

# Jacksonville Aviation Authority

## Annual Financial Report Fiscal Year 2022

Comprehensive Annual Financial Report for the  
Fiscal Year Ended September 30, 2022  
of the Jacksonville Aviation Authority  
Jacksonville, Florida



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**JAA**  
Jacksonville  
Aviation  
Authority



**JACKSONVILLE AVIATION AUTHORITY  
JACKSONVILLE, FLORIDA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
*FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022***

PREPARED BY:  
FINANCE DIVISION

ROSS JONES  
CHIEF FINANCIAL OFFICER

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## TABLE OF CONTENTS

### INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	i-iii
Board of Directors and Senior Staff	iv
Organizational Chart	v

### FINANCIAL SECTION

Report of Independent Certified Public Accountant	1-2
Management's Discussion and Analysis (unaudited)	3-13
Financial Statements:	
Statements of Net Position	14-15
Statements of Revenues, Expenses and Changes in Net Position	16
Statements of Cash Flows	17-18
Notes to Financial Statements	20-55

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Schedule of Changes in the Authority's Total OPEB Liability	56
Schedule of the Authority's Proportionate Share of the Net Pension Liability	57
Florida Retirement System Pension Plan	
Schedule of the Authority's Contributions Florida Retirement System Pension Plan	58
Schedule of the Authority's Proportionate Share of the Net Pension Liability	
Health Insurance Subsidy Pension Plan	59
Schedule of the Authority's Contributions – Health Insurance Subsidy Pension Plan	60

### STATISTICAL SECTION (UNAUDITED)

Objectives of the Statistical Section	62
---------------------------------------	----

### STATISTICAL - FINANCIAL TRENDS INFORMATION

Changes in Cash and Cash Equivalents	63-64
Principal Operating Revenues, Airline Rates and Charges and Cost Per Enplaned Passenger	65-66

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## TABLE OF CONTENTS (CONTINUED)

### **STATISTICAL - REVENUE CAPACITY INFORMATION**

Total Revenues, Expenses and Changed in Net Position	67-68
Principal Revenue Payers	69-71

### **STATISTICAL - DEBT CAPACITY INFORMATION**

Ratio of Annual Bond Debt Service to Total Expenses Excluding Depreciation	72
Debt Service Coverage	73-74
Debt Service Note Tables	75-79
Total Debt Service	80-81
Outstanding Debt by Type	82

### **STATISTICAL - DEMOGRAPHIC AND ECONOMIC INFORMATION**

Top 10 Employers of Jacksonville	83-84
Demographic and Economic Statistics	85

### **STATISTICAL - OPERATING INFORMATION**

Enplanements	86-88
Landed Weights	89-91
Number of Employees	92-93
Aircraft Operations	94
Airlines Serving Jacksonville International Airport	95
Primary Origination and Destination Passenger Markets	96
Airport Capital Asset Information	97-98

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# Introductory

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Annual Financial Report

Fiscal Year Ended September 30, 2022





March 9, 2023

To the Board of Directors of the Jacksonville Aviation Authority:

We present the Annual Comprehensive Financial Report of the Jacksonville Aviation Authority (the Authority) for the fiscal year ended September 30, 2022. 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 the Chief Executive Officer who serves at its pleasure.

Mark VanLoh, Chief Executive Officer (CEO) 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 is maintaining, at a minimum, nine months of operating cash on hand to guard against significant economic uncertainties. Prudent levels of cash also afford the Authority the ability to maintain long term capital plans, as well as the flexibility to take advantage of market opportunities as they arise. Our current capital plan uses a five year horizon. 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 bank debt of \$181.04 million outstanding as of September 30, 2022. The Authority's bond service coverage ratio was 7.44 which exceeds the required 1.25.

### *Accounting Systems*

The management of the Authority is responsible for establishing and maintaining internal controls 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 is 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 Uniform Guidance and the Florida Single Audit Act. The Authority selected the firm of Plante Moran 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 "Ross Jones", written in a cursive style.

Ross Jones  
Chief Financial Officer

**Jacksonville, Florida**

**Board of Directors**

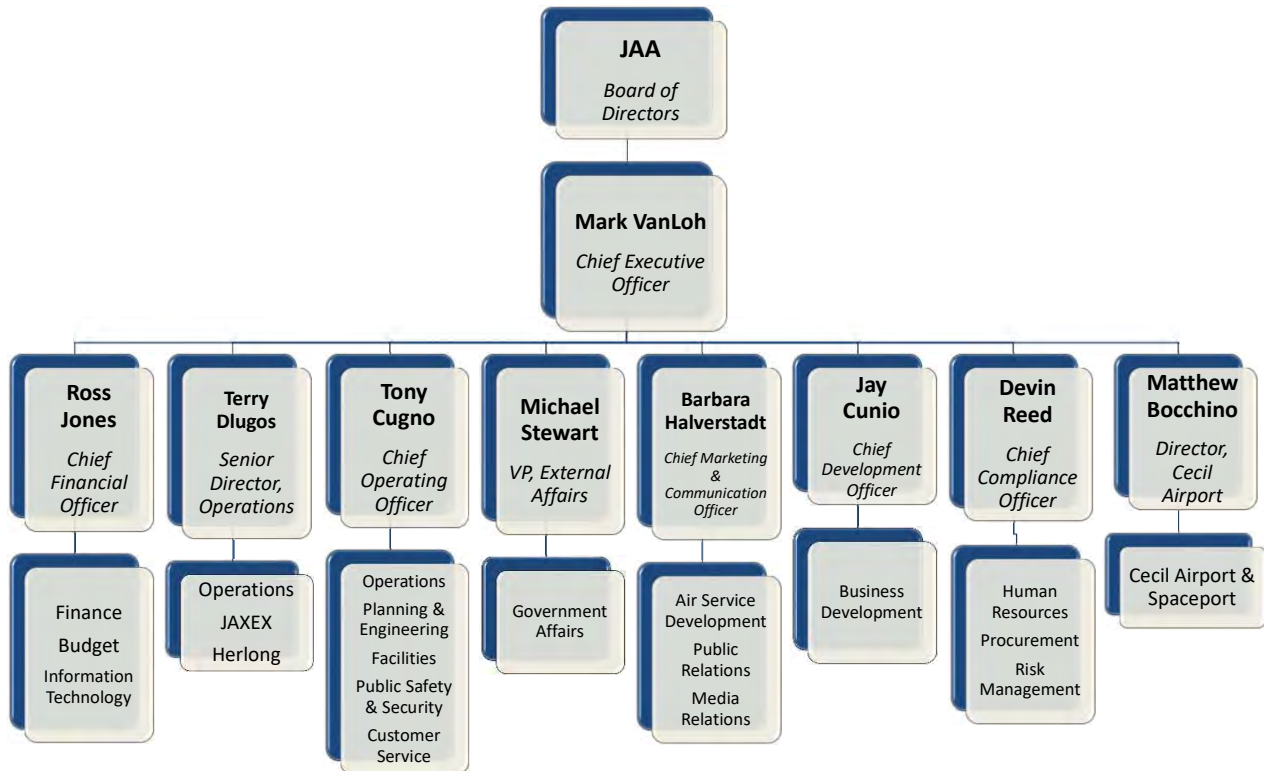
Jay Demetree.....Chairman  
Michelle Barnett.....Vice Chairman  
Fernando Acosta-Rua.....Treasurer  
Matt Connell.....Secretary  
Ray Alfred.....Member  
William Gulliford.....Member  
David Hodges Jr. ....Member

**Senior Staff**

Mark VanLoh.....Chief Executive Officer  
Tony Cugno.....Chief Operating Officer  
Ross Jones.....Chief Financial Officer  
Devin Reed.....Chief Compliance Officer  
Jay Cunio.....Chief Development Officer  
Barbara Halverstadt.....Chief Marketing & Communications Officer

# Jacksonville Aviation Authority

## Organizational Chart



## Independent Auditor's Report

To the Board of Directors  
Jacksonville Aviation Authority

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Jacksonville Aviation Authority (the "Authority") as of and for the year ended September 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as of September 30, 2022 and the changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Emphasis of Matters**

As discussed in Note 16 to the financial statements, the 2021 basic financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 5 to the financial statements, during the year ended September 30, 2022, the Authority adopted the provisions of GASB Statement No. 87, *Leases*. This statement requires recognition of lease receivables and deferred inflows, as well as enhanced footnote disclosures, for leases that meet certain criteria based on the provisions of the contract. Our opinion is not modified with respect to this matter.

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Jacksonville Aviation Authority

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

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

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

#### ***Required Supplemental Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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***

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

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2023 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

March 1, 2023

## **Jacksonville Aviation Authority**

### **Management's Discussion and Analysis (unaudited)**

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#### **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 year ended September 30, 2022. The discussion has been prepared by management, 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 265 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 debt 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 statement of net position, the statement of revenues, expenses and changes in net position, and the statement 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 statement of net position presents the Authority's financial position as of one point in time, September 30, 2022, and includes all assets and deferred outflows of resources, liabilities, and deferred inflows of resources of the Authority. The statement of net position demonstrates 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 statement of revenues, expenses, and changes in net position reports 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 a non-operating expense.

## Jacksonville Aviation Authority

### Management's Discussion and Analysis (unaudited)

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#### Using the Financial Statements (continued)

The statement of cash flows presents information about how the Authority's cash and cash equivalents position changed during the fiscal year. The statement of cash flows classifies 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 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, 2022 totaled 3.2 million, an increase of 53.55% from the prior fiscal year. The increase reflects a significant recovery from the historic lows caused by the COVID-19 pandemic. In fiscal year 2021, JIA had enplanements of 2.08 million, an increase of 5.29% from fiscal year 2020.

Landed weight totaled 4.12 million for fiscal year 2022, an increase of 29.91% from the prior year. In fiscal year 2021, JIA had landed weight of 3.17 million, an increase of 1.03% from fiscal year 2020.

As in 2021, Delta Airlines and American Airlines dominated fiscal year 2022 in enplanements activity and landed weight. Southwest, JetBlue, United, and Breeze comprise the remainder of the signatory airlines providing passenger service at JIA and generated the majority of the enplanements.

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

	2022	2021
Total Passengers	6,387,924	4,162,825
% Increase (decrease)	53.45%	5.11%
Enplanements	3,198,391	2,082,911
% Increase (decrease)	53.55%	5.29%
Landed Weight	4,120,298	3,171,661
% Increase (decrease)	29.91%	1.03%

For fiscal year 2022, JIA's average daily air carrier departures were 82, compared to 69 in 2021.

## Jacksonville Aviation Authority

### Management's Discussion and Analysis (unaudited)

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#### Financial Highlights

The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources for fiscal year 2022 by approximately \$623.43 million, compared to \$578.97 million in fiscal year 2021. Unrestricted net position as of the end of fiscal years 2022 and 2021 was approximately \$113.93 million and \$109.18 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 improvement for fiscal year 2022 is primarily due to higher than expected passenger traffic contributing to additional operating revenue and PFCs. In addition, Authority reimbursement from the CARES Act and related grants (to include CRSSA and ARPA) increased in 2022 by \$10.1 million from CARES Act reimbursement in fiscal year 2021.

The Authority's total debt increased by \$135.35 million compared to fiscal year 2021, attributable to \$156.1 million new debt to finance the construction of a new hangar, partially offset by the prepayment and satisfaction of an existing note in the amount of \$12.4 million. The new hangar is being constructed at Cecil Airport for existing tenant Boeing. Further detail can be found in note 11. The Authority made normal scheduled debt service payments of \$8.31 million. During fiscal year 2021, the Authority made scheduled debt service payments of \$6.27 million.

#### Operating Revenues

In fiscal year 2022, operating revenues improved significantly due to the recovery of passenger traffic following the decreasing impact of the COVID-19 pandemic. Total revenue increased by 38.54%, lead by strong results in parking, concessions, and fees and charges. In fiscal year 2021, operating revenue decreased by 1.23% over the prior year due to the full year impact of the pandemic as compared to the partial year impact in fiscal 2020.

#### Operating Expenses

In fiscal year 2022, operating expenses (before depreciation and amortization) increased by 19.33% over 2021. The main factor driving cost increases was the additional staffing needed to meet the higher passenger levels. Inflationary impacts were felt in both wages and services and supply categories. These two categories increased by 19.44% and 21.71%, respectively as compared to 2021.

#### Operating Margin

In fiscal year 2022, the operating margin was 35.84%, 10.98% higher than fiscal year 2021. Higher passenger traffic drove higher operational revenue, which outpaced increases in activity based expenditures and inflationary impacts.

#### Non-operating Revenues

Non-operating revenues in fiscal year 2022 increased 74.76% from 2021. This was primarily the result of higher revenues in PFCs and Federal and State grants. PFC revenue increased by 47.45%, while grant revenue increased 121.76%.

#### Non-operating Expenses

Non-operating expenses increased by 190.92% in fiscal year 2022 from 2021. This was primarily the result of additional interest expenses and issuance costs of the new 2021 Revenue Note to finance the construction of the Boeing Hangar.

#### Capital Contributions

Capital contributions decreased by 37.65% in fiscal year 2022 from 2021. These fluctuations are influenced by factors such as grant availability and project timing.



**Jacksonville Aviation Authority**

**Management’s Discussion and Analysis (unaudited)**

**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.

	<i>(Dollar amounts in thousands)</i>			
	2022	2021*	Increase/ (Decrease) from 2021	% Increase/ (Decrease) from 2021
<b>Assets</b>				
Current	\$ 186,693	\$ 167,023	\$ 19,670	11.8%
Noncurrent (restricted/other)	151,788	19,961	131,827	660.4%
Capital assets, net	558,803	498,104	60,699	12.2%
Total assets	<u>897,284</u>	<u>685,088</u>	<u>212,196</u>	<u>31.0%</u>
<b>Deferred outflow of resources</b>	<u>7,783</u>	<u>7,029</u>	<u>753</u>	<u>10.7%</u>
<b>Liabilities</b>				
Current	46,598	43,008	3,590	8.4%
Long-term	207,535	51,901	155,634	299.9%
Total liabilities	<u>254,133</u>	<u>94,909</u>	<u>159,224</u>	<u>167.8%</u>
<b>Deferred inflow of resources</b>	<u>27,506</u>	<u>18,233</u>	<u>9,273</u>	<u>50.9%</u>
<b>Net Position</b>				
Net investment in capital assets	482,536	452,222	30,314	6.7%
Restricted	26,967	17,569	9,398	53.5%
Unrestricted	113,925	109,183	4,742	4.3%
Total net position	<u>\$ 623,428</u>	<u>\$ 578,974</u>	<u>\$ 44,454</u>	<u>7.7%</u>
<b>Working Capital</b>				
Current assets	\$ 186,693	\$ 167,023	\$ 19,670	11.8%
Current liabilities	(46,598)	(43,008)	(3,590)	8.4%
Working capital	<u>\$ 140,095</u>	<u>\$ 124,015</u>	<u>\$ 16,080</u>	<u>13.0%</u>
Current ratio	4.01	3.88		

\* 2021 excludes the impact of GASB 87.

During 2022, total assets increased by 30.97%, deferred outflow of resources increased by 10.71%, total liabilities increased by 167.76%, and total deferred inflow of resources increased by 50.86%. Liabilities increased mainly due to new debt while changes in deferred balances were driven by FRS pension changes and the implementation of GASB-87 (see note 5 for more details). These changes resulted in an increase in net position of 7.68%.

## Jacksonville Aviation Authority

### Management's Discussion and Analysis (unaudited)

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#### Signatory Airline Rates and Charges

The Authority amended the Airline Use and Lease agreement ("Agreement") effective October 1, 2018, extending the expiration date to September 30, 2027. Airlines that enter into the Agreement are considered signatory airlines. Signatory airlines are responsible for their affiliates. The affiliates claimed by the signatory airlines receive the signatory rate. All other airlines are assessed rates and charges at 125% of the signatory rates.

Under the Agreement, 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 is hybrid in nature, with a residual rate-making methodology for the airfield and terminal, and a compensatory model for all other cost centers. The Authority also had the ability under the Agreement to adjust airline 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 2022 and 2021.

