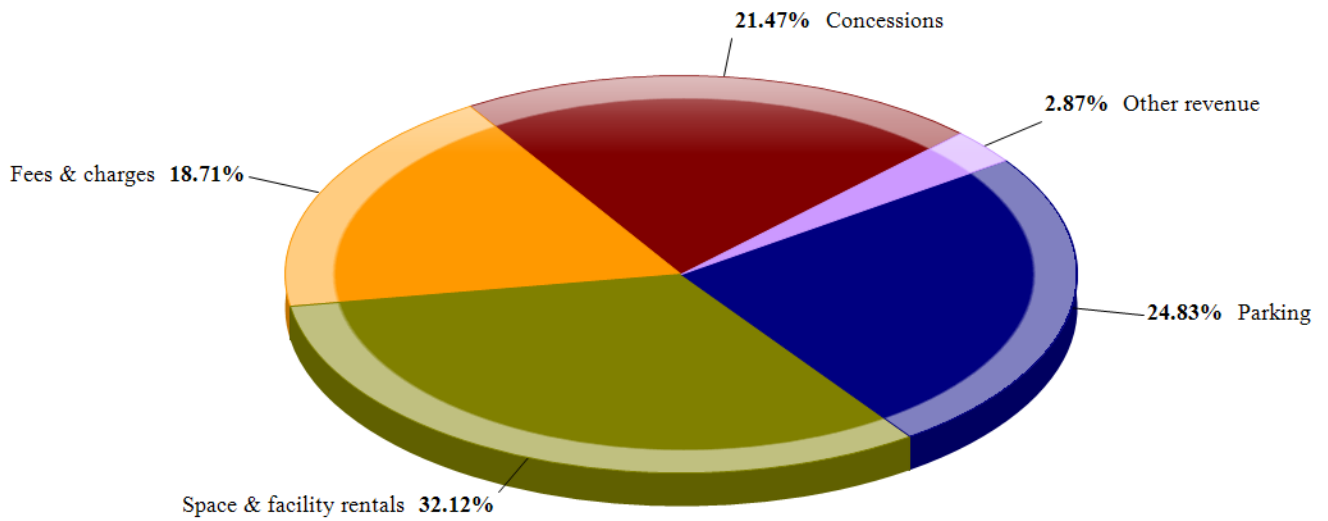
2015 Operating Revenues



2014 Operating Revenues



2013 Operating Revenues



Operating Revenues by Major Source

(dollar amounts in thousands)

	2015	2014	Increase/ (Decrease) from 2014	% Increase/ (Decrease) from 2014
Concessions	\$ 16,933	\$ 15,504	\$ 1,429	9.22 %
Fees & charges	13,479	12,189	1,290	10.58
Space & facility rentals	24,608	21,751	2,857	13.14
Parking	18,191	17,257	934	5.41
Other revenue	1,794	1,783	11	0.62
Total operating revenues	<u>\$ 75,005</u>	<u>\$ 68,484</u>	<u>\$ 6,521</u>	<u>9.52 %</u>

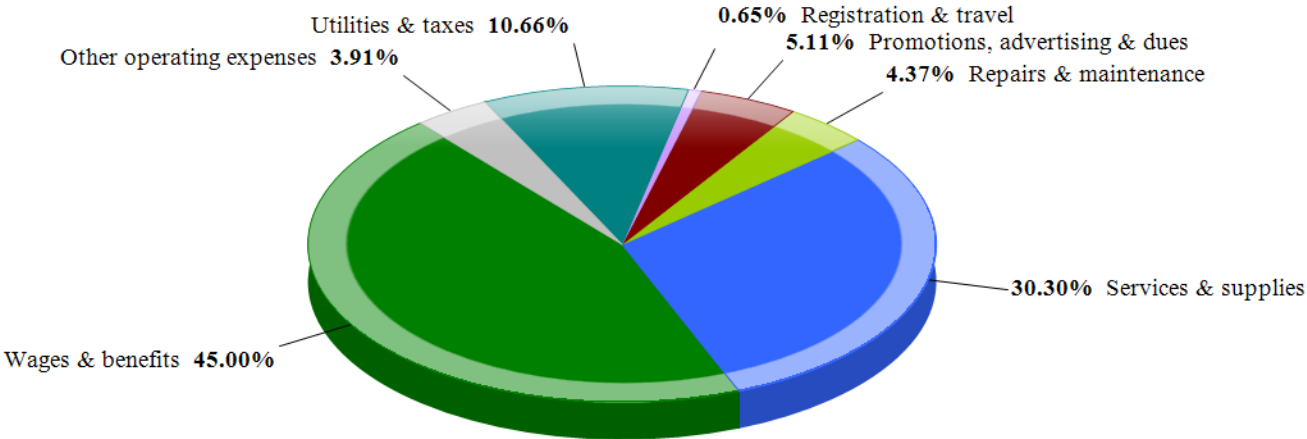
(dollar amounts in thousands)

	2014	2013	Increase/ (Decrease) from 2013	% Increase/ (Decrease) from 2013
Concessions	\$ 15,504	\$ 14,361	\$ 1,143	7.96 %
Fees & charges	12,189	12,513	(324)	(2.59)
Space & facility rentals	21,751	21,478	273	1.27
Parking	17,257	16,601	656	3.95
Other revenue	1,783	1,919	(136)	(7.09)
Total operating revenues	<u>\$ 68,484</u>	<u>\$ 66,872</u>	<u>\$ 1,612</u>	<u>2.41 %</u>

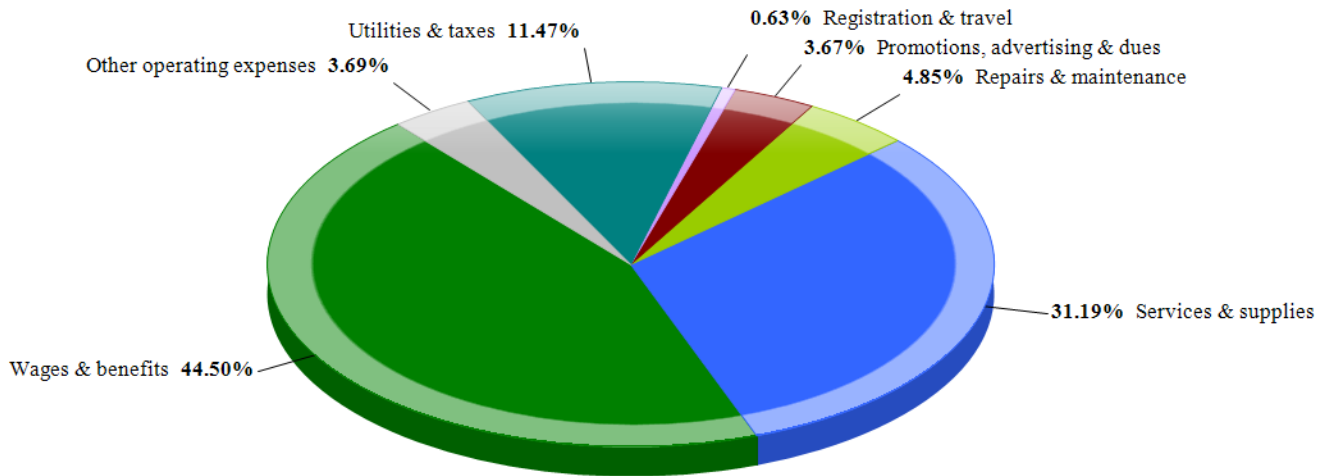
Operating Expenses

Operating expenses, before depreciation and amortization, increased 6.85% and 2.18% in fiscal years 2015 and 2014, respectively. Refer to the changes in net positions section of this MD&A for additional information related to operating expenses.

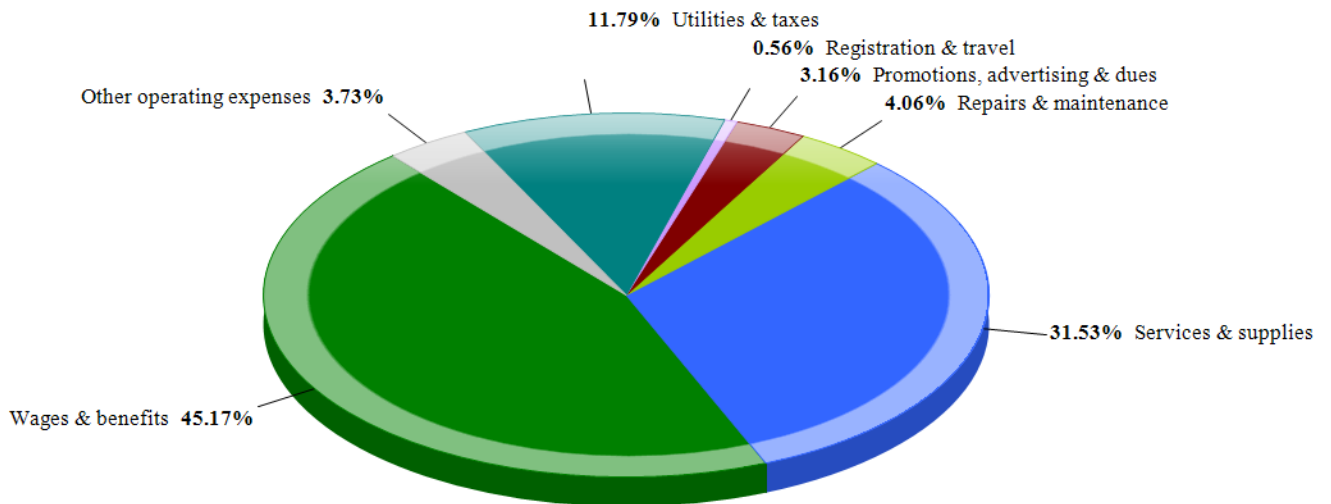
2015 Operating Expenses



2014 Operating Expenses



2013 Operating Expenses



Operating Expense by Major Source

(dollar amounts in thousands)

	2015	2014*	Increase/ (Decrease) from 2014	% Increase/ (Decrease) from 2014
Wages & benefits	\$ 21,578	\$ 19,612	\$ 1,966	10.02 %
Services & supplies	14,537	14,208	329	2.32
Repairs & maintenance	2,097	2,209	(112)	(5.07)
Promotions, advertising & dues	2,453	1,672	781	46.71
Registration & travel	313	289	24	8.30
Utilities & taxes	5,116	5,223	(107)	(2.05)
Other operating expenses	1,877	1,682	195	11.59
Total operating expenses	<u>\$ 47,971</u>	<u>\$ 44,895</u>	<u>\$ 3,076</u>	<u>6.85 %</u>

(dollar amounts in thousands)

	2014	2013	Increase/ (Decrease) from 2013	% Increase/ (Decrease) from 2013
Wages & benefits	\$ 20,264	\$ 20,138	\$ 126	0.63 %
Services & supplies	14,208	14,054	154	1.10
Repairs & maintenance	2,209	1,811	398	21.98
Promotions, advertising & dues	1,672	1,409	263	18.67
Registration & travel	289	248	41	16.53
Utilities & taxes	5,223	5,256	(33)	(0.63)
Other operating expenses	1,682	1,661	21	1.26
Total operating expenses	<u>\$ 45,547</u>	<u>\$ 44,577</u>	<u>\$ 970</u>	<u>2.18 %</u>

*Amounts in 2014 column have been restated for effects of implementation of GASB Statements No. 68 and 71.

Debt Activity

The Authority did not issue any new debt in fiscal year 2015. In 2015, normal debt service payments reduced the overall debt by \$12.77 million. In 2014, the debt service payments reduced the overall debt by \$6.39 million.

Refer to note 10 for a more detailed explanation of long-term debt activity.

Debt Service Coverage

Debt service coverage is a covenant of the bond resolutions requiring that a surplus of funds be available in the amount of 125% of principal and interest due in the subsequent year. This coverage serves as an indicator to bond holders that funds are available for timely debt service payments. Historically, the Authority has maintained a coverage ratio higher than its requirement. The actual debt service coverage ratio for the fiscal years 2015, 2014 and 2013 was 2.10, 2.84 and 1.71, respectively.

Cash and Investment Management

The Authority's cash and cash equivalents increased \$2.37 million for fiscal year 2015 over 2014. Cash and cash equivalents, unrestricted, increased by \$1.12 million and restricted cash and cash equivalents increased by \$1.25 million.

The Authority's cash and cash equivalents increased \$13.37 million for fiscal year 2014 over 2013. In fiscal year 2013 additional cash was needed for financing activities. Cash and cash equivalents, unrestricted, increased by \$2.82 million and restricted cash and cash equivalents increased by \$10.55 million.

Capital Construction

During 2015, the Authority expended approximately \$34.35 million on capital activities. Major projects in 2015 include the design and construction of Hangar 935 and the construction of a taxiway at Cecil Airport.

During 2014, the Authority expended approximately \$29.03 million on capital activities. Major projects in 2014 included the design and construction of Hangar 935 and the northeast development of Spine road at Cecil Airport.

Average monthly capital construction spending was \$2.86 million, \$2.42 million and \$2.36 million for fiscal years 2015, 2014 and 2013, respectively.

Refer to note 6 for a more detailed discussion of capital activity.

Economic Factors and Next Years' Budget

The Authority projected enplanements to increase for fiscal year 2016 in relation to the prior year. Revenues for fiscal year 2016 are forecasted to be approximately \$77.72 million or 3.62% above fiscal year 2015. Operating expenses before depreciation and amortization for fiscal year 2016 are forecasted to be approximately \$50.05 million or 4.33% above fiscal year 2015.

The Authority expects to face fewer challenges in fiscal year 2015 as we anticipate an increase in space and facility rentals and improving financial conditions of the nation's airlines. Cost for security and other operational expenses continue to increase. The Authority continues to seek opportunities to diversify its revenues.

Contacting the Authority's Financial Management

The financial report is designed to provide the Authority's board of directors, management, investors, creditors and customers with a general view of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. For additional information about this report, or if you need additional financial information, please contact Chief Financial Officer, 14201 Pecan Park Road, Jacksonville, Florida 32218.

Jacksonville Aviation Authority

Statements of Net Position

	<i>(dollar amounts in thousands)</i>	
	September 30,	
	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 33,704	\$ 32,458
Investments	28,278	26,593
Cash and cash equivalents - restricted	13,808	13,669
Accounts receivable, net of allowance of \$198 in 2015 and \$48 in 2014	4,444	4,161
Accounts receivable - restricted	1,231	1,322
Grants receivable	5,889	3,132
Interest receivable	134	89
Notes receivable	261	271
Inventory and other assets	1,631	1,411
Total current assets	<u>89,380</u>	<u>83,106</u>
Noncurrent assets:		
Restricted cash and cash equivalents	4,433	3,453
Restricted investments	15,154	15,201
Notes receivable	3,556	3,810
Total noncurrent assets	<u>23,143</u>	<u>22,464</u>
Capital assets:		
Land	71,120	71,120
Construction in progress	15,884	31,755
Property, plant and equipment	889,963	845,049
Less: accumulated depreciation	(436,615)	(408,832)
Other capital assets, net of amortization	1,317	1,781
Total capital assets	<u>541,669</u>	<u>540,873</u>
Total noncurrent and capital assets	564,812	563,337
Total assets	<u>654,192</u>	<u>646,443</u>
Deferred Outflows of Resources		
Derivative instrument - swap	2,466	2,268
Loss on refunding	3,513	4,035
Pension	5,324	1,564
Total deferred outflow of resources	<u>11,303</u>	<u>7,867</u>
Total assets and deferred outflows of resources	<u>\$ 665,495</u>	<u>\$ 654,310</u>

See accompanying notes.

Jacksonville Aviation Authority

Statements of Net Position (continued)

(dollar amounts in thousands)

	September 30,	
	2015	2014
Liabilities		
Current liabilities payable from unrestricted assets:		
Accounts payable	\$ 4,209	\$ 4,014
Accrued expenses	20,569	17,604
Construction contracts and retainage payable	1,578	6,543
Total current liabilities payable from unrestricted assets	26,356	28,161
Current liabilities payable from restricted assets:		
Bonds and notes payable - current portion	12,020	11,765
Accrued interest payable	1,788	1,904
Total current liabilities payable from restricted assets	13,808	13,669
Total current liabilities	40,164	41,830
Long-term liabilities		
OPEB liability	2,018	2,077
Bonds and notes payable	126,688	139,783
Derivative instrument - swap	2,466	2,268
Net pension liability	12,337	7,905
Total long-term liabilities	143,509	152,033
Total liabilities	183,673	193,863
Deferred Inflow of Resources		
Gain on refunding	227	260
Pension	4,278	5,445
Total Deferred Inflow of Resources	4,505	5,705
Net Position		
Net investment in capital assets	404,670	386,555
Restricted for debt service	10,040	9,663
Restricted for capital acquisition and construction	11,202	10,411
Restricted other	10,404	10,363
Unrestricted	41,001	37,750
Total net position	477,317	454,742
Total liabilities and net position	\$ 665,495	\$ 654,310

See accompanying notes.

Jacksonville Aviation Authority

Statements of Revenues, Expenses, and Changes in Net Position

	<i>(dollar amounts in thousands)</i>	
	For the Year Ended September 30,	
	2015	2014
Operating revenues:		
Concessions	\$ 16,933	\$ 15,504
Fees & charges	13,479	12,189
Space & facility rentals	24,608	21,751
Parking	18,191	17,257
Other revenue	1,794	1,783
Total operating revenues	75,005	68,484
Operating expenses:		
Wages & benefits	21,578	19,613
Services & supplies	14,537	14,208
Repairs & maintenance	2,097	2,209
Promotions, advertising & dues	2,453	1,672
Registration & travel	313	289
Utilities & taxes	5,116	5,223
Other operating expenses	1,877	1,682
Operating expenses before depreciation and amortization	47,971	44,896
Operating income before depreciation and amortization	27,034	23,588
Depreciation & amortization	28,575	28,951
Operating loss	(1,541)	(5,363)
Nonoperating revenues:		
Passenger facility charges	10,955	10,554
Investment income	926	667
Payments from federal & state agencies	369	483
Other revenues	319	100
Total nonoperating revenues	12,569	11,804
Nonoperating expenses:		
Interest expense	4,775	5,071
Other expenses	204	1,582
Total nonoperating expenses	4,979	6,653
Income (loss) before capital contributions	6,049	(212)
Capital contributions	16,526	14,047
Change in net position	22,575	13,835
Net position, beginning of year, as restated	454,742	440,907
Net position, end of year	\$ 477,317	\$ 454,742

See accompanying notes.

Jacksonville Aviation Authority

Statements of Cash Flows

	For the Year Ended September 30, (dollar amounts in thousands)	
	2015	2014
Cash Flows from Operating Activities		
Receipts from customers and tenants	\$ 74,815	\$ 68,016
Payments to suppliers for goods and services	(23,573)	(23,706)
Payments to employees for services	(22,012)	(20,252)
Other nonoperating (expense) revenue	203	(1,193)
Net cash provided by operating activities	<u>29,433</u>	<u>22,865</u>
Cash flows non-capital and related financing activities		
Nonoperating grants received	253	242
Net cash provided by non-capital financing activities	<u>253</u>	<u>242</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(34,348)	(29,033)
Principal paid on capital debt	(12,765)	(6,390)
Interest paid on capital debt	(4,478)	(3,748)
Proceeds from sale of equipment	39	39
Contributions-in-aid of construction	13,769	13,228
Passenger facility charges received	10,955	10,554
Net cash used in capital and related financing activities	<u>(26,828)</u>	<u>(15,350)</u>
Cash flows from investing activities		
Increases in notes receivable	-	(336)
Collections on notes receivable	264	237
Interest on investments	875	935
Purchase of investment securities	(44,425)	(40,765)
Proceeds from sale and maturities of investment securities	42,793	45,545
Net cash provided by (used in) investing activities	<u>(493)</u>	<u>5,616</u>
Net change in cash and cash equivalents	2,365	13,373
Cash and equivalents, beginning of year	49,580	36,207
Cash and equivalents, end of year	<u>\$ 51,945</u>	<u>\$ 49,580</u>

See accompanying notes.

Jacksonville Aviation Authority

Statements of Cash Flows (continued)

	For the Year Ended September 30, <i>(dollar amounts in thousands)</i>	
	2015	2014
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating loss	\$ (1,541)	\$ (5,363)
Adjustment to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization expense	28,575	28,951
Increase in accounts receivable	(193)	(468)
Increase in inventory and other assets	(219)	(59)
Increase (decrease) in accounts payable	196	(82)
Increase in pension deferred outflow	(3,761)	(1,564)
Increase in accrued expenses	7,339	(2,802)
(Decrease) increase in pension deferred inflow	(1,166)	5,445
Increase (decrease) in other nonoperating revenue (expense)	203	(1,193)
Net cash provided by operating activities	\$ 29,433	\$ 22,865
Non-cash investing, capital and financing activities:		
Change in fair value of investments	\$ 6	\$ (201)
Capital assets acquired through contracts payable and accruals	\$ 39,787	\$ 29,033
Grants Receivable	\$ 5,889	\$ 3,132

See accompanying notes.

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Notes to Financial Statements

Annual Financial Report Fiscal Year 2015

Notes



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Jacksonville
Aviation
Authority

Jacksonville Aviation Authority

Notes to Financial Statements

September 30, 2015 and 2014

1. Organization and Reporting Entity

Organization

The Jacksonville Aviation Authority (the Authority), a body corporate and politic, was established by the State of Florida (State) on June 5, 2001, pursuant to the provisions of Chapter 2001-319 which was amended on June 17, 2004 by Chapter 2004-464, of the Laws of Florida to own and operate aviation facilities in Duval County, Florida. The Authority is independent, distinct from, and not an agent of the State or any other of the State's political subdivisions, including the County of Duval (County). Prior to October 1, 2001, the Authority operated as a division of the Jacksonville Port Authority. Pursuant to the provisions of Chapter 2005-328 of the Laws of Florida, the Authority changed its name from Jacksonville Airport Authority to Jacksonville Aviation Authority effective June 10, 2005.

