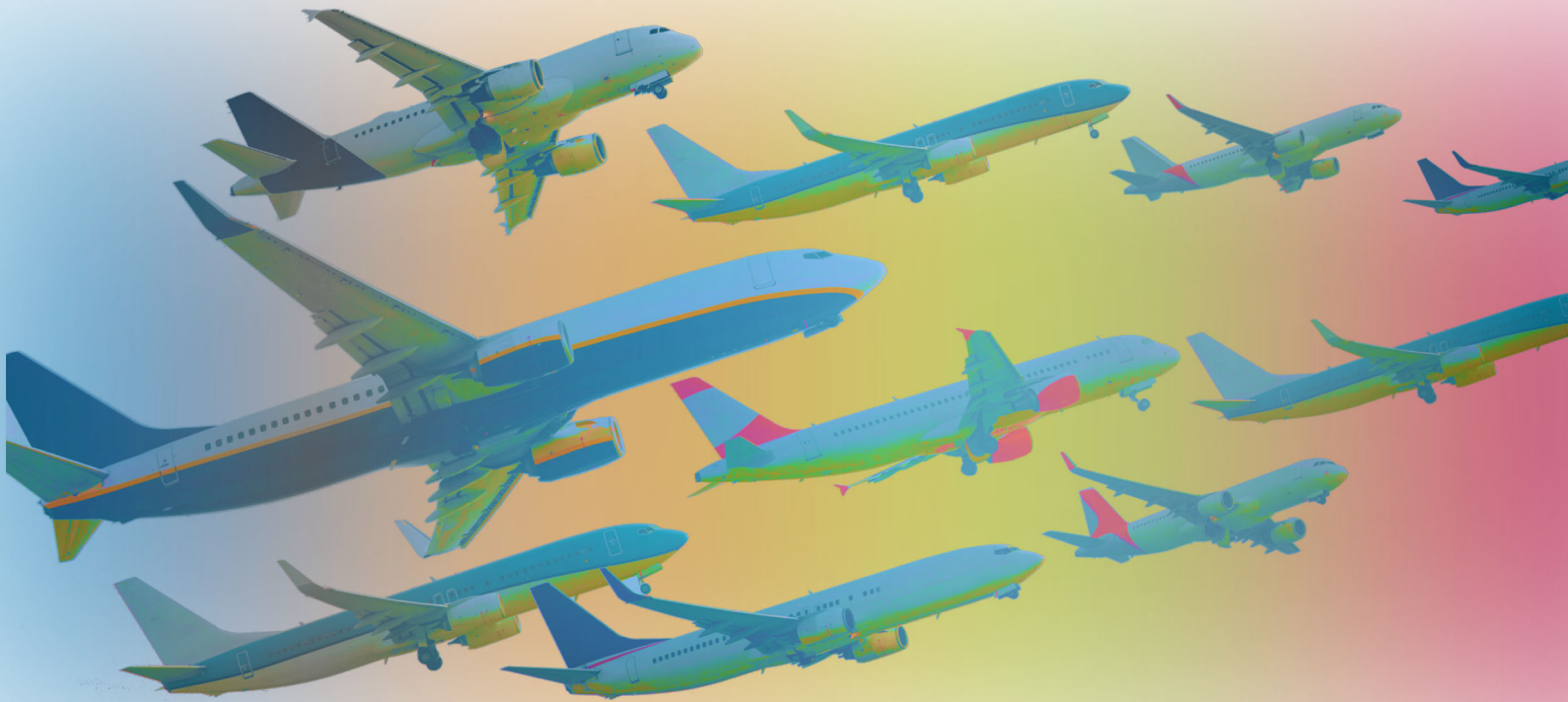


Jacksonville Aviation Authority

Annual Financial Report Fiscal Year 2023

Comprehensive Annual Financial Report for the
Fiscal Year Ended September 30, 2023
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, 2023***

PREPARED BY:
FINANCE DIVISION

ROSS JONES
CHIEF FINANCIAL OFFICER

JOSE LOPEZ
DIRECTOR OF ACCOUNTING

www.flyjacksonville.com

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Introductory

Annual Financial Report

Fiscal Year Ended September 30, 2023





February 23, 2024

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, 2023. The Finance Department and Plante Moran 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 \$221.03 million outstanding as of September 30, 2023. The Authority's bond service coverage ratio was 5.19 for senior debt and 4.62 for both senior and junior debt, which exceeds the required covenant of 1.25 and 1.10, respectively.

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

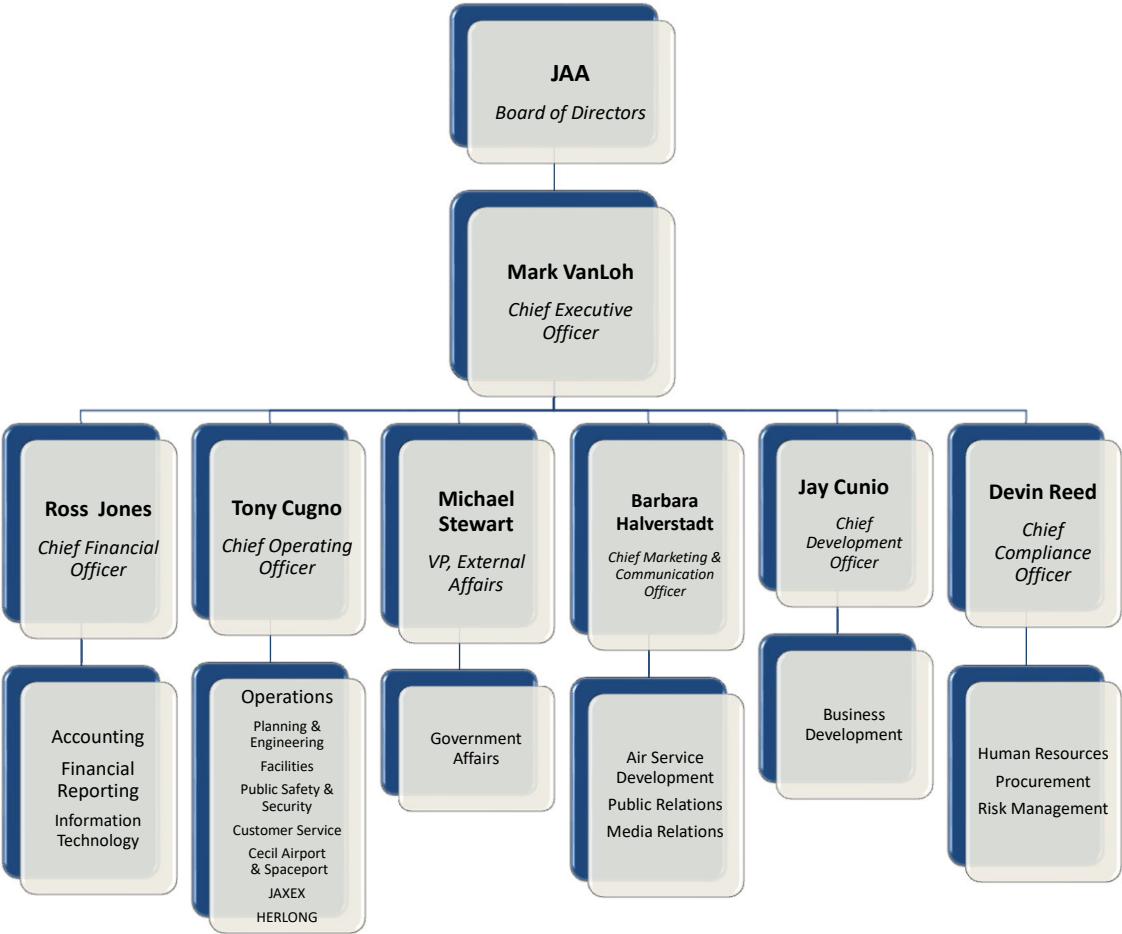
Michelle Barnett.....Chairman
Matt Connell.....Vice Chairman
David Hodges Jr.Treasurer
Fernando Acosta-Rua.....Secretary
William Gulliford.....Member
Dr. Sol Brotman.....Member
Andy HofheimerMember

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, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jacksonville Aviation Authority as of September 30, 2023 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.

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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Supplementary 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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.

To the Board of Directors
Jacksonville Aviation Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024 on our consideration of Jacksonville Aviation 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 Jacksonville Aviation 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 Jacksonville Aviation Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 23, 2024

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

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 the fiscal year ended September 30, 2023. 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 274 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, 2023, 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 PFCs, investment income, and federal, state

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Using the Financial Statements (continued)

and local grants are reported as non-operating revenues. The Authority's interest expense is reported as a non-operating expense.

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, 2023 totaled 3.64 million, an increase of 13.95% from the prior fiscal year. In fiscal year 2022, JIA had enplanements of 3.19 million, an increase of 53.55% from fiscal year 2021, attributable to the major recovery from the pandemic effect.

Landed weight totaled 4.56 million for fiscal year 2023, an increase of 10.84% from the prior year. In fiscal year 2022, JIA had landed weight of 4.12 million, an increase of 29.91% from fiscal year 2021.

As in 2022, American Airlines and Delta Airlines dominated fiscal year 2023 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:

| | 2023 | 2022 |
|-----------------------|-----------|-----------|
| Total Passengers | 7,306,171 | 6,387,924 |
| % Increase (decrease) | 14.37% | 53.45% |
| Enplanements | 3,644,693 | 3,198,391 |
| % Increase (decrease) | 13.95% | 53.55% |
| Landed Weight | 4,567,078 | 4,120,298 |
| % Increase (decrease) | 10.84% | 29.91% |

For fiscal year 2023, JIA's average daily air carrier departures were 84, compared to 82 in 2022.