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

	2022	2021
Landing fees (per 1,000 lbs. MGLW)	\$ 3.38	\$ 3.15
Average terminal rental rate (per square foot)	161.13	144.01
Conditioned space (per square foot)	202.04	178.79
Unconditioned space (per square foot)	70.71	62.58

**Jacksonville Aviation Authority**

**Management's Discussion and Analysis (unaudited)**

**Signatory Airline Rates and Charges (continued)**

The following charts and tables show the major sources and the percentage of operating revenues and expenses for fiscal years 2022 and 2021:

*(Dollar amounts in thousands)*

	2022	2021*
<b>Operating revenues:</b>		
Concessions	\$ 21,356	\$ 15,633
Fees and charges	19,598	14,721
Space and facility rentals	30,015	26,345
Parking	25,871	13,000
Other revenue	2,003	1,649
Total operating revenues	<u>98,843</u>	<u>71,348</u>
<b>Operating expenses:</b>		
Wage and benefits	29,053	24,357
Services and supplies	17,110	14,058
Repairs and maintenance	8,817	7,824
Promotions, advertising and dues	710	579
Registration and travel	364	158
Utilities and taxes	4,791	3,868
Other operating expenses	2,537	2,271
Depreciation and amortization	34,125	38,113
Total operating expenses	<u>97,507</u>	<u>91,228</u>
<b>Operating profit (loss)</b>	<u>1,336</u>	<u>(19,879)</u>
<b>Nonoperating revenues:</b>		
Passenger facility charges	12,871	8,729
Investment income (loss)	(200)	593
Payments from federal and state agencies	17,084	7,704
Total nonoperating revenues	<u>29,755</u>	<u>17,026</u>
<b>Nonoperating expenses:</b>		
Interest expense	7,077	1,858
Other expenses (revenues)	(284)	477
Total nonoperating expenses	<u>6,793</u>	<u>2,335</u>
<b>Income before capital contributions</b>	24,297	(5,187)
<b>Capital contributions</b>	<u>9,264</u>	<u>14,859</u>
<b>Change in net position</b>	33,562	9,672
<b>Net position, beginning of year</b>	<u>589,866</u>	<u>569,303</u>
<b>Net position, end of year</b>	<u>\$ 623,428</u>	<u>\$ 578,974</u>

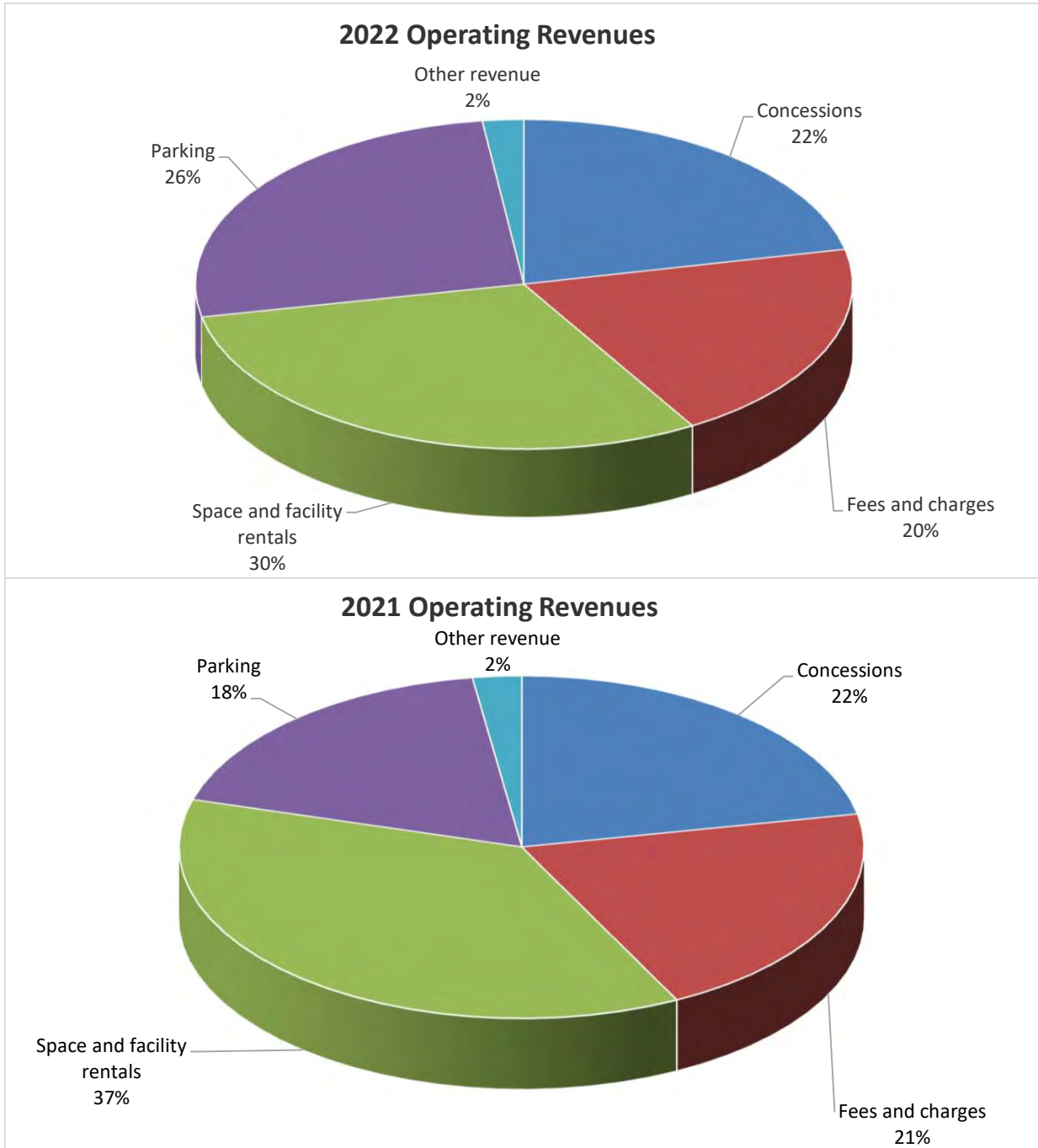
\* 2021 excludes the impact of GASB 87.

**Jacksonville Aviation Authority**

**Management’s Discussion and Analysis (unaudited)**

**Operating Revenues**

Operating revenue increased by 38.5% in fiscal year 2022. Refer to the changes in the net position section of this MD&A for additional information related to operating revenues.



**Jacksonville Aviation Authority**

**Management's Discussion and Analysis (unaudited)**

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**Operating Revenues by Major Classification**

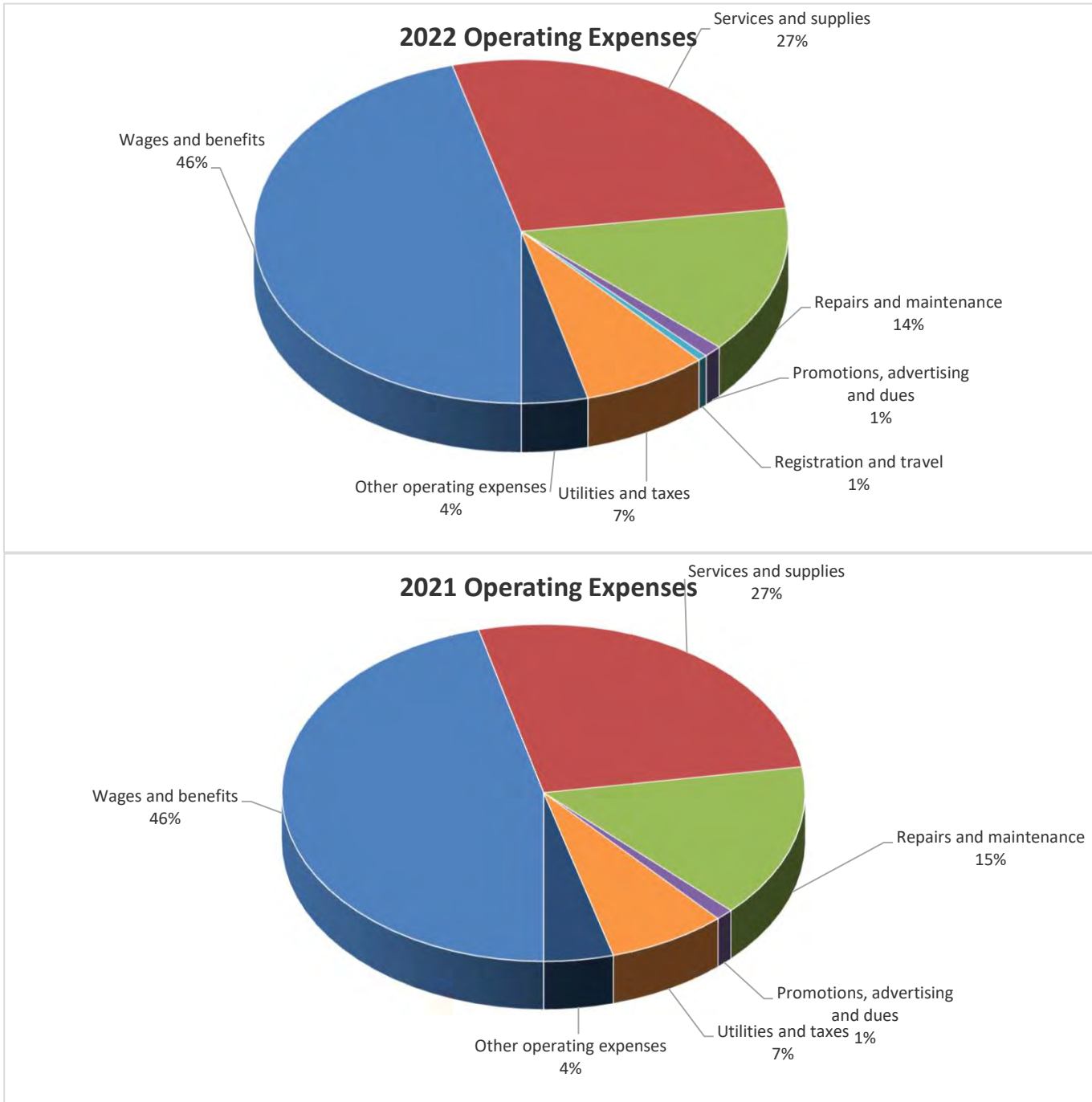
	<i>(Dollar amounts in thousands)</i>			
	2022	2021	Increase/ (Decrease) from 2022	% Increase/ (Decrease) from 2021
Concessions	\$ 21,356	\$ 15,633	\$ 5,723	36.61%
Fees and charges	19,598	14,721	4,877	33.13%
Space and facility rentals	30,015	26,345	3,670	13.93%
Parking	25,871	13,000	12,871	99.01%
Other revenue	2,003	1,649	354	21.47%
Total operating revenues	<u>\$ 98,843</u>	<u>\$ 71,348</u>	<u>\$ 27,495</u>	<u>38.54%</u>

**Jacksonville Aviation Authority**

**Management's Discussion and Analysis (unaudited)**

**Operating Expenses**

Operating expenses, before depreciation and amortization, increased by 19.3% in fiscal year 2022. Refer to the changes in the net position section of this MD&A for additional information related to operating expenses.



## Jacksonville Aviation Authority

### Management's Discussion and Analysis (unaudited)

#### Operating Expense by Major Classification

	<i>(Dollar amounts in thousands)</i>			
	2022	2021	Increase/ (Decrease) from 2022	% Increase/ (Decrease) from 2021
Wages and benefits	\$ 29,053	\$ 24,357	\$ 4,696	19.28%
Services and supplies	17,110	14,058	3,052	21.71%
Repairs and maintenance	8,817	7,824	993	12.69%
Promotions, advertising and dues	710	579	131	22.63%
Registration and travel	364	158	206	130.38%
Utilities and taxes	4,791	3,868	923	23.86%
Other operating expenses	2,537	2,271	266	11.71%
Total operating expenses	<u>\$ 63,382</u>	<u>\$ 53,115</u>	<u>\$ 10,267</u>	<u>19.33%</u>

#### Debt Activity

In fiscal year 2022, the Authority closed on new debt in the amount of \$156.10 million for construction of a new hangar at Cecil Airport. The Authority also paid off and satisfied its 2008 Compass (now PNC) note in the amount of \$12.4 million. Normal scheduled debt service payments of \$8.31 million were also made in fiscal 2022.

Refer to Note 11 for a more detailed explanation of long-term debt activity.

#### Cash and Investment Management

The Authority's cash and cash equivalents increased \$131.72 million for fiscal year 2022 over 2021. Restricted cash and cash equivalents increased by \$117.31 million, and unrestricted cash and cash equivalents increased by \$14.41 million. The increase from prior year is mainly due to the new borrowing related to the Boeing project at Cecil Airport.

#### Capital Construction

During 2022, the Authority expended approximately \$80.1 million on capital activities. Major projects in 2022 include the construction of the Boeing and ManTech hangars at Cecil Airport, and the expansion of the TSA checkpoint as part of the new Concourse B project at Jacksonville International Airport.

Average monthly capital construction spending was \$6.7 million for fiscal year 2022 and \$2.1 million for fiscal year 2021.

Refer to Note 7 for a more detailed discussion of capital activity.

## **Jacksonville Aviation Authority**

### **Management's Discussion and Analysis (unaudited)**

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#### **Economic Factors, Next Years' Budget, and COVID**

The aviation industry continues to recover rapidly from the COVID-19 pandemic. During fiscal year 2022, passenger activity at JIA recovered at a much faster pace than expected. The enplanement increase over the prior year was a robust 53.45%, leading to a \$14.5 million surplus in operating revenues over budget.

Jacksonville has enjoyed a growing population base which, combined with its desirable geographical location, has created additional demand in passenger traffic. These factors are leading the airlines to add additional capacity to the Jacksonville market. As evidence, the Authority signed a new Signatory airline, Breeze Airways, which started offering service in May of 2022. Breeze is currently offering six new non-stop destinations with plans to expand in the coming year.

Due to the rapid passenger increase, Jacksonville International Airport is proceeding with the construction of Concourse B, a new concourse with an estimated cost of \$300 million. Cecil Airport is also expanding its footprint by building new hangar spaces for strategic partners such as the Boeing Company and Mantech Advanced Systems. In addition, the Cecil Spaceport program continues to pursue operators of horizontal reusable launch vehicles (RLV) capable of delivering people, goods, and small satellites into a suborbital or orbital trajectory.

COVID-19 financial impact was aided in fiscal year 2022 through the American Rescue Plan Act ("ARPA"), passed by the federal government in March of 2021, and awarded to the Authority on December 2021. The award allows funds to be used within a four-year time frame. The Authority used a total \$15.9 million in fiscal year 2022, and plans on using remaining funds to reimburse operating expenses later this year.

Management is continuously monitoring the current state of the economy, consumer confidence, and regional and local market trends to properly assess the impact of aviation activity on leisure and business travel. The Authority expects passenger traffic to remain strong leading to an above average increase in passenger traffic during fiscal year 2023. Management will continue to apply conservative budgetary control measures while promoting growth and expansion.

#### **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

Statement of Net Position

Year Ended September 30, 2022

(Dollar amounts in thousands)

	2022
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$ 112,918
Investments	52,375
Accounts receivable, net of allowance of \$191 in 2022	8,223
Grants receivable	2,431
Interest receivable	592
Notes receivable	224
Lease receivable - GASB-87	7,608
Inventory and other assets	2,322
<b>Total current assets</b>	<u>186,693</u>
Noncurrent assets:	
Restricted cash and cash equivalents	133,223
Restricted - PFC receivable	1,045
Notes receivable	2,168
Lease receivable - GASB 87, net of current portion	15,352
<b>Total noncurrent assets</b>	<u>151,788</u>
Capital assets:	
Land	71,143
Construction in progress	98,929
Property, plant and equipment	1,002,481
Less accumulated depreciation	(614,355)
Other capital assets, net of amortization	605
<b>Total capital assets</b>	<u>558,803</u>
<b>Total noncurrent and capital assets</b>	<u>710,591</u>
<b>Total assets</b>	<u>897,284</u>
Deferred outflows of resources:	
Pension	7,783
<b>Total deferred outflow of resources</b>	<u>7,783</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 905,067</u>

See notes to financial statements.

**Jacksonville Aviation Authority**

**Statement of Net Position (Continued)**

**Year Ended September 30, 2022**

**(Dollar amounts in thousands)**

	<b>2022</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 21,196
Accrued expenses	4,266
Unearned revenue	4,194
Other accrued liabilities	12,402
Accrued interest payable	2,310
Construction contracts and retainage payable	2,230
<b>Total current liabilities</b>	<u>46,598</u>
Long-term liabilities:	
OPEB liability	832
Notes payable	181,036
Net pension liability	25,667
<b>Total long-term liabilities</b>	<u>207,535</u>
<b>Total liabilities</b>	<u>254,133</u>
Deferred inflow of resources:	
Gain on refunding	300
Deferred lease revenue - GASB-87* (See Note 5)	22,673
Pension	4,533
<b>Total deferred inflow of resources</b>	<u>27,506</u>
Net position	
Net investment in capital assets	482,536
Restricted for capital acquisition and construction	19,772
Restricted for O&M	5,845
Restricted - PFC receivable	1,045
Restricted - other	305
Unrestricted	113,925
<b>Total net position</b>	<u>623,428</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 905,067</u>

**Jacksonville Aviation Authority**

**Statement of Revenues, Expenses, and Changes in Net Position**

**Year Ended September 30, 2022**

**(Dollar amounts in thousands)**

	<b>2022</b>
Operating revenues:	
Concessions	\$ 21,356
Fees and charges	19,598
Space and facility rentals	30,015
Parking	25,871
Other revenue	2,003
<b>Total operating revenues</b>	<b>98,843</b>
Operating expenses:	
Wages and benefits	29,053
Services and supplies	17,110
Repairs and maintenance	8,817
Promotions, advertising and dues	710
Registration and travel	364
Utilities and taxes	4,791
Other operating expenses	2,537
<b>Operating expenses before depreciation and amortization</b>	<b>63,382</b>
Operating income before depreciation and amortization	35,461
Depreciation and amortization	34,125
<b>Operating income (loss)</b>	<b>1,336</b>
Nonoperating revenues:	
Passenger facility charges	12,871
Investment income (loss)	(944)
Lease interest revenue - GASB-87* (See Note 5)	744
Federal and State agency grants	17,084
<b>Total nonoperating revenues</b>	<b>29,755</b>
Nonoperating expenses:	
Interest expense	7,077
Other expenses (revenues)	(284)
<b>Total nonoperating expenses</b>	<b>6,793</b>
<b>Income (loss) before capital contributions</b>	<b>24,298</b>
Capital contributions	9,264
Change in net position	33,562
Net position, beginning of year as restated * See Note 16	589,866
Net Position, end of year	<b>\$ 623,428</b>

See notes to financial statements.

**Jacksonville Aviation Authority**

**Statement of Cash Flows**

**Year Ended September 30, 2022**

**(Dollar amounts in thousands)**

	<b>2022</b>
Cash flows from operating activities:	
Receipts from customers and tenants	\$ 87,741
Payments to suppliers for goods and services	(19,599)
Payments to employees for services	(29,300)
Other (expense) revenue	282
<b>Net cash flows provided by operating activities</b>	<b>39,124</b>
Cash flows non-capital and related financing activities:	
Federal grants received	27,976
<b>Net cash flows provided by non-capital financing activities</b>	<b>27,976</b>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(93,486)
Proceeds from issuance of new debt	156,065
Principal paid on capital debt	(20,717)
Interest paid on capital debt	(3,977)
Proceeds from sale of equipment	50
Contributions-in-aid of construction	9,998
Passenger facility charges received	13,484
<b>Net cash provided by capital and related financing activities</b>	<b>61,417</b>
Cash flows from investing activities:	
Collections on notes receivable	204
Interest on investments	3,146
Purchase of investment securities	(26,745)
Proceeds from sale and maturities of investment securities	26,601
<b>Net cash provided by investing activities</b>	<b>3,206</b>
<b>Net change in cash and cash equivalents</b>	<b>131,723</b>
Cash and cash equivalents:	
Beginning of year	114,418
End of year	<b>\$ 246,141</b>

(Continued)

**Jacksonville Aviation Authority**

**Statements of Cash Flows (Continued)**

**Year Ended September 30, 2022**

**(Dollar amounts in thousands)**

	<b>2022</b>
Reconciliation of operating (loss) to net cash provided by	
Operating activities:	
Operating income	\$ 1,336
Adjustment to reconcile operating loss to net cash provided by	
Operating activities:	
Depreciation and amortization expense	34,125
Decrease (increase) in accounts receivable	(1,519)
Increase (decrease) in inventory and other assets	(337)
Increase (decrease) in accounts payable	13,807
Increase (increase) in pension deferred outflow	(2,323)
Decrease (increase) in accrued expenses	15,500
Increase in other accrued liabilities	(9,580)
Increase in unearned revenue	1,125
Increase (decrease) in pension deferred inflow	(13,292)
Other operating activities	282
<b>Net cash flows provided by operating activities</b>	<b>\$ 39,124</b>

Supplemental schedule of noncash investing, capital and financing activities:

Change in fair value of investments	<u>\$ (3,808)</u>
Capital assets acquired through contracts payable and accruals	<u>\$ 2,230</u>
Capital contributions receivable	<u>\$ 2,431</u>

See notes to financial statements.