The Authority's Board of Directors consists of seven members, four appointed by the Governor of the State of Florida and confirmed by the State Senate and three appointed by the Mayor of the City of Jacksonville (City) and confirmed by the City Council. The Authority is not subject to Federal, State or local income or sales taxes.

Reporting Entity

The Authority follows the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Government Accounting Standards Board (GASB). The accompanying financial statements present the financial activities of the Authority only. The Authority does not have any component units and is not involved in any joint ventures.

2. Summary of Significant Accounting Policies

New Accounting Guidance

GASB 65: Items Previously Reported as Assets and Liabilities

The objective of this statement is to establish accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of Statement No. 65 are effective for financial statements for periods beginning after December 15, 2012, the Authority's fiscal year 2014. The Authority implemented this statement by reclassifying items to deferred outflows and

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

deferred inflows. Due to the immaterial amount of \$945.43 thousand, the Authority elected to expense off to nonoperating expense the remaining unamortized bond issue cost rather than restating beginning net position.

GASB 66: Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62

The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012, the Authority's fiscal year 2014. The implementation of this statement did not have a material impact on the Authority's financial statements.

GASB 67: Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25

The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2013, which is the Authority's fiscal year 2014. The implementation of this statement did not have an effect on the Authority's financial statements.

GASB 68: Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27

This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The objective of Statement No. 68 is to improve accounting and financial reporting by state and local governmental employers about the financial support for pensions that is provided by other entities. It is a result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing useful decision making information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this statement are effective for fiscal years beginning after June 15, 2014, which is the Authority's fiscal year 2015. The Authority adopted GASB 68 in the current fiscal year financial statements, in Note 7, to the Financial Statements, as well as in the Required Supplementary Information Section.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

GASB 69: Government Combinations and Disposals of Government Operations

The objective of Statement No. 69 is to provide specific accounting and financial reporting guidance for combinations in the governmental environment. This statement also improves the decision usefulness of financial reporting by requiring that disclosures be made by governments about combination arrangements in which they engage and for disposal of government operations. The provisions of Statement No. 69 are effective for fiscal years beginning after December 15, 2013 which is the Authority's fiscal year 2015. The implementation of this statement had no impact on the Authority's financial statements.

GASB 70: Accounting and Financial Reporting for Nonexchange Financial Guarantees

The objective of Statement No. 70 is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of Statement No. 70 are effective for fiscal years beginning after June 15, 2013 which is the Authority's fiscal year 2014. The implementation of this statement did not have an effect on the Authority's financial statements.

GASB 71: Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68

The objective of Statement No. 71 is to eliminate a potential source of understatement of restated beginning net position and expense in a government's first year of implementing Statement No. 68. This statement requires state and local governments, when transitioning to the new pension standards, to recognize a beginning deferred outflow of resources for its pension contributions made during the time between the measurement date of the beginning net pension liability and the beginning of the initial fiscal year of implementation. The Authority adopted GASB 71 in the current fiscal year financial statements in Note 7, to the Financial Statements, as well as in the Required Supplementary Information Section.

GASB 72: Fair Value Measurement and Application

The objective of Statement No. 72 is to address accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair-value to certain investments and disclosures related to all fair-value measurements. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015, which is the Authority's fiscal year 2016. The Authority is still evaluating the impact of this statement on the financial statements.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

GASB 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

The objective of Statement No. 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2017, which is the Authority's fiscal year 2018. The Authority is still evaluating the impact of this statement on the financial statements.

GASB 76: The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

The objective of Statement No. 76 is to identify in the context of the current governmental financial reporting environment the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting these principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015, which is the Authority's fiscal year 2016. The Authority is still evaluating the impact of this statement on the financial statements.

GASB 77: Tax Abatement Disclosures

The objective of Statement No. 77 is to provide additional disclosures and information necessary for end users to evaluate the financial health of government and access accountability. This Statement will provide additional disclosures to assess how tax abatements affect the financial position and results of operations, including the ability to raise resources in the future. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2015, which is the Authority's fiscal year 2016. The Authority is still evaluating the impact of this statement on the financial statements.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

GASB 78: Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans

The objective of Statement No. 78 is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2015, which is the Authority's fiscal year 2016. The Authority is still evaluating the impact of this statement on the financial statements.

GASB 79: Certain External Investment Pools and Pool Participants

The objective of Statement No. 79 is to address accounting and financial reporting for certain external investment pools and pool participants. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. The provisions of this statement are effective for reporting periods beginning after December 15, 2015, which is the Authority's fiscal year 2017. The Authority is still evaluating the impact of this statement on the financial statements.

GASB 80: Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14

The objective of Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The provisions of this statement are effective for reporting periods beginning after June 15, 2016, which is the Authority's fiscal year 2017. The Authority is still evaluating the impact of this statement on the financial statements.

GASB 81: Irrevocable Split-Interest Agreements

The objective of Statement No. 81 is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions of this statement are effective for reporting periods beginning after December 15, 2016, which is the Authority's fiscal year 2018. The Authority is still evaluating the impact of this statement on the financial statements.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis. The Authority reports as a business type activity, as defined by the GASB. Business type activities are those that are financed in whole or in part by fees charges to external parties for goods or services.

The Authority's activities are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred. Current assets include cash and amounts convertible to cash during the next normal operating cycle or one year. Current liabilities include those obligations to be liquidated with current assets.

Revenues from airlines, rental cars, parking and concessions are reported as operating revenues. Capital grants, financing or investment related transactions are reported as non-operating revenues. All expenses related to operating the Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

The Authority's bond resolutions specify the flow of funds from revenues and specify the requirements for the use of certain restricted and unrestricted assets.

Net Position

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt net of debt service reserves. Net position is reported as restricted when constraints are imposed by third parties or enabling legislation. The Authority's restricted net position is expendable.

In certain cases, the Authority may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts reported as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Proprietary Accounting and Financial Reporting

The accompanying financial statements have been prepared in conformity with GAAP as applied to governmental units. The GASB is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

Budgeting Requirements

The Authority's annual budgeting process is a financial planning tool used to establish the estimated revenues and expenditures for the Authority. The annual budget is developed after reviewing revenue forecasts, the impact of funding increases on landing fees, rental rates and other rates and charges, prior year actual, current program levels, new operating requirements, and the overall economic climate of the region and airline industry. The budget to actual results are periodically reviewed throughout the year to ensure compliance with the provisions of the Authority's entity-wide annual operating budget, which is approved by the Board of Directors and the City Council of the City.

Prior to July 1 of each year, the Authority prepares and submits its budget to the City Council for the ensuing fiscal year. The City Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis. The Authority's Chief Executive Officer has been delegated the authority to approve budgetary changes to the budget within all categories, subject to the following limitations: once adopted, the total budget may only be increased through action of the City Council; operating budget item transfers may be made with the approval to the Chief Executive Officer or his designee, line-to-line capital budget transfers may be made with the approval of the Chief Executive Officer or his designee if it is cumulatively less than or equal to \$100,000 or with the approval of the Board if over \$100,000. In keeping with the requirements of a proprietary fund budget, budget comparisons have not been included in the financial section of this report.

Revenue Recognition

Airfield Landing Fee Charges – Landing fees are principally generated from scheduled airlines, cargo carriers and non-scheduled commercial aviation and are based on the landed weight of the aircraft. The estimated landing fee structure is determined annually based on the residual cost recovery method, pursuant to an agreement between the Authority and the signatory airlines based on the operating budget of the Authority, and it is adjusted at year-end for the actual landed weight of all aircraft. Landing fees are recognized as a component of operating revenue when the related facilities are utilized. See separate note on Airline Lease and Use Agreement for further details.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Terminal Rents, Concession and Ground Transportation – Rentals and concession fees are generated from airlines, parking structures and lots, rental cars, fixed based operators, food and beverage, retail, advertising and other commercial tenants. Leases with the airlines are based on residual cost recovery method, through rates and charges pursuant to the agreement. Leases are typically for terms from one or more years and generally require rentals based on the volume of business, with specific minimum annual rental payments required. Rental revenue is recognized on a straight line basis over the life of the respective leases and concession revenue is recognized based on reported concession revenue and typically based on a minimum rental guarantee. Rental revenue and concession revenue are recognized as operating revenue on the Statements of Revenues, Expenses, and Changes in Net Position.

Other – All other types of operating revenue are recognized when earned.

Cash, Cash Equivalents and Investments

The deposit and investment of Authority monies is governed by provisions of its enabling legislation and by an investment policy adopted by the Authority. The Governing Body has authorized the Authority to establish bank accounts with a qualified depository pursuant to Chapter 280 of the Florida Statutes. Accordingly, all of the Authority's deposits are considered fully insured.

For purposes of reporting cash flows, the Authority considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents. Cash equivalents, which are stated at cost, consist of money market funds and cash investment pools payable on demand. The Governing Body has authorized the Authority to invest in obligations of the U.S. Government and certain of its agencies, repurchase agreements, investment grade commercial paper, money market funds, corporate bonds, time deposits, bankers' acceptances, state and/or local debt, and the Florida State Board of Administration Investment Pool. Restricted bond proceeds are invested in accordance with the bond indenture agreements. Investments are stated at fair value using quoted market prices.

Receivables

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible accounts is based on collection history, aviation industry trends and current information regarding the credit worthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventory

Inventory consists of supplies and parts, and fuel and is stated at the lower of cost or market on a weighted average and FIFO basis, respectively.

Restricted Assets

Restricted assets consist of monies and other resources, which are legally restricted. Major classes of restricted assets are discussed below.

Operations and maintenance (O&M) fund is an asset representing proceeds restricted to pay the next succeeding two months of budgeted operations and maintenance expenses.

Passenger facility charges (PFC) funds are assets representing PFC collections based on an approved Federal Aviation Administration (FAA) application to “impose” such charges on enplaned passengers at Jacksonville International Airport (JIA). These funds are restricted for designated capital projects and any debt incurred to finance the construction of those projects. The Authority recognizes and reports PFCs as non-operating revenue when all conditions have been met that entitle the Authority to retain the PFCs.

Debt service and Pool bond reserve are assets representing 2006 airport bond debt service and reserve accounts. The debt service funds represent the principal amounts required for the annual October bond payment and the interest amounts required for the semi-annual interest payments. The reserve funds contain the maximum amount of required principal and interest payments for the bond scheduled to come due in one year.

Renewal and replacement fund is deemed to be fully funded when the balance therein is one million dollars. The assets are to be used only to make unusual or extraordinary repairs to facilities included as a part of the airport system, to make required deposits to the debt service fund if available amounts in other funds are not sufficient for such purposes and to make required deposits to the reserve fund and rebate fund if amounts in other funds are not sufficient for such purposes.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at historical cost, net of accumulated depreciation. The Authority's capitalization threshold is \$5,000. The costs for property and facilities includes capitalized interest during the period of construction (see Note 6). Tenants have funded some construction and improvements of airport facilities from their own working capital. Under agreements with the Authority, the property reverts to the Authority upon termination or expiration of the agreement. These assets, when obtained by the Authority, are recorded at fair market value as of date of transfer. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed as incurred.

When properties are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is reflected in current operations.

Depreciation of capital assets is computed using the straight-line method at various rates considered adequate to allocate costs over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

<u>Asset Class</u>	<u>Life in Years</u>
Buildings	5-50
Other improvements	3-50
Equipment	3-20
Intangibles	5-10

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Capitalization of Interest

Interest costs incurred during the construction of capital assets are capitalized.

Bond Issuance Costs

Bond issuance costs represent costs incurred in the process of issuing bonds and are expensed in the year of issuance.

Compensated Absences

Employees accrue annual leave in varying amounts based on length of service combined with position level, up to a maximum of 320 hours. Employees who will accrue more than 320 hours of annual leave by December 31 will be paid for the excess hours on the last pay period of the calendar year. The liability for compensated absences earned through year-end, but not yet taken, is accrued by charging the expense for the change in the liability from the prior year.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resource and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) and Health Insurance Subsidy (HIS) defined benefit plans (Plans), additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the Authority's financial statements. 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 a fair value.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement section, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports an accumulated decrease in fair value of a derivative swap (see note 10), the net deferred loss on refunding of debt, as well as deferred outflows related to pensions in this category.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement section, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently reports deferred inflows related to the net deferred gain on refunding of debt, as well as deferred inflows related to pensions in this category.

Capital Contributions: Federal and State Grants

The Authority receives federal and state grants in support of its capital construction program. The federal program provides funding for airport development, airport planning and noise compatibility programs from the Airport and Airways Trust Funds in the form of both entitlement and discretionary grants for eligible projects. The State of Florida and individual tenants also provide funds for capital programs.

Certain expenditures for airport capital improvements are funded through the airport improvement program (AIP) of the FAA, with certain matching funds provided by the State of Florida's Department of Transportation and the Authority, or from various state allocations or grant programs. Capital funding provided under government grants is considered earned as the allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation and eligible long-term planning studies are reported in the statement of revenues, expenses and changes in net position, after non-operating revenues and expenses, as capital contributions.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport, or furnish opportunities for enhanced competition between or among carriers.

PFC charges at the rate of \$3.00 per enplaned passenger have been levied by the Authority since April 1, 1994, under an FAA approved application to impose \$12.26 million in PFC fees. Since this first record of decision the Authority has submitted and received approval to collect \$349.92 million since inception through July 1, 2024. In February 2003, with an earliest charge effective date of May 1, 2003, the FAA approved an amendment to impose and use passenger facility charges, at JIA at a new rate of \$4.50. This amendment also permits the Authority to finance certain projects with PFC revenues. Through September 30, 2015, the Authority has collected, including interest earnings, PFCs totaling approximately \$202.80 million. PFCs, along with related interest earnings are recognized and recorded as non-operating revenue in the year collected by the air carriers.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The Authority has expended approximately \$190.65 million of PFCs on projects funded on a pay-as-you-go and financing basis.

Arbitrage Rebate Liability

The United States Treasury has issued regulations on calculating the rebate due to the United States Government on arbitrage profits and determining compliance with the arbitrage rebate provisions of the Tax Reform Act of 1986. Arbitrage profits arise when the Authority temporarily invests the proceeds of tax-exempt debt in securities with higher yields. As of September 30, 2015 and 2014 the Authority did not have an arbitrage liability.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, through subsequent events, actual results could differ from those estimated.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

3. Investments

Credit Risk

The primary objectives of the Authority's investment policy are the safety of capital, the liquidity of the portfolio, and the yield of the investments. Bond proceeds may be invested in securities as permitted in the bond indentures. Otherwise, assets of the Authority may be invested in: (a) the Florida Local Government Surplus Funds Trust Fund (Florida PRIME); (b) United States government securities; (c) United States government agencies, federal instruments; (d) federal instrumentalities; (e) interest bearing time deposit or savings accounts, provided that any such deposits are secured by the Security for Public Deposits Act, Chapter 280, Florida Statutes; (f) repurchase agreements; (g) commercial paper at the time of purchase rated "A-1" by Standard & Poor's (S&P) and "P-1" by Moody's Investor Services (Moody's); (h) corporate notes that have a long-term debt rating at the time of purchase, at a minimum "AA" by S&P and "Aa" by Moody's; (i) bankers' acceptances rated, at a minimum, "A-1" by S&P and "P-1" by Moody's; (j) state and/or local government taxable and/or tax-exempt debt rated at least "AA" by S&P and "Aa" by Moody's or rated at least "SP-1" by S&P or "MIG-1" by Moody's for short term debt; (k) registered investment companies (money market mutual funds) registered under the Federal Investment Company Act of 1940 and operated in accordance with 17 C.F.R. 270.2a-7; (l) mortgage-backed securities; (m) asset-backed securities; and (n) short term bond funds.

Consistent with the Authority's investment policy bond resolutions: 1) all of the U.S. government agency securities held in the portfolio are issued or guaranteed by agencies created pursuant to an Act of Congress as an agency of the United States of America and at the time of their purchase were rated AA+ by S&P; 2) the Local Government Surplus Funds Trust Fund is rated AAAM by S&P; it is administered by the State Board of Administration, under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code. The value of the Authority's investment is the same as the value of the pool shares; 3) the money market mutual funds are each rated AAA by S&P. The investments in the Local Government Surplus Funds Trust Fund and the money market mutual funds are classified as cash equivalents on the accompanying statements of net position.

The Authority's investments are rated as follows:

<u>Investment Type</u>	<u>Rating S&P</u>	<u>(dollar amounts in thousands) Fair Value</u>
US Treasury and government agency securities	AAA	\$ 1,809
US Treasury and government agency securities	AA+	1,403
US Treasury and government agency securities	AA	30,756
Money market mutual funds	AAA	7,643
Commercial Paper	A-1	2,867
Corporate Bonds	AAA	2,354
Corporate Bonds	AA-	50
Corporate Bonds	A	3,760
Corporate Bonds	A-	433
Total		<u>\$ 51,075</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

3. Investments (continued)

Interest Rate Risk

Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy requires the investment portfolio to be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the bond resolution relating to those bond issues. The Authority's investment policy also limits investments in commercial paper to maturities not to exceed 270 days.

Investment Maturity Distribution

Type of investments	<i>(dollar amounts in thousands)</i>		
	<i>Less than One Year from 9/30/2015</i>	<i>One to Five Years</i>	<i>Total</i>
US Treasury and government agency securities	\$ 7,629	\$ 26,339	\$ 33,968
Money market mutual funds*	7,643	-	7,643
Commercial Paper	2,867	-	2,867
Corporate Bonds	100	6,497	6,597
Total investments	<u>\$ 18,239</u>	<u>\$ 32,836</u>	<u>\$ 51,075</u>

Type of investments	<i>(dollar amounts in thousands)</i>		
	<i>Less than One Year from 9/30/2014</i>	<i>One to Five Years</i>	<i>Total</i>
US Treasury and government agency securities	\$ 4,976	\$ 28,763	\$ 33,739
Money market mutual funds*	18,694	-	18,694
Commercial Paper	3,396	-	3,396
Corporate Bonds	990	3,669	4,659
Total investments	<u>\$ 28,056</u>	<u>\$ 32,432</u>	<u>\$ 60,488</u>

*Reported as cash equivalents on the statements of net position

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

3. Investments (continued)

Custodial Credit Risk

All securities purchased by, and all collateral obtained by, the Authority under its investment policy shall be properly designated as assets of the Authority and may be held in safekeeping by a third party custodial bank or other third party custodial institution. As of September 30, 2015, all investments of the Authority are held with an appropriated custodian or trustee or are held in accounts in the name of, and belonging to, the Authority.

Concentration of Credit Risk

Exclusive of restricted funds, the following are the Authority's investment percentages limits. The Authority's investment in the Florida Local Government Surplus Funds Trust Fund and the United States Government Securities shall not exceed 100% of the total investment portfolio. The Authority shall not exceed 80% of its portfolio value invested in Federal Instrumentalities. Total United States Government Agencies, Repurchase Agreements, and Registered Investment Companies held by the Authority shall each not exceed 50% of the total value of the investment portfolio. The Authorities investment in Commercial Paper and Bankers Acceptance shall not exceed 35% of the total investment portfolio. Maximum exposure to any Interest Bearing Time Deposits or Savings Accounts, Corporate Notes or Short Term Bond Funds shall be limited to 25% of the total investment portfolio. Maximum exposure to Mortgage-Backed Securities and State and/or Local Government Taxable and /or Tax-Exempt Debt shall not exceed 20% of the total investment portfolio. The Authority shall not exceed 10% of its portfolio value for Asset-Backed Securities.

As of September 30, 2015, all investment holdings of the Authority are in compliance with these policies. Investments in any one issuer representing 5% or more of the Authority's total investments as of September 30, 2015 are as follows: \$7.10 million 13.95% invested in issues of the Federal National Mortgage Association and \$3.28 million 6.41% invested in Federal Home Loan Bank.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

3. Investments (continued)

	<i>(dollar amounts in thousands)</i>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Fair Value</u>
September 30, 2015			
Investments:			
US Treasury and government agency securities	\$ 18,814	\$ 15,154	\$ 33,968
Money market mutual funds*	761	6,882	7,643
Commercial Paper	2,867	-	2,867
Corporate Bonds	6,597	-	6,597
Total investments	<u>\$ 29,039</u>	<u>\$ 22,036</u>	<u>\$ 51,075</u>

	<i>(dollar amounts in thousands)</i>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Fair Value</u>
September 30, 2014			
Investments:			
US Treasury and government agency securities	\$ 18,538	\$ 15,201	\$ 33,739
Money market mutual funds*	12,149	6,545	18,694
Commercial Paper	3,396	-	3,396
Corporate Bonds	4,659	-	4,659
Total investments	<u>\$ 38,742</u>	<u>\$ 21,746</u>	<u>\$ 60,488</u>

*Reported as cash equivalents on the statements of net position

The Authority follows GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustment of the carrying value of investments to fair value to be represented as a component of investment income. Investments are presented at fair value, which is based on available or equivalent market values. The Local Government Surplus Funds Trust Fund Investment Pool (the "Pool"), created by Section 218.405, Florida Statutes, is operated by the Florida State Board of Administration and is a "2a-7 like" pool in accordance with GASB No 31; therefore, it is not presented at fair value but at its actual pooled share price, which approximates fair value. A 2a-7 like pool is not registered with the SEC as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The Local Government Surplus Funds Trust Fund is administered by the State Board of Administration, under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code. The money market mutual funds are 2a-7 funds registered with the SEC.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

3. Investments (continued)

The following shows a reconciliation of the investment categories to the statements of net position for cash equivalents and investments for the fiscal years September 30, 2015 and 2014.