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Financial Highlights

The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources for fiscal year 2023 by approximately \$666.20 million, compared to \$623.43 million in fiscal year 2022. Unrestricted net position as of the end of fiscal years 2023 and 2022 was approximately \$185.067 million and \$113.93 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 2023 is primarily due to higher than expected passenger traffic contributing to additional operating revenue and PFCs. The Authority is close to exhausting its CARES Act and related grant funds, as reimbursement from the CARES Act and related grants ("ARPA") decreased in 2023 by \$16.21 million from CARES Act reimbursement in fiscal year 2022.

The Authority's total debt increased by \$40.00 million compared to fiscal year 2022, attributable to a line of credit (LOC) to finance the initial costs of the new Concourse B at the Jacksonville International Airport. Further details can be found on note 11. The Authority made normal scheduled debt service payments for fiscal year 2023 and fiscal year 2022 of \$11.85 million and \$8.31 million, respectively.

Operating Revenues

In the fiscal year 2023, operating revenues increased due to more demand for services driven by an increase in passenger traffic, the highest ever recorded in the history of the Authority. Total revenue increased by 12.33%, led by strong results in parking, fees and charges, and space and facility rentals. In fiscal year 2022, operating revenue increased by 38.54% over the prior year due to the recovery of passenger traffic after the COVID-19 pandemic.

Operating Expenses

In fiscal year 2023, operating expenses (before depreciation and amortization) increased by 16.41% over 2022. The additional staffing needed to meet the higher passenger traffic levels was the main factor driving cost increases. Inflationary impacts were felt in both wages and services and supply categories. These two categories increased by 27.60% and 10.88%, respectively, compared to 2022.

Operating Margin

In fiscal year 2023, the operating margin was 33.55%, 2.33% less than in fiscal year 2022. Despite an increase in passenger traffic, total revenue was offset by higher activity-based expenditures and inflationary increases in wages, benefits, services, and supplies.

Non-operating Revenues

Non-operating revenues in fiscal year 2023 increased 26.32% from 2022. This was primarily the result of higher revenues in PFCs and investment income. PFC revenue increased by 11.52%, while investment income increased by 6,732% attributable to higher bank interest income and better performance in fixed income and equity investments.

Non-operating Expenses

Non-operating expenses decreased by 8.29% in fiscal year 2023 from 2022. This was primarily the result of less interest expenses and issuance costs incurred.

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Financial Highlights (continued)

Capital Contributions

Capital contributions decreased by 40.14% in fiscal year 2023 from 2022. These fluctuations are influenced by factors such as grant availability and project timing.

Summary Statement of Net Position

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

| | <i>(Dollar amounts in thousands)</i> | | | |
|--------------------------------------|--------------------------------------|-------------------|--------------------------------------|--|
| | 2023 | 2022 | Increase/ (Decrease) from 2022 | % Increase/ (Decrease) from 2022 |
| Assets | | | | |
| Current | \$ 263,764 | \$ 186,693 | \$ 77,071 | 41.3% |
| Noncurrent (restricted/other) | 190,135 | 151,788 | 38,347 | 25.3% |
| Capital assets, net | 656,631 | 558,803 | 97,828 | 17.5% |
| Total assets | <u>1,110,530</u> | <u>897,284</u> | <u>213,246</u> | <u>23.8%</u> |
| Deferred outflow of resources | <u>6,968</u> | <u>7,783</u> | <u>(815)</u> | <u>(10.5)%</u> |
| Liabilities | | | | |
| Current | 51,353 | 46,598 | 4,755 | 10.2% |
| Long-term | 246,405 | 207,535 | 38,870 | 18.7% |
| Total liabilities | <u>297,758</u> | <u>254,133</u> | <u>43,625</u> | <u>17.2%</u> |
| Deferred inflow of resources | <u>153,539</u> | <u>27,506</u> | <u>126,033</u> | <u>458.2%</u> |
| Net Position | | | | |
| Net investment in capital assets | 445,536 | 482,536 | (37,000) | (7.7)% |
| Restricted | 35,598 | 26,967 | 8,631 | 32.0% |
| Unrestricted | 185,067 | 113,925 | 71,142 | 62.5% |
| Total net position | <u>\$ 666,201</u> | <u>\$ 623,428</u> | <u>\$ 42,773</u> | <u>6.9%</u> |
| Working Capital | | | | |
| Current assets | \$ 263,764 | \$ 186,693 | \$ 77,071 | 41.3% |
| Current liabilities | (51,353) | (46,598) | (4,755) | 10.2% |
| Working capital | <u>\$ 212,411</u> | <u>\$ 140,095</u> | <u>\$ 72,316</u> | <u>51.6%</u> |
| Current ratio | 5.14 | 4.01 | | |

During 2023, total assets increased by 23.76%, deferred outflow of resources decreased by 10.47%, total liabilities increased by 17.17%, and total deferred inflow of resources increased by 458.20%. Liabilities increased mainly due to new debt while changes in deferred balances were driven by FRS pension changes and the impact of GASB-87 (see note 5 for more details). These changes resulted in an increase in net position of 6.86%.

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Signatory Airline Rates and Charges (continued)

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 2023 and 2022.

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

| | <u>2023</u> | | <u>2022</u> |
|--|-------------|----|-------------|
| Landing fees (per 1,000 lbs. MGLW) | \$ 3.23 | \$ | 3.38 |
| Average terminal rental rate (per square foot) | 154.42 | | 161.13 |
| Conditioned space (per square foot) | 196.05 | | 202.04 |
| Unconditioned space (per square foot) | 68.62 | | 70.71 |

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Signatory Airline Rates and Charges (continued)

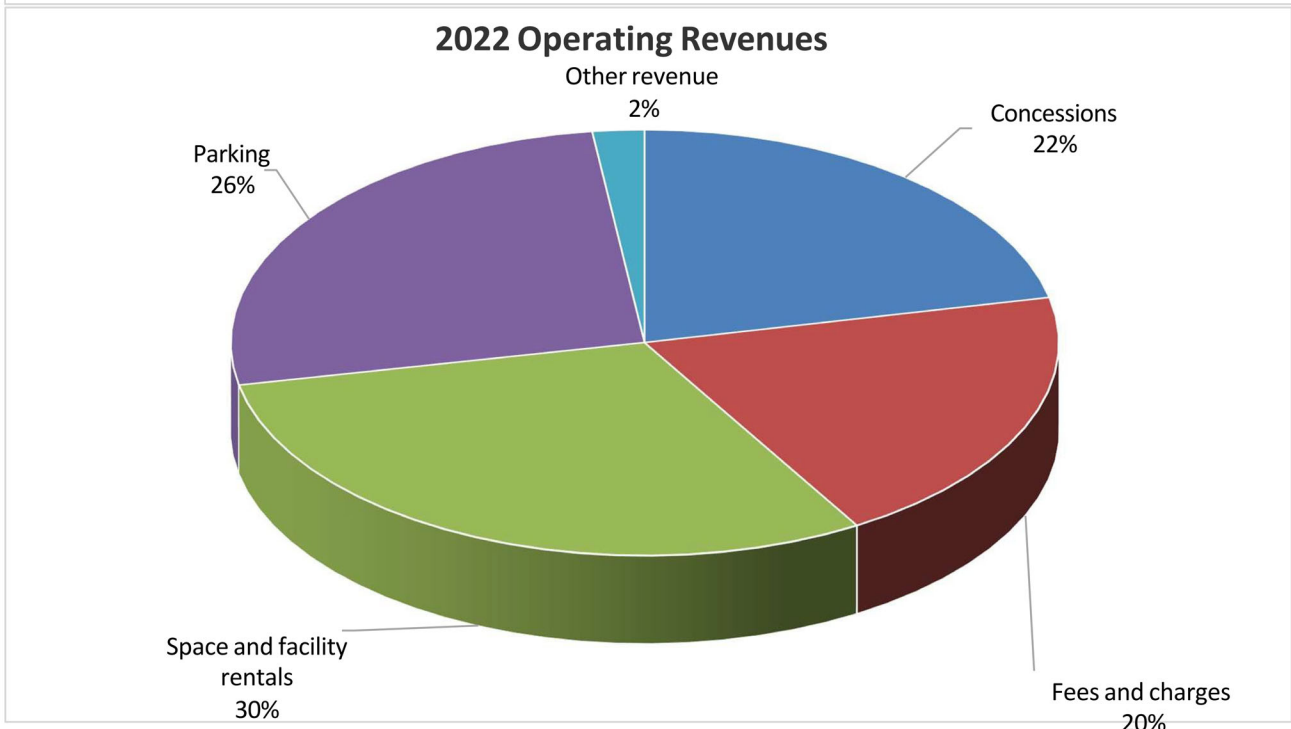
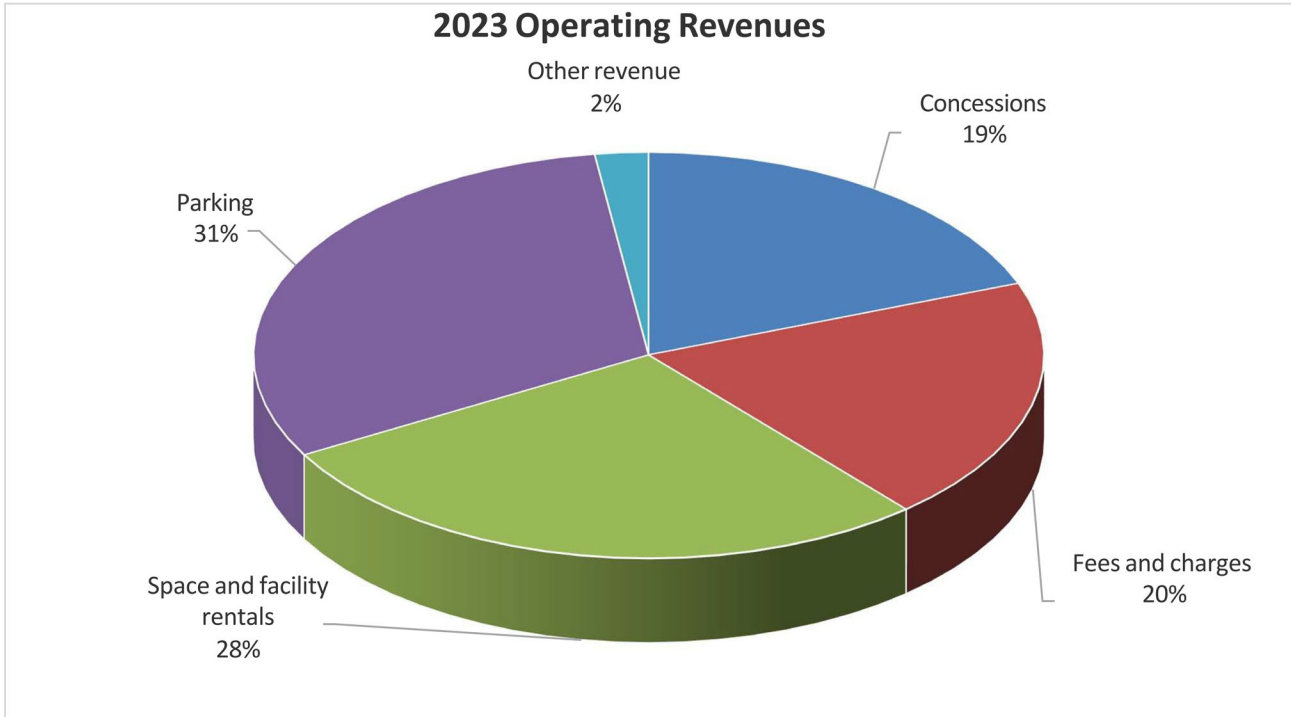
The following charts and tables show the major sources and the percentage of operating revenues and expenses for fiscal years 2023 and 2022:

(Dollar amounts in thousands)

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Operating revenues: | | |
| Concessions | \$ 21,376 | \$ 21,356 |
| Fees and charges | 21,610 | 19,598 |
| Space and facility rentals | 31,202 | 30,015 |
| Parking | 34,419 | 25,871 |
| Other revenue | 2,427 | 2,003 |
| Total operating revenues | 111,034 | 98,843 |
| Operating expenses: | | |
| Wage and benefits | 37,073 | 29,053 |
| Services and supplies | 18,972 | 17,110 |
| Repairs and maintenance | 8,664 | 8,817 |
| Promotions, advertising and dues | 797 | 710 |
| Registration and travel | 479 | 364 |
| Utilities and taxes | 4,692 | 4,791 |
| Other operating expenses | 3,101 | 2,537 |
| Depreciation and amortization | 31,385 | 34,125 |
| Total operating expenses | 105,163 | 97,507 |
| Operating profit (loss) | 5,871 | 1,336 |
| Nonoperating revenues: | | |
| Passenger facility charges | 14,354 | 12,871 |
| Investment income (loss) | 13,264 | (200) |
| Payments from federal and state agencies | 9,968 | 17,084 |
| Total nonoperating revenues | 37,586 | 29,755 |
| Nonoperating expenses: | | |
| Interest expense | 6,328 | 7,077 |
| Other expenses (revenues) | (98) | (284) |
| Total nonoperating expenses | 6,230 | 6,793 |
| Income before capital contributions | 37,227 | 24,297 |
| Capital contributions | 5,546 | 9,264 |
| Change in net position | 42,773 | 33,562 |
| Net position, beginning of year | 623,428 | 589,866 |
| Net position, end of year | \$ 666,201 | \$ 623,428 |

Operating Revenues

Operating revenue increased by 12.33% in fiscal year 2023. 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)

Operating Revenues by Major Classification

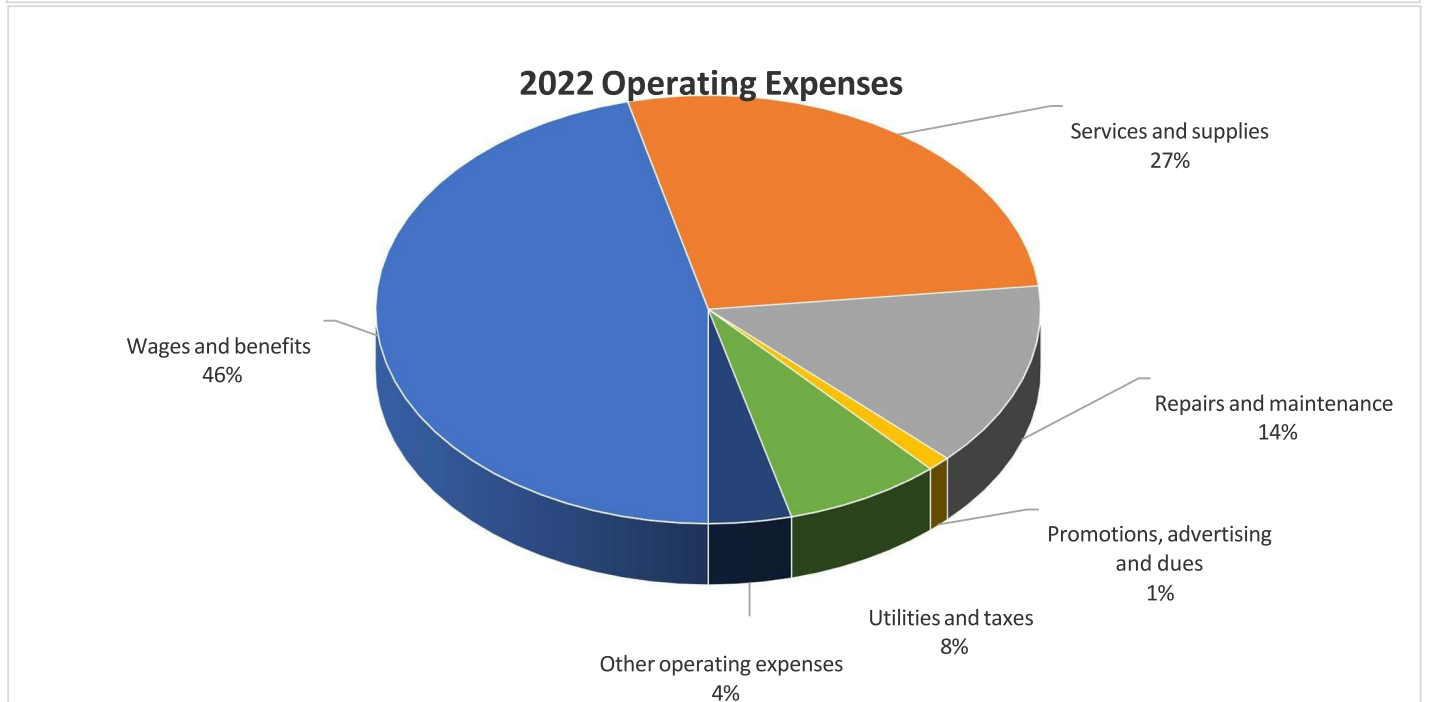
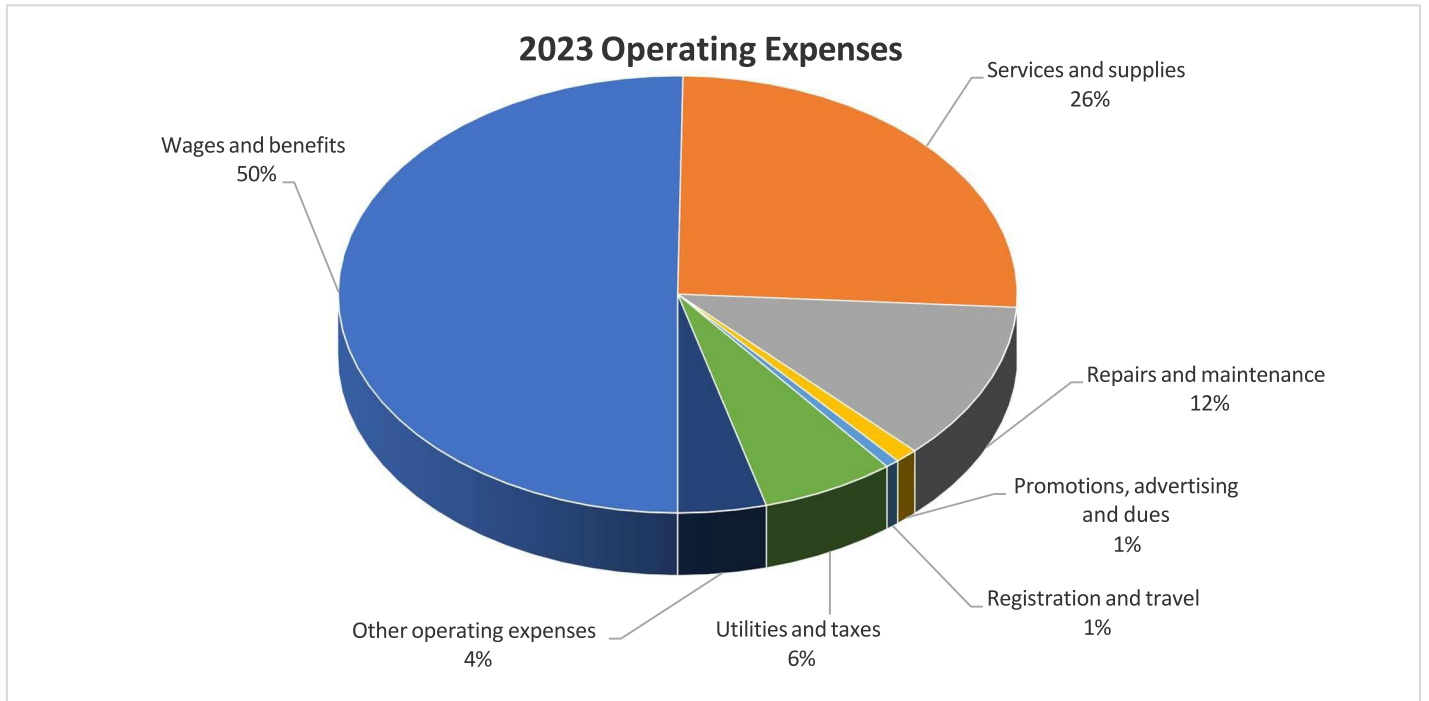
| | <i>(Dollar amounts in thousands)</i> | | | |
|----------------------------|--------------------------------------|------------------|--------------------------------------|--|
| | 2023 | 2022 | Increase/ (Decrease) from 2023 | % Increase/ (Decrease) from 2022 |
| Concessions | \$ 21,376 | \$ 21,356 | \$ 20 | 0.09% |
| Fees and charges | 21,610 | 19,598 | 2,012 | 10.27% |
| Space and facility rentals | 31,202 | 30,015 | 1,187 | 3.95% |
| Parking | 34,419 | 25,871 | 8,548 | 33.04% |
| Other revenue | 2,427 | 2,003 | 424 | 21.17% |
| Total operating revenues | <u>\$ 111,034</u> | <u>\$ 98,843</u> | <u>\$ 12,191</u> | <u>12.33%</u> |