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# Notes to Financial Statements

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Annual Financial Report

Fiscal Year Ended September 30, 2022

Notes



## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **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 91: Conduit Debt Obligations*

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. The standard is not expected to impact the Authority's financial statements.

###### *GASB 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2023.



## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **2. Summary of Significant Accounting Policies (continued)**

##### *GASB 96: Subscription-Based Information Technology Arrangements*

The primary objectives of this Statement are to recognize subscription services as a right-to-use asset, and treat the use of the assets similar to qualifying leases under GASB 87.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority is currently evaluating the potential impact on the Authority's financial statements.

##### **Adoption of New Accounting Pronouncement**

During the current year, JAA adopted GASB Statement No. 87, Leases. As a result, the financial statements of JAA now include receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 5. There was no effect on net position as a result of the adoption of this standard.

##### **Basis of Accounting**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. 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 similarly 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, regardless of the timing of the related cash flows.

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 and non-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.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **2. Summary of Significant Accounting Policies (Continued)**

##### **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 asset, 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.

##### **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.

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 by the Authority to approve budgetary changes 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 of 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 \$250,000. 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 the 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**

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#### **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 airlines are based on the residual cost recovery method, through rates and charges pursuant to the Agreement. Leases are typically for terms of 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.

Federal and State Grants - Outlays for airport capital improvements and, from time to time, certain airport operating expenses are subject to reimbursement from federal grant programs. Funds are also received for airport development from the State of Florida. Funding provided from government grants is considered earned when all eligibility criteria is met in accordance with GASB 33. Revenue is recognized as the related approved capital outlays or expenses are incurred and is recorded as a component of capital contributions and grants. Costs claimed for reimbursement are subject to audit and acceptance by the granting agency.

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 the 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 collateralized.

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 amortized 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, common stock and the Florida State Board of Administration Investment Pool. Restricted bond proceeds are invested in accordance with the bond indenture agreements.

#### **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.

#### **Inventory**

Inventory consists of supplies, parts, and fuel and is stated at cost using the weighted average and FIFO methods, respectively.

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 2. Summary of Significant Accounting Policies (Continued)

##### Restricted Assets

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

Restricted for capital acquisition and construction includes the remaining bond proceeds reserved for the remaining construction costs of the Boeing hangar at Cecil Airport. This project is expected to be complete in Q4 of fiscal year 2023.

Operations and maintenance (O&M) fund is an asset representing proceeds restricted for paying the next succeeding month of budgeted operations and maintenance expenses.

Passenger facility charge (PFC) funds are assets representing 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.

##### Leases

Effective October 1, 2021, the Authority has adopted Governmental Accounting Standards Board Statement No. 87, Leases. (GASB 87)

The Authority is a lessor for noncancelable leases of airport space and other property to airlines, concessionaires, advertisers, and other third parties. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of the payment expected to be received throughout the lease term. Then, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured at the initial amount of the lease receivable, minus lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines the lease term, lease receipts, and the discount rate used to discount the expected lease receipts to present value:

The Authority uses its incremental borrowing rate at lease inception as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lease activity is further described in Note 5.

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 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. 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 acquisition value as of the 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>Life in Years</u>
Buildings	5-50
Other improvements	3-50
Equipment	3-20
Intangibles	3-10

##### Debt Issuance Costs

Debt issuance costs represent costs incurred in the process of issuing bonds or notes 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. Hours accrued over 320 will be rolled into a sick bank at December 31. Sick bank hours may be paid out at employee termination at 25% of total. 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. This liability is reported in the accrued expenses line in the Statement of Net Position.

##### 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.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **2. Summary of Significant Accounting Policies (Continued)**

##### **Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This section represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports deferred outflows related to pensions in this category.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This section represents an acquisition of net assets 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, deferred inflows related to pensions, as well as deferred inflows related to GASB 87 lease revenue.

##### **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 \$363.46 million since inception through November 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, 2022, the Authority has collected, including interest earnings, PFCs totaling approximately \$281.1 million. PFCs, along with related interest earnings are recognized and recorded as non-operating revenue in the year collected by the air carriers.

The Authority has expended approximately \$261.33 million of PFCs on projects funded on a pay-as-you-go and financing basis.

## Jacksonville Aviation Authority

### Notes to Financial Statements

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## 2. Summary of Significant Accounting Policies (Continued)

### 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.

## 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 that has an S&P-equivalent rating at the time of purchase, at a minimum "A-1"; (h) corporate notes that have a long-term debt S&P-equivalent rating at the time of purchase, at a minimum "A-"; (i) bankers' acceptances that have an S&P-equivalent rating at the time of purchase, at a minimum "A-1"; (j) state and/or local government debt that has a long-term debt S&P-equivalent rating at the time of purchase, at a minimum "A-", or a short-term debt S&P-equivalent rating at the time of purchase, at a minimum "SP-1"; (k) supranational debt that has a long-term debt S&P-equivalent rating at the time of purchase, at a minimum "AAA-", or a short-term debt S&P-equivalent rating at the time of purchase, at a minimum "A-1"; (l) registered investment companies (money market mutual funds) registered under the Investment Company Act of 1940 that have an S&P-equivalent rating of "AAAm"; (m) mortgage-backed securities; (n) asset-backed securities that have a long-term debt S&P-equivalent rating at the time of purchase, at a minimum "AAA", or short-term debt S&P-equivalent rating at the time of purchase, at a minimum "A-1"; (o) domestic common stock; (p) equity 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 AAA 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.

In March 2021, JAA's Board of Directors approved a modification of our existing investment policy. The modification permitted several changes to existing investment policy including 1) establishment of two separately managed portfolios with separate investment policies 2) investment in domestic common stock and equity funds 3) increased the allowable maximum percentage in Corporate Bonds 4) lowered the minimum S&P equivalent rating on Corporate Bonds from A- to BBB.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

Domestic common stock balances are as follows:

	<i>(Dollar amounts in thousands)</i>	
	2022	
	Balance	% of Portfolio
Equity	\$ 2,284	4.36%
Fixed Income	50,091	95.64%
Total	\$ 52,375	100.00%

The Authority's fixed income investments for the fiscal year ending September 30, 2022 are rated as follows:

Investment Type	Rating	<i>(Dollar amounts in thousands)</i>	
		Fair Value	
US Treasury and government agency securities	AAA	\$	17,103
US Treasury and government agency securities	AA+		3,438
Corporate Bonds and Notes	AAA		8,187
Corporate Bonds and Notes	AA+		426
Corporate Bonds and Notes	AA		609
Corporate Bonds and Notes	AA-		1,506
Corporate Bonds and Notes	A+		910
Corporate Bonds and Notes	A		2,243
Corporate Bonds and Notes	A-		2,794
Corporate Bonds and Notes	A3		95
Corporate Bonds and Notes	BBB+		2,565
Corporate Bonds and Notes	BBB		781
Corporate Bonds and Notes*	BBB-		900
Corporate Bonds and Notes*	BB+		179
Corporate Bonds and Notes*	BB		90
Foreign Corporate Bonds and Notes	A		1,049
Foreign Corporate Bonds and Notes	A-		1,434
Foreign Corporate Bonds and Notes	A+		376
Foreign Corporate Bonds and Notes	AA-		1,243
Foreign Corporate Bonds and Notes	BBB		492
Foreign Corporate Bonds and Notes*	BBB-		46
Foreign Corporate Bonds and Notes	BBB+		275
Foreign Corporate Bonds and Notes	BAA2		50
Supranationals	AAA		2,390
Municipal Bonds	AA		196
Municipal Bonds	AA-		91
Municipal Bonds	AA+		354
Municipal Bonds	AA1		94
Municipal Bonds	AAA		174
Total		\$	50,091

\*Note: These bonds were rated BBB or better as required by policy at the time of purchase. The bonds were downgraded after the purchase date.



## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 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.

##### Fixed Income Maturity Distribution

*(Dollar amounts in thousands)*

Type of Investment	Less Than One Year from 09/30/2022	One to Five Years	Total
US Treasury & Government	\$ 1,782	\$ 18,759	\$ 20,542
Corporate Bonds and Notes	388	20,899	21,287
Supranationals	624	4,341	4,965
Municipal Bonds	1,330	1,060	2,390
Foreign Corporate Bonds and	182	725	907
	<u>\$ 4,306</u>	<u>\$ 45,784</u>	<u>\$ 50,091</u>

##### 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, 2022 all investment securities of the Authority are held with an appropriate custodian or trustee or are held in accounts in the name of, and belonging to, the Authority.

##### Concentration of Credit Risk

##### JAA Primary Fund (Fixed Income)

Exclusive of restricted funds, the following are the Authority's investment percentages limits within the Primary Fund. The Authority's investment in US Treasury, Government National Mortgage Association, and other US government guaranteed securities shall not exceed 100% of the total investment portfolio. Total investments in United States Federal Agency or Government-Sponsored Enterprise securities shall each not exceed 75% of the total value of the investment portfolio. Maximum exposure to any Interest Bearing Time Deposits, Money Markets, Savings Accounts, or Intergovernmental Pools shall be limited to 50% of the total investment portfolio. Investments in Repurchase Agreements shall not exceed 40% of the total investment portfolio. The Authority's investment in Commercial Paper and Corporate Bonds and Notes shall not exceed 35% of the total investment portfolio. Authority investments in Supranationals, where the United States is a shareholder and voting member shall not exceed 25% of the total investment portfolio. Maximum exposure to Mortgage-Backed Securities, State and/or Local Government Taxable and/or Tax-Exempt Debt, Asset-Backed Securities, and Florida Local Government Surplus Funds Trust Funds shall not exceed 25% of the total investment portfolio. The Authority shall not exceed 20% of its portfolio value for Fixed Income mutual funds and ETFs, and 10% for Bankers Acceptances.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

As of September 30, 2022, all investment holdings of the Authority were in compliance with the JAA Primary Fund investment policy in place as of that date. Investments in any one issuer representing 5% or more of the Authority's Primary Fund investments as of September 30, 2022 were as follows: \$13.00 million (24.86%) invested in US Treasury Notes.

	<i>(Dollar amounts in thousands)</i>		
	September 30, 2022		
	Unrestricted	Restricted	Fair Value
Investments:			
US Treasury and government agency	\$ 20,541	\$ -	\$ 20,541
Corporate Bonds and Notes	21,287	-	21,287
Supranationals	2,390	-	2,390
Common Stock	-	-	-
Municipal Bonds	908	-	908
Foreign Corporate Bonds and Notes	4,965	-	4,965
Foreign Common Stock	-	-	-
Total Investments	\$ 50,091	\$ -	\$ 50,091

#### JAA Long Term Investment Portfolio Fund (Fixed Income & Equity)

The Authority's Long Term Investment Portfolio Fund ("LTIP") was created to optimize returns on Authority assets over a longer time horizon. In order to provide investment flexibility among potentially rapid market shifts, the LTIP policy establishes acceptable asset allocation ranges among the asset classes Domestic Equity, Fixed Income, and Cash Equivalents. Investments in domestic equities shall fall within 20%-60% of the total LTIP portfolio. Acceptable ranges for fixed income securities are between 25%-75% of the total LTIP portfolio. Cash equivalents should be no more than 10% of total LTIP portfolio.

As of September 30, 2022, all investment holdings of the Authority were in compliance with the JAA LTIP Fund investment policy in place as of that date. Investments in any one issuer representing 5% or more of the Authority's LTIP fund investments as of September 30, 2022 were as follows: \$0.15 million (6.38%) invested in Apple Inc. common stock, and \$0.13 million (5.56%) invested in Microsoft Corp. common stock.

	<i>(Dollar amounts in thousands)</i>		
	September 30, 2022		
	Unrestricted	Restricted	Fair Value
Investments:			
US Treasury and government agency	\$ -	\$ -	\$ -
Corporate Bonds and Notes	-	-	-
Municipal Bonds	-	-	-
Foreign Corporate Bonds and Notes	79	-	79
Common Stock	2,205	-	2,205
Total Investments	\$ 2,284	\$ -	\$ 2,284

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

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 Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are observable, either directly or indirectly, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the asset; Level 3 inputs are significant unobservable inputs. The Authority has no investments valued using Level 3 inputs.

The Authority has the following recurring fair value measurements as of September 30, 2022:

- Domestic common stock securities of \$2.21 million are valued using level 1 inputs.
- U.S. Treasury and government agency securities of \$20.54 million are valued using level 1 and level 2 inputs.
- Corporate bonds, domestic and foreign, of \$26.33 million, asset backed securities of \$2.39 million and municipal bonds of \$0.91 million are valued using a matrix pricing model (Level 2 inputs).

The following shows a reconciliation of the investment categories to the statements of net position for cash equivalents and investments for the fiscal year ending September 30, 2022:

	Cash and Investments as of September 30, 2022 (Dollar amounts in thousands)			
	Cash	Investment Securities	Total Investments	Total Cash & Investments
Current assets:				
Cash and cash equivalents	\$ 112,918	\$ -	\$ -	\$ 112,918
Investments	-	52,375	52,375	52,375
Noncurrent assets:				
Restricted cash and cash equivalents	133,223	-	-	133,223
	<u>\$ 246,141</u>	<u>\$ 52,375</u>	<u>\$ 52,375</u>	<u>\$ 298,516</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 4. Receivables

Accounts receivable are recorded net of allowances for uncollectible accounts of \$191 thousand at September 30, 2022. Accounts receivable at year-end are comprised of the following:

Receivables from:	Percent of Balance
	2022
Airlines	79.78%
Concessionaires/non-aviation	13.22%
Aviation, Other	3.79%
Parking customers	3.21%
	<u>100.00%</u>

The authority entered into separate operating and lease agreements with various tenants where the following note receivables were issued: February 25, 2005 for \$4.63 million over 25 years at an interest rate ranging from 6% to 9%. The current rate of interest for 2022 is 9%.

*(Dollar amounts in thousands)*

October 1, 2021 Balance	Increases	Decreases	September 30, 2022 Balance	Amounts Due Within One Year
\$ 2,596	\$ -	\$ (204)	\$ 2,392	\$ 224

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 5. Lease Accounting (GASB 87)

This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Authority's operations as a lessee are immaterial to the financial statements as a whole; therefore, not disclosed in the footnote; whereas the Authority's operations as a lessor are material and disclosures are shown below.

This pronouncement is effective for reporting periods beginning after June 15, 2021 and The Authority has implemented it effective October 1, 2021. The material impact on the financial statements of the Authority is recognized in the opening balances in Lease Receivables and Deferred Inflows of Resources in the Statement of Net Position as of October 1, 2021. There was no effect on net position as a result of the adoption, an equivalent lease receivable and deferred inflow were recorded and, as result, beginning net position was not affected by this standard. The Statement of Revenues, Expenses, and Changes in Net Position for the year ended September 30, 2022 includes the recognition of Interest Revenue as a result of the implementation.

The Authority leases certain land and buildings including terminal, office, concession advertisement and hangar space to various third parties. Lease payments received in exchange for the contracted use of these assets is based on a fixed rental amount paid in intervals outlined within the lease agreement, a variable payment directly related to the business performed with or without a minimal annual guarantee (MAG), or a combination of both fixed and variable payments. Fixed rental amounts, as well as minimum annual guarantee amounts, are reflected within the GASB-87 lease receivable calculation, while variable rental amounts are excluded from the calculation. Variable payments not included in the measurement of GASB-87 lease receivable are based on a percentage of the lessee's revenue above the minimum annual guarantee.

During the year ended September 30, 2022, JAA recognized the following inflows of resources related to its GASB 87 lessor agreements:

	<i>(Dollar amounts in thousands)</i>	
Lease Revenue	\$	16,065
Interest income related to its leases		744
Revenue from variable payments not previously included in the measurement of the lease receivable		7,962

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 5. Lease Accounting (GASB 87) (Continued)

JAA's principal ongoing operations consist of leasing assets to other entities. Future principal and interest payment requirements included in the measurement of JAA's lease receivable as of September 30, 2022, are as follows:

Fiscal Years Ending September 30,	<i>(Dollar amounts in thousands)</i>		
	Principal	Interest	Total
2023	\$ 7,608	\$ 501	\$ 8,109
2024	2,221	401	2,622
2025	1,527	348	1,875
2026	1,659	304	1,963
2027	1,591	258	1,849
2028-2032	3,987	813	4,800
2033-2037	1,602	505	2,107
2038-2042	1,381	282	1,663
2043-2047	636	144	780
2048-2052	459	71	530
2053-2057	290	19	309
Total	<u>\$ 22,961</u>	<u>\$ 3,646</u>	<u>\$ 26,607</u>

#### Lease Accounting (GASB 87) - Regulated Leases

JAA has numerous leases which fall under the Jurisdiction of the Federal Aviation Authority and are considered exempt from GASB 87 consideration. These leases include those with the major signatory airlines: American Airlines Corporation, Breeze Airways, Delta Air Lines Inc., JetBlue Airways Corporation and Southwest Airlines. JAA leases assets considered to be leasehold improvements to these airlines including Bag Makeup Areas, Baggage Service Offices, Curbside Space, Hold Rooms, Operations and Management Offices, Ticket Offices, Counter and Kiosk Space.

JAA also has signatory leases with Federal Express Corporation and United Parcel Services, Inc. where they lease Land, Buildings, Leasehold Improvements and Ramp Space for their operations.

JAA also has many leases with companies that perform Maintenance, Repair and Operation (MRO) activities at its' airports. JAA leases ground parcels as well as Hangars, Ramp Space and Building Space to these clients

During the year ended September 30, 2022, JAA recognized the following from regulated leases:

	<i>(Dollar amounts in thousands)</i>	
Lease Revenue	\$	27,609
Revenue from variable payments excluded from the schedule of expected future minimum lease payments	\$	23,071

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**5. Lease Accounting (GASB 87) (Continued)**

The schedule below reflects JAA's future minimum lease payments under its Regulated Leases as of September 30, 2022, for each of the five subsequent years and in five-year increments thereafter.