(dollar amounts in thousands)

Cash & Investments as of September 30,
2015

	Cash	Local Government Surplus Fund	Money Market Mutual Funds	Investment Securities	Total Investments	Total Cash & Investments
Current assets:						
Cash and cash equivalents	\$ 32,943	\$ -	\$ 761	\$ -	\$ 761	\$ 33,704
Investments	-	-	-	28,278	28,278	28,278
Restricted cash and cash equivalents	9,203	-	4,605	-	4,605	13,808
Noncurrent assets:						
Restricted cash and cash equivalents	2,156	-	2,277	-	2,277	4,433
Restricted investments	-	-	-	15,154	15,154	15,154
	\$ 44,302	\$ -	\$ 7,643	\$ 43,432	\$ 51,075	\$ 95,377

(dollar amounts in thousands)

Cash & Investments as of September 30,
2014

	Cash	Local Government Surplus Fund	Money Market Mutual Funds	Investment Securities	Total Investments	Total Cash & Investments
Current assets:						
Cash and cash equivalents	\$ 20,309	\$ -	\$ 12,149	\$ -	\$ 12,149	\$ 32,458
Investments	-	-	-	26,593	26,593	26,593
Restricted cash and cash equivalents	9,152	-	4,517	-	4,517	13,669
Noncurrent assets:						
Restricted cash and cash equivalents	1,425	-	2,028	-	2,028	3,453
Restricted investments	-	-	-	15,201	15,201	15,201
	\$ 30,886	\$ -	\$ 18,694	\$ 41,794	\$ 60,488	\$ 91,374

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

4. Receivables

Accounts receivable are recorded net of allowances for uncollectible accounts of \$198 thousand and \$48 thousand at September 30, 2015 and 2014, respectively. Accounts receivable at year-end are comprised of the following:

	<i>Percent of Balance September 30,</i>	
	<i>2015</i>	<i>2014</i>
Receivables from:		
Airlines	77.71 %	79.28 %
Concessionaires/non-aviation	19.21 %	17.01 %
Parking customers	3.07 %	3.71 %

The Authority entered into separate operating and lease agreements with various tenants where the following note receivables were issued: November 01, 2014 for \$87.80 thousand over forty-eight months at no interest, November 01, 2013 for \$250 thousand over fifty-four months at an 8% interest rate, April 1, 2009 for \$465.17 thousand over 83 months at an interest rate of 3.5%, and February 25, 2005 for \$4.63 million over twenty-five years at an interest rate ranging from 6% to 9% . The current rate of interest for 2015 is 8%.

(dollar amounts in thousands)

				<i>Amounts Due</i>
<i>October 1,</i>	<i>Increases</i>	<i>Decreases</i>	<i>September 30,</i>	<i>Within One</i>
<i>2014 Balance</i>			<i>2015 Balance</i>	<i>Year</i>
\$ 4,081	\$ 2	\$ (266)	\$ 3,817	\$ 261

(dollar amounts in thousands)

				<i>Amounts Due</i>
<i>October 1,</i>	<i>Increases</i>	<i>Decreases</i>	<i>September 30,</i>	<i>Within One</i>
<i>2013 Balance</i>			<i>2014 Balance</i>	<i>Year</i>
\$ 3,982	\$ 336	\$ (237)	\$ 4,081	\$ 271

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

5. Restricted Assets

Restricted assets, as of September 30, are as follows:

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Current restricted cash and cash equivalents		
Debt Service	\$ 13,808	\$ 13,669
Non current restricted cash and cash equivalents		
State forfeiture	\$ 19	\$ 47
Federal forfeiture	115	104
Flexible spending	22	15
PFC	1,711	138
Operating and maintenance	129	33
Pooled bond reserve	2,131	1,987
Capital recovery	288	1,121
R&R fund	18	8
Total non current restricted cash and cash equivalents	<u>\$ 4,433</u>	<u>\$ 3,453</u>
Restricted investments		
Pooled bond reserve	\$ 5,053	\$ 5,045
R&R fund	1,026	1,028
O&M fund	9,075	9,128
Total restricted investments	<u>\$ 15,154</u>	<u>\$ 15,201</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

6. Capital Assets

Capital assets activity for the years ended September 30, 2015 and 2014:

	<i>(dollar amounts in thousands)</i>			
	<i>Beginning Balance October 1, 2014</i>	<i>Transfers and Additions</i>	<i>Transfers and Disposals</i>	<i>Ending Balance September 30, 2015</i>
Capital assets not being depreciated:				
Land	\$ 71,120	\$ -	\$ -	\$ 71,120
Construction in progress	31,755	29,383	(45,254)	15,884
Total capital assets not being depreciated	<u>102,875</u>	<u>29,383</u>	<u>(45,254)</u>	<u>87,004</u>
Other capital assets:				
Buildings and Structures	122,462	20,420	-	142,882
Other improvements	666,332	20,901	-	687,233
Equipment	56,255	3,894	(302)	59,847
Total other capital assets	<u>845,049</u>	<u>45,215</u>	<u>(302)</u>	<u>889,962</u>
Intangible capital assets	7,610	38	-	7,648
Less amortization	<u>(5,829)</u>	<u>(501)</u>	<u>-</u>	<u>(6,330)</u>
Total intangible assets	1,781	(463)	-	1,318
Total assets being depreciated	846,830	44,752	(302)	891,280
Total capital assets	949,705	74,135	(45,556)	978,284
Less: Accumulated depreciation				
Buildings	64,911	3,602	-	68,513
Other improvements	308,170	21,246	-	329,416
Equipment	<u>35,751</u>	<u>3,227</u>	<u>(292)</u>	<u>38,686</u>
Total accumulated depreciation	<u>408,832</u>	<u>28,075</u>	<u>(292)</u>	<u>436,615</u>
	<u>\$ 540,873</u>	<u>\$ 46,060</u>	<u>\$ (45,264)</u>	<u>\$ 541,669</u>

Depreciation expense for the years ended September 30, 2015 and 2014 was \$28.08 million and \$28.37 million, respectively. During the fiscal year ended September 30, 2015 and 2014 there was not any capitalized interest.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

6. Capital Assets (continued)

	<i>(dollar amounts in thousands)</i>			
	<i>Beginning Balance October 1, 2013</i>	<i>Transfers and Additions</i>	<i>Transfers and Disposals</i>	<i>Ending Balance September 30, 2014</i>
Capital assets not being depreciated:				
Land	\$ 71,120	\$ -	\$ -	\$ 71,120
Construction in progress	16,138	33,432	(17,815)	31,755
Total capital assets not being depreciated	<u>87,258</u>	<u>33,432</u>	<u>(17,815)</u>	<u>102,875</u>
Other capital assets:				
Buildings	122,157	305	-	122,462
Other improvements	656,132	10,239	(39)	666,332
Equipment	49,686	6,896	(327)	56,255
Total other capital assets	<u>827,975</u>	<u>17,440</u>	<u>(366)</u>	<u>845,049</u>
Intangible capital assets	7,235	375	-	7,610
Less amortization	<u>(5,253)</u>	<u>(576)</u>	<u>-</u>	<u>(5,829)</u>
Total intangible assets	1,982	(201)	-	1,781
Total assets being depreciated	829,957	17,239	(366)	846,830
Total capital assets	917,215	50,671	(18,181)	949,705
Less: Accumulated depreciation				
Buildings	61,453	3,458	-	64,911
Other improvements	286,242	21,928	-	308,170
Equipment	33,042	2,987	(278)	35,751
Total accumulated depreciation	<u>380,737</u>	<u>28,373</u>	<u>(278)</u>	<u>408,832</u>
	<u>\$ 536,478</u>	<u>\$ 22,298</u>	<u>\$ (17,903)</u>	<u>\$ 540,873</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans

Plan Description

Florida Retirement System

All the full-time employees of the Authority participate in the Florida Retirement System (the FRS), a cost sharing multiple-employer defined benefit plan. Benefit provisions are established under Chapter 121, Florida Statutes, which may be amended by the Florida Legislature. The FRS is administered by the State of Florida, Division of Retirement.

The Florida Legislature passed Senate Bill 2100 effective July 1, 2011. This bill changed eligibility requirements and created a mandatory employee contribution of 3%. Because of this bill, there are now two groups of employees participating in the FRS program. These groups are defined by their date of employment; those who began employment before July 1, 2011 and those who began on or after July 1, 2011.

For those employees who began employment before July 1, 2011 the following applies:

The FRS provides vesting of benefits after six years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) six years of service and age 62, or the age after age 62 that the member becomes vested, or thirty years of service regardless of age (may include four years military), whichever comes first; or (2) six years of special risk service and age 55, or twenty-five total years of special risk services and age 52 (may include four years wartime military service), or twenty-five total years special risk service, regardless of age, or thirty years of any creditable service, regardless of age (may include four years wartime military service). Early retirement may be taken any time after completing six years of service; however, there is a 5% benefit reduction for each year prior to normal retirement age. Benefits are computed on the basis of age, average final compensation, and years of service. Average final compensation is the average of the five highest fiscal years of earnings. The FRS also provides death and disability benefits. Benefits are established by Florida Statutes.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

For those employees who began employment on or after July 1, 2011 the following applies:

The FRS provides vesting of benefits after eight years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) eight years of service and age 65, or the age after age 65 that the member becomes vested, or thirty three years of service regardless of age (may include four years military), whichever comes first; or (2) eight years of special risk service and age 60, or thirty total years of special risk services and age 57 (may include four years wartime military service), or thirty total years special risk service, regardless of age, or thirty years of any creditable service, regardless of age (may include four years wartime military service). Early retirement may be taken any time after completing eight years of service; however, there is a 5% benefit reduction for each year prior to normal retirement age. Benefits are computed on the basis of age, average final compensation, and years of service. Average final compensation is the average of the eight highest fiscal years of earnings. The FRS also provides death and disability benefits. Benefits are established by Florida Statutes.

The FRS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the Florida State Retirement System, Division of Policy, Cedars Executive Center Building C, 2639 North Monroe Street, Tallahassee, Florida, 32399-1560, attention Research and Education; or by contacting Research & Education by email at rep@frs.state.fl.us, or by phone at (850) 488-5706.

Funding Policy

Florida Retirement System

The Authority is required by Florida Statute to contribute monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Level-percentage-of-payroll employer contribution rates, established by state law, are determined using the entry-age actuarial funding method. If an unfunded actuarial liability reemerges, as a result of future plan benefit changes, assumption changes, or methodology changes it is assumed any unfunded actuarial liability would be amortized over 30 years, using level dollar amounts. Except for gains reserved for rate stabilization, it is anticipated future actuarial gains and losses are amortized on a rolling 10% basis, as a level dollar amount. The Senate Bill 2100 enacted in July 2011 created a 3% mandatory pre-tax employee contribution, as well as, a reduction in contribution rates for the employer.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The following table shows the required contributions for the different classes of employee participants:

Year		<i>Special risks participants</i>	<i>Deferred retirement option participants</i>	<i>Senior management participants</i>	<i>Regular participants</i>
07/01/2015-06/30/2016	Employer	22.04 %	12.88 %	21.43 %	7.26 %
	Employee	3.00 %	- %	3.00 %	3.00 %
	Total	25.04 %	12.88 %	24.43 %	10.26 %
07/01/2014-06/30/2015	Employer	19.82 %	12.28 %	21.14 %	7.37 %
	Employee	3.00 %	- %	3.00 %	3.00 %
	Total	22.82 %	12.28 %	24.14 %	10.37 %
07/01/2013-06/30/2014	Employer	19.06 %	12.84 %	18.31 %	6.95 %
	Employee	3.00 %	- %	3.00 %	3.00 %
	Total	22.06 %	12.84 %	21.31 %	9.95 %

Contributions made to the FRS were equal to the required amount, as of September 30, are as follows:

	<i>(dollar amounts in thousands)</i>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Employer	\$ 1,712	\$ 1,515	\$ 1,144
Employee	466	429	423
Total	<u>\$ 2,178</u>	<u>\$ 1,944</u>	<u>\$ 1,567</u>

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

At September 30, 2015 and 2014, the Authority reported a liability of \$6.96 million and \$3.15 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2015 and 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

The Authority's proportionate share of the net pension liability was based on the Authority's 2015 and 2014 fiscal year contributions relative to the 2015 and 2014 fiscal year contributions of all participating members. At June 30, 2015 and 2014 the Authority's proportionate share was 0.05388302% and 0.05157812% respectively, which was an increase of 0.00230490% from its proportionate share measured as of June 30, 2014 and an increase of 0.00264650% from its proportionate share measured as of June 30, 2013.

For the fiscal years ended September 30, 2015 and 2014, the Authority recognized pension expense of \$1.31 and \$1.13 million related to the Plan. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<i>(dollar amounts in thousands)</i>			
	2015		2014	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ 735	\$ 165	\$ -	\$ 195
Change of assumptions	461	-	545	-
Net difference between projected and actual earnings on FRS pension plan investments	2,452	4,113	383	5,250
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	614	-	-	-
Authority's contributions subsequent to the measurement date	369	-	351	-
Total	\$ 4,631	\$ 4,278	\$ 1,279	\$ 5,445

For fiscal years ended September 30, 2015 and 2014 deferred outflow of resources related to pensions, totaled \$369.58 and \$351.19 thousand, resulting from Authority contributions to the Plan subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016 and 2015, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30	<i>(dollar amounts in thousands)</i>	
	2015	
	<i>Deferred outflows/(inflows) net</i>	
2016	\$	(172)
2017		(172)
2018		(172)
2019		(172)
2020		(172)

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

	<i>(dollar amounts in thousands)</i>
	2015
	<i>Deferred outflows/(inflows)</i>
	<i>net</i>
Fiscal Year Ending September 30	
Thereafter	844

Actuarial Assumptions

The total pension liability in the July 1, 2015 and 2014 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases - average including inflation	3.25%
Investment rate of return - net of pension plan investment expense including inflation	7.65%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB, with adjustments for mortality improvements based on Scale BB.

The actuarial assumptions used in the July 1, 2015 and 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009, through June 30, 2013.

The long-term expected rate of return on pension plan investments was based on assumptions developed by Milliman's capital market assumptions team and by a capital market assumptions team from Aon Hewitt Investment Consulting, which consults to the Florida State Board of Administration. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model.

July 1, 2015 Actuarial Assumptions:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Target Allocation (1)</u>
Cash	1.00 %	3.20 %	3.10 %	1.70 %
Fixed Income	18.00	4.80	4.70	4.70
Global equity	53.00	8.50	7.20	17.70
Real estate (property)	10.00	6.80	6.20	12.00
Private Equity	6.00	11.90	8.20	30.00
Strategic investments	12.00	6.70	6.10	11.40
Total	100.00 %			

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

July 1, 2015 Actuarial Assumptions:

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Target Allocation (1)</u>
Assumed Inflation - Mean		2.60 %		1.90 %

Note: (1) As outlined in the Plan's investment policy

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

July 1, 2014 Actuarial Assumptions

Asset Class	<i>Target Allocation (1)</i>	<i>Annual Arithmetic Return</i>	<i>Compound Annual (Geometric) Return</i>	<i>Target Allocation (1)</i>
Cash	1.00 %	3.11 %	3.10 %	1.65 %
Intermediate - Term Bonds	18.00	4.18	4.05	5.15
High Yield Bonds	3.00	6.79	6.25	10.85
Broad US equities	26.50	8.51	6.95	18.90
Developed Foreign Equities	21.20	8.66	6.85	20.40
Emerging Market Equities	5.30	11.58	7.60	31.15
Private Equity	6.00	11.80	8.11	30.00
Hedge Funds/Absolute Return	7.00	5.81	5.35	10.00
Real Estate (Property)	12.00	7.11	6.35	13.00
Total	100.00 %			
Assumed inflation - Mean		2.60 %		2.00 %

Note: (1) As outlined in the Plan's investment policy

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for both 2015 and 2014. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

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

The following presents the Authority's proportionate share of the net pension liability as of June 30, 2015 and 2014, as calculated using the discount rate of 7.65%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower 6.65% or 1% point higher 8.65% than the current rate.

	<i>(dollar amounts in thousands)</i>					
	2015			2014		
	<i>1% Decrease 6.65%</i>	<i>Current Discount Rate 7.65%</i>	<i>1% Increase 8.65%</i>	1% Decrease 6.65%	Current Discount Rate 7.65	1% Increase 8.65%
Authority's proportionate share of the net pension liability	\$ 18,034	\$ 6,960	\$ (2,256)	\$ 13,460	\$ 3,147	\$ (5,432)

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

The Retiree Health Insurance Subsidy Program (HIS)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

Benefits Provided

For the fiscal year ended September 30, 2015 and 2014, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS benefit of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015 and 2014, the contribution rate was 1.66% and 1.26% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2015 and 2014, the Authority reported a net pension liability of \$5.38 and \$4.76 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2015 and 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014.

The Authority's proportionate share of the net pension liability was based on the Authority's 2015 and 2014 fiscal year contributions relative to the total 2015 and 2014 fiscal year contributions of all participating members. At June 30, 2015 and 2014, the Authority's proportionate share was 0.05272815%, and 0.05088140% which was an increase of 0.00184675% from its proportionate share measured as of June 30, 2014, and an increase of 0.00079712% from its proportionate share measured as of June 30, 2013.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

For the fiscal year ended September 30, 2015 and 2014, the Authority recognized pension expense of \$201.56 and \$174.30 thousand related to the HIS Plan. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<i>(dollar amounts in thousands)</i>			
	2015		2014	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	<i>Deferred</i> <i>Inflows of</i> <i>Resources</i>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Change of assumptions	423	-	169	-
Net difference between projected and actual earnings on FRS HIS investments	3	-	3	-
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	193	-	60	-
Authority's contributions subsequent to the measurement date	74	-	53	-
Total	\$ 693	\$ -	\$ 285	\$ -

For fiscal years ended September 30, 2015 and 2014 deferred outflows of resources related to pensions, totaling \$74.00 and \$53.00 thousand, resulting from Authority contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2016 and 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30</u>	<i>(dollar amounts in thousands)</i>
	Deferred Outflow/(Inflows) Net
2016	\$ 98
2017	98
2018	98
2019	98
2020	98
Thereafter	129

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

Actuarial Assumptions

The total pension liability in the July 1, 2015 and 2014, actuarial valuations, for the HIS Plan, was determined using the following actuarial assumptions, applied to all periods include in the measurement:

Inflation	2.6%
Salary increases	3.25%, average, including inflation
Investment rate of return	3.8% municipal bond rate

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of the actuarial experience study for the period July 1, 2009, through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability relating to the HIS Plan were 3.80% and 4.29% for 2015 and 2014. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index as adopted as the applicable municipal bond index.

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

The following presents the Authority's proportionate share of the net pension liability, for the HIS Plan, calculated using the discount rate of 3.80% and 4.29% for 2015 and 2014, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1 % point higher than the current rate.

		<i>(dollar amounts in thousands)</i>					
		2015			2014		
		1% Decrease	Current Discount Rate	1% Increase	1% Decrease	Current Discount Rate	1% Increase
		2.80%	3.80%	4.80%	3.29%	4.29%	5.29%
Authority's proportionate share of the net pension liability	\$	6,127	\$ 5,377	\$ 4,752	\$ 5,411	\$ 4,758	\$ 4,212

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2015, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

7. Pension Plans (continued)

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$337,201 for the fiscal year ended September 30, 2015, and \$287,691 for the fiscal year ended September 30, 2014.

8. Deferred Compensation Plans

The Authority offers its employees a deferred compensation plan (the 457 Plan) created in accordance with IRS Code Section 457. The 457 Plan, which is available to all full-time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Investments are managed by the 457 Plan's trustee under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participant.

All 457 Plan assets are held by trustees for the exclusive benefits of participants and beneficiaries. Thus, the assets and liabilities relating to the 457 Plan are not reflected on the Authority's statements of net position.

The Authority also offers its employees a deferred compensation plan (the 401(a) Plan), created in accordance with the IRS Code Section 401(a). The Authority contributes a specified amount for each dollar the employee defers to the 401(a) Plan. All 401(a) Plan assets are held by trustees for the exclusive benefit of participants and beneficiaries. Thus, the assets and liabilities of the 401(a) Plan are not reflected on the Authority's Statement of Net Position.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

9. Postretirement Health and Other Benefits

Plan Description

The Authority provides medical, dental, vision and life insurance benefits for eligible retirees and their dependents under a single-employer defined benefit healthcare plan administered by the Authority. An employee is eligible to receive benefits from the plan upon retirement under FRS plan provisions. To be eligible for retiree benefits, the employee must be covered under the medical plan as an active participant immediately prior to retirement. Participants who are not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

Retirees opting to participate are asked to pay a premium amount that is equal to the cost to provide insurance coverage to retirees. The premium amount retirees pay is a blended rate for covering both active and retired Plan members. The fact that the blended rate retirees pay is less than the cost of covering retired members and their beneficiaries results in an “implicit rate subsidy” by the Authority, which gives rise to the benefit.

Retiree and spousal coverage is provided for the lifetime of the participants. However, benefits are valued as payable only until age 65, as the option of enrolling in Medicare is a much more attractive option at a lower cost.

The Authority is required to value their postretirement health and other benefits biennially. The most recent actuarial valuation date was fiscal year ended September 30, 2014. Due to the small amounts involved, vision benefits are not included in the valuation. Life insurance benefits are provided on a fully insured basis and are provided by unsubsidized retiree contributions. As such, life insurance benefits are not included in the valuation.