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Operating Expenses

Operating expenses, before depreciation and amortization, increased by 16.41% in the fiscal year 2023. 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> | | | |
|----------------------------------|--------------------------------------|------------------|--------------------------------------|--|
| | 2023 | 2022 | Increase/ (Decrease) from 2023 | % Increase/ (Decrease) from 2022 |
| Wages and benefits | \$ 37,073 | \$ 29,053 | \$ 8,020 | 27.60% |
| Services and supplies | 18,972 | 17,110 | 1,862 | 10.88% |
| Repairs and maintenance | 8,664 | 8,817 | (152) | -1.72% |
| Promotions, advertising and dues | 797 | 710 | 88 | 12.39% |
| Registration and travel | 479 | 364 | 115 | 31.59% |
| Utilities and taxes | 4,692 | 4,791 | (99) | -2.07% |
| Other operating expenses | 3,101 | 2,537 | 564 | 22.23% |
| Total operating expenses | <u>\$ 73,778</u> | <u>\$ 63,382</u> | <u>\$ 10,398</u> | <u>16.41%</u> |

Debt Activity

In fiscal year 2023, the Authority added a \$200 million line of credit for financing the construction of Concourse B at Jacksonville International Airport. As of September 30, 2023, \$40 million of this LOC has been drawn. Normal scheduled debt service payments of \$11.84 million were also made in fiscal year 2023.

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 decreased by \$16.66 million for fiscal year 2023 over 2022. Restricted cash and cash equivalents decreased by \$83.48 million, and unrestricted cash and cash equivalents increased by \$66.82 million. The decrease from prior year is due to increased spending on capital projects.

Capital Construction

During 2023, the Authority expended approximately \$127.8 million on capital activities. Major projects in 2023 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 \$10.7 million for fiscal year 2023 and \$6.7 million for fiscal year 2022. Refer to note 7 for a more detailed discussion of capital activity.

Jacksonville Aviation Authority

Management's Discussion and Analysis (unaudited)

Economic Factors, Next Years' Budget, and COVID

The aviation industry has experienced a rapid recovery from the COVID-19 pandemic. Fiscal 2023 continued robust increases in annual passenger traffic, resulting in a 14% increase over fiscal 2022. Passenger increases drove JAA revenues to record highs including a \$7.0 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 in 2022. Breeze has continued to increase its service offerings in 2023, including three new routes to the West Coast.

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. This project is estimated to be complete in fiscal 2027. Cecil Airport opened two new hangars during fiscal 2023 including the 400,000 square foot hangar for existing tenant Boeing. 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 2023 through the American Rescue Plan Act ("ARPA"), passed by the federal government in March of 2021 and awarded to the Authority in December 2021. The award allows funds to be used within a four-year time frame. The Authority used a total of \$10.22 million in the fiscal year 2023 and plans on using the 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. For fiscal year 2024, the Authority expects passenger traffic to remain strong but only moderately increase over prior year records in passenger traffic. 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

September 30, 2023

(Dollar Amounts in Thousands)

Assets

Current assets:

| | | |
|---|----|----------------|
| Cash and cash equivalents | \$ | 179,741 |
| Investments | | 54,889 |
| Receivables: | | |
| Accounts receivable - Net of allowance of \$252 in 2023 | | 8,071 |
| Interest receivable | | 1,250 |
| Grants receivable | | 1,888 |
| Lease receivable - GASB 87 | | 14,663 |
| Note receivable | | 245 |
| Inventory and other assets | | 2,994 |
| Total current assets | | <u>263,741</u> |

Noncurrent assets:

| | | |
|---|--|----------------|
| Restricted cash and cash equivalents (Note 6) | | 49,739 |
| Restricted - PFC receivable (Note 6) | | 2,280 |
| Lease receivable - GASB 87 - Net of current portion | | 136,216 |
| Capital assets: | | |
| Assets not subject to depreciation | | 279,838 |
| Assets subject to depreciation - Net | | 376,793 |
| Note receivable - Net of current portion | | 1,923 |
| Total noncurrent assets | | <u>846,789</u> |

Total assets 1,110,530

Deferred Outflows of Resources - Pension

6,968

Total assets and deferred outflows of resources \$ 1,117,498

Jacksonville Aviation Authority

Statement of Net Position (Continued)

September 30, 2023

(Dollar Amounts in Thousands)

Liabilities

Current liabilities:

| | |
|--|-----------|
| Accounts payable | \$ 14,167 |
| Accrued expenses | 5,057 |
| Unearned revenue | 4,197 |
| Construction contracts and retainage payable | 6,230 |
| Other accrued liabilities | 13,414 |
| Accrued interest payable | 2,587 |
| Notes payable - Current portion | 5,701 |

Total current liabilities 51,353

Long-term liabilities:

| | |
|--|---------|
| Net pension liability | 30,301 |
| Net OPEB liability | 768 |
| Notes payable - Net of current portion | 215,336 |

Total long-term liabilities 246,405

Total liabilities 297,758

Deferred Inflows of Resources

| | |
|----------------------------------|---------|
| Gain on refunding | 226 |
| Pension | 3,422 |
| Deferred lease revenue - GASB 87 | 149,891 |

Total deferred inflows of resources 153,539

Net Position

Net investment in capital assets 445,536

Restricted:

| | |
|--------------------------------------|--------|
| Capital acquisition and construction | 26,125 |
| O&M | 6,822 |
| PFC receivable | 2,280 |
| Other | 371 |

Unrestricted 185,067

Total net position 666,201

Total liabilities, deferred inflows of resources, and net position \$ 1,117,498

Jacksonville Aviation Authority

Statement of Revenue, Expenses, and Changes in Net Position

Year Ended September 30, 2023

(Dollar Amounts in Thousands)

| | |
|--|-------------------|
| Operating Revenue | |
| Concessions | \$ 21,376 |
| Fees and charges | 21,610 |
| Space and facility rentals | 31,202 |
| Parking | 34,419 |
| Other revenue | 2,427 |
| | <hr/> |
| Total operating revenue | 111,034 |
| Operating Expenses | |
| Wages and benefits | 37,073 |
| Services and supplies | 18,972 |
| Repairs and maintenance | 8,664 |
| Promotions, advertising, and dues | 797 |
| Registration and travel | 479 |
| Other operating expenses | 3,101 |
| Utilities and taxes | 4,692 |
| | <hr/> |
| Operating expenses | 73,778 |
| Operating Income- Before depreciation | 37,256 |
| Depreciation | 31,385 |
| | <hr/> |
| Operating Income | 5,871 |
| Nonoperating Revenue (Expense) | |
| Investment income | 11,587 |
| Passenger facility charges | 14,354 |
| Federal and State agency grants | 9,968 |
| Interest revenue - GASB 87 (Note 5) | 1,677 |
| Interest expense | (6,328) |
| Other nonoperating revenue | 98 |
| | <hr/> |
| Total nonoperating revenue | 31,356 |
| Income - Before capital contributions | 37,227 |
| Capital Contributions | 5,546 |
| | <hr/> |
| Change in Net Position | 42,773 |
| Net Position - Beginning of year | 623,428 |
| | <hr/> |
| Net Position - End of year | \$ 666,201 |