	<i>(Dollar amounts in thousands)</i>	
2023	\$	31,908
2024		33,201
2025		33,466
2026		33,204
2027		33,140
2028-2032		77,017
2033-2037		76,571
2038-2042		68,445
2043-2047		61,530
2048-2052		57,985
2053-2057		63,211
2058-2062		2,956
2063-2067		2,993
2068-2072		3,137
2073-2077		1,356
	<u>\$</u>	<u>580,120</u>

A significant portion of the total future minimum lease payments for regulated leases come from 10 lessees, broken down as follows:

Regulated Lessee	<i>(Dollar amounts in thousands)</i>	
	Total Future Minimum Lease Payments	% of Total
Boeing	\$ 341,374	58.8%
Signatory Airlines (8 total)	82,226	14.2%
FlightStar Aircraft Services, Inc. (MRO)	58,508	10.1%
	<u>\$ 482,108</u>	<u>83.1%</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 6. Restricted Assets

Restricted assets, as of September 30, 2022, are as follows:

	<i>(Dollar amounts in thousands)</i>	
Noncurrent restricted cash, cash equivalents and receivables:		
Federal forfeiture	\$	279
Other		24
Construction Projects Account (TD Bank)		107,303
PFC Account (TD Bank)		19,772
Restricted O&M Fund		5,845
Restricted PFC Receivable		1,045
Total noncurrent restricted cash and cash equivalents	<u>\$</u>	<u>134,268</u>

#### 7. Capital Assets

Capital assets activity for the year ended September 30, 2022 are as follows:

	<i>(Dollar amounts in thousands)</i>			
	Beginning Balance October 1, 2021	Transfers and Additions	Transfers and Disposals	Ending Balance September 30, 2022
Capital assets not being depreciated:				
Land	\$ 71,143	\$ -	\$ -	\$ 71,143
Construction in progress	29,323	80,145	(10,540)	98,929
Total capital assets not being depreciated	<u>100,466</u>	<u>80,145</u>	<u>(10,540)</u>	<u>170,071</u>
Other capital assets:				
Buildings	173,009	11,691	-	184,700
Other improvements	728,644	11,928	-	740,571
Equipment	75,676	1,649	(115)	77,210
Total other capital assets	<u>977,329</u>	<u>25,268</u>	<u>(115)</u>	<u>1,002,481</u>
Intangible capital assets	8,942	-	-	8,942
Less amortization	(8,171)	(166)	-	(8,337)
Total intangible assets	<u>771</u>	<u>(166)</u>	<u>-</u>	<u>605</u>
Total assets being depreciated	<u>978,100</u>	<u>25,102</u>	<u>(115)</u>	<u>1,003,088</u>
Total capital assets	<u>1,078,566</u>	<u>105,247</u>	<u>(10,655)</u>	<u>1,173,158</u>
Less: Accumulated depreciation				
Buildings	92,551	4,793	-	97,344
Other improvements	438,173	23,342	-	461,515
Equipment	49,738	5,824	(66)	55,496
Total accumulated depreciation	<u>580,462</u>	<u>33,959</u>	<u>(66)</u>	<u>614,355</u>
Total	<u>\$ 498,104</u>	<u>\$ 71,288</u>	<u>\$ (10,589)</u>	<u>\$ 558,803</u>

Depreciation expense for the year ended September 30, 2022 was \$34.13 million. During fiscal year ending September 30, 2021, the Authority elected to early adopt GASB 89 and therefore did not capitalize any interest in fiscal year 2022.



## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 8. Pension Plans

##### Plan Description

##### Florida Retirement System

All full-time employees of the Authority participate in the Florida Retirement System (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 6 years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) 6 years of service and age 62, or the age after age 62 that the member becomes vested, or 30 years of service regardless of age (may include four years military), whichever comes first; or (2) 6 years of special risk service and age 55, or 25 total years of special risk services and age 52 (may include four years' wartime military service), or 25 total years special risk service, regardless of age, or 30 years of any creditable service, regardless of age (may include four years' wartime military service). Early retirement may be taken any time after completing 6 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 5 highest fiscal years of earnings. The FRS also provides death and disability benefits. Benefits are established by Florida Statutes.

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

The FRS provides vesting of benefits after 8 years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) 8 years of service and age 65, or the age after age 65 that the member becomes vested, or 33 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 30 total years of special risk services and age 57 (may include four years' wartime military service), or 30 total years special risk service, regardless of age, or 30 years of any creditable service, regardless of age (may include 4 years' wartime military service). Early retirement may be taken any time after completing 8 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 8 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 Retirement, P.O. Box 9000, Tallahassee, Florida, 32315-9000, attention Research and Education; or by contacting Public Records by email at [PublicRecords@sbafla.com](mailto:PublicRecords@sbafla.com), or by phone at (850) 488-5706.

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**8. Pension Plans (Continued)**

**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.

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

Year		Special Risks Participants	Deferred Retirement Option Participants	Senior Management Participants	Regular Participants
07/01/2022-06/30/2023	Employer	27.83%	18.60%	31.57%	11.91%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	30.83%	18.60%	34.57%	14.91%
07/01/2021-06/30/2022	Employer	25.89%	18.34%	29.01%	10.82%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	28.89%	18.34%	32.01%	13.82%
07/01/2020-06/30/2021	Employer	24.45%	16.98%	27.29%	10.00%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	27.45%	16.98%	30.29%	13.00%

For the year ended September 30, 2022, contributions are as follows:

	<i>(Dollar amounts in thousands)</i>	
	2022	
Employer	\$	3,099
Employee		633
Total	\$	3,732

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 8. Pension Plans (Continued)

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

At September 30, 2022, the Authority reported a liability of \$19.77 million for its proportionate share of the Plan's net pension liability. This year's material increase in pension liability is mainly related to FRS pension investment losses. The FRS reported a \$14.24 billion investment loss in fiscal 2022, causing an increase in the net pension liability for all participants. The net pension liability was measured as of July 1, 2022 using an actuarial valuation dated July 1, 2022.

The Authority's proportionate share of the net pension liability was based on the Authority's 2022 fiscal year contributions relative to the 2022 fiscal year contributions of all participating members. At June 30, 2022 the Authority's proportionate share was 0.05314555%, an increase of 0.00385303% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Authority recognized pension (recovery) expense of \$2.34 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>	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 939	\$ -
Change of assumptions	2,435	-
Net difference between projected and actual earnings on FRS pension plan investments	1,306	-
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	1,191	(2,718)
Authority's contributions subsequent to the measurement date	674	-
Total	<u>\$ 6,545</u>	<u>\$ (2,718)</u>

For fiscal year ended September 30, 2022, deferred outflow of resources related to pensions totaled \$674.08 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, 2022. 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 Years Ending	<i>(Dollar amounts in thousands)</i>	
	2022 Deferred Outflows/(Inflows), Net	
2023	\$	717
2024		(11)
2025		(871)
2026		3,045
2027		274
	<u>\$</u>	<u>3,154</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 8. Pension Plans (Continued)

##### Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2022</u>
Inflation	2.40%
Salary increases – average including inflation	3.25%
Investment rate of return – net of pension plan investment expense including inflation	6.70%

Mortality rates were based on the Pub – 2010 based table, generational mortality using gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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, 2022  
Actuarial Assumptions

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	2.60%	2.60%	1.10%
Fixed Income	19.80%	4.40%	4.40%	3.20%
Global equity	54.00%	8.80%	7.30%	17.80%
Real estate (property)	10.30%	7.40%	6.30%	15.70%
Private Equity	11.10%	12.00%	8.90%	26.30%
Strategic investments	3.80%	6.20%	5.90%	7.80%
Total	<u>100.00%</u>			
Assumed Inflation – Mean			2.40%	1.30%

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 8. Pension Plans (Continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 6.70% for 2022. 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.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.70% rate of return assumption used in the June 30, 2022 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

##### 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 calculated using the discount rate of 6.70% for 2022, 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>		
	2022		
	Current		
	1% Decrease	Discount Rate	1% Increase
	5.70%	6.70%	7.70%
Authority's proportionate share of the net pension liability	\$ 34,198	\$ 19,774	\$ 7,714

##### 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 Annual Comprehensive 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.

###### Benefits Provided

For the fiscal years ended September 30, 2022 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.

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**8. Pension Plans (Continued)**

**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 years ended June 30, 2022 the contribution rate was 1.66% 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, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2022 the Authority reported a net pension liability of \$5.89 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2021.

The Authority's proportionate share of the net pension liability was based on the Authority's 2022 fiscal year contributions relative to the total 2022 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.05561422%, an increase of 0.00371924% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Authority recognized pension expense of \$588 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>	
	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 179	\$ (26)
Change of assumptions	338	(911)
Net difference between projected and actual earnings on FRS HIS investments	9	-
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	614	(878)
Authority's contributions subsequent to the measurement date	\$ 98	-
Total	<u>\$ 1,238</u>	<u>\$ (1,815)</u>

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**8. Pension Plans (Continued)**

For fiscal years ended September 30, 2022, deferred outflows of resources related to pensions totaled \$98 thousand, resulting from Authority contributions to the HIS 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<i>(Dollar amounts in thousands)</i>	
Fiscal Years Ending September 30:	2022 Deferred Outflows/(Inflows) Net
2023	\$ (112)
2024	(127)
2025	(101)
2026	(170)
2027	(135)
Thereafter	(30)
	<u>\$ (675)</u>

**Actuarial Assumptions**

The total pension liability in the July 1, 2021 valuation for the HIS Plan was determined using the following actuarial assumptions, applied to all periods include in the measurement:

	<u>2022</u>
Inflation	2.40%
Salary increases	3.25%
Investment rate of return	3.54%

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the actuarial experience study for the period July 1, 2013 through June 30, 2018.

**Discount Rate**

The discount rate used to measure the total pension liability relating to the HIS Plan was 3.54% for 2022. 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 was adopted as the applicable municipal bond index.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 8. Pension Plans (Continued)

##### 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 2022 discount rate of 3.54%, 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>		
	2022		
	Current		
	1% Decrease	Discount Rate	1% Increase
	2.54%	3.54%	4.54%
Authority's proportionate share of the net pension liability	\$ 6,739	\$ 5,890	\$ 5,188

##### 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 Annual Comprehensive 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 Annual Comprehensive 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. The costs of administering the 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, 2022, 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

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#### 8. 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 (recovery) expense totaled \$(588) thousand for the fiscal year ended September 30, 2022.

#### 9. 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.

#### 10. 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, 2022. The valuation incorporated 301 active and retired employees, reflecting the sum of 252 active employees and 49 retirees currently receiving benefits. 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.

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**10. Postretirement Health and Other Benefits (continued)**

**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.

**OPEB Expense**

OPEB expense recognized by the Authority for the fiscal year ended September 30, 2022 was a credit to expense of \$418,070. This negative expense was driven by a change in actuarial assumption reducing the Authority's OPEB liability.

**OPEB Outflows and Inflows**

The deferred outflows and inflows associated with the OPEB liability are not considered significant to the Authority. Accordingly, we have not recorded deferred outflows and inflows. The following table shows the changes in total OPEB liability by source as of September 30, 2022:

	2022
Balance, beginning of year	\$ 1,250,371
Service cost	22,544
Interest cost	53,970
Change in Assumption	(345,459)
Benefit payments	(149,125)
Balance, end of year	\$ 832,301

**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.

	September 30, 2022
Measurement Date	09/30/2022
Actuarial Valuation Date	10/1/2021
Salary and Wage Increase	3.8%
Healthcare Cost Trend Rate:	
Pre-65 years old	8.0%
65 years and older	8.0%
Discount Rate	4.6%

Mortality Tables Used PUB-2010 Healthy Male and Female Tables with Scale MP-2021

Date of experience study on which significant assumptions were based 10/1/2021

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**10. Postretirement Health and Other Benefits (Continued)**

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 a third-party actuary.

The September 30, 2022 costs and liabilities were determined using the following assumptions: (1) discount rate of 4.6% per annum, compounded annually; (2) pre-retirement mortality rates and post-retirement mortality rates were based on the PUB 2010 Healthy Male and Female tables with Scale; (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 8.00% for fiscal year 2022. Future years are estimated by adjusting the starting claim costs by an assumed ongoing cost trend grading down by 0.5% per year, resulting in an ultimate rate of 5.00% by fiscal year 2027; (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 selected discount rate of 4.6% is based on the prescribed discount interest rate methodology under GASB No. 74 and 75 based on an average of two 20-year bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index, and Fidelity GA AA 20 Years) as of September 30, 2022 (most current quarter available) and rounded to the nearest 0.01%.

**Health Care Cost and Discount Rate Sensitivity**

The following presents the total OPEB liability of the Authority, as well as what the Authority total OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

As of	Health Care Cost Trend Sensitivity			
	Rate	1% Decrease	Current Rate	1% Increase
September 2022	8.0%	\$ 779,160	\$ 832,301	\$ 892,962

The following presents the total OPEB liability of the Authority, as well as what the Authority total OPEB liability would be if it were calculated using discount trend rates that are one percentage point lower or one percentage point higher than the current rates:

As of	Discount Rate Sensitivity			
	Rate	1% Decrease	Current Rate	1% Increase
September 2022	4.6%	\$ 888,320	\$ 832,301	\$ 783,995

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 11. Long-Term Indebtedness

All Authority bonds were issued under the Airport Improvement Revenue Bond Resolution adopted by the Board of Directors of the Authority on July 30th, 1987, and a tenth Supplemental Resolution adopted September 27, 2021. The Authority currently has \$181.04 million in outstanding debt. The debt is made up of two bank notes, Series 2016 and Series 2021, and one privately placed bond executed in 2021.

Net revenues (as defined in various bond ordinances) of the Authority have been pledged toward the repayment of the Airport Revenue Bonds. Net revenues consist of operating revenues, interest income, other revenue, and passenger facility charges reduced by operating expenses, not including depreciation. For the year ended September 30, 2022, the net revenue was \$35.39 million compared to the net debt service (principal and interest) of \$4.75 million. For more detail see page #73 in the Statistical Section.

*(Dollar amounts in thousands)*

	October 1, 2021 Balance	Increases	Decreases	2022 Balance	Due Within One Year
Revenue refunding notes	\$45,688	\$156,065	\$20,717	\$181,036	\$0
Less amounts due within one year	(5,638)			-	
Total long-term portion	40,050	156,065	20,717	181,036	
Total revenue notes payable	\$40,050	\$156,065	\$20,717	\$181,036	

#### 2008 Revenue 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 had a variable interest rate of 65% of 1-month LIBOR plus 64.35 basis points (0.6435%). The annual interest rate at September 30, 2022 was 0.745%. Compass Bank was acquired by PNC Bank in 2021. During the fiscal year ended September 30, 2022, this note was paid in full.

#### 2016 Revenue Refunding Note

On July 5, 2016 a revenue refunding note was issued from Bank United in the amount of \$26.5 million. The purpose of the note was to refund the 2006 Revenue bonds. The note has a fixed rate of 1.807%. The net proceeds of \$26.5 million, plus an additional \$22.42 million, for a total of \$48.92 million, were deposited in an irrevocable escrow account to provide for the full defeasance of the 2006 revenue bonds. The outstanding balances of September 30, 2016 for the 2006 revenue bonds were principal of \$47.62 million and interest of \$1.17 million. The Authority paid \$176.47 thousand of issuance cost for the 2016 revenue refunding note.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 11. Long-Term Indebtedness (Continued)

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2022.

Fiscal Years Ending September 30:	<i>(Dollar amounts in thousands)</i>		
	Principal	Interest	Total
2023	\$ -	\$ 20	\$ 20
2024	2,000	22	2,022
2025	210	2	212
Total	\$ 2,210	\$ 44	\$ 2,254

#### 2021 Revenue Refunding Note

On May 4, 2021, the Authority issued a revenue refunding bank note in the amount of \$27.2 million. The note was placed with Trustmark Bank and has a stated interest rate of 0.99%. The net proceeds of these bonds were used to immediately and fully refund \$27.1 million in an outstanding bank note, 2012 TD Bank. The refunded note had a stated interest rate of 1.87%. The refunding was undertaken to refinance a bullet maturity in the 2012 TD Bank note as well as to obtain interest rate savings over the seven year life of the new note. Net interest savings of the new note results in an economic gain (present value) to the Authority of \$169,344.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2022:

Fiscal Years Ending September 30:	<i>(Dollar amounts in thousands)</i>		
	Principal	Interest	Total
2023	\$ -	\$ 113	\$ 113
2024	3,701	207	3,908
2025	3,737	171	3,908
2026	3,774	133	3,907
2027	3,812	95	3,907
2028	3,849	58	3,907
2029	3,888	19	3,907
Total	\$ 22,761	\$ 796	\$ 23,557

#### 2021 Revenue Note for Boeing Hangar Construction at Cecil Airport

On October 20, 2021, the Authority closed on additional financing with JP Morgan in the amount of \$156.1 million. The funds are being used to construct a large aircraft maintenance facility at Cecil Airport for one of the Authority's existing customers, Boeing. This financing was issued as JAA Revenue Bonds, Series 2021 and was privately placed by JP Morgan as the placement agent. The bonds have a 30-year term at a fixed interest rate of 2.96%. The first payment on the debt was due Oct. 1, 2022 in the amount of \$4.4 million.

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**11. Long-Term Indebtedness (Continued)**

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2022.