Funding Policy

The contribution requirements of plan members and the Authority are established by the Authority. The required contribution is based on a projected pay-as-you-go financing requirement. The Authority has not established an OPEB trust fund to accumulate assets to fund Plan obligations and has no statutory or contractual obligation to fund the Plan. Plan members are required to pay 100% of the premium for the plans selected. Monthly premium amounts vary depending on the plans selected and choice of coverage for employee only or employee plus spouse.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

9. Postretirement Health and Other Benefits (continued)

Annual OPEB Cost and Net OPEB Obligation

The Authority's OPEB cost is calculated based on the annual required contribution (ARC) of the employer and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability, or funding excess, over a period not to exceed thirty years.

The following table shows the components of the Authority's annual OPEB cost for the fiscal years 2015 and 2014, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation. The annual OPEB cost decreased in fiscal year 2014 due to changes in assumptions used for post retirement benefits after the age of 65. The net OPEB obligation of \$2.02 and \$2.08 million is recorded as a long-term liability on the statements of net position for fiscal years 2015 and 2014, respectively.

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Determination of Annual Required Contribution		
Normal cost at year end	\$ 72	\$ 69
Amortization of UAAL	59	55
Annual required contribution (ARC)	<u>\$ 131</u>	<u>\$ 124</u>
Determination of net OPEB obligation		
Annual required contribution	\$ 131	\$ 124
Interest on prior year net OPEB obligation	83	86
Adjustment to ARC	(229)	(229)
Annual OPEB cost	<u>\$ (15)</u>	<u>\$ (19)</u>
Contributions made*	44	37
(Decrease) Increase in net OPEB obligation	<u>\$ (59)</u>	<u>\$ (56)</u>
Net OPEB obligation - beginning of year	<u>2,077</u>	<u>2,133</u>
Net OPEB obligation - end of year	<u>\$ 2,018</u>	<u>\$ 2,077</u>

*Assuming no additional funding, employer contributions will be equal to the net expected employer benefit payments (gross benefit cost offset by the retiree's contributions) during the 2014-2015 and 2013-2014 fiscal year. GASB 45 defines contributions for this purpose to be actual benefit payments during the year plus contributions, if any, made to a separate, irrevocable trust.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

9. Postretirement Health and Other Benefits (continued)

The following table shows the annual OPEB cost and net OPEB obligation at September 30, 2015, 2014 and 2013.

<u>Fiscal Year Ended</u>	<i>(dollar amounts in thousands)</i>			
	<u>Annual OPEB Cost</u>	<u>Authority Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2015	\$ (15)	\$ 44	(293.33)%	\$ 2,018
9/30/2014	(19)	37	(194.74)	2,077
9/30/2013	494	58	10.14	2,133

Funded Status and Funding Progress

As of September 30, 2015 and September 30, 2014 the plan was not funded. The actuarial accrued liability (AAL) for benefits was \$1.02 and \$1.02 million for 2015 and 2014, respectively. The actuarial value of assets for both 2015 and 2014 was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.02 and \$1.02 million in 2015 and 2014. For fiscal years 2015 and 2014 the covered payroll (annual payroll of active employees covered by the plan) was \$16.11 and \$15.00 million, respectively. The ratio of the UAAL to the covered payroll was 6.33% for 2015 and 6.79% for 2014.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples are assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents the most recent actuarial valuation date of September 30, 2015 and September 30, 2014 relating to the actuarial accrued liability.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with long-term perspective of the calculations.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

9. Postretirement Health and Other Benefits (continued)

The fiscal years 2015 and 2014 actuarial valuations were computed using the projected unit credit actuarial cost method, which consists of the following components: (1) the normal cost is the actuarial present value of benefits allocated to the valuation year (with the allocation period being from date of hire to date of retirement); (2) the actuarial liability is the actuarial present value of benefits accrued as of the valuation date; (3) the amortization of the actuarial liability is a level dollar amount over a closed period of 30 years; (4) valuation assets are equal to the market value of assets as of the valuation date, if any; and (5) unfunded actuarial liability is the difference between the actuarial liability and the valuation assets. Since the plan is unfunded there is no assumption of investment return. Because benefits are not based on payroll no assumptions are made for salary increases. The actuarial liability is amortized over the maximum permissible period under GASB 45 of 30 years. There are 23 years remaining.

It should be noted that GASB 45 allows a variety of cost methods to be used. The Authority elected the unit credit actuarial cost method because it is generally easy to understand and is widely used for the valuation of postemployment benefits other than pensions. Other methods used do not change the ultimate liability, but do allocate it differently between what has been earned in the past and what will be earned in the future.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates. The Authority used demographic assumptions provided by the pension actuary for the Florida Retirement System under which employees are covered.

The September 30, 2015 and 2014 costs and liabilities were determined using the following assumptions: (1) discount rate of 4.0% per annum, compounded annually; (2) pre-retirement mortality rates and post-retirement mortality rates were based on the sex-distinct RP-2000 generational mortality table; (3) assumptions regarding withdrawal rates, retirement rates, disability, marriage assumptions, participation levels and retiree claim costs can be found in the detailed actuarial valuation report; (4) assumed medical care cost trend rates of 10.00% and 10.00%, for fiscal year 2015 and 2014. Future years are estimated by adjusting the starting claim costs by an assumed ongoing cost trend, resulting in an ultimate rate of 5.00% for fiscal year 2015 assumptions and 5.00% for fiscal year 2014 assumptions; (5) as the plan is unfunded, no assumptions have been made regarding investment returns; (6) the plan is not related to salaries, therefore no assumptions have been made regarding projected salary increases.

The Authority does not have a separate audited GAAP-basis postemployment benefit plan report available for the defined benefit plan. The Authority does have an Actuarial Valuation of Postretirement Benefits under GASB 45 report. For additional information about this report, or if you need additional information, please contact Chief Financial Officer, 14201 Pecan Park Road, Jacksonville, FL 32218.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness

A summary of changes to long-term indebtedness follows:

(dollar amounts in thousands)

	<i>2014</i>			<i>2015</i>	
	<i>Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i>	<i>Due Within One Year</i>
Revenue bonds	\$ 53,265	\$ -	\$ 2,735	\$ 50,530	\$ 2,910
Revenue notes	97,380	-	10,030	87,350	9,110
Total	150,645	-	12,765	137,880	12,020
Less amounts due within one year	(11,765)			(12,020)	
Total long term portion	138,880			125,860	
Unamortized bond premium	903	-	75	828	
Total long term bonds and notes payable	\$ 139,783	\$ -	\$ 12,840	\$ 126,688	

(dollar amounts in thousands)

	<i>October 1, 2013</i>			<i>September 30, 2014</i>	
	<i>Balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance</i>	<i>Due Within One Year</i>
Revenue bonds	\$ 55,885	\$ -	\$ 2,620	\$ 53,265	\$ 2,735
Revenue notes	101,150	-	3,770	97,380	9,030
Total	157,035	-	6,390	150,645	11,765
Less amounts due within one year	(6,390)			(11,765)	
Total long term portion	150,645			138,880	
Unamortized bond premium	978	-	75	903	
Total long term bonds and notes payable	\$ 151,623	\$ -	\$ 6,465	\$ 139,783	

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

2006 Airport Revenue Bonds

On October 11, 2006, revenue bonds Series 2006 (AMT) were issued in the amount \$129.19 million. They were issued in fully registered form in initial denominations of \$5,000 or any integral multiple thereof at a fixed rate of interest between 4.4% and 5%. The purpose of the 2006 bonds are for financing the costs of acquisition, construction and installation of capital improvements to JIA, paying the cost of a municipal bond insurance policy, funding a portion of the reserve requirement and paying issuance costs.

Concurrently with the issuance of the 2006 bonds, Ambac Assurance Company issued its municipal bond insurance policy for the 2006 bonds. The policy guarantees the scheduled principal payment and interest on the 2006 bonds when due.

Moody's, S&P and Fitch have assigned underlying ratings of "A2", "A" and "A", respectively, to the 2006 bonds.

On December 4, 2012 the Authority defeased series 2031, 2033 and 2036 of the 2006 Airport Revenue Bond. Principal and interest defeased were \$53.63 million and \$622 thousand, respectively. Original maturity date of October 2036 was shortened due to the refinancing of the bond. This partial refunding resulted in a present value economic gain of \$24.15 million on the 2006 Airport Revenue bonds. The new maturity date is October of 2027. The aggregate difference in debt service is a reduction of \$45.09 million.

Maturities of the long-term outstanding 2006 revenue bond issuance will require the following principal and interest payments based on the amounts outstanding at September 30, 2015:

Year Ending September 30,	<i>(dollar amounts in thousands)</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 2,910	\$ 2,413	\$ 5,323
2017	3,070	2,264	5,334
2018	4,045	2,106	6,151
2019	8,810	1,805	10,615
2020	3,320	1,502	4,822
2021 - 2025	19,255	4,780	24,035
2026 - 2027	9,120	462	9,582
Total	<u>\$ 50,530</u>	<u>\$ 15,332</u>	<u>\$ 65,862</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

2008 Compass Note

On April 1, 2008 a note was issued from Compass Bank (Compass) in the amount of \$41.49 million. The purpose of the note was to refund the 2005 airport revenue refunding bonds, pay a portion of the 2005 swap termination fee and pay issue costs. The note has a variable interest rate of 65% of 1-month LIBOR plus 64.35 basis points (0.6435%). The annual interest rate at September 30, 2015 was 0.772%.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2015 and the fixed interest rate of 3.412%:

Year Ending September 30,	<i>(dollar amounts in thousands)</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 2,405	\$ 918	\$ 3,323
2017	2,485	835	3,320
2018	2,570	749	3,319
2019	2,660	659	3,319
2020	2,750	567	3,317
2021 - 2025	15,245	1,336	16,581
Total	<u>\$ 28,115</u>	<u>\$ 5,064</u>	<u>\$ 33,179</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

2012 Revenue Refunding Note

On December 4, 2012 a revenue refunded note was issued from TD Bank, National Association in the amount of \$48.47 million. The purpose of the note was a partial refunding of the 2006 bonds, series 2031, 2033 and 2036. The Authority refunded a portion of the bonds in order to take advantage of favorable interest rates and reduce interest expense. This refunding resulted in a present value economic gain of \$24.15 million. The note has a fixed interest rate of 1.73%. The Authority paid \$167 thousand of issuance cost for the 2012 revenue refunding note. The aggregate difference in debt service is a reduction of \$45.09 million.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2015:

Year Ending September 30,	<i>(dollar amounts in thousands)</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2016	\$ 1,525	\$ 755	\$ 2,280
2017	1,525	729	2,254
2018	1,525	702	2,227
2019	1,525	676	2,201
2020	1,525	650	2,175
2021 - 2023	36,790	1,512	38,302
Total	<u>\$ 44,415</u>	<u>\$ 5,024</u>	<u>\$ 49,439</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

2013 Revenue Refunding Note

On July 10, 2013 a revenue refunding note was issued from Sabadell United Bank, N.A. (Sabadell) in the amount of \$20.00 million. The purpose of the note was to refund the 2003 A-1 and A-2 bonds. The note has a fixed rate of .85%. The net proceeds of \$20.00 million, plus an additional \$6.22 million, for a total of \$26.22 million, were deposited in an irrevocable escrow account to provide for the full in-substance defeasance of the 2003 A-1 and A-2 revenue bonds. The result was an in-substance defeasance of the 2003 A-1 and A-2 bonds. The outstanding balances on September 30, 2013 for the 2003 A-1 and A-2 were principal amounts of \$8.49 and \$17.09 million and interest amounts of \$242.17 and \$530.94 thousand, respectively.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2015:

<u>Year Ending September 30,</u>	<i>(dollar amounts in thousands)</i>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,180	\$ 104	\$ 5,284
2017	5,065	60	5,125
2018	4,575	19	4,594
2019	-	1	1
Total	<u>\$ 14,820</u>	<u>\$ 184</u>	<u>\$ 15,004</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

Annual Requirements

Annual requirements to repay all outstanding long-term debt as of September 30, 2015 are as follows:

(dollar amounts in thousands)

Year Ending September 30,	2006		2012	2013	Total Principal and Interest	Total Principal	Total Interest
	Revenue Bonds	2008 Note	Revenue Refunding Note	Revenue Refunding Note			
2016	\$ 5,323	\$ 3,323	\$ 2,280	\$ 5,284	\$ 16,210	\$ 12,020	\$ 4,191
2017	5,334	3,320	2,254	5,125	16,033	12,145	3,888
2018	6,151	3,319	2,227	4,594	16,291	12,715	3,577
2019	10,615	3,319	2,201	1	16,136	12,995	3,139
2020	4,822	3,317	2,175	-	10,314	7,595	2,719
2021 - 2025	24,035	16,581	38,302	-	78,918	71,290	7,628
2026 - 2027	9,582	-	-	-	9,582	9,120	462
	<u>\$ 65,862</u>	<u>\$ 33,179</u>	<u>\$ 49,439</u>	<u>\$ 15,004</u>	<u>\$ 163,484</u>	<u>\$ 137,880</u>	<u>\$ 25,604</u>

Debt Service Reserve

The amount available for debt service consists of resources from the 2006 Debt Service Fund legally required to be used for Debt service until the related debt is extinguished.

(dollar amounts in thousands)

	2015	2014
Restricted for Payment of 2006 Bonds	\$ 4,605	\$ 4,517

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

Interest Rate Swap Agreement between Compass Bank and the Jacksonville Aviation Authority

On March 18, 2008 the Authority entered into an interest rate swap with Compass as part of a refunding of the Authority's outstanding series 2005 revenue refunding bonds and issuance of the 2008 Compass note. The objective of the swap is to synthetically create a fixed-rate debt.

The executed transactions consisted of a new \$41.49 million floating-to-fixed "matched rate" swap effective April 1, 2008 whereby the Authority pays to Compass a fixed rate of 3.4116% and received from Compass 65% of 1-month LIBOR plus 64.35 basis points (0.6435%). The fixed rate interest paid and the interest received from Compass are recorded in interest expense on the statements of revenues, expenses and changes in net position. The swap's notional amount of \$41.49 million matches the \$41.49 million Compass note. The note and the related swap agreement mature on October 1, 2024.

The Authority received no upfront fees related to the swap transaction executed on March 18, 2008. As per the terms of the swap, on behalf of the Authority, an advisory fee of approximately \$25 thousand was paid by the Authority to the Financial Advisor, Public Financial Management. This fee was contingent upon completion of the swap transaction.

As of September 30, 2015 and 2014 the fair value of the swap was a negative \$2.47 million and \$2.27 million respectively, which represent the amount the Authority would pay to exit the swap transaction as of that date based on prevailing interest rates.

The fair value of the interest rate swap agreement and related hedging instrument is reported in the long-term debt section of the statements of net position. The Authority adopted GASB Statement No. 53, therefore, for effective hedging instruments; hedge accounting is applied where fair value changes are recorded on the statements of net position as either a deferred outflow or a deferred inflow.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

The terms of the floating to fixed rate swap agreement outstanding at September 30, 2015, are as follows:

Effective date	4/1/2008
Maturity date	10/1/2024
Swap fixed rate	3.4116% (monthly, Act/360)
Swap variable rate	65%* 1-Mo Libor (monthly, Act/360)
Margin	64.35 basis points (0.6435%)
Counterparty	Compass

The following table includes fiscal year 2015 and 2014 summary information for the Authority's effective cash flow hedge related to the outstanding floating to fixed interest swap agreement which is recorded as a derivative instrument liability and offsetting deferred outflow of resource.

2008 Compass Note	<i>(dollar amounts in thousands)</i>			
	Changes in Fair Value	Classification	Fair Value	Notional Amount Outstanding
September 30, 2015	\$ (198)	Derivative instrument - swap	\$ (2,466)	\$ 28,115
September 30, 2014	\$ 349	Derivative instrument - swap	\$ (2,268)	\$ 30,440

Fair value amounts were calculated using market rates as of September 30, 2015 and 2014 respectively, and standard cash flow present valuing techniques.

For fiscal years ended September 30, 2015 and 2014, the weighted average rates of interest for floating to fixed interest rate swap agreement and the total net swap earnings were as follows:

	<i>(dollar amounts in thousands)</i>	
	2015	2014
65% of LIBOR Index:		
Notional amount outstanding	\$ 28,115	\$ 30,440
Variable rate received (weighted average)	0.772 %	0.746 %
Fixed rate paid (weighted average)	3.4116 %	3.4116 %

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

Risks

Credit Risk:

As of September 30, 2015 the Authority is not exposed to credit risk or the risk of economic loss due to a counterparty default on its outstanding swap because the swap had a negative fair value. However, should the interest rates change and the fair values of the swap become positive, the Authority would be exposed to credit risk in the amount of the swap's fair value. Moody's, S&P and Fitch have assigned ratings of Baa2, BBB and BBB, respectively, to Compass. The swap agreement contains varying collateral agreements with the counterparties. The swap requires collateralization of the fair value of the swap should the counterparty's credit rating fall below the applicable thresholds.

Interest Rate Risk:

The Authority has no interest rate risk associated with the outstanding swap that would adversely affect the Authority's cash flow, since interest paid and received on the swap are based on the same index. The Authority is exposed to interest rate risk as it relates to the fair value of the swap in the event of termination.

Basis Risk:

The Authority has no basis risk associated with the outstanding swap. The interest rate for the swap interest expense is based on the same index as the interest received from the swap, 65% of the one monthly LIBOR rate plus .6435 basis points.

Termination Risk:

The Authority or the counterparty may terminate the swap if the other party fails to perform under the terms of the respective contracts. As of September 30, 2015 the swap termination fee had a negative fair value, therefore the Authority would incur additional expenses relating to termination.

Market Access Risk:

The Authority is exposed to market access risk due to market disruptions in the municipal bond market that could inhibit the issuing of bonds and relating hedging instruments.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

10. Long-Term Indebtedness (continued)

Swap Payments and Associated Debt

Using rates as of September 30, 2015, the following table summarizes the anticipated net cash flows of the debt service requirements of the Compass note and net swap payments, assuming current interest rates remain the same. As rates vary, bond interest payments and swap payments will vary.

Year Ending September 30,	<i>(dollar amounts in thousands)</i>			
	<i>Principal</i>	<i>Interest</i>	<i>Swap, Net</i>	<i>Total</i>
2016	\$ 2,405	\$ 208	\$ 710	\$ 3,323
2017	2,485	189	646	3,320
2018	2,570	169	579	3,318
2019	2,660	149	510	3,319
2020	2,750	128	439	3,317
2021 - 2025	15,245	302	1,034	16,581
Total	<u>\$ 28,115</u>	<u>\$ 1,145</u>	<u>\$ 3,918</u>	<u>\$ 33,178</u>

11. Airline Lease and Use Agreements

The Airline Lease and Use Agreement provides for the lease to signatory airlines exclusive use of certain premises, non-exclusive use of certain public use premises in the terminal and in the ramp area and non-exclusive use of the landing area at JIA. This is a residual agreement with a five year term ending on September 30, 2017.

For the purposes of accounting for costs, expenses and revenues and establishing signatory airline rentals, fees and charges, the airline agreement provides for dividing the airport system into separate cost centers. Certain cost centers are designated direct cost centers and other are designated indirect cost centers. The indirect cost centers are used to accumulate indirect costs which are then allocated to the direct cost centers. Two direct cost centers, the terminal and the airfield, are included in the establishment of rentals, fees and charges for signatory airlines. The remaining cost centers (excluded cost centers) of the airport system are: ground transportation, non-aviation, aviation, JAX Executive at Craig Airport, Herlong Airport, and Cecil Airport. The signatory airlines have no responsibility under the airline agreement for the payments of any costs incurred by the Authority and attributable to the excluded cost centers.

Under the residual method, the Airlines agree to pay the cost of running the terminal that are not allocated to other airport users or covered by nonairline sources of revenue. The cost less the revenue associated with the terminal is divided by the airline terminal leased square footage to determine the

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

11. Airline Lease and Use Agreements (continued)

average rental rate. The residual method guarantees the Authority will break even on the terminal cost center.

The airline agreement provides that the aggregate of rentals, fees and charges of all signatory airlines will be sufficient to pay for the net costs attributable to the airfield. The net costs attributable to the airfield are allocated among the signatory airlines on the basis of the landed weight of aircraft and are paid as landing fees.

Under the residual method the costs include the satisfaction of all the Authority's obligations to make deposits and payments under the bond resolution which are properly attributable to such areas.

The agreement includes an annual guaranteed transfer to the signatory airlines of \$11.28 million for each year of the agreement. The guaranteed transfer reduces the cost per enplanement for the airlines. This transfer is distributed to the airlines based on individual airline's percentage of enplanements over total enplanements.

12. Airport Tenant Agreements

The Authority has entered into concession agreements with tenants for the use of certain airport facilities including, but not limited to, ready/return rental car parking areas, buildings, terminals, customer service areas, advertising, food and beverage, retail, and on-airport rental cars. Normally, the terms of the agreement include a fixed minimum annual guarantee (MAG) payment to the airport as well as additional contingent payments based on the tenants' annual sales volume of business. Revenues exceeded the MAG amounts due in 2015 of \$12.10 million by \$3.84 million. Some of the agreements provide for a periodic review and re-determination of the payment amounts.

Minimum future rental income for each of the next five years and thereafter, excluding contingent amounts on non-cancelable operating leases at September 30, 2015, is as follows:

<u>Year</u>	<i>(dollar amounts in thousands)</i>
2016	\$ 44,942
2017	43,448
2018	19,252
2019	10,356
2020	8,781
2021 - 2025	29,107
2026 - 2030	21,710
2031 - 2035	20,143
2036 - Thereafter	27,259
	<u>\$ 224,998</u>

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

13. Capital Contributions

The Authority receives, on a reimbursement basis, grants from the State of Florida and the U.S. Government for certain capital construction projects through the Airline Improvement Program. As a recipient of state and federal financial assistance, the Authority is responsible for maintaining an internal control structure that ensures compliance with all laws and regulations related to this program. This program is subject to federal and state audit. Total federal and state grant capital contributions were \$16.53 million and \$14.05 million respectively, for the years ended September 30, 2015 and 2014. The Authority estimates that no material disallowance will result from such audits.