Jacksonville Aviation Authority

Statement of Cash Flows

Year Ended September 30, 2023

(Dollar Amounts in Thousands)

| | |
|--|-------------------|
| Cash Flows from Operating Activities | |
| Receipts from customers and tenants | \$ 109,857 |
| Payments to suppliers for goods and services | (43,117) |
| Payments to employees for services | (31,995) |
| | <hr/> |
| Net cash and cash equivalents provided by operating activities | 34,745 |
| Cash Flows from Noncapital Financing Activities - Federal grants received | 10,128 |
| Cash Flows from Capital and Related Financing Activities | |
| Proceeds from issuance of new debt | 40,000 |
| Contributions in aid of construction | 6,848 |
| Passenger facility charges received | 13,203 |
| Proceeds from sale of equipment | 102 |
| Acquisition and construction of capital assets | (125,378) |
| Interest paid on capital debt | (6,403) |
| | <hr/> |
| Net cash and cash equivalents used in capital and related financing activities | (71,628) |
| Cash Flows from Investing Activities | |
| Interest on investments | 12,607 |
| Proceeds from sale and maturities of investment securities | 3,000 |
| Purchases of investment securities | (5,514) |
| | <hr/> |
| Net cash and cash equivalents provided by investing activities | 10,093 |
| Net Decrease in Cash and Cash Equivalents | (16,662) |
| Cash and Cash Equivalents - Beginning of year | 246,142 |
| | <hr/> |
| Cash and Cash Equivalents - End of year | \$ 229,480 |
| | <hr/> <hr/> |
| Classification of Cash and Cash Equivalents | |
| Cash and cash equivalents | \$ 179,741 |
| Restricted cash and cash equivalents | 49,739 |
| | <hr/> |
| Total cash and cash equivalents | \$ 229,480 |
| | <hr/> <hr/> |

Jacksonville Aviation Authority

Statement of Cash Flows (Continued)

Year Ended September 30, 2023

(Dollar Amounts in Thousands)

Reconciliation of Operating Income to Net Cash from Operating Activities

| | | |
|--|----|----------------------|
| Operating income | \$ | 5,871 |
| Adjustments to reconcile operating income to net cash from operating activities: | | |
| Depreciation expense | | 31,385 |
| Changes in assets and liabilities: | | |
| Increase in accounts receivable | | (1,098) |
| Decrease in inventory and other assets | | (672) |
| Decrease in accrued expenses and other liabilities | | 804 |
| Decrease in accounts payable | | (5,739) |
| Increase in net pension liability | | 4,636 |
| Decrease in deferred outflows related to pension | | 813 |
| Decrease in deferred inflows related to pension | | (1,111) |
| Decrease in net OPEB liability | | (64) |
| Decrease in unearned revenue | | (80) |
| Total adjustments | | <u>28,874</u> |
| Net cash and cash equivalents provided by operating activities | \$ | <u><u>34,745</u></u> |

Significant Noncash Transactions

| | | |
|--|----|---------------------|
| Change in fair value of investments | \$ | <u><u>881</u></u> |
| Capital assets acquired through contracts payable and accruals | \$ | <u><u>6,230</u></u> |
| Grants receivable | \$ | <u><u>1,888</u></u> |

Notes to Financial Statements

Annual Financial Report
Fiscal Year Ended September 30, 2023



September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 1 - Nature of Business

Jacksonville Aviation Authority (JAA or the "Authority"), a body corporate and politic, was established by the State of Florida (the "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 (the "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, Florida (the "City") and confirmed by the City Council. The Authority is not subject to federal, state, or local income or sales taxes.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The Authority follows accounting principles generally accepted in the United States of America (GAAP). Accounting and financial reporting pronouncements are promulgated by the Governmental 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. The following is a summary of the significant accounting policies used by the Authority:

Basis of Presentation

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 charged 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, revenue, and expenses are accounted for through a single enterprise fund, with revenue 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.

Revenue from airlines, rental cars, parking, and concessions is reported as operating revenue. Capital and noncapital grants, financing, or investment related transactions are reported as nonoperating revenue. All expenses related to operating the Authority are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

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

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

Revenue Recognition

Revenue recognition policies are as follows:

Airfield Landing Fee Charges

Landing fees are principally generated from scheduled airlines, cargo carriers, and nonscheduled 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 Airline Use and Lease Agreement (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 Use and Lease Agreement for further details.

Terminal Rents, Concession, and Ground Transportation

Rentals and concession fees are generated from airlines, parking structures and lots, rental cars, fixed-base 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 statement of revenue, 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 moneys are 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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

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 creditworthiness 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.

Restricted Assets

Restricted assets consist of moneys and other resources that 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 was completed during the second quarter of fiscal year 2024.

The 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 nonoperating revenue when all conditions have been met that entitle the Authority to retain the PFCs.

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:

| | Depreciable Life - Years |
|--------------------|-----------------------------|
| Buildings | 5-50 |
| Other improvements | 3-50 |
| Equipment | 3-20 |
| Intangibles | 3-10 |

Inventory

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

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

Deferred Inflows and Outflows 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.

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 percent 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 Plans

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 (the "Plans"), and additions to/deductions from the 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.

Net Position

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

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

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

Budgeting Requirements

The Authority's annual budgeting process is a financial planning tool used to establish the estimated revenue 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; and line-to-line capital budget transfers may be made with the approval of the chief executive officer or his designee if they are 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.

Leases

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.

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 Airway 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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

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 revenue, expenses, and changes in net position, after nonoperating revenue 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 revenue. Through September 30, 2023, the Authority has collected, including interest earnings, PFCs totaling approximately \$295.94 million. PFCs, along with related interest earnings, are recognized and recorded as nonoperating revenue in the year collected by the air carriers.

The Authority has expended approximately \$268.81 million of PFCs on projects funded on a pay-as-you-go and financing basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2024.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 2 - Significant Accounting Policies (Continued)

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2025.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The standard defines a concentration (a lack of diversity related to an aspect of significant inflow of resources or outflow of resources) and a constraint (a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority), both of which may limit a government's ability to acquire resources or control spending. GASB 102 requires a government to disclose information about a concentration or constraint if certain criteria are met. The provisions of this statement are effective for the Authority's financial statements for the year ending September 30, 2025.

Note 3 - Deposits and Investments

Deposits and investments are reported in the financial statements as follows:

| | |
|---------------------------------|-------------------|
| Cash and cash equivalents | \$ 179,741 |
| Investments | 54,889 |
| Restricted cash and investments | <u>49,739</u> |
| Total deposits and investments | <u>\$ 284,369</u> |

Domestic common stock balances are as follows:

| | <u>Balance</u> | <u>% of Portfolio</u> |
|--------------|------------------|-----------------------|
| Equity | \$ 2,839 | 5.17 % |
| Fixed income | <u>52,050</u> | <u>94.83</u> |
| Total | <u>\$ 54,889</u> | <u>100.00 %</u> |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 3 - Deposits and Investments (Continued)

Credit Risk

The Authority's fixed-income investments for the fiscal year ending September 30, 2023 are rated as follows:

| Investment Type | Fair Value | Rating |
|--|------------|--------|
| U.S. Treasury and government agency securities | \$ 22,400 | AAA |
| Corporate bonds and notes | 10,046 | AAA |
| Corporate bonds and notes | 431 | AA+ |
| Corporate bonds and notes | 377 | AA |
| Corporate bonds and notes | 1,138 | AA- |
| Corporate bonds and notes | 912 | A+ |
| Corporate bonds and notes | 1,475 | A |
| Corporate bonds and notes | 2,854 | A- |
| Corporate bonds and notes | 96 | A3 |
| Corporate bonds and notes | 3,228 | BBB+ |
| Corporate bonds and notes | 1,350 | BBB |
| Corporate bonds and notes* | 855 | BBB- |
| Corporate bonds and notes* | 90 | BB+ |
| Corporate bonds and notes* | 91 | BB |
| Foreign corporate bonds and notes | 1,002 | A |
| Foreign corporate bonds and notes | 1,827 | A- |
| Foreign corporate bonds and notes | 1,127 | A+ |
| Foreign corporate bonds and notes | 1,201 | AA- |
| Foreign corporate bonds and notes | 286 | BBB |
| Foreign corporate bonds and notes | 48 | BBB- |
| Foreign corporate bonds and notes | 682 | BBB+ |
| Supranationals | 233 | AAA |
| Municipal bonds | 102 | AA |
| Municipal bonds | 94 | AA- |
| Municipal bonds | 61 | AA+ |
| Municipal bonds | 44 | AAA |
| Total | \$ 52,050 | |

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

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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 3 - Deposits and Investments (Continued)

At year end, the Authority had the following investments and maturities:

| Type of Investment | Less Than 1 Year | 1-5 Years | Total |
|--|---------------------|-----------|-----------|
| U.S. Treasury and government agency securities | \$ 1,325 | \$ 21,075 | \$ 22,400 |
| Corporate bonds and notes | 1,155 | 21,788 | 22,943 |
| Foreign corporate bonds and notes | 360 | 5,813 | 6,173 |
| Supranationals | 233 | - | 233 |
| Municipal bonds | 138 | 163 | 301 |
| Total | \$ 3,211 | \$ 48,839 | \$ 52,050 |

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, and 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 statement 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) increasing the allowable maximum percentage in corporate bonds, and (4) lowering the minimum S&P-equivalent rating on corporate bonds from A- to BBB.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 3 - Deposits and Investments (Continued)

Concentration of Credit Risk

JAA Primary Fund (Fixed Income)

Exclusive of restricted funds, the following are the Authority's investment percentage limits within the Primary Fund. The Authority's investment in U.S. Treasury, Government National Mortgage Association, and other U.S. government-guaranteed securities shall not exceed 100 percent of the total investment portfolio. Total investments in United States federal agency or government-sponsored enterprise securities shall each not exceed 75 percent 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 percent of the total investment portfolio. Investments in repurchase agreements shall not exceed 40 percent of the total investment portfolio. The Authority's investment in commercial paper and corporate bonds and notes shall not exceed 35 percent of the total investment portfolio. Authority investments in supranationals, where the United States is a shareholder and voting member shall not exceed 25 percent 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 percent of the total investment portfolio. The Authority shall not exceed 20 percent of its portfolio value for fixed-income mutual funds and ETFs, and 10 percent for bankers' acceptances.