Fiscal Years Ending September 30:	<i>(Dollar amounts in thousands)</i>		
	Principal	Interest	Total
2023	\$ -	\$ 4,620	\$ 4,620
2024	-	4,620	4,620
2025	3,655	4,566	8,221
2026	3,765	4,456	8,221
2027	3,875	4,343	8,218
2028	3,990	4,227	8,217
2029	4,110	4,107	8,217
2030	4,230	3,983	8,213
2031	4,355	3,856	8,211
2032	4,485	3,725	8,210
2033	4,620	3,591	8,211
2034	4,755	3,452	8,207
2035	4,895	3,309	8,204
2036	5,040	3,162	8,202
2037	5,190	3,011	8,201
2038	5,345	2,855	8,200
2039	5,500	2,694	8,194
2040	5,665	2,529	8,194
2041	5,830	2,359	8,189
2042	6,005	2,184	8,189
2043	6,180	2,003	8,183
2044	6,365	1,818	8,183
2045	6,555	1,627	8,182
2046	6,750	1,430	8,180
2047	6,950	1,227	8,177
2048	7,155	1,018	8,173
2049	7,365	803	8,168
2050	7,585	582	8,167
2051	7,810	354	8,164
2052	8,040	119	8,159
<b>Total</b>	<b>\$ 156,065</b>	<b>\$ 82,630</b>	<b>\$ 238,695</b>

Jacksonville Aviation Authority

Notes to Financial Statements

11. Long-Term Indebtedness (Continued)

Annual Requirements

Annual requirements to repay all outstanding long-term debt as of September 30, 2022, are as follows:

Fiscal Years Ending September 30:	<i>(Dollar amounts in thousands)</i>					
	2016 Revenue Refunding Note	2021 Revenue Refunding Note	2021 Boeing Refunding Note	Total Principal and Interest	Total Principal	Total Interest
2023	20	113	4,620	4,753	-	4,753
2024	2,022	3,908	4,620	10,550	5,701	4,849
2025	212	3,908	8,221	12,341	7,602	4,739
2026	-	3,907	8,221	12,128	7,539	4,589
2027	-	3,907	8,218	12,125	7,687	4,438
2028	-	3,907	8,217	12,124	7,839	4,285
2029	-	3,907	8,217	12,124	7,998	4,126
2030	-	-	8,213	8,213	4,230	3,983
2031	-	-	8,211	8,211	4,355	3,856
2032	-	-	8,210	8,210	4,485	3,725
2033	-	-	8,211	8,211	4,620	3,591
2034	-	-	8,207	8,207	4,755	3,452
2035	-	-	8,204	8,204	4,895	3,309
2036	-	-	8,202	8,202	5,040	3,162
2037	-	-	8,201	8,201	5,190	3,011
2038	-	-	8,200	8,200	5,345	2,855
2039	-	-	8,194	8,194	5,500	2,694
2040	-	-	8,194	8,194	5,665	2,529
2041	-	-	8,189	8,189	5,830	2,359
2042	-	-	8,189	8,189	6,005	2,184
2043	-	-	8,183	8,183	6,180	2,003
2044	-	-	8,183	8,183	6,365	1,818
2045	-	-	8,182	8,182	6,555	1,627
2046	-	-	8,180	8,180	6,750	1,430
2047	-	-	8,177	8,177	6,950	1,227
2048	-	-	8,173	8,173	7,155	1,018
2049	-	-	8,168	8,168	7,365	803
2050	-	-	8,167	8,167	7,585	582
2051	-	-	8,164	8,164	7,810	354
2052	-	-	8,159	8,159	8,040	119
Total	\$ 23,557	\$ 165,142	\$ 264,506	\$ 190,014	\$ 139,067	\$ 8,978

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 11. Long-Term Indebtedness (Continued)

##### Subsequent Debt

On October 27, 2022, the Authority closed on new financing in the form of a two-year variable line of credit with Truist Bank in the amount of up to \$200 million. The funds will be used for the initial construction costs of Concourse B at Jacksonville International Airport. This variable line of credit utilizes a rate of 79% of SOFR (secured overnight financing rate), plus 37 basis points.

#### 12. Airline Use and Lease Agreements

The Airline Use and Lease Agreement (“Agreement”) provides for the lease of 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 to signatory airlines. This is a residual Agreement with a 5-year term ended on September 30, 2018. In December of 2018, all signatory airlines agreed to a 10-year extension of the Agreement. The amended Agreement will expire September 30, 2027.

For the purposes of accounting for costs, expenses and revenues and establishing signatory airline rentals, fees and charges, the Agreement provides for dividing the airport system into separate cost centers. Cost centers are designated as either direct or indirect. 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. Signatory airlines have no responsibility under the 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 average rental rate. The residual method guarantees the Authority will break even on the terminal cost center.

The 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.

#### 13. 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. Some of the agreements provide for a periodic review and re-determination of the payment amounts.



## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 13. Airport Tenant Agreements (Continued)

The signatory airline Agreements include an annual guaranteed revenue transfer of \$11.28 million. In addition, an airline rate base budget to actual true up calculation occurs at the end of each year. Signatory airlines are entitled to a payout for a positive variance, or required to make payment on a negative variance. Due to the economic uncertainty entering 2021 and the better than expected financial performance, fiscal year 2021 has a large positive variance within the airline rate base. The rate base true up results in \$10.6 million due to the airlines as of year end. Coupled with the \$11.28 million annual revenue transfer, the combined payout is \$21.9 million, grouped under "Other Accrued Liabilities" on the Statement of Net Position. The signatory airline Agreements are renegotiated at the end of their term. The current Agreement expires in six years on September 30, 2027.

#### 14. 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 Airport Improvement Program and Aviation Development Project. 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 these programs. These programs are subject to federal and state audit. Total federal and state grant capital contributions were \$9.26 million for the year ended September 30, 2022.

The Authority received federal and state grants for the capital programs for the years ended September 30, 2022, as summarized in the table below.

	2022
Capital Programs:	
State grants for construction	\$ 5,198
Federal grants for construction	1,813
TSA grants for construction	2,253
Other contributions for construction	-
	<u>\$ 9,264</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.

#### 15. Operating Grants

The Authority received TSA funds in addition to COVID-19 funding for operating programs for the year ended September 30, 2022, as summarized in the tables below.

	2022
Operating Programs:	
CARES Act funding	\$ -
CRSSA Act funding	2,980
ARPA Act funding	13,612
TSA K-9 & Federal programs	492
Total operating grants	<u>\$ 17,084</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 15. Operating Grants (continued)

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

In fiscal year 2020, the Authority received a CARES Act grant of \$28.6 million. Approximately \$14.4 million was expended in fiscal year 2020, with \$11.6 million booked to Federal operating grants, and \$2.8 million recorded as a capital contribution. In fiscal year 2021, the Authority expended \$13.9 million, with \$9.2 million booked to Federal operating grants and \$4.7 million to capital contributions. In fiscal year 2022, no CARES Act funds were expended.

In fiscal year 2021, the Authority received a CRSSA grant of \$8.7 million, of which approximately \$5.76 million was expended and booked to Federal operating grants. In fiscal year 2022, approximately \$2.98 million was expended and booked to Federal operating grants.

Grants for operating programs for the years ended September 30, 2022 are reported in the statements of revenues, expenses and changes in net position as non-operating revenue.

#### 16. Restatement of Net Position

Beginning net position has been restated to correct an error in the revenue recognition of Federal and State agency grants during fiscal year 2022. The Authority recognized revenue in the period in which FAA approval was received and funds were drawn. Revenue should have been recognized when expenses were incurred, subject to the agreement award date.

The restatement amounts (in thousands) are as follows:

Net position – September 30, 2021 – as previous reported	\$ 578,974
Adjustment for Grant Revenue	<u>10,892</u>
Net position – September 30, 2021 – as restated	<u>\$ 589,866</u>

#### 17. Payments to City of Jacksonville

During fiscal year 2022, the Authority paid approximately \$5.74 million to the City for expenses relating to legal, insurance, firefighting, and miscellaneous services.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **18. Commitments and Contingencies Terminal and Capital Improvement Program**

As of September 30, 2022, the Authority has outstanding contractual commitments for completion of certain capital improvement projects, totaling \$141.6 million, of which an estimated \$5.7 million is eligible for partial reimbursement 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.

#### **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 79.78% of accounts receivable for 2022. Airline operating revenues represent approximately 49% of total operating revenues for 2022. Revenue received from five major airlines and a leasing company totaled 54.58% of total operating revenues for 2022.

#### **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 named as a defendant in lawsuits from time to time. Currently, the authority is not involved in any litigation or proceeding pending that would pose a threat to the authority's existence or materially affect it's financial statements.

#### **19. 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 \$1.50 million.

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 2022 amounted to \$80.84 thousand.

The Authority's property insurance premium expenses amounted to \$1.16 million for the year ended September 30, 2022. The Authority is also a participant in the City's general liability insurance program. General liability insurance premium expense amounted to \$67.34 thousand for the year ended September 30, 2022.

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.

**Jacksonville Aviation Authority**

**Required Supplementary Information  
Schedule of the Changes in the Authority's Total OPEB Liability  
Last Ten Years  
(Unaudited)**

	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 22,544	\$ 15,077	\$ 14,569	\$ 74,897	\$ 58,595
Interest cost	53,970	29,317	31,161	94,696	90,824
Change in Assumption	(345,459)	(2,422)	(1,855,667)	715,501	(36,089)
Benefit payments	(149,125)	(143,672)	(144,922)	(38,364)	-
<b>Net change in total OPEB liability</b>	<b>\$ (418,070)</b>	<b>\$ (101,700)</b>	<b>\$ (1,954,859)</b>	<b>\$ 846,730</b>	<b>\$ 113,330</b>
<b>Total OPEB Liability – beginning</b>	<b>\$ 1,250,371</b>	<b>\$ 1,352,071</b>	<b>\$ 3,306,930</b>	<b>\$ 2,460,200</b>	<b>\$ 2,346,870</b>
<b>Total OPEB Liability – ending</b>	<b>\$ 832,301</b>	<b>\$ 1,250,371</b>	<b>\$ 1,352,071</b>	<b>\$ 3,306,930</b>	<b>\$ 2,460,200</b>
Covered Employee Payroll	20,000,750	19,317,958	19,433,729	21,285,124	18,000,793
Total OPEB Liability as a % of Covered Employee Payroll	4.16%	6.47%	6.96%	15.54%	13.67%

*\*The amounts presented were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB 75. Currently only data for fiscal years ending September 30, 2022, 2021, 2020, 2019, and 2018 are available.*

**Jacksonville Aviation Authority**

**Required Supplementary Information  
 Schedule of the Authority's Proportionate Share of the Net Pension Liability  
 Florida Retirement System Pension Plan  
 Last Ten Years  
 (Unaudited)  
 (Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the FRS net pension liability	0.05314555%	0.04929252%	0.06162390%	0.06296462%	0.05922483%	0.06045064%	0.05596706%	0.05388330%
Authority's proportion share of the FRS net pension liability	\$ 19,774	\$ 3,723	\$ 26,709	\$ 21,684	\$ 17,839	\$ 17,880	\$ 14,132	\$ 6,960
Authority's covered payroll	\$ 16,226	\$ 13,989	\$ 16,542	\$ 16,412	\$ 15,287	\$ 14,753	\$ 13,614	\$ 12,692
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll	122%	27%	161%	129%	116%	121%	103%	54%
FRS Plan fiduciary net position as a percentage of the total pension liability	83%	96%	79%	83%	84%	83%	84%	92%

*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, 2015-2022 are available.*

**Jacksonville Aviation Authority**

**Required Supplementary Information  
 Schedule of the Authority's Contributions  
 Florida Retirement System Pension Plan  
 Last Ten Years  
 (Unaudited)  
 (Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required FRS contribution	\$ 2,399	\$ 1,912	\$ 2,099	\$ 2,124	\$ 1,852	\$ 1,698	\$ 1,553	\$ 1,314
FRS contributions in relation to the contractually required contribution	\$ 2,399	\$ 1,912	2,099	2,124	1,852	1,698	1,553	1,314
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 16,226	\$ 13,989	\$ 15,765	\$ 16,825	\$ 15,287	\$ 14,753	\$ 13,614	\$ 12,692
FRS contributions as a percentage of covered payroll	14.79%	13.67%	13.31%	13.31%	12.11%	11.51%	11.41%	10.35%

*Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2015-22 are available.*

Jacksonville Aviation Authority

Required Supplementary Information  
 Schedule of the Authority's Proportionate Share of the Net Pension Liability  
 Health Insurance Subsidy Pension Plan  
 September 30, 2022  
 (Unaudited)  
 (Dollar amounts in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the HIS net pension liability	0.05561422%	0.05189498%	0.06276085%	0.06310743%	0.05943609%	0.06030194%	0.05543686%	0.05272815%
Authority's proportion share of the HIS net pension liability	\$ 5,890	\$ 6,366	\$ 7,663	\$ 7,061	\$ 6,291	\$ 6,448	\$ 6,460	\$ 5,377
Authority's covered payroll	\$ 21,842	\$ 18,543	\$ 21,778	\$ 21,114	\$ 19,600	\$ 18,807	\$ 17,578	\$ 15,243
Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll	26.97%	34.33%	35.19%	33.44%	32.10%	34.29%	36.80%	35.28%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	1.65%	1.65%	1.64%	0.99%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2015-22 are available.

**Jacksonville Aviation Authority**

**Required Supplemental Information  
 Schedule of the Authority's Contributions  
 Health Insurance Subsidy Pension Plan  
 September 30, 2022  
 Last Ten Years  
 (Unaudited)  
 (Dollar amounts in thousands)**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required HIS contribution	\$ 699	\$ 305	\$ 439	\$ 444	\$ 387	\$ 355	\$ 325	\$ 202
HIS contributions in relation to the contractually required HIS contribution	699	305	439	444	387	355	325	202
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 21,842	\$ 18,543	\$ 20,853	\$ 21,517	\$ 18,807	\$ 18,807	\$ 12,692	\$ 15,109
HIS contributions as a percentage of covered payroll	3.20%	1.64%	2.11%	2.04%	2.06%	1.89%	2.56%	1.34%

*Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2015-22 are available.*



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# Statistical

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Annual Financial Report

Fiscal Year Ended September 30, 2022

Statistical



## **Jacksonville Aviation Authority**

### **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:**

#### **1. Financial Trend Information**

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

#### **2. Revenue Capacity Information**

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

#### **3. Debt Capacity Information**

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

#### **4. 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.

#### **5. 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)  
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018
Cash flows from operating activities	\$ 39,124	\$ 26,089	\$ 6,380	\$ 40,124	\$ 28,720
Cash flows from non-capital financing activities	27,976	7,704	12,073	198	135
Cash flows from capital and related financing activities	61,417	(13,051)	(8,505)	(25,008)	(9,303)
Cash flows from investing activities	3,206	(4,551)	1,306	2,063	4,471
Net change in cash and cash equivalents	131,723	16,191	11,254	17,377	24,023
Cash and equivalents, beginning of year	114,418	98,227	86,973	69,596	45,573
Cash and equivalents, end of year	246,141	114,418	98,227	86,973	69,596
<b>Noncash investing, capital and financing activities</b>					
Change in fair value of investments	\$ (3,808)	\$ (612)	\$ 546	\$ 1,240	\$ (680)
Capitalized Interest	\$ -	\$ -	\$ -	\$ -	\$ 165
Capital assets acquired through contracts payable and accruals	\$ 2,230	\$ 844	\$ 578	\$ 1,058	\$ 1,491
Grants receivable	\$ 2,431	\$ 3,165	\$ 1,099	\$ 1,731	\$ 2,342

Source: Jacksonville Aviation Authority financial statements

**Jacksonville Aviation Authority**

**Changes in Cash and Cash Equivalents (Continued)**  
**Last Ten Fiscal Years**  
**(Unaudited)**  
**(Dollar amounts in thousands)**

	2017	2016	2015	2014	2013
Cash flows from operating activities	\$ 34,177	\$ 26,018	\$ 29,433	\$ 22,865	\$ 30,980
Cash flows from non-capital financing activities	269	202	253	242	1,157
Cash flows from capital and related financing activities	(25,006)	(38,354)	(26,828)	(15,350)	(39,864)
Cash flows from investing activities	(12,296)	8,617	(493)	5,616	10,588
Net change in cash and cash equivalents	(2,856)	(3,517)	2,365	13,373	2,861
Cash and equivalents, beginning of year	48,429	51,945	49,580	36,207	33,346
Cash and equivalents, end of year	45,573	48,429	51,945	49,580	36,207
<b>Noncash investing, capital and financing activities</b>					
Change in fair value of investments	\$ (282)	\$ 468	\$ 6	\$ (201)	\$ (404)
Capitalized Interest	\$ 164	\$ (763)	-	-	-
Capital assets acquired through contracts payable and accruals	\$ 420	\$ 2,250	\$ 39,787	\$ 4,398	\$ (816)
Grants receivable	\$ 1,187	\$ 4,201	\$ -	\$ -	\$ -

Source: Jacksonville Aviation Authority financial statements

**Jacksonville Aviation Authority**

**Principal Operating Revenues, Airline Rates and  
Charges and Cost Per Enplaned Passenger  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018
<b>Concessions</b>					
Rent-A-Car	\$ 13,777	\$ 10,544	\$ 8,340	\$ 12,128	\$ 11,438
Food & beverage	2,735	1,485	1,652	3,282	2,933
Retail	1,975	1,351	1,194	2,065	1,990
Fuel flowage fees	919	883	697	715	756
Other concessions	1,950	1,369	1,379	1,673	1,140
<b>Total concessions</b>	<b>21,357</b>	<b>15,633</b>	<b>13,262</b>	<b>19,863</b>	<b>18,257</b>
<b>Fees and charges</b>					
Landing fees – signatory	11,204	7,693	6,437	10,503	10,624
Landing fees – non-signatory	886	771	819	1,887	1,100
Passenger screening – signatory	-	-	-	-	-
Passenger screening – non-signatory	-	-	-	-	-
Security user fees	980	672	770	1,269	1,205
Other fees	6,527	5,585	4,841	5,661	4,878
<b>Total fees and charges</b>	<b>19,597</b>	<b>14,721</b>	<b>12,868</b>	<b>19,320</b>	<b>17,807</b>
<b>Space and facility rentals</b>					
Air cargo building	1,323	1,296	1,257	1,122	904
Ramp use – signatory	-	-	-	-	-
Ramp use – non-signatory	2,505	1,871	1,730	2,981	1,361
Hangar spaces	6,844	6,540	6,235	5,704	5,523
Terminal space rentals – signatory	11,382	8,561	12,854	10,291	7,721
Terminal space rentals – non-signatory	341	335	574	765	528
Other lease rentals	7,619	7,741	8,181	5,810	8,394
<b>Total space and facility rentals</b>	<b>30,015</b>	<b>26,345</b>	<b>30,833</b>	<b>26,673</b>	<b>24,481</b>
<b>Parking economy lots 1, 2, and 3</b>					
Economy lots 1, 2, and 3	4,043	1,382	2,299	4,907	3,619
Garages and daily surface lot	21,304	11,374	10,926	19,708	17,021
Other parking	525	244	559	920	895
<b>Total parking</b>	<b>25,872</b>	<b>13,000</b>	<b>13,784</b>	<b>25,535</b>	<b>21,535</b>
<b>Other revenue</b>					
Electric	582	467	483	554	554
Fuel sales	1,038	754	664	853	796
Other revenue	382	428	339	384	453
<b>Total other revenues</b>	<b>2,002</b>	<b>1,649</b>	<b>1,486</b>	<b>1,791</b>	<b>1,803</b>
<b>Total operating revenues</b>	<b>\$98,843</b>	<b>\$71,348</b>	<b>\$72,233</b>	<b>\$93,182</b>	<b>\$83,883</b>