The Authority received federal and state grants for the capital programs for the years ended September 30, 2015 and 2014 as summarized in the table below.

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Capital Programs:		
State grants for construction	\$ 8,564	\$ 9,423
Federal grants for construction	4,936	3,560
TSA grants for construction	2,580	287
Other contributions for construction	446	777
	<u>\$ 16,526</u>	<u>\$ 14,047</u>

The Authority receives federal and state grants in support of its capital construction program. The federal program provides funding for airport development, airport planning and other eligible programs for the airports and airways trust funds in the form of entitlement and discretionary grants for eligible projects. The State also provided discretionary funds for capital programs. Funds approval and payment are contingent upon annual legislative appropriation.

Grants for capital asset acquisition, facility development, rehabilitation of facilities and long-term planning are reported in the statements of revenues, expense and changes in net position as capital contributions.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

14. Operating Grants

The Authority received TSA funds for the operating programs for years ended September 30, 2015 and 2014 as summarized in the tables below.

	<i>(dollar amounts in thousands)</i>	
	<i>Year ended September 30</i>	
	<u>2015</u>	<u>2014</u>
Operating programs:		
TSA K-9 Federal programs	<u>\$ 369</u>	<u>\$ 483</u>

The TSA K-9 program funds are awarded based on expenses of training, caring for and working with the explosive device detection dogs.

Grants for operating programs for the year ended September 30, 2015 and 2014 are reported in the statements of revenues, expenses and changes in net position as non-operating revenue.

15. Payments to City of Jacksonville

During fiscal years 2015 and 2014, the Authority paid approximately \$4.22 million and \$3.83 million to the City for expenses relating to legal, insurance, firefighting and miscellaneous services.

16. Commitments and Contingencies

Terminal and Capital Improvement Program

As of September 30, 2015 and 2014, the Authority has outstanding contractual commitments for completion of certain capital improvement projects, totaling \$22.46 million and \$20.35 million of which an estimated \$15.38 million and \$2.24 million are eligible for partial reimbursement, respectively, from the FAA, State of Florida and Transportation Security Administration. The remaining amount is expected to be funded from existing PFCs, debt instruments and/or future debt issuance, and Authority funds.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

16. Commitments and Contingencies (continued)

Concentration of Credit Risk

The Authority leases facilities to the airlines under certain leases and/or use agreements and to other businesses under agreements to operate concessions with the airport system. Amounts due from airlines represent approximately 77.71% and 79.28% of accounts receivable for 2015 and 2014, respectively. Airline operating revenues represent approximately 29.73% and 29.95% of total operating revenues for 2015 and 2014, respectively. Revenue received from five major airlines and a leasing company totaled 60.56% and 55.19% of total operating revenues for 2015 and 2014, respectively. This includes 17.35% from Delta Air Lines, 12.64% from American Airlines, and 11.32% from Southwest Airlines Co. in 2015.

Compliance Audits

The Authority participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government or agency. If expenditures are disallowed due to noncompliance with grant program regulations, the Authority may be required to reimburse the grantor government or agency. The amount, if any, of expenditures which may be disallowed by the granting government or agency is expected to be immaterial.

Litigation

The Authority is a defendant in two lawsuits. Although the outcome of these lawsuits are not presently determinable, in the opinion of the Authority's attorney the resolution of these matters will not have a material adverse effect on the financial position of the Authority.

17. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees, and natural disasters. The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability, and workers' compensation coverage. The Authority's expense is the premium charge by the City's self-insurance plan. The City has excess coverage for individual workers' compensation claims above \$1.20 million.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

17. Risk Management (continued)

Liability for claims incurred is the responsibility of, and is recorded in, the City's self-insurance plan. The premiums are calculated on a retrospective or prospective basis depending on the claims experience of the Authority and other participants in the City's self-insurance programs. The Authority's workers' compensation expense is the premium charged by the City's self-insurance plan. Premium expense in 2015 amounted to \$4.63 thousand which included a credit refund of \$204.87 thousand for excess premiums for the prior year. In 2014 the premium was \$85.45 thousand which included a credit refund of \$117.28 thousand excess premiums from the prior year.

The Authority's property insurance premium expenses amounted to \$791.31 thousand and \$820.91 thousand for the years ended September 30, 2015 and 2014, respectively. The Authority is also a participant in the City's general liability insurance program. General liability insurance premium expense amounted to \$44.67 thousand and \$47.58 thousand for the years ended September 30, 2015 and 2014.

As a part of the Authority's risk management program, certain commercial insurance policies are purchased to cover designated exposures and potential loss programs, such as airport, kidnap and pollution liability policies. During the last three years the amounts of settlements did not exceed the insurance coverage. In addition, all tenants and businesses accessing the airport system are required to have commercial insurance coverage naming the Authority as additional insured.

18. Restatement

Restatement - Implementation of GASB Statements Nos. 68 and 71

The Authority implemented *GASB Statement No 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective for the September 30, 2014 fiscal year. The Authority participates in the Florida Retirement System (FRS) defined benefit pension plan and the Health Insurance Subsidy (HIS) defined benefit plan administered by the Florida Division of Retirement. As a participating employer, GASB 68 requires employers participating in cost-sharing multiple-employer defined benefit pension plans to report the employer's proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plan.

Jacksonville Aviation Authority

Notes to Financial Statements (continued)

18. Restatement (continued)

The implementation of GASB Statement Nos. 68 and 71 described above, required the Authority to restate the following accounts in the statements to report the Authority's net pension liability and related pension amounts for the defined benefit plans. Since these are comparative statements restatement was made as of September 30, 2013 to reflect beginning net pension, liability and deferred outflows for contributions made after the measurement date. Effect of restatement reduced pension expense in 2014 by \$652 thousand and increased the change in net position reported for 2014. Accordingly, Beginning Net Position has been restated as follows:

	<i>(dollar amounts in thousands)</i>			
	<u>Net Position</u>	<u>Pension Liability</u>	<u>Deferred Outflows</u>	<u>Derferred Inflows</u>
As of September 30, 2013				
Balance as previously reported	\$ 454,345	\$ -	\$ -	\$ -
Adjustment - implement GASB Nos. 68 and 71	<u>(12,438)</u>	<u>(12,784)</u>	<u>345</u>	<u>-</u>
Balance, as restated	<u>\$ 441,907</u>	<u>\$ (12,784)</u>	<u>\$ 345</u>	<u>\$ -</u>
As of September 30, 2014				
Balance as previously reported	466,529	-	-	-
Adjustment - implement GASB Nos. 68 and 71	<u>(11,786)</u>	<u>(7,905)</u>	<u>1,564</u>	<u>(5,445)</u>
Balance as restated	<u>\$ 454,743</u>	<u>\$ (7,905)</u>	<u>\$ 1,564</u>	<u>\$ (5,445)</u>

The implementation of GASB Statements Nos. 68 and 71 resulted in the Authority recording deferred outflows of \$1,564, deferred inflows of \$5,445, and a net pension liability of \$7,905, as of September 30, 2014 related to the pension plans.

Jacksonville Aviation Authority
 Required Supplementary Information
 Schedule of Funding Progress Postretirement Healthcare Benefits
 September 30, 2015
unaudited

(dollar amounts in thousands)

<u>Valuation Date</u>	<u>AAL</u>	<u>Actuarial Value of Assets</u>	<u>UAAL</u>	<u>Percent Funded</u>	<u>Annual Covered Payroll</u>	<u>UAAL as of Percent of Payroll</u>
9/30/2015	\$ 1,019	\$ -	\$ 1,019	- %	\$ 16,110	6.33 %
9/30/2014	\$ 1,019	\$ -	\$ 1,019	- %	\$ 15,001	6.79 %
9/30/2013	\$ 3,718	\$ -	\$ 3,718	- %	\$ 14,794	25.13 %

Actuarial liability determined under the projected unit credit cost method

AAL - Actuarial accrued liability

UAAL - Unfunded actuarial accrued liability

Jacksonville Aviation Authority
 Required Supplementary Information
 Schedule of the Authority's Proportionate Share of the Net Pension Liability
 Florida Retirement System Pension Plan
 September 30, 2015
(unaudited)

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Authority's proportion of the FRS net pension liability	0.05388302%	0.05157812%
Authority's proportionate share of the FRS net pension liability	\$ 6,960	\$ 3,147
Authority's covered-employee payroll	\$ 12,692	\$ 11,907
Authority's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	54.84%	26.43%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	96.09%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014 and 2015 are available.

Jacksonville Aviation Authority
 Required Supplemental Information
 Schedule of Authority's Contributions
 Florida Retirement System Pension Plan
 September 30, 2015
(unaudited)

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 1,314	\$ 1,130
FRS contributions in relation to the contractually required contribution	<u>1,314</u>	<u>1,130</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 12,692	\$ 11,907
FRS contributions as a percentage of covered-employee payroll	10.35%	10.54%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014 and 2015 are available.

Jacksonville Aviation Authority
 Required Supplemental Information
 Schedule of Authority's Proportionate Share of the Net Pension Liability
 Health Insurance Subsidy Pension Plan
 September 30, 2015
(unaudited)

	<i>(dollar amounts in thousands)</i>	
	<u>2015</u>	<u>2014</u>
Authority's proportion of the HIS net pension liability	0.05272815%	0.05088140%
Authority's proportionate share of the HIS net pension liability	\$ 5,377	\$ 4,758
Authority's covered-employee payroll	\$ 15,243	\$ 15,109
Authority's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	35.28%	31.49%
HIS Plan fiduciary net position as a percentage of the total pension liability	33.61%	31.51%

Note: Covered payroll includes the normal cost and unfunded actuarial liability payroll for active Pension Plan and Investment Plan members and the payroll of reemployed retirees without renewed membership.

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014 and 2015 are available.

Jacksonville Aviation Authority
 Required Supplemental Information
 Schedule of Authority's Contributions - Health Insurance Subsidy Pension Plan
 September 30, 2015
 (dollar amounts in thousands)
 (unaudited)

	<i>(dollar amounts in thousands)</i>	
	2015	2014
Contractually required HIS contribution	\$ 202	\$ 174
HIS contributions in relation to the contractually required HIS contribution	202	174
HIS contribution deficiency (excess)	\$ -	\$ -
 Authority's covered-employee payroll	\$ 15,243	\$ 15,109
 HIS contributions as a percentage of covered-employee payroll	1.33%	1.15%

Note: Covered payroll includes the normal cost and unfunded actuarial liability payroll for active Pension Plan members and the payroll of remployed retirees without renewed membership.

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014 and 2015 are available.

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Statistical

Annual Financial Report Fiscal Year 2015

Statistical



JAA

Jacksonville
Aviation
Authority

Jacksonville Aviation Authority

The objectives of the Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the Authority's economic condition.

Statistical information is presented in the following five categories:

Financial Trend Information

Assists users in understanding and assessing how the Authority's financial position has changed over time.

Revenue Capacity Information

Assists users in understanding and assessing the factors affecting the Authority's ability to generate its own source revenue.

Debt Capacity Information

Assists users in understanding and assessing the Authority's debt burden and its ability to issue additional debt.

Demographic and Economic Information

Assists users in understanding and assessing the Authority's socioeconomic environment within which it operates and to provide information that facilitates comparisons of financial statement information over time among other airports.

Operating Information

Provides contextual information about the Authority's operations and resources to assist readers in using financial statement information to understand and assess the Authority's economic condition.

Jacksonville Aviation Authority
Changes in Cash and Cash Equivalents
Last Ten Fiscal Years
(unaudited)

	<i>(dollar amounts in thousands)</i>			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities	\$ 29,433	\$ 22,865	\$ 30,980	\$ 21,739
Cash flows from non-capital financing activities	253	242	1,157	243
Cash flows from capital and related financing activities	(26,828)	(15,350)	(39,864)	(29,295)
Cash flows from investing activities	<u>(493)</u>	<u>5,616</u>	<u>10,588</u>	<u>(1,786)</u>
Net change in cash and cash equivalents	2,365	13,373	2,861	(9,099)
Cash and equivalents, beginning of year	49,580	36,207	33,346	42,445
Cash and equivalents, end of year	<u>\$ 51,945</u>	<u>\$ 49,580</u>	<u>\$ 36,207</u>	<u>\$ 33,346</u>
Non-cash investing, capital and financing activities				
Change in fair value of investments	<u>\$ 6</u>	<u>\$ (201)</u>	<u>\$ (404)</u>	<u>\$ 156</u>
Capitalized Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets acquired through contracts payable and accruals	<u>\$ 39,787</u>	<u>\$ 4,398</u>	<u>\$ (816)</u>	<u>\$ -</u>
Grants Receivable	<u>\$ 5,889</u>	<u>\$ 3,132</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Jacksonville Aviation Authority (formerly Jacksonville Airport Authority 2005) unaudited financial statements

Jacksonville Aviation Authority
Changes in Cash and Cash Equivalents
Last Ten Fiscal Years
(unaudited)

(dollar amounts in thousands)

2011	2010	2009	2008	2007	2006
\$ 20,621	\$ 20,849	\$ 13,512	\$ 22,561	\$ 29,600	\$ 18,795
201	1,031	276	256	(9,782)	301
(18,022)	(21,141)	(32,593)	(82,103)	35,705	(6,638)
<u>5,727</u>	<u>(16,776)</u>	<u>(4,723)</u>	<u>746</u>	<u>11,194</u>	<u>3,536</u>
8,527	(16,037)	(23,528)	(58,540)	66,717	15,994
33,918	49,955	73,483	132,023	65,306	49,312
<u>\$ 42,445</u>	<u>\$ 33,918</u>	<u>\$ 49,955</u>	<u>\$ 73,483</u>	<u>\$ 132,023</u>	<u>\$ 65,306</u>
<u>\$ (254)</u>	<u>\$ 41</u>	<u>\$ 76</u>	<u>\$ (265)</u>	<u>\$ (243)</u>	<u>\$ (351)</u>
<u>\$ (83)</u>	<u>\$ (84)</u>	<u>\$ (393)</u>	<u>\$ (1,664)</u>	<u>\$ (230)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Jacksonville Aviation Authority
Principal Operating Revenues, Airline Rates and
Charges and Cost Per Enplaned Passenger
Years Ended September 30,
(unaudited)

	<i>(dollar amounts in thousands)</i>				
	2015	2014	2013	2012	2011
Concessions					
Rent-A-Car	\$ 10,521	\$ 9,861	\$ 8,929	\$ 9,040	\$ 9,053
Food & beverage	2,338	2,140	1,973	1,808	1,776
Retail	1,790	1,715	1,679	1,771	1,731
Fuel flowage fees	1,035	525	547	704	689
Other concessions	1,249	1,263	1,233	1,158	885
Total concessions	16,933	15,504	14,361	14,481	14,134
Fees & charges					
Landing fees - signatory	8,788	8,237	8,835	6,028	5,431
Landing fees - non-signatory	304	75	25	1,553	1,320
Passenger screening - signatory	-	-	-	1,440	1,408
Passenger screening - non-signatory	-	-	1	429	399
Security user fees	1,156	1,092	1,078	1,005	983
Other fees	3,231	2,785	2,574	2,817	2,944
Total Fees & charges	13,479	12,189	12,513	13,272	12,485
Space & facility rentals					
Air cargo building	851	881	872	855	849
Ramp use - signatory	-	-	3	874	852
Ramp use - non-signatory	1,892	1,218	927	198	136
Hangar spaces	5,136	4,120	3,423	2,805	2,726
Terminal space rentals - signatory	7,648	7,575	8,975	2,826	6,200
Terminal space rentals - non-signatory	592	453	564	696	627
Other lease rentals	8,489	7,504	6,714	5,925	5,741
Total space & facility rentals	24,608	21,751	21,478	14,179	17,131
Parking					
Economy lots 1, 2 & 3	3,075	2,942	2,910	2,808	2,793
Garages & daily surface lot	14,512	13,720	13,097	13,016	13,318
Other parking	604	595	594	348	287
Total parking	18,191	17,257	16,601	16,172	16,398
Other revenue					
Electric	819	792	839	956	966
Fuel sales	679	688	798	843	847
Other revenue	296	303	282	514	521
Total other revenues	1,794	1,783	1,919	2,313	2,334
Total operating revenues	\$ 75,005	\$ 68,484	\$ 66,872	\$ 60,417	\$ 62,482

	<i>(amounts in full numbers)</i>				
Signatory airline rates and charges					
Gross landing fee (per 1,000 lbs)	\$ 2.87	\$ 2.80	\$ 2.63	\$ 2.37	\$ 2.06
Average annual terminal rent (per sq. ft.)	\$ 132.06	\$ 133.62	\$ 143.23	\$ 46.52	\$ 39.29
Enplaned passengers	2,722,032	2,602,821	2,563,570	2,644,059	2,783,809
Cost per enplaned passenger	\$ 6.13	\$ 6.27	\$ 6.78	\$ 7.46	\$ 6.46

Source: Jacksonville Aviation Authority audited financial statements

Jacksonville Aviation Authority
Principal Operating Revenues, Airline Rates and
Charges and Cost Per Enplaned Passenger
Years Ended September 30,
(unaudited)

	<i>(dollar amounts in thousands)</i>				
	2010	2009	2008	2007	2006
Concessions					
Rent-A-Car	\$ 8,815	\$ 9,252	\$ 9,456	\$ 9,469	\$ 8,091
Food & beverage	1,619	1,618	1,850	1,751	1,486
Retail	1,820	1,752	1,442	1,415	1,095
Fuel flowage fees	622	673	758	776	725
Other concessions	892	1,128	1,282	1,329	1,444
Total concessions	13,768	14,423	14,788	14,740	12,841
Fees & charges					
Landing fees - signatory	4,357	2,548	2,310	4,806	4,752
Landing fees - non-signatory	784	709	471	1,081	943
Passenger screening - signatory	1,185	1,269	1,416	1,337	1,071
Passenger screening - non-signatory	260	256	142	236	244
Security user fees	3,415	4,289	4,600	4,693	4,225
Other fees	2,282	2,393	3,178	3,023	2,708
Total Fees & charges	12,283	11,464	12,117	15,176	13,943
Space & facility rentals					
Air cargo building	865	879	950	931	931
Ramp use - signatory	674	510	798	745	781
Ramp use - non-signatory	170	56	100	53	68
Hangar spaces	2,458	2,736	2,230	2,108	1,716
Terminal space rentals - signatory	5,219	6,851	3,313	5,493	5,954
Terminal space rentals - non-signatory	499	571	553	876	955
Other lease rentals	5,833	4,921	4,825	4,486	4,588
Total space & facility rentals	15,718	16,524	12,769	14,692	14,993
Parking					
Economy lots 1, 2 & 3	3,412	3,779	4,238	3,538	3,057
Garages & daily surface lot	11,805	11,964	13,447	13,254	11,461
Other parking	190	243	271	267	196
Total parking	15,407	15,986	17,956	17,059	14,714
Other revenue					
Electric	833	639	998	890	948
Fuel sales	748	681	499	474	529
Other revenue	523	193	219	813	390
Total other revenues	2,104	1,513	1,716	2,177	1,867
Total operating revenues	\$ 59,280	\$ 59,910	\$ 59,346	\$ 63,844	\$ 58,358

	<i>(amounts in full numbers)</i>				
Signatory airline rates and charges					
Gross landing fee (per 1,000 lbs)	\$ 1.42	\$ 1.41	\$ 1.07	\$ 1.50	\$ 1.46
Average annual terminal rent (per sq. ft.)	\$ 40.18	\$ 45.21	\$ 22.15	\$ 43.41	\$ 54.54
Enplaned passengers	2,777,807	2,813,208	3,058,006	3,167,664	2,924,527
Cost per enplaned passenger	\$ 5.30	\$ 5.72	\$ 5.68	\$ 4.88	\$ 4.93

Source: Jacksonville Aviation Authority audited financial statements

Jacksonville Aviation Authority
Total Revenues, Expenses and Changes in Net Position
Years Ended September 30,
(unaudited)

	<i>(dollar amounts in thousands)</i>				
	2015	2014	2013	2012	2011
Operating revenues:					
Concessions	\$ 16,933	\$ 15,504	\$ 14,361	\$ 14,482	\$ 14,134
Fees & charges	13,479	12,189	12,513	13,272	12,485
Space & facility rentals	24,608	21,751	21,478	14,179	17,131
Parking	18,191	17,257	16,601	16,171	16,398
Other revenue	1,794	1,783	1,919	2,313	2,334
Total operating revenues	<u>75,005</u>	<u>68,484</u>	<u>66,872</u>	<u>60,417</u>	<u>62,482</u>
Operating expenses:					
Wages & benefits	21,578	19,613	20,139	19,014	18,390
Services & supplies	14,537	14,208	14,054	13,755	13,355
Repairs & maintenance	2,097	2,209	1,811	1,978	1,981
Promotion, advertising & dues	2,453	1,672	1,409	881	824
Registration & travel	313	289	248	275	202
Utilities & taxes	5,116	5,223	5,255	5,425	5,534
Other operating expenses	1,877	1,682	1,661	1,797	1,743
Depreciation and amortization	28,575	28,951	27,812	27,525	30,753
Total operating expenses	<u>76,546</u>	<u>73,847</u>	<u>72,389</u>	<u>70,650</u>	<u>72,782</u>
Operating (loss)/income	(1,541)	(5,363)	(5,517)	(10,233)	(10,300)
Nonoperating revenues:					
Passenger facility charges	10,955	10,554	10,310	10,743	11,195
Investment income	926	667	659	1,037	981
Payments from primary government	-	-	31	-	1
Payment from federal & state agencies	369	483	392	243	201
Contributions from other governments	-	-	-	-	-
Other revenues	319	100	1,400	1,180	516
Total nonoperating revenues	<u>12,569</u>	<u>11,804</u>	<u>12,792</u>	<u>13,203</u>	<u>12,894</u>
Nonoperating expenses:					
Interest expense	4,775	5,071	7,273	8,874	9,330
Contributions to other governments	-	-	-	-	-
Other expenses	204	1,582	238	144	166
Total nonoperating expenses	<u>4,979</u>	<u>6,653</u>	<u>7,511</u>	<u>9,018</u>	<u>9,496</u>
Loss before capital contributions	6,049	(212)	(236)	(6,048)	(6,902)
Capital contributions	16,526	14,047	11,989	8,347	9,502
Change in net position	<u>\$ 22,575</u>	<u>\$ 13,835</u>	<u>\$ 11,753</u>	<u>\$ 2,299</u>	<u>\$ 2,600</u>
Net position at end of year:					
Net investment in capital assets	\$ 404,670	\$ 386,555	\$ 381,529	\$ 355,251	\$ 349,691
Restricted	31,646	30,437	27,413	39,093	39,875
Unrestricted	<u>41,001</u>	<u>37,750</u>	<u>44,403</u>	<u>47,248</u>	<u>49,727</u>
Total net position	<u>\$ 477,317</u>	<u>\$ 454,742</u>	<u>\$ 453,345</u>	<u>\$ 441,592</u>	<u>\$ 439,293</u>