As of September 30, 2023, 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 percent or more of the Authority's Primary Fund investments as of September 30, 2023 were as follows: \$17.43 million (35.31 percent) invested in U.S. Treasury notes and \$4.56 million (9.23 percent) invested in agency securities.

| | Unrestricted | Restricted | Fair Value |
|--|------------------|-------------|------------------|
| U.S. Treasury and government agency securities | \$ 22,400 | \$ - | \$ 22,400 |
| Corporate bonds and notes | 29,116 | - | 29,116 |
| Supranationals | 233 | - | 233 |
| Municipal bonds | 301 | - | 301 |
| | - | - | - |
| Total | <u>\$ 52,050</u> | <u>\$ -</u> | <u>\$ 52,050</u> |

JAA Long-term Investment Portfolio Fund (Fixed Income and 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 percent-60 percent of the total LTIP portfolio. Acceptable ranges for fixed-income securities are between 25 percent-75 percent of the total LTIP portfolio. Cash equivalents should be no more than 10 percent of total LTIP portfolio.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 3 - Deposits and Investments (Continued)

As of September 30, 2023, 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 percent or more of the Authority’s LTIP fund investments as of September 30, 2023 were as follows: \$0.19 million (6.83 percent) invested in Apple Inc. common stock and \$0.17 million (6.34 percent) invested in Microsoft Corp. common stock.

| | Unrestricted | Restricted | Total |
|----------------------|-----------------|-------------|-----------------|
| Common stock | \$ 2,722 | \$ - | \$ 2,722 |
| Foreign common stock | 117 | - | 117 |
| Total | <u>\$ 2,839</u> | <u>\$ -</u> | <u>\$ 2,839</u> |

Fair Value Measurements

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 significant other observable inputs and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. The Authority has no investments valued using Level 3 inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of September 30, 2023:

- Domestic and foreign equity securities of \$2.83 million are valued using Level 1 inputs.
- U.S. Treasury and government agency securities of \$22.48 million are valued using Level 1 and Level 2 inputs.
- Corporate bonds, domestic and foreign, of \$29.11 million, asset-backed securities of \$0.23 million; and municipal bonds of \$0.30 million are valued using a matrix pricing model (Level 2 inputs).

Note 4 - Receivables

Receivables as of September 30, 2023 for the Authority are recorded net of allowances for uncollectible accounts of \$252 thousand at September 30, 2023. Accounts receivable at year end are composed of the following:

| Receivables from | Percent of Balance |
|------------------------------|--------------------|
| Airlines | 62.80 % |
| Concessionaires/Non-aviation | 19.39 |
| Aviation - Other | 13.31 |
| Parking customers | 4.50 |
| Total | <u>100.00 %</u> |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 4 - Receivables (Continued)

The Authority entered into separate operating and lease agreements with various tenants where the following note receivable was issued: February 25, 2005 for \$4.63 million over 25 years at an interest rate ranging from 6 percent to 9 percent. The current rate of interest for 2023 is 9 percent.

| | <u>October 1, 2022</u> | <u>Increases</u> | <u>Decreases</u> | <u>September 30, 2023 Balance</u> | <u>Due within One Year</u> |
|-----------------|------------------------|------------------|------------------|-----------------------------------|----------------------------|
| Note receivable | \$ 2,392 | \$ - | \$ (224) | \$ 2,168 | \$ 245 |

Note 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 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 are 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 the 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, 2023, the Authority recognized the following related to its lessor agreements:

| | |
|---|-----------|
| Lease revenue | \$ 13,121 |
| Interest income related to its leases | 1,677 |
| Revenue from variable payments not previously included in the measurement of the lease receivable | 8,025 |

JAA's principal ongoing operations consist of leasing assets to other entities. Future principal and interest payment requirements related to the Authority's lease receivable at September 30, 2023 are as follows:

| <u>Years Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------|-------------------|------------------|-------------------|
| 2024 | \$ 14,663 | \$ 4,192 | \$ 18,855 |
| 2025 | 14,451 | 3,769 | 18,220 |
| 2026 | 14,276 | 3,352 | 17,628 |
| 2027 | 15,184 | 3,000 | 18,184 |
| 2028 | 15,133 | 2,484 | 17,617 |
| 2029-2033 | 72,456 | 5,772 | 78,228 |
| 2034-2038 | 2,103 | 499 | 2,602 |
| 2039-2043 | 1,308 | 268 | 1,576 |
| 2044-2048 | 652 | 130 | 782 |
| 2049-Thereafter | 653 | 71 | 724 |
| Total | \$ 150,879 | \$ 23,537 | \$ 174,416 |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 5 - Lease Accounting (GASB 87) (Continued)

Regulated Leases

JAA has numerous leases that 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, and 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 and hangars, ramp space, and building space to these clients.

During the year ended September 30, 2023, the Authority recognized the following from regulated leases:

| | |
|---|-----------|
| Lease revenue | \$ 27,779 |
| Revenue from variable payments excluded from the schedule of expected future minimum payments | 27,654 |

Future expected minimum payments related to the Authority's regulated leases at September 30, 2023 are as follows:

| <u>Years Ending</u> | <u>Principal</u> |
|---------------------|-------------------|
| 2024 | \$ 38,017 |
| 2025 | 41,783 |
| 2026 | 41,790 |
| 2027 | 40,870 |
| 2028 | 23,542 |
| 2029-2033 | 113,132 |
| 2034-2038 | 109,405 |
| 2039-2043 | 99,642 |
| 2044-2048 | 89,999 |
| 2049-Thereafter | <u>5,728</u> |
| Total | <u>\$ 603,908</u> |

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

| | <u>Total Future Minimum Lease Payments</u> | <u>% of Total</u> |
|--|--|-------------------|
| Boeing Company | \$ 369,190 | 61 % |
| Signatory Airlines (8 total) | 81,749 | 14 |
| FlightStar Aircraft Services, Inc. (MRO) | <u>55,407</u> | <u>9</u> |
| Total | <u>\$ 506,346</u> | <u>84 %</u> |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 6 - Restricted Assets

At September 30, 2023, restricted assets are composed of the following:

| Description | Amount |
|--|------------------|
| Federal forfeiture | \$ 260 |
| Other | 15 |
| Construction Projects Account (TD Bank) | 9,735 |
| PFC Account (TD Bank) | 26,125 |
| Restricted O&M Fund | 6,822 |
| Restricted PFC Receivable | 2,280 |
| Concourse B Construction Account (TD Bank) | 6,662 |
| ARPA Concession Account (TD Bank) | 97 |
| Total | <u>\$ 51,996</u> |

Note 7 - Capital Assets

Capital asset activity of the Authority was as follows:

| | Balance October 1, 2022 | Transfers | Additions | Disposals and Adjustments | Balance September 30, 2023 |
|--|----------------------------|-------------|------------------|------------------------------|----------------------------------|
| Capital assets not being depreciated: | | | | | |
| Land | \$ 71,143 | \$ - | \$ - | \$ - | \$ 71,143 |
| Construction in progress | 98,929 | (19,613) | 129,379 | - | 208,695 |
| Total capital assets not being depreciated | 170,072 | (19,613) | 129,379 | - | 279,838 |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 564,003 | 16,266 | - | (4,141) | 576,128 |
| Machinery and equipment | 41,660 | 1,357 | - | (355) | 42,662 |
| Vehicles | 5,970 | 1,257 | - | (39) | 7,188 |
| Furniture and office equipment | 3,313 | 26 | - | (146) | 3,193 |
| Computer equipment | 26,266 | 214 | - | (266) | 26,214 |
| Land improvements | 361,269 | 493 | - | (159) | 361,603 |
| Intangible assets | 3,487 | - | - | - | 3,487 |
| Total capital assets being depreciated | 1,005,968 | 19,613 | - | (5,106) | 1,020,475 |
| Accumulated depreciation: | | | | | |
| Buildings and improvements | 315,882 | - | 19,588 | (4,134) | 331,336 |
| Machinery and equipment | 21,715 | - | 2,384 | (355) | 23,744 |
| Vehicles | 5,463 | - | 345 | (39) | 5,769 |
| Furniture and office equipment | 3,090 | - | 82 | (146) | 3,026 |
| Computer equipment | 24,963 | - | 702 | (266) | 25,399 |
| Land improvements | 243,242 | - | 8,118 | - | 251,360 |
| Intangible capital assets | 2,882 | - | 166 | - | 3,048 |
| Subtotal | 617,237 | - | 31,385 | (4,940) | 643,682 |
| Net capital assets being depreciated | 388,731 | 19,613 | (31,385) | (166) | 376,793 |
| Net capital assets | <u>\$ 558,803</u> | <u>\$ -</u> | <u>\$ 97,994</u> | <u>\$ (166)</u> | <u>\$ 656,631</u> |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 7 - Capital Assets (Continued)

Depreciation expense for the year ended September 30, 2023 was \$31.39 million. During the fiscal year ended September 30, 2021, the Authority elected to early adopt GASB 89 and, therefore, did not capitalize on any interest in fiscal year 2023.