**Signatory airline rates and charges**

	<i>(amounts in full numbers)</i>				
Gross landing fee (per 1,000 lbs)	\$ 3.38	\$ 3.15	\$ 2.71	\$ 2.94	\$ 3.29
Average annual terminal rent (per sq. ft.)	\$ 161.13	\$ 144.01	\$ 174.54	\$ 152.14	\$ 138.03
Enplaned passengers	3,198,391	2,082,911	1,978,268	3,543,188	3,118,540
Cost per enplaned passenger	\$ 7.72	\$ 8.22	\$ 10.29	\$ 6.50	\$ 6.34

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Principal Operating Revenues, Airline Rates and  
Charges and Cost Per Enplaned Passenger (Continued)  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2017	2016	2015	2014	2013
<b>Concessions</b>					
Rent-A-Car	\$ 10,171	\$ 10,620	\$ 10,521	\$ 9,861	\$ 8,929
Food & beverage	2,526	2,449	2,338	2,139	1,973
Retail	1,813	1,814	1,790	1,715	1,679
Fuel flowage fees	609	1,475	1,035	525	547
Other concessions	953	1,413	1,249	1,263	1,233
<b>Total concessions</b>	<b>16,072</b>	<b>17,771</b>	<b>16,933</b>	<b>15,503</b>	<b>14,361</b>
<b>Fees and charges</b>					
Landing fees – signatory	10,408	9,577	8,788	8,237	8,835
Landing fees – non-signatory	468	314	304	75	25
Passenger screening – signatory	-	-	-	-	-
Passenger screening – non-signatory	-	-	-	-	-
Security user fees	1,109	1,154	1,156	1,092	1,078
Other fees	4,043	3,623	3,231	2,785	2,574
<b>Total fees and charges</b>	<b>16,028</b>	<b>14,668</b>	<b>13,479</b>	<b>12,189</b>	<b>12,513</b>
<b>Space and facility rentals</b>					
Air cargo building	838	826		881	872
Ramp use – signatory	-	-	851	-	3
Ramp use – non-signatory	1,168	1,303	1,892	1,218	927
Hangar spaces	5,347	5,431	5,136	4,120	3,423
Terminal space rentals – signatory	12,969	9,931	7,648	7,575	8,975
Terminal space rentals – non-signatory	339	309	592	453	564
Other lease rentals	8,285	8,905	8,489	7,503	6,714
<b>Total space and facility rentals</b>	<b>28,946</b>	<b>26,705</b>	<b>24,608</b>	<b>21,750</b>	<b>21,478</b>
<b>Parking economy lots 1, 2, and 3</b>					
Economy lots 1, 2, and 3	3,129	3,130	3,075	2,942	2,910
Garages and daily surface lot	15,548	15,262	14,512	13,719	13,097
Other parking	614	601	604	595	594
<b>Total parking</b>	<b>19,291</b>	<b>18,993</b>	<b>18,191</b>	<b>17,256</b>	<b>16,601</b>
<b>Other revenue</b>					
Electric	542	750	820	793	839
Fuel sales	667	624	679	688	798
Other revenue	330	314	296	303	282
<b>Total other revenues</b>	<b>1,539</b>	<b>1,688</b>	<b>1,795</b>	<b>1,784</b>	<b>1,919</b>
<b>Total operating revenues</b>	<b>\$ 81,876</b>	<b>\$ 79,825</b>	<b>\$ 75,006</b>	<b>\$ 68,482</b>	<b>\$ 66,872</b>
<b>Signatory airline rates and charges</b>	<i>(amounts in full numbers)</i>				
Gross landing fee (per 1,000 lbs)	\$ 3.43	\$ 3.16	\$ 2.87	\$ 2.80	\$ 2.63
Average annual terminal rent (per sq. ft.)	\$ 166.77	\$ 146.19	\$ 132.38	\$ 133.62	\$ 143.23
Enplaned passengers	2,759,067	2,799,587	2,722,032	2,602,821	2,563,570
Cost per enplaned passenger	\$ 8.70	\$ 7.19	\$ 6.13	\$ 6.27	\$ 6.78

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Total Revenues, Expenses and Changes in Net Position  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018
Operating revenues:					
Concessions	\$ 21,356	\$ 15,633	\$ 13,262	\$ 19,863	\$ 18,257
Fees and charges	19,598	14,721	12,868	19,320	17,807
Space and facility rentals	30,015	26,345	30,833	26,673	24,481
Parking	25,871	13,000	13,784	25,535	21,535
Other revenue	2,002	1,649	1,486	1,791	1,803
Total operating revenues	<u>98,842</u>	<u>71,348</u>	<u>72,233</u>	<u>93,182</u>	<u>83,883</u>
Operating expenses:					
Wages and benefits	29,053	24,357	33,338	34,614	29,273
Services and supplies	17,110	14,058	16,978	18,017	15,646
Repairs and maintenance	8,817	7,824	4,510	5,048	4,071
Promotion, advertising & dues	710	579	534	733	1,879
Registration and travel	364	158	272	554	505
Utilities and taxes	4,791	3,868	3,809	4,380	4,339
Other operating expenses	2,537	2,271	2,258	2,145	1,781
Depreciation and amortization	34,125	38,113	39,058	35,935	34,649
Total operating expenses	<u>97,507</u>	<u>91,228</u>	<u>100,757</u>	<u>101,426</u>	<u>92,143</u>
Operating loss	1,335	(19,879)	(28,524)	(8,244)	(8,260)
Nonoperating revenues:					
Passenger facility charges	12,871	8,729	7,516	14,053	12,538
Investment income	(200)	593	2,765	3,946	1,422
Payments from primary government	-	-	-	-	-
Payment from federal and state agencies	17,084	7,704	11,878	325	374
Other revenues	-	-	-	-	-
Total nonoperating revenues	<u>29,755</u>	<u>17,027</u>	<u>22,159</u>	<u>18,324</u>	<u>14,334</u>
Nonoperating expenses:					
Interest expense	7,077	1,858	1,417	1,619	1,660
Other expenses	(284)	477	(33)	164	274
Total nonoperating expenses	<u>6,793</u>	<u>2,335</u>	<u>1,384</u>	<u>1,783</u>	<u>1,934</u>
Income (loss) before capital contributions	24,296	(5,187)	(7,749)	8,297	4,140
Capital contributions	9,264	14,859	15,389	19,638	12,594
Change in net position	<u>\$ 33,561</u>	<u>\$ 9,672</u>	<u>\$ 7,640</u>	<u>\$ 27,935</u>	<u>\$ 16,734</u>
Net investment in capital assets	\$482,536	\$452,222	\$459,276	\$467,866	\$446,304
Net position at end of year:					
Restricted	26,967	17,596	13,413	10,063	12,058
Unrestricted	113,925	109,183	96,614	83,734	75,365
Total net position	<u>\$623,428</u>	<u>\$578,974</u>	<u>\$569,303</u>	<u>\$561,663</u>	<u>\$533,727</u>

Source: Jacksonville Aviation Authority audited financial statements



**Jacksonville Aviation Authority**

**Total Revenues, Expenses and Changes in Net Position (Continued)**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2017	2016	2015	2014	2013
Operating revenues:					
Concessions	\$ 16,072	\$ 17,771	\$ 16,933	\$ 15,504	\$ 14,361
Fees and charges	16,028	14,668	13,479	12,189	12,513
Space and facility rentals	28,946	26,705	24,608	21,751	21,478
Parking	19,291	18,993	18,191	17,257	16,601
Other revenue	1,539	1,688	1,794	1,783	1,919
Total operating revenues	<u>81,876</u>	<u>79,825</u>	<u>75,005</u>	<u>68,484</u>	<u>66,872</u>
Operating expenses:					
Wages and benefits	27,945	25,328	21,579	19,612	20,139
Services and supplies	15,368	14,581	14,537	14,208	14,054
Repairs and maintenance	2,733	2,607	2,097	2,209	1,811
Promotion, advertising & dues	1,033	1,052	2,453	1,672	1,409
Registration and travel	345	386	313	289	248
Utilities and taxes	4,629	4,855	5,116	5,223	5,255
Other operating expenses	1,796	2,151	1,877	1,682	1,661
Depreciation and amortization	33,717	31,346	28,575	28,951	27,812
Total operating expenses	<u>87,566</u>	<u>82,306</u>	<u>76,547</u>	<u>73,846</u>	<u>72,389</u>
Operating loss	(5,690)	(2,481)	(1,542)	(5,362)	(5,517)
Nonoperating revenues:					
Passenger facility charges	10,881	10,983	10,955	10,554	10,310
Investment income	817	1,451	926	667	659
Payments from primary government	-	-	-	-	31
Payment from federal and state agencies	383	318	369	483	392
Other revenues	980	1,387	319	100	1,400
Total nonoperating revenues	<u>13,061</u>	<u>14,139</u>	<u>12,569</u>	<u>11,804</u>	<u>12,792</u>
Nonoperating expenses:					
Interest expense	2,228	3,946	4,775	5,071	7,273
Other expenses	414	444	204	1,582	238
Total nonoperating expenses	<u>2,642</u>	<u>4,390</u>	<u>4,979</u>	<u>6,653</u>	<u>7,511</u>
Income (loss) before capital contributions	4,729	7,268	6,048	(211)	(236)
Capital contributions	5,917	21,762	16,526	14,047	11,989
Change in net position	<u>\$ 10,646</u>	<u>\$ 29,030</u>	<u>\$ 22,574</u>	<u>\$ 13,836</u>	<u>\$ 11,753</u>
Net investment in capital assets	\$449,755	\$441,000	\$404,670	\$386,557	\$381,529
Net position at end of year:					
Restricted	12,980	14,576	30,468	30,437	27,413
Unrestricted	54,258	49,654	41,001	37,750	44,403
Total net position	<u>\$516,993</u>	<u>\$505,230</u>	<u>\$476,139</u>	<u>\$454,744</u>	<u>\$453,345</u>

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Principal Revenue Payers**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2022 Amount	% of Revenue	2021 Amount	% of Revenue	2020 Amount	% of Revenue
American Airlines	\$13,745	13.91 %	\$13,105	18.37 %	\$10,303	14.26 %
Delta Air Lines	13,476	13.63 %	12,113	16.98 %	9,707	13.44 %
Southwest Airlines Co.	8,150	8.25 %	8,885	12.45 %	7,214	9.99 %
United Airlines	7,621	7.71 %	7,555	10.59 %	5,152	7.13 %
Enterprise Leasing Company	5,833	5.90 %	4,941	6.93 %	4,040	5.59 %
JetBlue	5,357	5.42 %	3,993	5.60 %	3,012	4.17 %
Hertz Corporation, The	3,684	3.73 %	2,393	3.35 %	1,965	2.72 %
Flightstar Aircraft Services, Inc	3,582	3.62 %	3,609	5.06 %	3,724	5.16 %
Budget Rent a Car System, Inc	3,124	3.16 %	-	-%	-	-%
Host International Inc.	2,974	3.01 %	-	-%	1,880	2.60 %
U.S General Services Administration	-	-%	2,581	3.62 %	2,552	3.53%
Federal Express Corporation	-	-%	2,563	3.59 %	-	-%
Avis Rent A Car	-	- %	-	-%	-	-%
US Airways Group, Inc.	-	- %	-	-%	-	-%
Total Principal Revenue Payers	\$67,546	68.34 %	\$61,738	86.54 %	\$49,548	68.59 %
Total operating revenues	\$98,843		\$71,348		\$72,233	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Principal Revenue Payers (Continued)**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2019 Amount	% of Revenue	2018 Amount	% of Revenue	2017 Amount	% of Revenue
American Airlines	\$ 13,216	14.18 %	\$ 8,222	9.80 %	\$ 12,097	14.77 %
Delta Air Lines	14,718	15.79 %	9,033	10.77 %	12,565	15.35 %
Southwest Airlines Co.	9,770	10.48 %	6,313	7.53 %	8,032	9.81 %
United Airlines	6,969	7.48 %	4,553	5.43 %	5,477	6.69 %
Enterprise Leasing Company	5,867	6.30 %	5,293	6.31 %	4,956	6.05 %
JetBlue	5,644	6.06 %	3,683	4.39 %	4,956	6.05 %
Hertz Corporation, The	3,009	3.23 %	2,701	3.22 %	2,561	3.13 %
Flightstar Aircraft Services, Inc	3,657	3.92 %	3,016	3.60 %	-	- %
Budget Rent a Car System, Inc	-	- %	2,197	3%	2,024	2 %
Host International Inc.	3,567	3.83 %	2,939	3.50 %	2,820	3.44 %
U.S General Services Administration	2,525	2.71 %	-	-%	-	-%
Federal Express Corporation	-	-%	-	-%	-	-%
Avis Rent A Car	-	-%	2,077	2%	1,957	2 %
US Airways Group, Inc.	-	-%	-	- %	-	- %
Total Principal Revenue Payers	\$ 68,942	73.98 %	\$ 50,027	59.64 %	\$ 57,445	70.16 %
Total operating revenues	\$ 93,182		\$ 83,883		\$ 81,876	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Principal Revenue Payers (Continued)**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2016 Amount	% of Revenue	2015 Amount	% of Revenue	2014 Amount	% of Revenue	2013 Amount	% of Revenue
American Airlines	\$11,933	14.95 %	\$ 9,480	12.67 %	\$ 4,393	6.41 %	\$ 4,113	6.15 %
Delta Air Lines	12,092	15.15 %	13,017	17.35 %	12,042	17.58 %	11,451	17.12 %
Southwest Airlines Co.	7,873	9.86 %	8,489	11.32 %	9,235	13.48 %	9,358	13.99 %
United Airlines	5,197	6.51 %	5,162	6.88 %	4,980	7.27 %	-	- %
Enterprise Leasing Company	4,842	6.07 %	4,681	6.24 %	3,995	5.83 %	-	- %
JetBlue	4,707	5.90 %	4,595	6.13 %	3,150	4.60 %	2,864	4.28 %
Hertz Corporation, The	2,628	3.29 %	2,592	3.46 %	2,527	3.69 %	2,354	3.52 %
Flightstar Aircraft Services, Inc	-	- %	-	- %	-	- %	-	- %
Budget Rent a Car System, Inc	2,037	2.55 %	2,112	3%	-	- %	-	- %
Host International Inc.	2,743	3.44 %	2,651	3.56 %	2,525	3.69 %	2,402	3.59 %
U.S General Services Administration	-	- %	-	- %	2,304	3.36 %	-	- %
Federal Express Corporation	-	- %	-	- %	-	- %	-	- %
Avis Rent A Car	2,053	2.57 %	2,076	3%	-	- %	1,910	3%
US Airways Group, Inc.	-	- %	3,430	5%	7,197	11%	6,323	9%
Total Principal Revenue Payers	\$56,105	70.28 %	\$58,285	77.71 %	\$52,348	76.42 %	\$40,775	60.97 %
Total operating revenues	\$79,825		\$75,005		\$68,484		\$66,872	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Ratio of Annual Debt Service  
to Total Expenses Excluding Depreciation  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

Fiscal Year	Principal	Interest	Total Debt Service	Total Expenses Other than Depreciation	Ratio of Debt Service to Expenditures
2022	\$ 20,717	\$ 5,946	\$ 26,663	\$ 63,382	42.07%
2021	5,638	1,758	7,396	53,116	13.92%
2020	6,135	1,417	7,552	61,669	12.25%
2019	18,835	1,619	20,454	65,491	31.23%
2018	10,090	1,660	11,750	57,494	20.44%
2017	15,650	2,228	17,878	53,849	33.20%
2016	12,020	3,946	15,966	50,960	31.33%
2015	11,765	4,775	16,540	47,972	34.48%
2014	6,390	5,071	11,461	45,547	25.16%
2013	10,220	7,273	17,493	44,576	39.24%

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Debt Service Coverage  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2022	2021	2020	2019	2018
Revenues:					
Concessions	\$ 21,357	\$ 15,633	\$ 13,262	\$ 19,863	\$ 18,257
Fees and charges	19,597	14,721	12,868	19,320	17,807
Space and facility rentals	30,015	26,345	30,833	26,673	24,481
Parking	25,872	13,000	13,784	25,535	21,535
Other revenue	2,002	1,649	1,486	1,791	1,803
Interest income	(200)	593	2,765	3,946	1,422
Transfers-signatory airline agreement	-	-	-	-	-
Transfers-PFC Series 2016, 2012 (now 2021)	133	4,867	4,056	13,834	10,336
Total revenues and transfers	98,776	76,808	79,054	110,962	95,641
Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments)	63,382	53,116	47,805	61,450	57,494
Net operating revenues	35,394	23,692	31,249	49,512	38,147
Revenue note service charges for:					
Series 2021 note (Boeing)	4,620	-	-	-	-
Series 2021 note (PFC backed)	113	872	-	-	-
Series 2016 note (PFC backed)	20	1,985	2,005	9,855	5,411
Series 2013 note	-	-	-	-	-
Series 2012 note (PFC backed)	-	2,010	2,023	7,049	3,193
Series 2008 note	-	3,157	3,269	3,283	3,319
Series 2006 bonds (PFC backed)	-	-	-	-	-
Series 2003A bonds	-	-	-	-	-
Total revenue note service charges	\$ 4,753	\$ 8,024	\$ 7,297	\$ 20,187	\$ 11,923
Revenue note service coverage	7.45	2.95	4.28	2.45	3.20
Required bond service coverage	1.25	1.25	1.25	1.25	1.25
Total enplanements	3,198	2,083	1,978	3,543	3,119
Debt per enplanement	\$ 1.49	\$ 3.85	\$ 3.69	\$ 5.70	\$ 3.82