Source: Jacksonville Aviation Authority audited financial statements

Jacksonville Aviation Authority
Total Revenues, Expenses and Changes in Net Position
Years Ended September 30,
(unaudited)

	<i>(dollar amounts in thousands)</i>				
	2010	2009	2008	2007	2006
Operating revenues:					
Concessions	\$ 13,768	\$ 14,423	\$ 14,788	\$ 14,740	\$ 12,841
Fees & charges	12,283	11,464	12,117	15,176	13,943
Space & facility rentals	15,718	16,524	12,769	14,692	14,993
Parking	15,406	15,985	17,956	17,058	14,713
Other revenue	2,104	1,513	1,716	2,177	1,867
Total operating revenues	<u>59,279</u>	<u>59,909</u>	<u>59,346</u>	<u>63,843</u>	<u>58,357</u>
Operating expenses:					
Wages & benefits	16,862	16,833	17,405	16,336	16,840
Services & supplies	12,332	11,671	12,438	12,000	11,641
Repairs & maintenance	2,200	2,085	2,590	2,454	1,979
Promotion, advertising & dues	486	563	525	448	477
Registration & travel	237	254	409	340	377
Utilities & taxes	5,259	5,973	4,723	3,571	3,646
Other operating expenses	1,549	1,833	2,788	2,287	2,245
Depreciation and amortization	30,394	30,284	26,273	23,880	21,922
Total operating expenses	<u>69,319</u>	<u>69,496</u>	<u>67,151</u>	<u>61,316</u>	<u>59,127</u>
Operating (loss)/income	(10,040)	(9,587)	(7,805)	2,527	(770)
Nonoperating revenues:					
Passenger facility charges	11,329	11,506	12,398	13,130	12,450
Investment income	1,549	3,312	6,037	10,992	5,639
Payments from primary government	1	31	8	12	60
Payment from federal & state agencies	280	245	226	206	233
Contributions from other governments	750	-	22	-	-
Other revenues	538	-	-	1	9
Total nonoperating revenues	<u>14,447</u>	<u>15,094</u>	<u>18,691</u>	<u>24,341</u>	<u>18,391</u>
Nonoperating expenses:					
Interest expense	9,369	10,191	10,226	13,569	8,012
Contributions to other governments	-	10,000	-	-	-
Other expenses	228	1,463	1,888	226	334
Total nonoperating expenses	<u>9,597</u>	<u>21,654</u>	<u>12,114</u>	<u>13,795</u>	<u>8,346</u>
Loss before capital contributions	(5,190)	(16,147)	(1,228)	13,073	9,275
Capital contributions	10,011	16,132	20,442	23,600	13,080
Change in net position	<u>\$ 4,821</u>	<u>\$ (15)</u>	<u>\$ 19,214</u>	<u>\$ 36,673</u>	<u>\$ 22,355</u>
Net position at end of year:					
Net investment in capital assets	\$ 352,264	\$ 359,245	\$ 358,313	\$ 336,911	\$ 302,987
Restricted	39,495	34,406	32,793	38,323	49,805
Unrestricted	<u>44,934</u>	<u>38,221</u>	<u>40,781</u>	<u>37,439</u>	<u>23,208</u>
Total net position	<u>\$ 436,693</u>	<u>\$ 431,872</u>	<u>\$ 431,887</u>	<u>\$ 412,673</u>	<u>\$ 376,000</u>

Source: Jacksonville Aviation Authority audited financial statements

Jacksonville Aviation Authority
Principal Revenue Payers
Year Ended September 30,
(unaudited)

(dollar amounts in thousands)

	<u>2015</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>	<u>2014</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>	<u>2013</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>
Delta Air Lines	13,017	17.35 %	12,042	17.58 %	11,451	17.12 %
American Airlines	9,480	12.64 %	4,393	6.41 %	4,113	6.15 %
Southwest Airlines Co.	8,489	11.32 %	9,235	13.48 %	9,358	13.99 %
United Airlines	5,162	6.88 %	4,980	7.27 %	-	-
Enterprise Leasing Company	4,681	6.24 %	3,995	5.83 %	-	-
JetBlue	4,595	6.13 %	3,150	4.60 %	2,864	4.28 %
US Airways Group, Inc.	3,430	4.57 %	7,197	10.51 %	6,323	9.46 %
HMS Host Corporation	2,651	3.53 %	2,525	3.69 %	2,402	3.59 %
Hertz Corporation, The	2,592	3.46 %	2,527	3.69 %	2,354	3.52 %
Budget Rent a Car System, Inc	2,112	2.82 %	-	-	-	-
Avis Rent A Car	-	-	-	-	1,910	2.86 %
U.S General Services Administration	-	-	2,304	3.36 %	-	-
DTG Operations	-	-	-	-	1,597	2.39 %
Paradies Shops	-	-	-	-	1,668	2.49 %
Vanguard Car Rental USA Inc.	-	-	-	-	-	-
Federal Express Corporation	-	-	-	-	-	-
Continental Airlines	-	-	-	-	-	-
Signature Flight Support Corp	-	-	-	-	-	-
Total Principal Revenue Payers	<u>56,209</u>	<u>74.94 %</u>	<u>52,348</u>	<u>76.44 %</u>	<u>44,040</u>	<u>65.86 %</u>
Total operating revenues	75,005	100.00 %	68,484	100.00 %	66,872	100.00 %

Source: Authority Records

Jacksonville Aviation Authority
Principal Revenue Payers
Year Ended September 30,
(unaudited)

(dollar amounts in thousands)

	<u>2012</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>	<u>2011</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>	<u>2010</u> <u>Amount</u>	<u>% Of</u> <u>Revenue</u>
Delta Air Lines	\$ 8,044	13.31 %	\$ 7,683	12.30 %	\$ 3,959	6.68 %
American Airlines	2,333	3.86 %	2,426	3.88 %	-	-
Southwest Airlines Co.	6,491	10.74 %	5,916	9.47 %	3,163	5.34 %
United Airlines	-	-	-	-	-	-
Enterprise Leasing Company	-	-	1,592	2.55 %	-	-
JetBlue	2,026	3.35 %	-	-	-	-
US Airways Group, Inc.	4,152	6.87 %	4,231	6.77 %	2,334	3.94 %
HMS Host Corporation	2,249	3.72 %	1,748	2.80 %	1,933	3.26 %
Hertz Corporation, The	2,292	3.79 %	2,334	3.74 %	2,332	3.93 %
Budget Rent a Car System, Inc	-	-	-	-	1,614	2.72 %
Avis Rent A Car	1,908	3.16 %	1,915	3.06 %	2,000	3.37 %
U.S General Services Administration	-	-	-	-	-	-
DTG Operations	-	-	1,621	2.59 %	-	-
Paradies Shops	1,767	2.92 %	-	-	1,721	2.90 %
Vanguard Car Rental USA Inc.	2,225	3.68 %	2,179	3.49 %	2,251	3.80 %
Federal Express Corporation	-	-	-	-	1,732	2.92 %
Continental Airlines	-	-	-	-	-	-
Signature Flight Support Corp	-	-	-	-	-	-
Total Principal Revenue Payers	<u>\$ 33,487</u>	<u>55.43 %</u>	<u>\$ 31,645</u>	<u>50.65 %</u>	<u>\$ 23,039</u>	<u>38.87 %</u>
Total operating revenues	\$ 60,417	100.00 %	\$ 62,482	100.00 %	\$ 59,279	100.00 %

Source: Authority Records

Jacksonville Aviation Authority
Principal Revenue Payers
Year Ended September 30,
(unaudited)

(dollar amounts in thousands)

	<u>2009</u>	<u>% Of</u>	<u>2008</u>	<u>% Of</u>	<u>2007</u>	<u>% Of</u>	<u>2006</u>	<u>% Of</u>
	Amount	Revenue	Amount	Revenue	Amount	Revenue	Amount	Revenue
Delta Air Lines	\$ 3,489	5.82 %	\$ 3,519	5.93 %	\$ 3,857	6.04 %	\$ 2,737	4.69 %
American Airlines	-	-	1,158	1.95 %	-	-	1,330	2.28 %
Southwest Airlines Co.	2,984	4.98 %	3,042	5.13 %	3,128	4.90 %	2,986	5.12 %
United Airlines	-	-	-	-	-	-	-	-
Enterprise Leasing Company	-	-	-	-	-	-	-	-
JetBlue	-	-	-	-	-	-	-	-
US Airways Group, Inc.	2,300	3.84 %	2,489	4.19 %	2,812	4.40 %	2,617	4.48 %
HMS Host Corporation	2,027	3.38 %	2,197	3.70 %	2,017	3.16 %	1,671	2.86 %
Hertz Corporation, The	2,337	3.90 %	2,519	4.24 %	2,522	3.95 %	2,852	4.89 %
Budget Rent a Car System, Inc	-	-	1,629	2.74 %	1,573	2.46 %	1,291	2.21 %
Avis Rent A Car	2,247	3.75 %	2,347	3.95 %	2,368	3.71 %	2,093	3.59 %
U.S General Services Administration	-	-	-	-	-	-	-	-
DTG Operations	-	-	-	-	-	-	-	-
Paradies Shops	1,687	2.82 %	1,301	2.19 %	-	-	-	-
Vanguard Car Rental USA Inc.	2,358	3.94 %	2,438	4.11 %	2,448	3.83 %	2,015	3.45 %
Federal Express Corporation	2,147	3.58 %	2,204	3.71 %	2,259	3.54 %	-	-
Continental Airlines	1,339	2.24 %	1,528	2.57 %	1,752	2.74 %	1,607	2.75 %
Signature Flight Support Corp	-	-	757	1.28 %	-	-	-	-
Total Principal Revenue Payers	<u>\$ 22,915</u>	<u>38.25 %</u>	<u>\$ 27,128</u>	<u>45.71 %</u>	<u>\$ 24,736</u>	<u>38.75 %</u>	<u>\$ 21,199</u>	<u>36.33 %</u>
Total operating revenues	\$ 59,909	100.00 %	\$ 59,346	100.00 %	\$ 63,843	100.00 %	\$ 58,357	100.00 %

Source: Authority Records

Jacksonville Aviation Authority
Ratio of Annual Bond Debt Service
to Total Expenses Excluding Depreciation
Years Ended September 30,
(unaudited)

(dollar amounts in thousands)

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Expenses Other than Depreciation</u>	<u>Ratio of Debt Service to Expenditures</u>
2015	\$ 11,765	\$ 4,775	\$ 16,540	\$ 47,971	34.48 %
2014	6,390	5,071	11,461	45,547	25.16
2013	10,220	7,273	17,493	44,576	39.24
2012	9,775	8,733	18,508	43,124	42.92
2011	9,400	6,528	15,928	32,450	49.08
2010	9,005	9,369	18,374	38,925	47.20
2009	7,335	9,396	16,731	39,212	42.67
2008	7,475	11,911	19,386	40,878	47.42
2007	7,228	13,060	20,288	37,436	54.19
2006	6,021	7,837	13,858	37,205	37.25

*Note 1: The principal amounts reflect the normal debt service requirements for the year.
Source: Authority Records*

Jacksonville Aviation Authority
Debt Service Coverage
Last Ten Fiscal Years
(unaudited)

	<i>(dollar amounts in thousands)</i>			
	2015	2014	2013	2012
Revenues:				
Concessions	16,933	15,504	14,361	14,482
Fees & charges	13,479	12,189	12,513	13,272
Space & facility rentals	24,608	21,751	21,478	14,179
Parking	18,191	17,257	16,601	16,171
Other revenue	1,794	1,783	1,919	2,313
Interest income	926	667	659	1,037
Transfers-signatory airline agreement	-	-	-	3,750
Transfers-PFC Series 2006, 2012	8,073	7,115	6,124	7,175
Total revenues and transfers	<u>84,004</u>	<u>76,266</u>	<u>73,655</u>	<u>72,379</u>
Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments)	<u>47,971</u>	<u>44,896</u>	<u>44,577</u>	<u>43,125</u>
Net operating revenues	<u>36,033</u>	<u>31,370</u>	<u>29,078</u>	<u>29,254</u>
Revenue bond service charges for:				
Series 2013 note	5,306	170	38	-
Series 2012 note (PFC backed)	3,302	2,337	692	-
Series 2008 note	3,297	3,298	3,301	3,302
Series 2006 bonds (PFC backed)	5,221	5,243	5,843	7,673
Series 2005 RR bonds	-	-	-	-
Series 2003B-1 bonds (PFC backed)	-	-	-	-
Series 2003B-1 bonds	-	-	-	-
Series 2003A bonds	-	-	7,156	7,174
Series 2000 bonds	-	-	-	-
Total revenue bond service charges	<u>\$ 17,126</u>	<u>\$ 11,048</u>	<u>\$ 17,030</u>	<u>\$ 18,149</u>
Revenue bond service coverage	2.10	2.84	1.71	1.61
Required bond service coverage	1.25	1.25	1.25	1.25
Total enplanements	<u>2,722</u>	<u>2,603</u>	<u>2,564</u>	<u>2,644</u>
Debt per enplanement	<u>\$ 6.29</u>	<u>\$ 4.24</u>	<u>\$ 6.64</u>	<u>\$ 6.86</u>

Source: Authority Records

Jacksonville Aviation Authority
Debt Service Coverage
Last Ten Fiscal Years
(unaudited)

(dollar amounts in thousands)

2011	2010	2009	2008	2007	2006
14,134	13,768	14,423	14,788	14,740	12,841
12,485	12,283	11,464	12,117	15,176	13,943
17,131	15,718	16,524	12,769	14,692	14,993
16,398	15,406	15,985	17,956	17,058	14,713
2,334	2,104	1,513	1,716	2,177	1,867
981	1,549	2,773	6,037	10,992	5,639
4,667	5,041	4,397	8,872	5,984	4,030
7,541	7,548	7,334	7,861	41,264	1,966
<u>75,671</u>	<u>73,417</u>	<u>74,413</u>	<u>82,116</u>	<u>122,083</u>	<u>69,992</u>
<u>42,029</u>	<u>38,925</u>	<u>39,212</u>	<u>40,878</u>	<u>37,436</u>	<u>37,205</u>
<u>33,642</u>	<u>34,492</u>	<u>35,201</u>	<u>41,238</u>	<u>84,647</u>	<u>32,787</u>
-	-	-	-	-	-
-	-	-	-	-	-
3,319	3,317	1,960	1,209	-	-
7,875	7,815	7,554	7,861	5,737	-
-	-	-	1,945	4,148	3,228
-	-	-	-	26,561	865
-	-	-	-	8,966	291
7,182	7,238	7,217	7,231	7,262	7,294
-	-	-	-	192	982
<u>\$ 18,376</u>	<u>\$ 18,370</u>	<u>\$ 16,731</u>	<u>\$ 18,246</u>	<u>\$ 52,866</u>	<u>\$ 12,660</u>
1.83	1.88	2.10	2.26	1.60	2.59
1.25	1.25	1.25	1.25	1.25	1.25
2,784	2,778	2,813	3,058	3,168	2,925
<u>\$ 6.60</u>	<u>\$ 6.61</u>	<u>\$ 5.95</u>	<u>\$ 5.97</u>	<u>\$ 16.69</u>	<u>\$ 4.33</u>

Source: Authority Records

Jacksonville Aviation Authority
Debt Service
As of September 30, 2015
(unaudited)

Bond Year	Date	Fiscal Year	Series 2006 Revenue Bonds			Debt Svs. Yr
			Principal	Coupon	Interest	
2015	10/01/15	2016	2,910,000	5.000 %	1,243,025	-
2016	04/01/16	2016	-		1,170,275	5,323,300
2016	10/01/16	2017	3,070,000	5.000 %	1,170,275	-
2017	04/01/17	2017	-		1,093,525	5,333,800
2017	10/01/17	2018	4,045,000	5.000 %	1,093,525	-
2018	04/01/18	2018	-		1,012,625	6,151,150
2018	10/01/18	2019	8,810,000	5.000 %	1,012,625	-
2019	04/01/19	2019	-		792,375	10,615,000
2019	10/01/19	2020	3,320,000	5.000 %	792,375	-
2020	04/01/20	2020	-		709,375	4,821,750
2020	10/01/20	2021	3,485,000	5.000 %	709,375	-
2021	04/01/21	2021	-		622,250	4,816,625
2021	10/01/21	2022	3,660,000	5.000 %	622,250	-
2022	04/01/22	2022	-		530,750	4,813,000
2022	10/01/22	2023	3,840,000	5.000 %	530,750	-
2023	04/01/23	2023	-		434,750	4,805,500
2023	10/01/23	2024	4,035,000	5.000 %	434,750	-
2024	04/01/24	2024	-		333,875	4,803,625
2024	10/01/24	2025	4,235,000	5.000 %	333,875	-
2025	04/01/25	2025	-		228,000	4,796,875
2025	10/01/25	2026	4,450,000	5.000 %	228,000	-
2026	04/01/26	2026	-		116,750	4,794,750
2026	10/01/26	2027	4,670,000	5.000 %	116,750	4,786,750
	TOTAL		<u>50,530,000</u>		<u>15,332,125</u>	<u>65,862,125</u>

Call Feature

Purpose: 100% New Money

Refunding Eligibility

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Debt Service
As of September 30, 2015
(unaudited)

Bond Year	Date	Fiscal Year	2008 swap variable interest income/expense				2008 swap fixed interest expense			
			Principal	Coupon	Interest	Debt Svs. Yr	Principal	Coupon	Interest	Debt Svs. Yr
2015	10/01/15	2016	2,405,000	0.772 %	108,524	-	2,405,000	3.412 %	479,642	-
2016	04/01/16	2016	-	-	99,241	2,605,767	-	-	438,613	3,323,255
2016	10/01/16	2017	2,485,000	0.772 %	99,241	-	2,485,000	3.412 %	438,613	-
2017	04/01/17	2017	-	-	89,649	2,667,527	-	-	396,219	3,319,831
2017	10/01/17	2018	2,570,000	0.772 %	89,649	-	2,570,000	3.412 %	396,219	-
2018	04/01/18	2018	-	-	79,728	2,733,672	-	-	352,374	3,318,593
2018	10/01/18	2019	2,660,000	0.772 %	79,728	-	2,660,000	3.412 %	352,374	-
2019	04/01/19	2019	-	-	69,461	2,804,164	-	-	306,995	3,319,369
2019	10/01/19	2020	2,750,000	0.772 %	69,461	-	2,750,000	3.412 %	306,995	-
2020	04/01/20	2020	-	-	58,846	2,873,985	-	-	260,080	3,317,074
2020	10/01/20	2021	2,845,000	0.772 %	58,846	-	2,845,000	3.412 %	260,080	-
2021	04/01/21	2021	-	-	47,864	2,948,116	-	-	211,544	3,316,624
2021	10/01/21	2022	2,945,000	0.772 %	47,864	-	2,945,000	3.412 %	211,544	-
2022	04/01/22	2022	-	-	36,496	3,026,519	-	-	161,302	3,317,846
2022	10/01/22	2023	3,045,000	0.772 %	36,496	-	3,045,000	3.412 %	161,302	-
2023	04/01/23	2023	-	-	24,743	3,104,176	-	-	109,355	3,315,657
2023	10/01/23	2024	3,150,000	0.772 %	24,743	-	3,150,000	3.412 %	109,355	-
2024	04/01/24	2024	-	-	12,584	3,186,069	-	-	55,616	3,314,970
2024	10/01/24	2025	3,260,000	0.772 %	12,584	3,272,160	3,260,000	3.412 %	55,616	3,315,616
2026	04/01/26	2026	-	-	-	-	-	-	-	-
2026	10/01/26	2027	-	-	-	-	-	-	-	-
2027	04/01/27	2027	-	-	-	-	-	-	-	-
2027	10/01/27	2028	-	-	-	-	-	-	-	-
2028	04/01/28	2028	-	-	-	-	-	-	-	-
2028	10/01/28	2029	-	-	-	-	-	-	-	-
TOTAL			<u>28,115,000</u>		<u>1,145,748</u>	<u>29,222,155</u>	<u>28,115,000</u>		<u>5,063,838</u>	<u>33,178,835</u>

Call Feature

Purpose: 100% New Money

Refunding Eligibility

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Debt Service
As of September 30, 2015
(unaudited)