Construction Commitments

As of September 30, 2023, the Authority has outstanding contractual commitments for completion of certain capital improvement projects, totaling \$100.4 million, of which an estimated \$31.4 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.

Note 8 - Pension Plans

Plan Description/Benefits Provided

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 percent. 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 4 years of military), whichever comes first, or (2) 8 years of special risk service and age 55, or 25 total years of special risk services and age 52 (may include 4 years of 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 4 years of wartime military service). Early retirement may be taken any time after completing 6 years of service; however, there is a 5 percent 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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

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

The FRS provides vesting of benefits after 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 4 years military), whichever comes first, or (2) 8 years of special risk service and age 60, or 30 total years of special risk services and age 57 (may include 4 years of 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 of wartime military service). Early retirement may be taken any time after completing 8 years of service; however, there is a 5 percent 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 or by phone at (850) 488-5706.

The Retiree Health Insurance Subsidy Program

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.

For the fiscal year ended September 30, 2023, 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.

Funding Policy

Florida Retirement System

The Authority is required by Florida Statutes 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 percent basis, as a level dollar amount. The Senate Bill 2100 enacted in July 2011 created a 3 percent mandatory pretax employee contribution and a reduction in contribution rates for the employers.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

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

| | Special Risks Participants | Deferred Retirement Option Participants | Senior Management Participants | Regular Participants |
|---------------------------------|-------------------------------|--|--------------------------------------|-------------------------|
| 7/1/2023 - 6/30/2024 - Employer | 32.67 % | 21.13 % | 34.52 % | 13.57 % |
| 7/1/2023 - 6/30/2024 - Employee | 3.00 | - | 3.00 | 3.00 |
| Total | 35.67 | 21.13 | 37.52 | 16.57 |
| 7/1/2022 - 6/30/2023 - Employer | 27.83 | 18.60 | 31.57 | 11.91 |
| 7/1/2022 - 6/30/2023 - Employee | 3.00 | - | 3.00 | 3.00 |
| Total | 30.83 | 18.60 | 34.57 | 14.91 |
| 7/1/2021 - 6/30/2022 - Employer | 25.89 | 18.34 | 29.01 | 10.82 |
| 7/1/2021 - 6/30/2022 - Employee | 3.00 | - | 3.00 | 3.00 |
| Total | 28.89 % | 18.34 % | 32.01 % | 13.82 % |

Contributions

For the year ended September 30, 2023, employer and employee contributions were \$3,590 and \$664 (thousand), respectively.

The Retiree Health Insurance Subsidy Program

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2023, the contribution rate was 1.66 percent of payroll pursuant to Section 112.363, Florida Statutes. The Authority contributed 100 percent 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.

Net Pension Liability

| | Florida Retirement System Pension Plan | The Retiree Health Insurance Subsidy Program |
|---|---|--|
| Measurement date used for the Authority's net pension liability | June 30, 2023 | June 30, 2023 |
| Based on a comprehensive actuarial valuation as of | July 1, 2023 | July 1, 2022 |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

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

Florida Retirement System

At September 30, 2023, the Authority reported a liability of \$21.30 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 \$13.35 billion of investment income in fiscal year 2023, causing a decrease in the net pension liability for all participants. The net pension liability was measured as of July 1, 2023 using an actuarial valuation dated July 1, 2023.

The Authority's proportionate share of the net pension liability was based on the Authority's 2023 fiscal year contributions relative to the 2023 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.053465157 percent, an increase of 0.00319607 percent from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Authority recognized pension expense of \$4.14 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 summarized in the table below.

The Retiree Health Insurance Subsidy Program

At September 30, 2023, the Authority reported a net pension liability of \$9.00 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2022.

The Authority's proportionate share of the net pension liability was based on the Authority's 2023 fiscal year contributions relative to the total 2023 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.056649073 percent, an increase of 0.001034856 percent from its proportionate share measured as of June 30, 2022.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

For the fiscal year ended September 30, 2023, the Authority recognized pension expense of \$3.73 million 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 summarized in the table below.

| | Florida Retirement System | | The Retiree Health Insurance Subsidy Program | |
|--|--------------------------------|-------------------------------|--|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 2,000 | \$ - | \$ 132 | \$ (21) |
| Change of assumption | 1,389 | - | 237 | (780) |
| Net difference between projected and actual earnings on investments | 890 | - | 5 | - |
| Changes in proportion and differences between Authority's contributions and proportionate share of contributions | 911 | (1,949) | 520 | (672) |
| Authority's contributions subsequent to the measurement date | 763 | - | 121 | - |
| Total | \$ 5,953 | \$ (1,949) | \$ 1,015 | \$ (1,473) |

Florida Retirement System

For the fiscal year ended September 30, 2023, deferred outflow of resources related to pensions totaled \$763 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

The Retiree Health Insurance Subsidy Program

For the fiscal year ended September 30, 2023, deferred outflows of resources related to pensions totaled \$121 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Years Ending September 30 | Florida Retirement System | The Retiree Health Insurance Subsidy Program |
|---------------------------|-----------------------------------|--|
| | Deferred Outflows (Inflows) - Net | Deferred Inflows - Net |
| 2024 | \$ 163 | \$ (128) |
| 2025 | (703) | (103) |
| 2026 | 3,235 | (172) |
| 2027 | 446 | (137) |
| 2028 | 100 | (32) |
| Thereafter | - | (7) |
| Total | \$ 3,241 | \$ (579) |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

Actuarial Assumptions

Florida Retirement System

The total pension liability in the July 1, 2023 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2014 through June 30, 2019.

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.

The Retiree Health Insurance Subsidy Program

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

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

The actuarial assumptions used in the July 1, 2022 valuation for HIS was based on the results of the actuarial experience study for the period from July 1, 2014 through June 30, 2019.

| | <u>Florida Retirement System Pension Plan</u> | <u>The Retiree Health Insurance Subsidy Program</u> |
|--|--|---|
| Inflation | 2.40% | 2.40% |
| Salary increases (including inflation) | 3.25% | 3.25% |
| Investment rate of return (net of investment expenses) | 6.70% | 3.65% |
| Mortality rates | Pub-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 | Generational Pub-2010 with Projection Scale MP-2018 |

Discount Rate

Florida Retirement System

The discount rate used to measure the total pension liability was 6.70 percent for 2023. 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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

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 percent rate of return assumption used in the June 30, 2023 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.

The Retiree Health Insurance Subsidy Program

The discount rate used to measure the total pension liability relating to the HIS Plan was 3.65 percent for 2023. 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.

| | Florida Retirement System Pension Plan | The Retiree Health Insurance Subsidy Program |
|---|---|--|
| Assumed investment rate of return | 6.70% | 7.25% |
| Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits? | Yes | No |
| Discount rate used to measure total pension liability | 6.70% | 3.65% |

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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

Note that the table below represents the allocation for both the FRS and HIS plans as of July 1, 2023.

| Asset Class | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|------------------------|-------------------|--------------------------|------------------------------------|--------------------|
| Cash | 1.00 % | 2.90 % | 2.90 % | 1.10 % |
| Fixed income | 19.80 | 4.50 | 4.40 | 3.40 |
| Global equity | 54.00 | 8.70 | 7.10 | 18.10 |
| Real estate (property) | 10.30 | 7.60 | 6.60 | 14.80 |
| Private equity | 11.10 | 11.90 | 8.80 | 26.30 |
| Strategic investments | 3.80 | 6.30 | 6.10 | 7.70 |
| Total | 100.00 % | | | |

Assumed Inflation - Mean 2.4 percent (Compounded Annual) 1.4 percent (Standard Deviation)

As outlined in the FRS Pension Plan’s investment policy.

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

Florida Retirement System

The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.70 percent for 2023, 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 percentage point lower or 1 percentage point higher than the current rate.

The Retiree Health Insurance Subsidy Program

The following presents the Authority’s proportionate share of the net pension liability for the HIS Plan, calculated using the 2023 discount rate of 3.65 percent, 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 percentage point lower or 1 percentage point higher than the current rate.

| Florida Retirement System Pension Plan | | | The Retiree Health Insurance Subsidy Program | | |
|--|-------------------------------|-------------------------------------|--|-------------------------------|-------------------------------------|
| 1 Percentage Point Decrease (5.70%) | Current Discount Rate (6.70%) | 1 Percentage Point Increase (7.70%) | 1 Percentage Point Decrease (2.65%) | Current Discount Rate (3.65%) | 1 Percentage Point Increase (4.65%) |
| | | | | | |

| | | | | | | |
|--|-----------|-----------|----------|-----------|----------|----------|
| Authority's proportionate share of the net pension liability | \$ 36,392 | \$ 21,304 | \$ 8,682 | \$ 10,264 | \$ 8,997 | \$ 7,946 |
|--|-----------|-----------|----------|-----------|----------|----------|

Florida Retirement System

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

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.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 8 - Pension Plans (Continued)

FRS - Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (the "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 percent 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, 2023, 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.