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Debt Service Coverage (Continued)  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2017	2016	2015	2014	2013
Revenues:					
Concessions	\$ 16,072	\$ 17,771	\$ 16,933	\$ 15,504	\$ 14,361
Fees and charges	16,028	14,668	13,479	12,189	12,513
Space and facility rentals	28,946	26,705	24,608	21,751	21,478
Parking	19,291	18,993	18,191	17,257	16,601
Other revenue	1,539	1,688	1,794	1,783	1,919
Interest income	817	1,451	926	667	659
Transfers-signatory airline agreement	-	-	-	-	-
Transfers-PFC Series 2016, 2012	5,639	8,091	8,073	7,115	6,124
Total revenues and transfers	88,332	89,367	84,004	76,266	73,655
Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments)	53,849	50,960	47,972	44,895	44,577
Net operating revenues	34,483	34,483	36,032	31,371	29,078
Revenue note service charges for:					
Series 2021 note	-	-	-	-	-
Series 2021 note (PFC backed)	-	-	-	-	-
Series 2016 note (PFC backed)	2,459	114	-	-	-
Series 2013 note	8,655	6,253	5,306	170	38
Series 2012 note (PFC backed)	3,215	3,258	3,302	2,337	692
Series 2008 note	3,286	3,302	3,297	3,298	3,301
Series 2006 bonds (PFC backed)	-	5,251	5,221	5,243	5,843
Series 2003A bonds	-	-	-	-	7,156
Total revenue note service charges	\$ 17,615	\$ 18,178	\$ 17,126	\$ 11,048	\$ 17,030
Revenue note service coverage	1.96	2.11	2.10	2.84	1.71
Required bond service coverage	1.25	1.25	1.25	1.25	1.25
Total enplanements	2,759	2,800	2,722	2,603	2,564
Debt per enplanement	\$ 6.38	\$ 6.49	\$ 6.29	\$ 4.24	\$ 6.64

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Debt Service Note Tables**

**Fiscal Years Ending September 30:  
(Unaudited)**

Note 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
2022	10/01/22	2023	-	0.772%	-	-	-	3.412%	-	-
2023	04/01/23	2023	-	-	-	-	-	-	-	-
2023	10/01/23	2024	-	0.772%	-	-	-	3.412%	-	-
2024	04/01/24	2024	-	-	-	-	-	-	-	-
2024	10/01/24	2025	-	0.772%	-	-	-	3.412%	-	-
TOTAL			<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>

Call Feature

Purpose: 100% New Money

Refunding Eligibility



**Jacksonville Aviation Authority**

**Debt Service Note Tables**  
**Fiscal Years Ending September 30:**  
**(Unaudited)**

Note Year	Date	Fiscal Year	Series 2016 Revenue Refunding Note			
			Principal	Coupon	Interest	Debt Svs. Yr
2023	04/01/23	2023	\$ -		\$ 19,967	\$ 19,967
2023	10/01/23	2024	2,000,000	1.807%	19,967	-
2024	04/01/24	2024	-		1,897	2,021,864
2024	10/01/24	2025	210,000	1.807%	1,897	211,897
Total			<u>\$ 2,210,000</u>		<u>\$ 43,728</u>	<u>\$ 2,253,728</u>

Call Feature  
 Purpose: Defeasement 2006 Bonds  
 Refunding Eligibility

**Jacksonville Aviation Authority**

**Debt Service Note Tables**  
**Fiscal Years Ending September 30:**  
**(Unaudited)**

Note Year	Date	Fiscal Year	Series 2021 Revenue Refunding Note			
			Principal	Coupon	Interest	Debt Svs. Yr
2023	04/01/23	2023	\$ -		\$ 112,669	\$ 112,669
2023	10/01/23	2024	3,700,700	0.990%	112,669	
2024	04/01/24	2024	-		94,350	3,907,719
2024	10/01/24	2025	3,737,400	0.990%	94,350	
2025	04/01/25	2025	-		75,850	3,907,600
2025	10/01/25	2026	3,774,400	0.990%	75,850	
2026	04/01/26	2026	-		57,167	3,907,417
2026	10/01/26	2027	3,811,800	0.990%	57,167	
2027	04/01/27	2027	-		38,299	3,907,266
2027	10/01/27	2028	3,849,500	0.990%	38,299	
2028	04/01/28	2028	-		19,244	3,907,043
2028	10/01/28	2029	3,887,600	0.990%	19,244	3,906,844
			<u>\$ 22,761,400</u>		<u>\$ 795,158</u>	<u>\$ 23,556,558</u>

Call Feature

Purpose: Refund 2012 Note

Refunding Eligibility

**Jacksonville Aviation Authority**

**Debt Service Note Tables  
Fiscal Years Ending September 30:  
(Unaudited)**

Note Year	Date	Fiscal Year	2021 Revenue Note for Boeing Hangar Construction			
			Principal	Coupon	Interest	Debt Svs. Yr
2022	10/01/22	2023	\$ -	2.96%	\$ 2,309,762	
2022	04/01/23	2023	-		2,309,762	4,619,524
2023	10/01/23	2024	-	2.96%	2,309,762	
2023	04/01/24	2024	-		2,309,762	4,619,524
2024	10/01/24	2025	3,655,000	2.96%	2,309,762	
2024	04/01/25	2025			2,255,668	8,220,430
2025	10/01/25	2026	3,765,000	2.96%	2,255,668	
2025	04/01/26	2026			2,199,946	8,220,614
2026	10/01/26	2027	3,875,000	2.96%	2,199,946	
2026	04/01/27	2027			2,142,596	8,217,542
2027	10/01/27	2028	3,990,000	2.96%	2,142,596	
2027	04/01/28	2028			2,083,544	8,216,140
2028	10/01/28	2029	4,110,000	2.96%	2,083,544	
2028	4/1/2029	2029			2,022,716	8,216,260
2029	10/1/2029	2030	4,230,000	2.96%	2,022,716	
2029	4/1/2030	2030			1,960,112	8,212,828
2030	10/1/2030	2031	4,355,000	2.96%	1,960,112	
2030	4/1/2031	2031			1,895,658	8,210,770
2031	10/1/2031	2032	4,485,000	2.96%	1,895,658	
2031	4/1/2032	2032			1,829,280	8,209,938
2032	10/1/2032	2033	4,620,000	2.96%	1,829,280	
2032	4/1/2033	2033			1,760,904	8,210,184
2033	10/1/2033	2034	4,755,000	2.96%	1,760,904	
2033	4/1/2034	2034			1,690,530	8,206,434
2034	10/1/2034	2035	4,895,000	2.96%	1,690,530	
2034	4/1/2035	2035			1,618,084	8,203,614
2035	10/1/2035	2036	5,040,000	2.96%	1,618,084	
2035	4/1/2036	2036			1,543,492	8,201,576
2036	10/1/2036	2037	5,190,000	2.96%	1,543,492	
2036	4/1/2037	2037			1,466,680	8,200,172
2037	10/1/2037	2038	5,345,000	2.96%	1,466,680	
2037	4/1/2038	2038			1,387,574	8,199,254
2038	10/1/2038	2039	5,500,000	2.96%	1,387,574	
2038	4/1/2039	2039			1,306,174	8,193,748
2039	10/1/2039	2040	5,665,000	2.96%	1,306,174	
2039	4/1/2040	2040			1,222,332	8,193,506
2040	10/1/2040	2041	5,830,000	2.96%	1,222,332	
2040	4/1/2041	2041			1,136,048	8,188,380
2041	10/1/2041	2042	6,005,000	2.96%	1,136,048	
2041	4/1/2042	2042			1,047,174	8,188,222
2042	10/1/2042	2043	6,180,000	2.96%	1,047,174	
2042	4/1/2043	2043			955,710	8,182,884
2043	10/1/2043	2044	6,365,000	2.96%	955,710	

**Jacksonville Aviation Authority**

**Debt Service Note Tables**

**Fiscal Years Ending September 30:  
(Unaudited)**

Note Year	Date	Fiscal Year	2021 Revenue Note for Boeing Hangar Construction			
			Principal	Coupon	Interest	Debt Svs. Yr
2043	4/1/2044	2044			861,508	8,182,218
2044	10/1/2044	2045	6,555,000	2.96%	861,508	
2044	4/1/2045	2045			764,494	8,181,002
2045	10/1/2045	2046	6,750,000	2.96%	764,494	
2045	4/1/2046	2046			664,594	8,179,088
2046	10/1/2046	2047	6,950,000	2.96%	664,594	
2046	4/1/2047	2047			561,734	8,176,328
2047	10/1/2047	2048	7,155,000	2.96%	561,734	
2047	4/1/2048	2048			455,840	8,172,574
2048	10/1/2048	2049	7,365,000	2.96%	455,840	
2048	4/1/2049	2049			346,838	8,167,678
2049	10/1/2049	2050	7,585,000	2.96%	346,838	
2049	4/1/2050	2050			234,580	8,166,418
2050	10/1/2050	2051	7,810,000	2.96%	234,580	
2050	4/1/2051	2051			118,992	8,163,572
2051	10/1/2051	2052	8,040,000	2.96%	118,992	8,158,992
			<u>\$ 156,065,000</u>		<u>\$ 82,614,414</u>	<u>\$ 238,679,414</u>

Call Feature

Purpose: Capital Financing

**Jacksonville Aviation Authority**

**Total Debt Service  
Fiscal Years Ending September 30:  
(Unaudited)**

Note Year	Date	Fiscal Year	Principal	Interest	Debt Svs. Yr
2022	10/01/22	2023	-	2,309,762	
2022	04/01/23	2023	-	2,442,398	4,752,160
2023	10/01/23	2024	5,700,700	2,442,398	-
2023	04/01/24	2024	-	2,406,009	10,549,107
2024	10/01/24	2025	7,602,400	2,406,009	-
2024	04/01/25	2025	-	2,331,518	12,339,927
2025	10/01/25	2026	7,539,400	2,331,518	-
2025	04/01/26	2026	-	2,257,113	12,128,031
2026	10/01/26	2027	7,686,800	2,257,113	-
2026	04/01/27	2027	-	2,180,895	12,124,808
2027	10/01/27	2028	7,839,500	2,180,895	-
2027	04/01/28	2028	-	2,102,788	12,123,183
2028	10/01/28	2029	7,997,600	2,102,788	
2028	4/1/2029	2029	-	2,022,716	12,123,104
2029	10/1/2029	2030	4,230,000	2,022,716	
2029	4/1/2030	2030	-	1,960,112	8,212,828
2030	10/1/2030	2031	4,355,000	1,960,112	
2030	4/1/2031	2031	-	1,895,658	8,210,770
2031	10/1/2031	2032	4,485,000	1,895,658	
2031	4/1/2032	2032	-	1,829,280	8,209,938
2032	10/1/2032	2033	4,620,000	1,829,280	
2032	4/1/2033	2033	-	1,760,904	8,210,184
2033	10/1/2033	2034	4,755,000	1,760,904	
2033	4/1/2034	2034	-	1,690,530	8,206,434
2034	10/1/2034	2035	4,895,000	1,690,530	
2034	4/1/2035	2035	-	1,618,084	8,203,614
2035	10/1/2035	2036	5,040,000	1,618,084	
2035	4/1/2036	2036	-	1,543,492	8,201,576
2036	10/1/2036	2037	5,190,000	1,543,492	
2036	4/1/2037	2037	-	1,466,680	8,200,172
2037	10/1/2037	2038	5,345,000	1,466,680	
2037	4/1/2038	2038	-	1,387,574	8,199,254
2038	10/1/2038	2039	5,500,000	1,387,574	
2038	4/1/2039	2039	-	1,306,174	8,193,748
2039	10/1/2039	2040	5,665,000	1,306,174	
2039	4/1/2040	2040	-	1,222,332	8,193,506
2040	10/1/2040	2041	5,830,000	1,222,332	
2040	4/1/2041	2041	-	1,136,048	8,188,380
2041	10/1/2041	2042	6,005,000	1,136,048	
2041	4/1/2042	2042	-	1,047,174	8,188,222
2042	10/1/2042	2043	6,180,000	1,047,174	
2042	4/1/2043	2043	-	955,710	8,182,884
2043	10/1/2043	2044	6,365,000	955,710	
2043	4/1/2044	2044	-	861,508	8,182,218
2044	10/1/2044	2045	6,555,000	861,508	

**Jacksonville Aviation Authority**

**Total Debt Service  
Fiscal Years Ending September 30:  
(Unaudited)**

Note Year	Date	Fiscal Year	Principal	Interest	Debt Svs. Yr
2044	4/1/2045	2045	-	764,494	8,181,002
2045	10/1/2045	2046	6,750,000	764,494	
2045	4/1/2046	2046	-	664,594	8,179,088
2046	10/1/2046	2047	6,950,000	664,594	
2046	4/1/2047	2047	-	561,734	8,176,328
2047	10/1/2047	2048	7,155,000	561,734	
2047	4/1/2048	2048	-	455,840	8,172,574
2048	10/1/2048	2049	7,365,000	455,840	
2048	4/1/2049	2049	-	346,838	8,167,678
2049	10/1/2049	2050	7,585,000	346,838	
2049	4/1/2050	2050	-	234,580	8,166,418
2050	10/1/2050	2051	7,810,000	234,580	
2050	4/1/2051	2051	-	118,992	8,163,572
2051	10/1/2051	2052	8,040,000	118,992	8,158,992
			<u>\$ 181,036,400</u>	<u>\$ 83,453,300</u>	<u>\$ 264,489,700</u>

**Jacksonville Aviation Authority**

**Outstanding Debt by Type  
 Fiscal Years Ending September 30:  
 Last Ten Fiscal Years  
 (Unaudited)  
 (Dollar amounts in thousands)**

Fiscal Year	Revenue Bonds	Revenue Notes	Revenue Refunding Bonds	Total
2022	\$ -	\$ 181,036	\$ -	\$ 181,036
2021	-	45,688	-	45,688
2020	-	52,030	-	52,030
2019	-	58,165	-	58,165
2018	-	77,000	-	77,000
2017	-	87,090	-	87,090
2016	-	102,740	-	102,740
2015	50,530	87,350	-	137,880
2014	53,265	97,380	-	150,645
2013	55,885	68,465	32,685	157,035

**Jacksonville Aviation Authority**

**Top 10 Employers of Jacksonville  
(Unaudited)**

	2022	2021	2020	2019	2018
Naval Air Station Jacksonville	20,000	20,000	20,000	20,000	20,000
Duval County Public Schools	13,113	13,113	13,113	13,113	13,113
Baptist Health	12,000	12,000	10,651	10,651	10,651
Fleet Readiness Center Southeast	5,350	5,350	4,300	-	4,200
UF Health Jacksonville	4,767	4,200	4,200	7,136	-
Deloitte LLP and Subsidiaries	4,315	-	-	-	-
UF Health Jacksonville Cancer Center	4,200	-	-	-	-
Memorial Hospital Jacksonville	3,440	-	-	-	-
University of North Florida	3,048	3,048	-	-	2,280
CSX Corp.	2,525	-	-	-	2,925
Naval Station Mayport	-	-	10,032	9,000	-
City of Jacksonville	-	-	-	8,998	-
Mayo Clinic Hospital	-	7,280	6,400	6,400	-
St. Vincent's HealthCare	-	-	5,379	5,379	5,379
St. Johns County School District	-	-	-	5,298	-
Clay County School Board	-	-	-	4,616	-
Florida Blue	-	5,704	5,704	-	-
Citigroup Inc.	-	-	-	-	-
Gate Petroleum	-	3,000	3,000	-	-
Marcus & Millichap	-	3,000	-	-	-
Aerotek	-	-	-	-	2,486
One Call	-	-	-	-	2,277
Brooks Rehabilitation	-	-	-	-	2,237
FNF Group	-	-	-	-	-
Southeastern Grocers LLC	-	-	-	-	-
United States Postal Service	-	-	-	-	-
Publix Supermarkets	-	-	-	-	-
<b>Total</b>	<b>72,758</b>	<b>76,695</b>	<b>82,779</b>	<b>90,591</b>	<b>65,548</b>

*Government employer information confirmed online and over the phone if possible. Each employer's percentage of total employment is also unavailable.*

*Sources: 2022 Jacksonville Business Journal - Book of Lists 22-23, 2021 Jacksonville Business Journal - Book of Lists 21-22, 2020 Jacksonville Business Journal - Book of Lists 20-21, 2019 Jacksonville Business Journal - Book of Lists 19-20, 2018 Jacksonville Business Journal - Book of Lists 18-19, 2017 Jacksonville Business Journal - Book of Lists 17-18, 2016 Jacksonville Business Journal - Book of Lists 16-17, 2015 Jacksonville Business Journal - Book of Lists 15-16, 2014 Jacksonville Business Journal - Book of Lists 14-15, and 2013 About.com Jacksonville.*



**Jacksonville Aviation Authority**

**Top 10 Employers of Jacksonville (Continued)  
(Unaudited)**

	2017	2016	2015	2014	2013
Naval Air Station Jacksonville	20,000	20,000	19,800	20,000	22,700
Duval County Public Schools	13,106	13,106	12,060	12,744	13,540
Baptist Health	10,748	10,615	9,851	9,159	9,266
Fleet Readiness Center Southeast	-	-	-	-	-
UF Health Jacksonville	6,000	6,000	-	-	-
Deloitte LLP and Subsidiaries	-	-	-	-	-
UF Health Jacksonville Cancer Center	-	-	-	-	-
Memorial Hospital Jacksonville	-	-	-	-	-
University of North Florida	-	-	-	-	-
CSX Corp.	2,400	-	-	-	-
Naval Station Mayport	-	9,000	9,000	9,000	10,087
City of Jacksonville	-	7,273	7,260	8,003	8,167
Mayo Clinic Hospital	6,100	-	5,500	5,211	4,900
St. Vincent's HealthCare	5,505	5,392	-	5,156	5,300
St. Johns County School District	-	4,388	-	-	-
Clay County School Board	-	4,616	5,000	5,000	-
Florida Blue	5,200	6,000	6,000	6,000	5,000
Citigroup Inc.	4,580	-	-	-	4,786
Gate Petroleum	-	-	-	-	-
Marcus & Millichap	-	-	-	-	-
Aerotek	-	-	-	-	-
One Call	-	-	-	-	-
Brooks Rehabilitation	-	-	-	-	-
FNF Group	3,200	-	-	-	-
Southeastern Grocers LLC	-	-	5,700	-	-
United States Postal Service	-	-	11,500	-	-
Publix Supermarkets	-	-	-	6,000	8,660
<b>Total</b>	<b>76,839</b>	<b>86,390</b>	<b>91,671</b>	<b>86,273</b>	<b>92,406</b>

*Government employer information confirmed online and over the phone if possible. Each employer's percentage of total employment is also unavailable.*