Series 2012 Revenue Refunding Note						
<u>Bond Year</u>	<u>Date</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Svs. Yr</u>
2015	10/01/15	2016	1,525,000	1.730 %	384,190	-
2016	04/01/16	2016	-		370,999	2,280,189
2016	10/01/16	2017	1,525,000	1.730 %	370,999	-
2017	04/01/17	2017	-		357,807	2,253,806
2017	10/01/17	2018	1,525,000	1.730 %	357,807	-
2018	04/01/18	2018	-		344,616	2,227,423
2018	10/01/18	2019	1,525,000	1.730 %	344,616	-
2019	04/01/19	2019	-		331,425	2,201,041
2019	10/01/19	2020	1,525,000	1.730 %	331,425	-
2020	04/01/20	2020	-		318,234	2,174,659
2020	10/01/20	2021	1,525,000	1.730 %	318,234	-
2021	04/01/21	2021	-		305,042	2,148,276
2021	10/01/21	2022	1,525,000	1.730 %	305,042	-
2022	04/01/22	2022	-		291,851	2,121,893
2022	10/01/22	2023	33,740,000	1.730 %	291,851	34,031,851
2024	10/01/24	2025	-		-	-
2025	04/01/25	2025	-		-	-
2025	10/01/25	2026	-		-	-
2026	04/01/26	2026	-		-	-
2026	10/01/26	2027	-		-	-
2027	04/01/27	2027	-		-	-
2027	10/01/27	2028	-		-	-
2028	04/01/28	2028	-		-	-
2028	10/01/28	2029	-		-	-
TOTAL			<u>44,415,000</u>		<u>5,024,138</u>	<u>49,439,138</u>

Call Feature

Purpose: 2006 Bond Partial Refinance

Refunding Eligibility

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Debt Service
As of September 30, 2015
(unaudited)

Series 2013 Revenue Refunding Note						
<u>Bond Year</u>	<u>Date</u>	<u>Fiscal Year</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Svs. Yr</u>
2015	10/01/15	2016	5,180,000	0.850 %	62,986	-
2016	04/01/16	2016	-		40,971	5,283,957
2016	10/01/16	2017	5,065,000	0.850 %	40,971	-
2017	04/01/17	2017	-		19,444	5,125,415
2017	10/01/17	2018	4,575,000	0.850 %	19,444	4,594,444
2020	04/01/20	2020	-		-	-
2020	10/01/20	2021	-		-	-
2021	04/01/21	2021	-		-	-
2021	10/01/21	2022	-		-	-
2022	04/01/22	2022	-		-	-
2022	10/01/22	2023	-		-	-
2023	04/01/23	2023	-		-	-
2023	10/01/23	2024	-		-	-
2024	04/01/24	2024	-		-	-
2024	10/01/24	2025	-		-	-
2025	04/01/25	2025	-		-	-
2025	10/01/25	2026	-		-	-
2026	04/01/26	2026	-		-	-
2026	10/01/26	2027	-		-	-
2027	04/01/27	2027	-		-	-
2027	10/01/27	2028	-		-	-
2028	04/01/28	2028	-		-	-
2028	10/01/28	2029	-		-	-
TOTAL			14,820,000		183,816	15,003,816

Call Feature

Purpose: Payoff 2003 A-1 & A-2 Bonds

Refunding Eligibility

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Debt Service
As of September 30, 2015
(unaudited)

<u>Bond Year</u>	<u>Date</u>	<u>Fiscal Year</u>	<u>TOTAL</u>		<u>Debt Svs. Yr</u>
			<u>Principal</u>	<u>Interest</u>	
2015	10/01/15	2016	12,020,000	2,169,843	-
2016	04/01/16	2016	-	2,020,858	16,210,701
2016	10/01/16	2017	12,145,000	2,020,858	-
2017	04/01/17	2017	-	1,866,995	16,032,853
2017	10/01/17	2018	12,715,000	1,866,995	-
2018	04/01/18	2018	-	1,709,615	16,291,610
2018	10/01/18	2019	12,995,000	1,709,615	-
2019	04/01/19	2019	-	1,430,795	16,135,410
2019	10/01/19	2020	7,595,000	1,430,795	-
2020	04/01/20	2020	-	1,287,689	10,313,484
2020	10/01/20	2021	7,855,000	1,287,689	-
2021	04/01/21	2021	-	1,138,836	10,281,525
2021	10/01/21	2022	8,130,000	1,138,836	-
2022	04/01/22	2022	-	983,903	10,252,739
2022	10/01/22	2023	40,625,000	983,903	-
2023	04/01/23	2023	-	544,105	42,153,008
2023	10/01/23	2024	7,185,000	544,105	-
2024	04/01/24	2024	-	389,491	8,118,596
2024	10/01/24	2025	7,495,000	389,491	-
2025	04/01/25	2025	-	228,000	8,112,491
2025	10/01/25	2026	4,450,000	228,000	-
2026	04/01/26	2026	-	116,750	4,794,750
2026	10/01/26	2027	4,670,000	116,750	4,786,750
2027	04/01/27	2027	-	-	-
2027	10/01/27	2028	-	-	-
2028	04/01/28	2028	-	-	-
2028	10/01/28	2029	-	-	-
TOTAL			137,880,000	25,603,917	163,483,917

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
 Outstanding Debt by Type
 Years Ended September 30, 2015
 Last Ten Fiscal Years
 (unaudited)

(dollar amounts in thousands)

Fiscal Year	Revenue Bonds	Revenue Notes	Revenue Refunding Bonds	Notes Payable	Total
2015	\$ 50,530	\$ 87,350	\$ -	\$ -	\$ 137,880
2014	53,265	97,380	-	-	150,645
2013	55,885	68,465	32,685	-	157,035
2012	111,950	34,855	37,055	-	183,860
2011	121,095	36,955	42,430	-	200,480
2010	123,320	38,985	47,575	-	209,880
2009	125,375	40,950	52,560	-	218,885
2008	127,375	41,490	57,355	-	226,220
2007	132,800	-	102,975	-	235,775
2006	38,435	-	108,260	6,170	152,865

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Top 10 Employers of Jacksonville
(unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007
Naval Air Station Jacksonville	20,000	25,240	25,240	25,240	25,245	19,500	22,245	25,245
Duval County Public Schools	12,744	14,480	14,480	14,480	14,489	14,489	14,489	14,284
Baptist Health	9,159	8,270	8,270	8,270	8,276	5,600	7,000	7,000
Naval Station Mayport	9,000	9,000	9,000	12,670	12,677	15,293	15,293	15,293
City of Jacksonville	8,003	8,820	8,820	8,820	8,828	8,828	8,828	8,828
Florida Blue	6,000	6,500	6,500	6,000	6,000	9,000	7,000	7,000
Publix Distribution Center	6,000	-	-	-	-	6,615	-	6,615
Mayo Clinic	5,211	4,970	4,970	4,970	4,978	5,000	5,000	-
St. Vincent's HealthCare	5,156	-	-	-	-	-	-	-
Bi-Lo Holdings, LLC	4,708	-	-	-	-	-	-	-
J P Morgan Chase	3,900	4,200	4,200	-	-	-	-	-
CSX	3,682	-	-	-	-	-	4,400	-
Citigroup Inc.	3,500	4,200	4,200	5,000	4,863	5,000	4,200	-
United Parcel Service	-	-	-	4,100	4,100	-	-	-
Bank of America Merrill Lynch	-	8,000	8,000	6,400	3,800	-	4,000	-
Winn-Dixie	-	-	-	-	-	6,200	-	6,200
Wal-Mart	-	-	-	-	-	-	-	5,800
State of Florida	-	-	-	-	-	-	-	7,056
Total	97,063	93,680	93,680	95,950	93,256	95,525	92,455	103,321

Information for 2015 is not currently available. Each employer's percentage of total employment is also unavailable.

Source: 2014 Jacksonville Business Journal - Book of Lists 14-15, 2013 About.com Jacksonville, 2012 Jacksonville Economic Development 2011 and 2010 Jacksonville Cornerstone Regional Development Partnership, 2009 Jacksonville Economic Development, 2008 Jacksonville Cornerstone, 2007 and 2006 Data The Florida Times-Union, Largest Employers in Jacksonville Area Information was not available for the prior 3 years

Jacksonville Aviation Authority
Demographic and Economic Statistics
Metropolitan Statistical Area of Jacksonville
(unaudited)

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	1,419,127	\$61,608,676	\$ 43,413	6.2%
2013	1,394,624	60,175,990	43,149	6.9%
2012	1,377,850	57,731,463	41,900	10.6%
2011	1,360,998	55,394,044	40,701	10.6%
2010	1,349,103	53,308,761	39,514	11.7%
2009	1,328,144	52,297,000	39,175	10.1%
2008	1,316,528	53,381,000	40,357	4.3%
2007	1,304,199	48,931,673	40,633	3.3%
2006	1,278,626	47,972,228	37,519	3.8%
2005	1,247,828	42,785,474	34,288	4.6%

Note: Population for 2014 is estimated.

*Sources: BEARFACTS Bureau of Economic Analysis: Regional Economic Accounts-Jacksonville, FL
Bureau of Labor Statistics - Jacksonville, FL Metropolitan Statistical Area
2006 Population Estimate from US Census Bureau
Unemployment Rate from the US Department of Labor, Bureau of Labor Statistics*

Jacksonville Aviation Authority
Jacksonville, Florida
Jacksonville International Airport
Enplanements
(unaudited)

	2015	Market Share 2015	2014	Market Share 2014
DELTA AIR LINES INC	858,787	31.55 %	818,900	31.46 %
AMERICAN AIRLINES CORPORATION	742,374	27.27 %	278,360	10.69 %
SOUTHWEST AIRLINES CO	524,376	19.26 %	604,257	23.22 %
JETBLUE AIRWAYS CORPORATION	299,555	11.00 %	200,309	7.70 %
UNITED AIRLINES	234,496	8.61 %	222,320	8.54 %
SILVER AIRWAYS CORP	40,681	1.49 %	17,043	0.65 %
ALLEGiant AIR LLC	18,497	0.68 %	-	0.00 %
AIR GROUND LOGISTICS INC	3,266	0.12 %	1,833	0.07 %
US AIRWAYS INC	-	0.00 %	459,799	17.67 %
AIRTRAN AIRLINES INC	-	0.00 %	-	0.00 %
REPUBLIC AIRLINES INC	-	0.00 %	-	0.00 %
AMERICAN EAGLE AIRLINES	-	0.00 %	-	0.00 %
CONTINENTAL EXPRESS	-	0.00 %	-	0.00 %
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION	-	0.00 %	-	0.00 %
PINNACLE AIRLINES	-	0.00 %	-	0.00 %
GOJET AIRLINES	-	0.00 %	-	0.00 %
COMPASS AIRLINES INC	-	0.00 %	-	0.00 %
UNITED EXPRESS	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES	-	0.00 %	-	0.00 %
US AIRWAYS EXPRESS MESA	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION (UNITED)	-	0.00 %	-	0.00 %
COMAIR INC	-	0.00 %	-	0.00 %
CHAUTAUQUA AIRLINES INC	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	0.00 %	-	0.00 %
CONTINENTAL AIRLINES	-	0.00 %	-	0.00 %
GOJET AIRLINES (DELTA AIRLINES)	-	0.00 %	-	0.00 %
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	0.00 %	-	0.00 %
PSA AIRLINES INC	-	0.00 %	-	0.00 %
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	0.00 %	-	0.00 %
MESABA AIRLINES	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	0.00 %	-	0.00 %
FREEDOM AIRLINES (DELTA) CO MESA AIRLINES	-	0.00 %	-	0.00 %
AIR TRAN EXPRESS (AIR WISCONSIN)	-	0.00 %	-	0.00 %
EXPRESS JET	-	0.00 %	-	0.00 %
FLORIDA GULF (MESA)	-	0.00 %	-	0.00 %
FRONTIER	-	0.00 %	-	0.00 %
GULFSTREAM (CONTINENTAL CONN.)	-	0.00 %	-	0.00 %
INDEPENDENCE AIR	-	0.00 %	-	0.00 %
MESA/FREEDOM (DELTA)	-	0.00 %	-	0.00 %
SKYWEST (DELTA CONNECTION)	-	0.00 %	-	0.00 %
TRANS STATES (AMERICAN)	-	0.00 %	-	0.00 %
NORTHWEST AIRLINES INC	-	0.00 %	-	0.00 %
TOTAL ENPLANEMENTS	<u>2,722,032</u>	<u>100.00 %</u>	<u>2,602,821</u>	<u>100.00 %</u>

Source: Jacksonville Aviation Authority)

FY2013 Note: Under new agreement Signatory Airlines are reporting for their affiliates

Jacksonville Aviation Authority
Jacksonville, Florida
Jacksonville International Airport
Enplanements
(unaudited)

	2013	2012	2011	2010
DELTA AIR LINES INC	766,754	626,376	609,465	659,530
AMERICAN AIRLINES CORPORATION	251,578	153,084	166,969	163,434
SOUTHWEST AIRLINES CO	652,585	594,816	629,020	609,766
JETBLUE AIRWAYS CORPORATION	186,118	187,189	147,195	118,761
UNITED AIRLINES	249,782	33,872	45,072	53,003
SILVER AIRWAYS CORP	6,119	2,927	-	-
ALLEGiant AIR LLC	-	-	-	-
AIR GROUND LOGISTICS INC	2,054	4,416	4,543	4,191
US AIRWAYS INC	448,580	291,616	355,870	400,453
AIRTRAN AIRLINES INC	-	127,231	146,138	166,504
REPUBLIC AIRLINES INC	-	116,842	76,740	49,598
AMERICAN EAGLE AIRLINES	-	103,958	118,783	85,634
CONTINENTAL EXPRESS	-	92,771	128,975	147,976
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	51,446	55,888	39,843
SHUTTLE AMERICA CORPORATION	-	35,691	13,463	5,899
PINNACLE AIRLINES	-	34,525	28,892	39,506
GOJET AIRLINES	-	32,552	22,740	58,063
COMPASS AIRLINES INC	-	30,232	44,836	41,195
UNITED EXPRESS	-	26,366	1,645	-
ATLANTIC SOUTHEAST AIRLINES	-	23,425	51,217	4,326
US AIRWAYS EXPRESS MESA	-	19,835	10,465	7,264
SHUTTLE AMERICA CORPORATION (UNITED)	-	13,033	9,294	-
COMAIR INC	-	11,532	61,685	63,305
CHAUTAUQUA AIRLINES INC	-	7,901	7,226	19,409
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	6,217	13,533	-
CONTINENTAL AIRLINES	-	6,048	2,593	24,739
GOJET AIRLINES (DELTA AIRLINES)	-	4,035	-	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	3,702	-	-
PSA AIRLINES INC	-	1,268	1,239	1,462
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	918	550	15
MESABA AIRLINES	-	235	784	7,219
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	19,011	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	9,978	1,464
FREEDOM AIRLINES (DELTA) CO MESA AIRLINES	-	-	-	5,248
AIR TRAN EXPRESS (AIR WISCONSIN)	-	-	-	-
EXPRESS JET	-	-	-	-
FLORIDA GULF (MESA)	-	-	-	-
FRONTIER	-	-	-	-
GULFSTREAM (CONTINENTAL CONN.)	-	-	-	-
INDEPENDENCE AIR	-	-	-	-
MESA/FREEDOM (DELTA)	-	-	-	-
SKYWEST (DELTA CONNECTION)	-	-	-	-
TRANS STATES (AMERICAN)	-	-	-	-
NORTHWEST AIRLINES INC	-	-	-	-
TOTAL ENPLANEMENTS	<u>2,563,570</u>	<u>2,644,059</u>	<u>2,783,809</u>	<u>2,777,807</u>

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Jacksonville, Florida
Jacksonville International Airport
Enplanements
(unaudited)

	2009	2008	2007	2006
DELTA AIR LINES INC	566,209	563,394	579,370	512,706
AMERICAN AIRLINES CORPORATION	139,687	153,956	154,886	160,401
SOUTHWEST AIRLINES CO	653,444	624,289	657,338	638,860
JETBLUE AIRWAYS CORPORATION	103,559	114,510	111,377	34,684
UNITED AIRLINES	49,205	88,149	22,622	-
SILVER AIRWAYS CORP	-	-	-	-
ALLEGiant AIR LLC	-	-	-	-
AIR GROUND LOGISTICS INC	3,258	3,792	6,835	4,733
US AIRWAYS INC	408,943	460,583	487,063	470,872
AIRTRAN AIRLINES INC	165,770	182,364	185,536	196,583
REPUBLIC AIRLINES INC	48,834	20,742	11,764	1,693
AMERICAN EAGLE AIRLINES	74,711	123,084	120,006	96,343
CONTINENTAL EXPRESS	119,950	77,426	103,739	109,468
UNITED EXPRESS AIRLINES CO MESA AIRLINES	57,791	36,684	65,563	45,030
SHUTTLE AMERICA CORPORATION	-	-	-	-
PINNACLE AIRLINES	42,633	30,892	42,338	35,599
GOJET AIRLINES	44,845	26,151	60,106	60,611
COMPASS AIRLINES INC	47,205	32,493	-	-
UNITED EXPRESS	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES	3,471	803	13,727	-
US AIRWAYS EXPRESS MESA	1,531	1,653	2,786	-
SHUTTLE AMERICA CORPORATION (UNITED)	-	-	-	-
COMAIR INC	79,563	133,481	146,296	152,333
CHAUTAUQUA AIRLINES INC	54,097	34,746	11,126	9,896
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	-	-	-
CONTINENTAL AIRLINES	77,715	128,916	137,554	131,352
GOJET AIRLINES (DELTA AIRLINES)	-	-	-	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	-	-	-
PSA AIRLINES INC	-	1,626	1,697	6,249
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	824	2,878	3,855	-
MESABA AIRLINES	-	6,373	-	11,290
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	-	-
FREEDOM AIRLINES (DELTA) CO MESA AIRLINES	-	-	-	-
AIR TRAN EXPRESS (AIR WISCONSIN)	-	-	-	17,800
EXPRESS JET	-	54,531	29,042	-
FLORIDA GULF (MESA)	-	-	-	5,308
FRONTIER	-	20,719	11,694	-
GULFSTREAM (CONTINENTAL CONN.)	-	5,606	14,053	13,187
INDEPENDENCE AIR	-	-	-	21,187
MESA/FREEDOM (DELTA)	-	-	-	8,066
SKYWEST (DELTA CONNECTION)	-	462	18,074	22,450
TRANS STATES (AMERICAN)	-	33,075	40,486	39,237
NORTHWEST AIRLINES INC	69,963	94,628	128,731	118,589
TOTAL ENPLANEMENTS	<u>2,813,208</u>	<u>3,058,006</u>	<u>3,167,664</u>	<u>2,924,527</u>

Source: Jacksonville Aviation Authority

Jacksonville Aviation Authority
Jacksonville, Florida
Landed Weights
(weights in 1000 lbs)
(unaudited)

	2015	Market Share 2015	2014	Market Share 2014
DELTA AIR LINES INC	993,669	28.06 %	989,362	28.29 %
AMERICAN AIRLINES CORPORATION	904,261	25.54 %	304,435	8.70 %
SOUTHWEST AIRLINES CO	593,027	16.75 %	781,392	22.34 %
JETBLUE AIRWAYS CORPORATION	334,258	9.44 %	225,429	6.45 %
UNITED AIRLINES	235,569	6.65 %	243,254	6.95 %
SILVER AIRWAYS CORP	57,827	1.63 %	23,057	0.66 %
ALLEGiant AIR LLC	18,514	0.52 %	-	0.00 %
AIR GROUND LOGISTICS INC	9,453	0.27 %	5,289	0.15 %
US AIRWAYS INC	-	0.00 %	530,093	15.16 %
REPUBLIC AIRLINES INC	-	0.00 %	-	0.00 %
AIRTRAN AIRLINES INC	-	0.00 %	-	0.00 %
EXPRESSJET AIRLINES INC (UNITED AIRLINES)	-	0.00 %	-	0.00 %
ENVOY AIR	-	0.00 %	-	0.00 %
COMPASS AIRLINES INC	-	0.00 %	-	0.00 %
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	0.00 %	-	0.00 %
PINNACLE AIRLINES	-	0.00 %	-	0.00 %
GOJET AIRLINES	-	0.00 %	-	0.00 %
GOJET AIRLINES (DELTA AIRLINES)	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION (UNITED)	-	0.00 %	-	0.00 %
ENDEAVOR AIR	-	0.00 %	-	0.00 %
US AIRWAYS EXPRESS MESA	-	0.00 %	-	0.00 %
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION	-	0.00 %	-	0.00 %
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	0.00 %	-	0.00 %
PSA AIRLINES INC	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES	-	0.00 %	-	0.00 %
UNITED EXPRESS	-	0.00 %	-	0.00 %
COMAIR INC	-	0.00 %	-	0.00 %
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	0.00 %	-	0.00 %
CONTINENTAL AIRLINES	-	0.00 %	-	0.00 %
CHAUTAUQUA AIRLINES INC	-	0.00 %	-	0.00 %
CONTINENTAL EXPRESS	-	0.00 %	-	0.00 %
MESABA AIRLINES	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	0.00 %	-	0.00 %
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	0.00 %	-	0.00 %
DAL GLOBAL SERVICES INC	-	0.00 %	-	0.00 %
ATLANTIC COAST AIRLINES	-	0.00 %	-	0.00 %
AMERICAN (TRANS STATES)	-	0.00 %	-	0.00 %
EXPRESS JET	-	0.00 %	-	0.00 %
FRONTIER	-	0.00 %	-	0.00 %
GULFSTREAM (CONTINENTAL)	-	0.00 %	-	0.00 %
INDEPENDENCE AIR	-	0.00 %	-	0.00 %
MESA/FREEDOM (DELTA)	-	0.00 %	-	0.00 %
SKYWEST (DELTA CONNECTION)	-	0.00 %	-	0.00 %
TRANS STATES	-	0.00 %	-	0.00 %
AIR WISCONSIN (US AIRWAYS)	-	0.00 %	-	0.00 %
FLORIDA GULF (MESA)	-	0.00 %	-	0.00 %
NORTHWEST AIRLINES INC	-	0.00 %	-	0.00 %
TOTAL COMMERCIAL AIRLINES	<u>3,146,578</u>	<u>88.86 %</u>	<u>3,102,311</u>	<u>88.70 %</u>
AIR CARGO CARRIERS:				
FEDERAL EXPRESS CORPORATION	203,065	5.73 %	205,419	5.87 %
UNITED PARCEL SERVICE COMPANY	188,094	5.31 %	186,616	5.34 %
SUBURBAN AIR FREIGHT INC	-	0.00 %	2,479	0.07 %
AMERIFLIGHT LLC	3,166	0.09 %	748	0.02 %
MOUNTAIN AIR CARGO INC	43	0.00 %	-	0.00 %
MISCELLANEOUS	-	0.00 %	-	0.00 %
ABX	-	0.00 %	-	0.00 %
DHL	-	0.00 %	-	0.00 %
AIRBORNE EXPRESS	-	0.00 %	-	0.00 %
TOTAL CARGO AIRLINES	<u>394,368</u>	<u>11.14 %</u>	<u>395,262</u>	<u>11.30 %</u>
TOTAL LANDED WEIGHTS	<u><u>3,540,946</u></u>	<u><u>100.00 %</u></u>	<u><u>3,497,573</u></u>	<u><u>100.00 %</u></u>

Source: Jacksonville Aviation Authority (formerly Jacksonville Airport Authority 2005)

FY 2014 Note: Under the current airline agreement Affiliate's landed weights are reported under the Signatory Airline.

Jacksonville Aviation Authority
Jacksonville, Florida
Landed Weights
(weights in 1000 lbs)
(unaudited)

	2013	2012	2011	2010
DELTA AIR LINES INC	829,083	813,618	801,499	722,553
AMERICAN AIRLINES CORPORATION	180,598	166,346	180,024	181,958
SOUTHWEST AIRLINES CO	728,250	805,030	890,870	862,176
JETBLUE AIRWAYS CORPORATION	216,234	200,641	171,867	152,829
UNITED AIRLINES	52,984	49,993	66,766	76,189
SILVER AIRWAYS CORP	22,674	3,933	-	-
ALLEGiant AIR LLC	-	-	-	-
AIR GROUND LOGISTICS INC	5,583	12,180	11,463	-
US AIRWAYS INC	318,349	359,066	464,833	529,454
REPUBLIC AIRLINES INC	176,606	145,784	85,395	56,686
AIRTRAN AIRLINES INC	130,864	152,232	192,650	200,976
EXPRESSJET AIRLINES INC (UNITED AIRLINES)	107,201	-	-	-
ENVOY AIR	103,422	107,379	140,674	99,474
COMPASS AIRLINES INC	77,862	36,023	52,538	35,875
UNITED EXPRESS AIRLINES CO MESA AIRLINES	56,816	58,625	67,918	45,630
PINNACLE AIRLINES	50,378	41,596	34,363	45,024
GOJET AIRLINES	35,443	37,855	28,810	-
GOJET AIRLINES (DELTA AIRLINES)	28,609	5,963	-	73,030
SHUTTLE AMERICA CORPORATION (UNITED)	21,404	16,993	15,258	-
ENDEAVOR AIR	15,625	-	-	-
US AIRWAYS EXPRESS MESA	14,847	22,712	11,172	7,720
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	10,012	4,256	-	-
SHUTTLE AMERICA CORPORATION	9,974	46,786	17,027	5,997
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	9,682	1,598	846	94
PSA AIRLINES INC	1,934	1,730	1,394	1,851
ATLANTIC SOUTHEAST AIRLINES	-	27,651	64,670	4,730
UNITED EXPRESS	-	26,246	1,662	-
COMAIR INC	-	14,125	87,737	68,834
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	10,051	23,863	-
CONTINENTAL AIRLINES	-	9,880	4,407	30,343
CHAUTAUQUA AIRLINES INC	-	7,341	6,907	21,983
CONTINENTAL EXPRESS	-	92,131	124,645	142,502
MESABA AIRLINES	-	368	956	5,240
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	17,866	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	12,455	-
DAL GLOBAL SERVICES INC	-	-	322	-
ATLANTIC COAST AIRLINES	-	-	-	1,880
AMERICAN (TRANS STATES)	-	-	-	-
EXPRESS JET	-	-	-	-
FRONTIER	-	-	-	-
GULFSTREAM (CONTINENTAL)	-	-	-	-
INDEPENDENCE AIR	-	-	-	-
MESA/FREEDOM (DELTA)	-	-	-	-
SKYWEST (DELTA CONNECTION)	-	-	-	-
TRANS STATES	-	-	-	-
AIR WISCONSIN (US AIRWAYS)	-	-	-	-
FLORIDA GULF (MESA)	-	-	-	-
NORTHWEST AIRLINES INC	-	-	-	-
TOTAL COMMERCIAL AIRLINES	<u>3,204,434</u>	<u>3,278,132</u>	<u>3,580,857</u>	<u>3,373,028</u>
AIR CARGO CARRIERS:				
FEDERAL EXPRESS CORPORATION	198,341	196,971	211,323	212,938
UNITED PARCEL SERVICE COMPANY	186,859	186,599	186,799	189,609
SUBURBAN AIR FREIGHT INC	3,272	3,203	2,090	-
AMERIFLIGHT LLC	14	-	16	-
MOUNTAIN AIR CARGO INC	-	72	886	-
MISCELLANEOUS	-	-	-	16,478
ABX	-	-	-	-
DHL	-	-	-	-
AIRBORNE EXPRESS	-	-	-	-
TOTAL CARGO AIRLINES	<u>388,486</u>	<u>386,845</u>	<u>401,114</u>	<u>419,025</u>
TOTAL LANDED WEIGHTS	<u><u>3,592,920</u></u>	<u><u>3,664,977</u></u>	<u><u>3,981,971</u></u>	<u><u>3,792,053</u></u>

See accompanying notes.

Jacksonville Aviation Authority
Jacksonville, Florida
Landed Weights
(weights in 1000 lbs)
(unaudited)

	2009	2008	2007	2006
DELTA AIR LINES INC	733,464	768,877	672,714	980,596
AMERICAN AIRLINES CORPORATION	153,526	181,777	-	185,101
SOUTHWEST AIRLINES CO	955,216	980,788	970,542	947,608
JETBLUE AIRWAYS CORPORATION	170,954	148,825	133,747	51,899
UNITED AIRLINES	65,962	115,232	28,118	-
SILVER AIRWAYS CORP	-	-	-	-
ALLEGiant AIR LLC	-	-	-	-
AIR GROUND LOGISTICS INC	-	-	-	-
US AIRWAYS INC	516,137	573,721	584,664	609,737
REPUBLIC AIRLINES INC	55,227	20,112	15,041	2,169
AIRTRAN AIRLINES INC	193,536	215,674	222,352	229,528
EXPRESSJET AIRLINES INC (UNITED AIRLINES)	-	-	-	-
ENVOY AIR	88,051	145,095	137,487	102,305
COMPASS AIRLINES INC	46,903	36,776	-	-
UNITED EXPRESS AIRLINES CO MESA AIRLINES	61,844	40,321	73,408	47,952
PINNACLE AIRLINES	40,519	37,150	46,671	41,501
GOJET AIRLINES	56,213	42,681	75,040	81,204
GOJET AIRLINES (DELTA AIRLINES)	-	-	-	-
SHUTTLE AMERICA CORPORATION (UNITED)	-	-	-	-
ENDEAVOR AIR	-	-	-	-
US AIRWAYS EXPRESS MESA	1,397	2,132	3,363	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	-	-	-
SHUTTLE AMERICA CORPORATION	-	-	-	-
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	-	-	20,022
PSA AIRLINES INC	-	2,295	1,900	7,537
ATLANTIC SOUTHEAST AIRLINES	4,653	899	14,792	-
UNITED EXPRESS	-	-	-	-
COMAIR INC	89,465	152,776	166,499	186,539
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	-	-	-
CONTINENTAL AIRLINES	94,625	155,645	159,848	149,838
CHAUTAUQUA AIRLINES INC	56,301	32,547	10,707	16,403
CONTINENTAL EXPRESS	113,231	80,619	104,876	109,128
MESABA AIRLINES	-	2,867	-	-
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	-	-
DAL GLOBAL SERVICES INC	-	-	-	-
ATLANTIC COAST AIRLINES	-	-	-	24,055
AMERICAN (TRANS STATES)	-	-	179,773	41,597
EXPRESS JET	-	74,862	50,733	-
FRONTIER	-	33,574	15,926	-
GULFSTREAM (CONTINENTAL)	-	13,266	26,646	23,790
INDEPENDENCE AIR	-	294	-	36,549
MESA/FREEDOM (DELTA)	-	-	-	10,073
SKYWEST (DELTA CONNECTION)	-	289	21,735	26,110
TRANS STATES	-	36,235	43,128	-
AIR WISCONSIN (US AIRWAYS)	893	3,854	4,277	-
FLORIDA GULF (MESA)	-	-	-	5,208
NORTHWEST AIRLINES INC	71,834	112,817	165,429	159,241
TOTAL COMMERCIAL AIRLINES	<u>3,569,951</u>	<u>4,012,000</u>	<u>3,929,416</u>	<u>4,095,690</u>
AIR CARGO CARRIERS:				
FEDERAL EXPRESS CORPORATION	217,465	215,057	216,005	221,203
UNITED PARCEL SERVICE COMPANY	208,064	249,001	265,114	230,313
SUBURBAN AIR FREIGHT INC	-	-	-	-
AMERIFLIGHT LLC	-	-	-	-
MOUNTAIN AIR CARGO INC	-	-	-	-
MISCELLANEOUS	18,474	16,760	5,918	7,182
ABX	7,029	26,293	28,491	-
DHL	-	-	1,126	-
AIRBORNE EXPRESS	-	-	-	33,337
TOTAL CARGO AIRLINES	<u>451,032</u>	<u>507,111</u>	<u>516,654</u>	<u>492,035</u>
TOTAL LANDED WEIGHTS	<u><u>4,020,983</u></u>	<u><u>4,519,111</u></u>	<u><u>4,446,070</u></u>	<u><u>4,587,725</u></u>

See accompanying notes.

Jacksonville Aviation Authority
Number of Employees
Year Ended September 30,
(unaudited)

	2015 Employees		2014 Employees		2013 Employees		2012 Employees		2011 Employees	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Executive Director	3	-	3	-	3	-	3	-	2	-
Marketing	3	-	3	-	3	-	2	-	3	-
Information Technology	9	-	8	-	8	-	7	-	7	-
External Affairs	4	-	4	-	4	-	4	-	4	-
Human Resources	6	-	5	-	7	-	8	-	9	-
Procurement	13	1	13	1	10	1	10	1	9	1
Accounting & Finance	10	-	10	-	9	-	9	-	9	-
Planning & Engineering	12	-	11	-	11	-	11	-	12	-
Business Development	7	-	7	-	8	-	7	-	4	-
Cecil Airport	12	-	10	1	11	-	7	5	5	5
JaxEx at Craig Airport	3	-	4	-	3	-	3	1	3	1
Herlong Airport	9	-	9	-	8	1	5	2	6	2
Building Maintenance	28	-	23	-	25	-	22	-	26	-
Field Maintenance	27	1	24	1	22	1	23	1	22	1
HBS	10	-	9	-	9	-	9	-	10	-
Custodial	34	-	31	-	32	-	32	-	31	-
Police/Security	50	-	50	-	52	-	52	-	53	-
Airport Operations	23	-	27	-	24	-	26	-	23	-
DBE	-	-	-	-	-	-	-	-	1	-
Chief Administrative Office	-	-	-	-	-	-	-	-	-	-
Customer Service	-	-	-	-	-	-	-	-	-	-
Employee Relations	-	-	-	-	-	-	-	-	-	-
Training & Development	-	-	-	-	-	-	-	-	-	-
Chief Operating Officer	-	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-	-
Ground Transportation	-	-	-	-	-	-	-	-	-	-
Air Trade	-	-	-	-	-	-	-	-	-	-
General Aviation Management	-	-	-	-	-	-	-	-	-	-
Total	263	2	251	3	249	3	240	10	239	10

FT - Full time employee working more than 35 hours
PT - Part time employee working 35 hours or less

Source: Authority Records

Jacksonville Aviation Authority
Number of Employees
Year Ended September 30,
(unaudited)

	2010		2009		2008		2007		2006	
	Employees		Employees		Employees		Employees		Employees	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Executive Director	2	-	1	-	3	-	3	-	3	-
Marketing	3	-	-	-	-	-	-	-	-	-
Information Technology	6	-	7	-	6	-	6	-	6	-
External Affairs	4	-	5	1	2	1	2	1	3	-
Human Resources	8	-	8	-	10	-	-	-	-	-
Procurement	9	1	8	1	7	1	7	-	6	-
Accounting & Finance	10	-	9	-	8	-	9	1	11	-
Planning & Engineering	12	-	12	-	13	-	12	-	12	-
Business Development	6	-	5	-	5	-	3	-	4	-
Cecil Airport	7	5	7	4	10	4	10	4	6	-
JaxEx at Craig Airport	3	1	3	1	3	2	4	-	4	-
Herlong Airport	6	2	5	2	6	2	5	3	6	-
Building Maintenance	26	-	26	-	26	-	25	-	19	-
Field Maintenance	23	1	24	1	24	1	25	1	31	-
HBS	10	-	10	-	10	-	10	-	11	-
Custodial	30	-	30	-	30	-	28	-	29	-
Police/Security	35	-	36	-	44	-	45	-	39	-
Airport Operations	19	1	18	1	21	-	18	2	17	-
DBE	1	-	1	-	1	1	1	1	1	-
Chief Administrative Office	-	-	-	-	-	-	-	-	2	-
Customer Service	-	-	-	-	-	-	2	1	3	-
Employee Relations	-	-	-	-	-	-	7	-	7	-
Training & Development	-	-	-	-	-	-	3	-	2	-
Chief Operating Officer	-	-	-	-	-	-	-	-	2	-
Enterprise	-	-	-	-	-	-	-	-	3	-
Ground Transportation	-	-	-	-	-	-	-	-	1	-
Air Trade	-	-	-	-	-	-	1	-	1	-
General Aviation Management	-	-	-	-	-	-	-	-	2	-
Total	220	11	215	11	229	12	226	14	231	-

FT - Full time employee working more than 35 hours
PT - Part time employee working 35 hours or less

Source: Authority Records

Jacksonville Aviation Authority
Aircraft Operations
Year Ended September 30, 2015
(unaudited)

	Air Carrier	Air Taxi	Gen Aviation	Military	Total Aircraft Operations
2015	54,552	18,528	11,223	9,199	93,502
2014	49,457	20,168	11,544	6,460	87,629
2013	51,358	18,301	13,755	7,145	90,559
2012	55,101	15,594	12,519	5,926	89,140
2011	58,105	19,956	13,536	7,275	98,872
2010	53,004	22,602	12,694	6,553	94,853
2009	57,467	22,325	11,925	5,908	97,625
2008	61,937	32,227	12,098	4,407	110,669
2007	61,997	37,163	15,447	5,908	120,515
2006	59,285	34,912	17,699	6,608	118,504

Source: Aviation Records

Jacksonville Aviation Authority
Airlines Serving Jacksonville International Airport
Year Ended September 30,
(unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Signatory Airlines</u>										
American Airlines	X	X	X	X	X	X	X	X	X	X
Delta Airlines	X	X	X	X	X	X	X	X	X	X
JetBlue	X	X	X	X	X	X	X	X	X	X
Northwest Airlines	-	-	-	-	-	-	X	X	X	X
Southwest Airlines	X	X	X	X	X	X	X	X	X	X
United Airlines	X	X	X	X	X	X	X	X	X	-
US Airways	-	X	X	X	X	X	X	X	X	X
Total Signatory Airlines	5	6	6	6	6	6	7	7	7	6
<u>Non-signatory Airlines</u>										
AirTran	-	-	X	X	X	X	X	X	X	X
Air Wisconsin	-	-	X	X	X	X	X	X	X	X
Allegiant	X	-	-	-	-	-	-	-	-	-
American Eagle	-	-	X	X	X	X	X	X	X	X
Endeavor Airlines (formerly ASA)	-	-	X	X	X	X	X	X	X	-
Charters	-	-	X	X	X	X	X	X	X	X
Chautauqua	-	-	-	X	X	X	X	X	X	X
Comair	-	-	-	X	X	X	X	X	X	X
Compass Airline	-	-	X	X	X	X	X	X	-	-
Continental Airlines	-	-	-	X	X	X	X	X	X	X
Continental Express	-	-	-	X	X	X	X	X	X	X
Express Jet	-	-	X	X	-	-	-	X	X	-
Florida Gulf	-	-	-	-	-	-	-	-	-	X
Freedom Airlines	-	-	-	-	-	X	-	-	-	-
Frontier	-	-	-	-	-	-	-	X	X	-
Go Jet	-	-	X	X	X	X	X	X	X	X
Gulfstream	-	-	-	-	-	-	-	X	X	X
Independence Air	-	-	-	-	-	-	-	-	-	X
Mesa	-	-	X	X	X	X	X	X	X	X
Mesaba	-	-	-	X	X	X	-	X	-	X
Midway Airlines	-	-	-	-	-	-	-	-	-	-
Pinnacle	-	-	X	X	X	X	X	X	X	X
PSA Airlines	-	-	X	X	X	X	-	X	X	X
Republic	-	-	X	X	X	X	X	X	X	X
Shuttle America	-	-	X	X	X	X	-	-	-	-
Silver Airways	X	X	X	X	-	-	-	-	-	-
Skywest	-	-	-	-	-	-	-	X	X	X
Trans States	-	-	-	-	-	-	-	X	X	X
Total Non-signatory Airlines	2	1	15	20	18	19	15	22	20	20
Total Signatory and Non-signatory Airlines	7	7	21	26	24	25	22	29	27	26
<u>Cargo</u>										
UPS	X	X	X	X	X	X	X	X	X	X
FedEx	X	X	X	X	X	X	X	X	X	X
Mountain Air Cargo	X	-	-	X	X	-	-	-	-	-
Suburban Air Freight	X	X	X	X	X	-	-	-	-	-
Ameriflight, LLC	X	X	X	-	X	-	-	-	-	-
ABX	-	-	-	-	-	X	X	X	X	-
DHL	-	-	-	-	-	-	-	-	X	-
Airborne Express	-	-	-	-	-	-	-	-	-	X
North Star	-	-	-	-	-	-	-	-	-	-
Total Cargo Airlines	5	4	4	4	5	3	3	3	4	3

Starting in 2013 affiliates are reported under signatory airlines.

Source: Authority Records

Jacksonville Aviation Authority
 Primary Origination and Destination Passenger Markets
 Year Ended September 30, 2015
 (unaudited)

Rank	Market	
1	Atlanta	SH
2	Charlotte	SH
3	Washington National	MH
4	New York JFK	MH
5	Miami	SH
6	Chicago O'Hare	MH
7	Dallas	MH
8	New York Newark	MH
9	Baltimore	MH
10	Houston Intercontinental	MH
11	Nashville	SH
12	New York La Guardia	MH
13	Philadelphia	MH
14	Washington Dulles	MH
15	Boston	MH
16	Fort Lauderdale	SH
17	Chicago International	MH
18	Denver	MH
19	Houston Hobby	MH
20	Minneapolis - St. Paul	MH

Source: Aviation Records

Trip Length

SH (short haul) = 0 to 600 miles
MH (medium haul) = 601 to 1,800 miles
LH (long haul) = over 1,801 miles

Jacksonville Aviation Authority
 Airport Capital Asset Information
 Year Ended September 30, 2015
(unaudited)

Jacksonville International Airport

Location	18 Miles North of Downtown Jacksonville
Area	8,374 Acres
Airport Code	JAX

Runways	10,000 Feet Runway 7/25 (Primary)
	7,700 Feet Runway 13/31

Taxiways	13 75 Foot Wide
	2 50 Foot Wide
	2 90 Foot Wide
	3 60 Foot Wide
	1 150 Foot Wide

Aprons	1,575,752 Sq. Yards
--------	---------------------

Terminal with 2 Concourses	726,294 Sq. Ft.
Aircraft Gates	14 Gates leased by Signatory Airlines
	6 Gates operated by JAA
	1 International/Charter Gate

Cargo	South of Terminal
	225,000 Sq. Ft. Consisting of 4 Buildings
	86,600 Sq. Yrds. Consisting of 3 Cargo Ramps
	34,000 Sq. Ft. Aircraft Maintenance Facility

Parking spaces	733 Short-term Hourly Garage
	1,963 Daily Garage
	1,722 Daily Surface Lot
	4,306 Economy Lots
	8,724

Hotel	200 Rooms - Jacksonville Airport Hotel
	153,000 Sq. Ft.

General Aviation Airports:

Craig Airport

Location	9 Miles East of Downtown Jacksonville
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Area	1,328 Acres
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Runways	4,000 Feet
	4,000 Feet

Fixed Based Operators (FBO)	Craig Air Center Sky Harbor
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Source: Authority Records

Jacksonville Aviation Authority
 Airport Capital Asset Information
 Year Ended September 30, 2015
(unaudited) (continued)

Herlong Airport	
Location	9 Miles Southwest of Downtown Jacksonville
Area	1,449 Acres
Runways	4,000 Feet 3,500 Feet
Cecil Field Airport	
Location	13 Miles Southwest of Downtown Jacksonville
Area	6,078 Acres
Runways	12,500 Feet 8,000 Feet 8,000 Feet 4,439 Feet
Aprons	672,953 Sq. Yrds.

Source: Authority Records

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