*Sources: 2022 Jacksonville Business Journal - Book of Lists 22-23, 2021 Jacksonville Business Journal - Book of Lists 21-22, 2020 Jacksonville Business Journal - Book of Lists 20-21, 2019 Jacksonville Business Journal - Book of Lists 19-20, 2018 Jacksonville Business Journal - Book of Lists 18-19, 2017 Jacksonville Business Journal - Book of Lists 17-18, 2016 Jacksonville Business Journal - Book of Lists 16-17, 2015 Jacksonville Business Journal - Book of Lists 15-16, 2014 Jacksonville Business Journal - Book of Lists 14-15, and 2013 About.com Jacksonville.*

## Jacksonville Aviation Authority

### Demographic and Economic Statistics Metropolitan Statistical Area of Jacksonville (Unaudited)

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2021	1,637,666	\$ 97,066,568	\$ 59,271	3.2%
2020	1,587,892	\$ 87,532,441	\$ 55,125	3.7%
2019	1,559,514	\$ 80,191,700	\$ 51,421	2.9%
2018	1,534,701	\$ 76,357,000	\$ 49,754	3.4%
2017	1,504,980	\$ 71,707,300	\$ 47,647	3.9%
2016	1,478,212	\$ 67,211,625	\$ 45,468	4.7%
2015	1,449,481	\$ 64,094,915	\$ 44,219	5.2%
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%

*Note: Population for 2021 - 2012 is estimated*

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

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements  
(Unaudited)  
Year Ended September, 30:**

	2022	Market Share 2022	2021	Market Share 2021
American Airlines Corporation	876,976	27.42%	618,129	29.68%
Delta Air Lines Inc	875,710	27.38%	528,705	25.38%
Southwest Airlines Co	499,860	15.63%	397,573	19.09%
United Airlines	429,076	13.42%	290,837	13.96%
Jetblue Airways Corporation	340,940	10.66%	166,816	8.01%
Breeze Airways	11,164	0.35%	-	-
Allegiant Air LLC	80,960	2.53%	46,206	2.22%
Frontier Airlines	58,546	1.83%	21,349	1.02%
Silver Airways Corp	12,276	0.38%	8,043	0.39%
Air Ground Logistics Inc	4,625	0.14%	4,978	0.24%
Sun Country Airlines	8,258	0.26%	-	-
Spirit Airlines Inc	-	-	275	0.01%
Air Canada	-	-	-	-
US Airways Inc	-	-	-	-
Total Enplanements	<u>3,198,391</u>	<u>100.00%</u>	<u>2,082,911</u>	<u>100.00%</u>

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements (Continued)  
(Unaudited)  
Year Ended September, 30:**

	2020	2019	2018	2017
American Airlines Corporation	548,789	824,420	743,805	730,942
Delta Air Lines Inc	543,088	991,560	895,524	839,728
Southwest Airlines Co	363,253	616,933	548,368	486,684
United Airlines	216,707	388,297	349,214	275,952
Jetblue Airways Corporation	156,522	358,011	360,769	332,489
Breeze Airways	-	-	-	-
Allegiant Air LLC	52,914	72,926	85,324	68,026
Frontier Airlines	34,105	165,253	99,077	-
Silver Airways Corp	-	1,018	15,061	12,559
Air Ground Logistics Inc	4,727	6,235	7,199	5,223
Sun Country Airlines	-	-	-	-
Spirit Airlines Inc	58,163	110,808	-	-
Air Canada	-	7,727	14,199	7,464
US Airways Inc	-	-	-	-
Total Enplanements	<u>1,978,268</u>	<u>3,543,188</u>	<u>3,118,540</u>	<u>2,759,067</u>

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements (Continued)  
(Unaudited)  
Year Ended September, 30:**

	2016	2015	2014	2013
American Airlines Corporation	761,343	742,374	278,360	251,578
Delta Air Lines Inc	852,218	858,787	818,900	766,754
Southwest Airlines Co	501,395	524,376	604,257	652,585
United Airlines	258,055	234,496	222,320	249,782
Jetblue Airways Corporation	346,128	299,555	200,309	186,118
Breeze Airways	-	-	-	-
Allegiant Air LLC	60,914	18,497	-	-
Frontier Airlines	-	-	-	-
Silver Airways Corp	13,083	40,681	17,043	6,119
Air Ground Logistics Inc	4,177	3,266	1,833	2,054
Sun Country Airlines	-	-	-	-
Spirit Airlines Inc	-	-	-	-
Air Canada	2,274	-	-	-
US Airways Inc	-	-	459,799	448,580
Total Enplanements	<u>2,799,587</u>	<u>2,722,032</u>	<u>2,602,821</u>	<u>2,563,570</u>

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Jacksonville, Florida**

**Landed Weights**

*(weights in 1000 lbs)*

**(Unaudited)**

**Year Ended September, 30:**

	2022	Market Share 2022	2021	Market Share 2021
American Airlines Corporation	954,726	23%	709,790	22%
Breeze Airways	15,009	<1%	-	0%
Delta Air Lines Inc	957,507	23%	703,563	22%
Southwest Airlines Co	514,042	12%	467,641	15%
United Airlines	478,615	12%	354,392	11%
Jetblue Airways Corporation	402,517	10%	204,794	6%
Allegiant Air LLC	81,434	2%	53,450	2%
Air Ground Logistics Inc	37,354	1%	37,080	1%
Frontier Airlines Inc.	56,534	1%	22,227	1%
Sun Country Airlines Inc	8,496	<1%	-	0%
Silver Airways Corp	14,054	<1%	10,870	<1%
Spirit Airlines	142	<1%	1,195	<1%
Air Canada	-	0%	-	0%
US Airways Inc	-	0%	-	0%
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>3,520,430</b>	<b>85.44%</b>	<b>2,565,002</b>	<b>80.87%</b>
<b>AIR CARGO CARRIERS:</b>				
United Parcel Service Company	305,990	7%	329,577	10%
Federal Express Corporation	289,614	7%	272,811	9%
Suburban Air Freight Inc	4,154	<1%	4,154	<1%
Ameriflight LLC	74	<1%	45	<1%
Mountain Air Cargo Inc	36	<1%	72	<1%
<b>TOTAL CARGO AIRLINES</b>	<b>599,868</b>	<b>14.56%</b>	<b>606,659</b>	<b>19.13%</b>
<b>TOTAL LANDED WEIGHTS</b>	<b>4,120,298</b>	<b>100.00%</b>	<b>3,171,661</b>	<b>100.00%</b>

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Landed Weights (Continued)  
(weights in 1000 lbs)  
(Unaudited)  
Year Ended September, 30:**

	2020	2019	2018	2017
American Airlines Corporation	692,412	932,414	817,981	858,142
Breeze Airways	-	-	-	-
Delta Air Lines Inc	682,930	1,060,744	967,439	934,981
Southwest Airlines Co	518,336	731,556	647,620	556,721
United Airlines	265,724	421,460	376,984	298,650
Jetblue Airways Corporation	211,912	419,003	418,327	380,594
Allegiant Air LLC	65,810	71,128	87,144	72,299
Air Ground Logistics Inc	19,434	25,644	27,816	15,558
Frontier Airlines Inc.	34,899	159,498	97,234	-
Sun Country Airlines Inc	-	-	-	-
Silver Airways Corp	-	1,539	21,432	23,456
Spirit Airlines	72,943	135,203	-	-
Air Canada	-	9,400	16,444	8,912
US Airways Inc	-	-	-	-
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>2,564,400</b>	<b>3,967,589</b>	<b>3,478,421</b>	<b>3,149,313</b>
<b>AIR CARGO CARRIERS:</b>				
United Parcel Service Company	317,257	254,761	220,442	195,324
Federal Express Corporation	253,493	295,501	228,445	211,014
Suburban Air Freight Inc	4,186	4,057	4,283	3,639
Ameriflight LLC	-	-	16	-
Mountain Air Cargo Inc	36	9	9	34
<b>TOTAL CARGO AIRLINES</b>	<b>574,972</b>	<b>554,328</b>	<b>453,195</b>	<b>410,011</b>
<b>TOTAL LANDED WEIGHTS</b>	<b>3,139,372</b>	<b>4,521,917</b>	<b>3,931,616</b>	<b>3,559,324</b>

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida**  
**Landed Weights (Continued)**  
*(weights in 1000 lbs)*  
**(Unaudited)**  
**Year Ended September, 30:**

	2016	2015	2014	2013
American Airlines Corporation	877,851	904,261	304,435	284,020
Breeze Airways	-	-	-	-
Delta Air Lines Inc	934,362	993,669	989,362	1,021,543
Southwest Airlines Co	565,804	593,027	781,392	859,114
United Airlines	266,612	239,356	243,254	288,258
Jetblue Airways Corporation	388,435	334,258	225,429	216,234
Allegiant Air LLC	62,676	18,514	-	-
Air Ground Logistics Inc	12,118	9,453	5,289	5,583
Frontier Airlines Inc.	-	-	-	-
Sun Country Airlines Inc	-	-	-	-
Silver Airways Corp	24,995	57,827	23,057	8,265
Spirit Airlines	-	-	-	-
Air Canada	3,116	-	-	-
US Airways Inc	-	-	530,093	521,417
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>3,135,969</b>	<b>3,150,365</b>	<b>3,102,311</b>	<b>3,204,434</b>
<b>AIR CARGO CARRIERS:</b>				
United Parcel Service Company	198,386	188,094	186,616	186,859
Federal Express Corporation	206,557	203,065	205,419	198,341
Suburban Air Freight Inc	954	-	2,479	3,272
Ameriflight LLC	1,928	3,166	748	14
Mountain Air Cargo Inc	-	43	-	-
<b>TOTAL CARGO AIRLINES</b>	<b>407,825</b>	<b>394,368</b>	<b>395,262</b>	<b>388,486</b>
<b>TOTAL LANDED WEIGHTS</b>	<b>3,543,794</b>	<b>3,544,733</b>	<b>3,497,573</b>	<b>3,592,920</b>

Source: Jacksonville Aviation Authority Records



**Jacksonville Aviation Authority**

**Number of Employees**

**Fiscal Years Ending September 30:**

**(Unaudited)**

	2022		2021		2020		2019		2018	
	Employees		Employees		Employees		Employees		Employees	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Executive Director	4	-	3	-	3	-	3	-	3	-
Marketing	5	-	4	-	4	-	3	-	3	-
Information Technology	15	-	15	-	11	-	14	-	12	-
External Affairs	1	-	1	-	1	-	4	-	4	-
Human Resources	7	-	6	-	7	-	9	-	9	-
Procurement	14	-	12	-	13	-	9	-	14	-
Accounting and Finance	11	-	11	-	11	-	9	2	11	-
Planning and Engineering	11	-	10	-	10	-	12	-	12	-
Business Development	7	-	5	-	6	-	7	-	7	-
Cecil Airport	13	-	14	-	13	-	13	-	15	-
JaxEx at Craig Airport	4	-	3	-	4	-	4	-	3	-
Herlong Airport	9	-	8	-	8	-	9	-	8	-
SpacePort	1	-	1	-	1	-	-	-	-	-
Building Maintenance	25	-	22	-	20	-	33	-	28	-
Field Maintenance	29	-	26	-	25	-	31	-	29	-
HBS	9	-	7	-	9	-	10	-	10	-
Custodial	28	-	28	-	23	-	37	-	35	-
Police/Security	43	-	41	-	41	-	51	-	52	-
Airport Operations	29	-	27	-	27	-	28	-	29	-
DBE	-	-	-	-	-	-	-	-	-	-
Total	265	-	244	-	237	-	286	2	284	-

FT – Full-time employee working more than 35 hours

PT – Part-time employee working 35 hours or less

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Number of Employees (Continued)  
Fiscal Years Ending September 30:  
(Unaudited)**

	2017		2016		2015		2014		2013	
	Employees		Employees		Employees		Employees		Employees	
	FT	PT	FT	PT	FT	PT	FT	PT	FT	PT
Executive Director	3	-	3	-	3	-	3	-	3	-
Marketing	2	-	2	-	3	-	3	-	3	-
Information Technology	12	-	12	-	9	-	8	-	8	-
External Affairs	4	-	4	-	4	-	4	-	4	-
Human Resources	8	-	8	-	6	-	5	-	7	-
Procurement	14	-	13	1	13	1	13	1	10	1
Accounting and Finance	11	-	11	-	10	-	10	-	9	-
Planning and Engineering	12	-	12	-	12	-	11	-	11	-
Business Development	6	-	6	-	7	-	7	-	8	-
Cecil Airport	13	-	13	-	12	1	10	1	11	-
JaxEx at Craig Airport	4	-	4	-	3	-	4	-	3	-
Herlong Airport	9	-	9	-	9	-	9	-	8	1
SpacePort	-	-	-	-	-	-	-	-	-	-
Building Maintenance	27	-	27	-	28	-	23	-	25	-
Field Maintenance	28	-	27	1	27	1	24	1	22	1
HBS	10	-	10	-	10	-	9	-	9	-
Custodial	35	-	35	-	34	-	31	-	32	-
Police/Security	52	-	52	-	50	-	50	-	52	-
Airport Operations	26	-	26	-	23	-	27	-	24	-
DBE	-	-	-	-	-	-	-	-	-	-
Total	276	-	274	2	263	3	251	3	249	3

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

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Aircraft Operations  
Year Ended September 30, 2022  
(Unaudited)**

	Air Carrier	Air Taxi	Gen Aviation	Military	Total Aircraft Operations
2022	62,598	12,865	15,150	8,571	99,184
2021	47,360	10,551	13,368	9,894	81,173
2020	45,977	11,238	11,374	9,935	78,524
2019	68,124	16,466	13,707	9,661	107,958
2018	61,195	15,529	14,251	8,801	99,776
2017	57,957	11,919	14,245	11,060	95,181
2016	56,307	16,351	12,594	16,315	101,567
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

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Airlines Serving Jacksonville International Airport  
Fiscal Years Ending September 30:  
(Unaudited)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Signatory Airlines</b>										
American Airlines	X	X	X	X	X	X	X	X	X	X
Breeze Airways	X	-	-	-	-	-	-	-	-	-
Delta Airlines	X	X	X	X	X	X	X	X	X	X
JetBlue	X	X	X	X	X	X	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	X
US Airways	-	-	-	-	-	-	-	X	X	X
Total Signatory Airlines	6	5	5	5	5	5	5	6	6	6
<b>Non-signatory Airlines</b>										
Air Canada	-	-	-	X	X	X	X	-	-	-
AirTran	-	-	-	-	-	-	-	-	-	X
Air Wisconsin (American Air)	-	-	-	-	-	-	-	-	-	X
Allegiant	X	X	X	X	X	X	X	X	-	-
American Eagle	-	-	-	-	-	-	-	-	-	X
Endeavor Airlines (formerly ASA)	-	-	-	-	-	-	-	-	-	X
Charters	-	-	-	-	-	-	-	-	-	X
Chautauqua	-	-	-	-	-	-	-	-	-	-
Comair	-	-	-	-	-	-	-	-	-	-
Compass Airline	-	-	-	-	-	-	-	-	-	X
Continental Airlines	-	-	-	-	-	-	-	-	-	-
Continental Express	-	-	-	-	-	-	-	-	-	-
Express Jet (United Air)	-	-	-	-	-	-	-	-	-	X
Freedom Airlines	-	-	-	-	-	-	-	-	-	-
Frontier	X	X	X	X	X	-	-	-	-	-
Go Jet (United)	-	-	-	-	-	-	-	-	-	X
Mesa (American Air)	-	-	-	-	-	-	-	-	-	X
Mesaba	-	-	-	-	-	-	-	-	-	-
Pinnacle	-	-	-	-	-	-	-	-	-	X
PSA Airlines	-	-	-	-	-	-	-	-	-	X
Republic (American Air)	-	-	-	-	-	-	-	-	-	X
Shuttle America (Delta)	-	-	-	-	-	-	-	-	-	X
Silver Airways	X	X	-	X	X	X	X	X	X	X
Spirit Airlines	-	X	X	X	-	-	-	-	-	-
Sun Country Airlines	X	-	-	-	-	-	-	-	-	-
Total Non-signatory Airlines	4	4	3	5	4	3	3	2	1	15
Total Signatory and Non-signatory Airlines	10	9	9	10	9	8	8	8	7	21
<b>Cargo</b>										
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	X	X	-	-	X	-	-
Suburban Air Freight	X	X	X	X	X	X	X	X	X	X
Ameriflight, LLC	X	-	-	-	X	X	X	X	X	X
ABX	-	-	-	-	-	-	-	-	-	-
Total Cargo Airlines	5	4	4	4	5	4	4	5	4	4

Starting in 2013 affiliates are reported under signatory airlines.

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Primary Origination and Destination Passenger Markets  
Year Ended September 30, 2022  
(Unaudited)**

Rank	Market	Trip Length
1	JFK	MH
2	EWR	MH
3	BOS	MH
4	LGA	MH
5	ATL	SH
6	PHL	MH
7	DCA	MH
8	BNA	SH
9	BWI	MH
10	DFW	MH
11	ORD	MH
12	DEN	MH
13	MIA	SH
14	LAX	LH
15	DTW	MH
16	IAD	MH
17	LAS	LH
18	IAH	MH
19	MSP	MH
20	STL	MH
21	PHX	MH
22	PIT	MH
23	MDW	MH
24	IND	MH
25	ORF	SH

*Source: Jacksonville Aviation Authority 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, 2022  
(Unaudited)**

**Jacksonville International Airport**

Location	18	Miles North of Downtown Jacksonville
Area	8,292	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	736,138	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
	39,785	Sq. Ft. Aircraft Maintenance Facility
Parking Spaces	833	Short-term Hourly Garage
	1,963	Daily Garage
	1,722	Daily Surface Lot
	4,411	Economy Lots
	<u>8,929</u>	
Hotel	200	Rooms - Jacksonville Airport Hotel
	153,000	Sq. Ft.

**General Aviation Airports:**

**Jacksonville Executive at Craig Airport**

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

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Airport Capital Asset Information (Continued)**  
**Year Ended September 30, 2022**  
**(Unaudited)**

**Herlong Airport**

Location	9	Miles Southwest of Downtown Jacksonville
Area	1,449	Acres
Runways	4,000	Feet
	3,500	Feet

**Cecil Airport**

Location	13	Miles Southwest of Downtown Jacksonville
Area	6,098	Acres
Runways	12,500	Feet
	8,000	Feet
	8,000	Feet
	4,439	Feet
Aprons	672,953	Sq. Yrds.

Source: Jacksonville Aviation Authority Records

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