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.

Note 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 options 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 statement of net position.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 9 - Deferred Compensation Plans (Continued)

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.

Note 10 - Other Postemployment Benefit Plan

Plan Description

The Authority provides medical, dental, vision, and life insurance benefits for eligible retirees and their dependents under a single-employer defined benefit health care 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 its post-retirement health and other benefits biennially. The September 30, 2023 total OPEB liability was determined by an actuarial valuation date for the fiscal year ended September 30, 2022, which used update procedures to roll forward the estimated liability to the September 30, 2023 measurement date. 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.

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 percent 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, 2023 was a credit to expense of \$64 thousand. This negative expense was driven by a change in actuarial assumption reducing the Authority's OPEB liability.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 10 - Other Postemployment Benefit Plan (Continued)

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, 2023:

| Changes in Net OPEB Liability | Increase (Decrease) | |
|--------------------------------------|----------------------|-------------------|
| | Total OPEB Liability | Plan Net Position |
| Balance at October 1, 2022 | \$ 832 | \$ - |
| Changes for the year: | | |
| Service cost | 23 | - |
| Interest | 37 | - |
| Changes in assumptions | (9) | - |
| Contributions - Employee | - | (115) |
| Benefit payments | (115) | 115 |
| Net changes | (64) | - |
| Balance at September 30, 2023 | <u>\$ 768</u> | <u>\$ -</u> |

Actuarial 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.

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, 2023 costs and liabilities were determined using the following assumptions: (1) discount rate of 4.75 percent per annum, compounded annually, which was changed from the previous year discount rate of 4.60 percent 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 percent 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 percent per year, resulting in an ultimate rate of 5.00 percent 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, and, therefore, no assumptions have been made regarding projected salary increases.

The selected discount rate of 4.75 percent is based on the prescribed discount interest rate methodology under GASB Nos. 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, 2023 (most current quarter available) and rounded to the nearest 0.01 percent.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 10 - Other Postemployment Benefit Plan (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 4.75 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (3.75%) | Current Discount Rate (4.75%) | 1 Percentage Point Increase (5.75%) |
|--------------------------------|---|-------------------------------------|---|
| Net OPEB liability of the OPEB | \$ 816 | \$ 768 | \$ 724 |

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the Authority, calculated using the health care cost trend rate of 8 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (7.0%) | Current Health Care Cost Trend Rate (8.0%) | 1 Percentage Point Increase (9.0%) |
|--------------------------------|--|--|--|
| Net OPEB liability of the OPEB | \$ 711 | \$ 768 | \$ 833 |

Note 11 - Long-term Debt

All authority bonds were issued under the Airport Improvement Revenue Bond Resolution adopted by the board of directors of the Authority on July 30, 1987, and a 10th Supplemental Resolution was adopted on September 27, 2021. The Authority currently has \$221 million in outstanding debt. The debt is made up of two bank notes, Series 2016 and Series 2021, one privately placed bond executed in 2021, and a line of credit taken on during 2023.

Long-term debt activity for the year ended September 30, 2023 can be summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|---|----------------------|------------------|-------------|-------------------|------------------------|
| Bonds payable - Direct borrowings and direct placements: | | | | | |
| 2016 Revenue Refunding Note | \$ 2,210 | \$ - | \$ - | \$ 2,210 | \$ 2,000 |
| 2021 Revenue Refunding Note | 22,762 | - | - | 22,762 | 3,701 |
| 2021 Revenue Note for Boeing Hangar construction at Cecil Airport | 156,065 | - | - | 156,065 | - |
| Concourse B line of credit | - | 40,000 | - | 40,000 | - |
| Total long-term debt | \$ 181,037 | \$ 40,000 | \$ - | \$ 221,037 | \$ 5,701 |

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 11 - Long-term Debt (Continued)

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 percent. 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.

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 percent. 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 percent. 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 result in an economic gain (present value) to the Authority of \$169,344.

2021 Revenue Note for Boeing Hangar Construction at Cecil Airport

On October 20, 2021, the Authority closed on additional financing with JPMorgan 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 JPMorgan as the placement agent. The bonds have a 30-year term at a fixed interest rate of 2.96 percent.

Concourse B Line of Credit

On October 27, 2022, the Authority closed on new financing in the form of a two-year variable line of credit with Trust 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 percent of SOFR (secured overnight financing rate), plus 37 basis points. During 2023, the Authority had drawn \$40 million on the line of credit.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

| Years Ending September 30 | Direct Borrowings and Direct Placements | | |
|------------------------------|--|------------------|-------------------|
| | Principal | Interest | Total |
| 2024 | \$ 5,701 | \$ 6,677 | \$ 12,378 |
| 2025 | 47,711 | 4,835 | 52,546 |
| 2026 | 7,649 | 4,557 | 12,206 |
| 2027 | 7,802 | 4,380 | 12,182 |
| 2028 | 7,960 | 4,225 | 12,185 |
| Thereafter | 144,214 | 56,006 | 200,220 |
| Total | <u>\$ 221,037</u> | <u>\$ 80,680</u> | <u>\$ 301,717</u> |

Unused Line of Credit

The Authority has an unused line of credit in the amount of \$160 million as of September 30, 2023.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 12 - Airline Use and Lease Agreements

The Airline Use and Lease Agreement provides for the lease of exclusive use of certain premises, nonexclusive 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 2018, all signatory airlines agreed to a 10-year extension of the Agreement. The amended Agreement will expire on September 30, 2027.

For the purposes of accounting for costs, expenses, and revenue 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 is 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.

Note 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 and additional contingent payments based on the tenants' annual sales volume of business. Some of the agreements provide for a periodic review and redetermination of the payment amounts.

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. The signatory airline agreements are renegotiated at the end of their term. The current agreement expires in six years on September 30, 2027.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 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 for the year ended.

The Authority received federal and state grants for the capital programs for the year ended September 30, 2023, as summarized in the table below:

| | |
|---------------------------------|-----------------|
| State grants for construction | \$ 2,930 |
| Federal grants for construction | 1,569 |
| TSA grants for construction | <u>1,047</u> |
| Total | <u>\$ 5,546</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 Airport and Airway 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 statement of revenue, expenses, and changes in net position as capital contributions

Note 15 - Operating Grants

The Authority received TSA funds in addition to COVID-19 funding for operating programs for the year ended September 30, 2023, as summarized in the table below:

| | |
|----------------------------|-----------------|
| ARPA funding | \$ 9,423 |
| TSA K-9 & federal programs | 217 |
| State government | <u>109</u> |
| Total | <u>\$ 9,749</u> |

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 \$28.3 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 available.

In fiscal year 2021, the Authority received an ARPA grant of \$27.53 million. Approximately \$3.06 million and \$13.55 million were expensed in fiscal year 2021 and fiscal year 2022, respectively, and booked to federal operating contribution. In fiscal year 2023, the Authority expensed \$9.43 million, \$5.82 million on debt service, \$2.18 million on rent relief to concessionaires, and \$1.43 million to cover terminal and airfield operational costs.

Grants for operating programs for the year ended September 30, 2023 are reported in the statement of revenue, expenses, and changes in net position as nonoperating revenue.

September 30, 2023

(dollar amounts in thousands unless otherwise noted)

Note 16 - Related Party Transactions

During fiscal year 2023, the Authority paid approximately \$6 million to the City for expenses relating to legal, insurance, firefighting, and miscellaneous services.

Note 17 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), 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 2023 amounted to \$182 thousand.

The Authority's property insurance premium expenses amounted to \$1.54 million for the year ended September 30, 2023. The Authority is also a participant in the City's general liability insurance program. General liability insurance premium expense amounted to \$96 thousand for the year ended September 30, 2023.

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, cybersecurity, 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.

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 its financial statements.

Required Supplementary Information

Jacksonville Aviation Authority

Required Supplementary Information Schedule of Changes in the Authority's Total OPEB Liability

| | Last Six Fiscal Years | | | | | |
|---|-----------------------|---------------|-----------------|-----------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Total OPEB Liability | | | | | | |
| Service cost | \$ 23 | \$ 23 | \$ 15 | \$ 15 | \$ 75 | \$ 59 |
| Interest | 37 | 54 | 29 | 31 | 95 | 91 |
| Changes in assumptions | (9) | (346) | (2) | (1,856) | 715 | (37) |
| Benefit payments, including refunds | (115) | (149) | (144) | (145) | (38) | - |
| Net Change in Total OPEB Liability | (64) | (418) | (102) | (1,955) | 847 | 113 |
| Total OPEB Liability - Beginning of year | 832 | 1,250 | 1,352 | 3,307 | 2,460 | 2,347 |
| Total OPEB Liability - End of year | \$ 768 | \$ 832 | \$ 1,250 | \$ 1,352 | \$ 3,307 | \$ 2,460 |
| Covered-employee Payroll | \$ 19,109 | \$ 20,000 | \$ 19,317 | \$ 19,433 | \$ 21,285 | \$ 18,001 |
| Total OPEB Liability as a Percentage of Covered-employee Payroll | 4.02 % | 4.16 % | 6.47 % | 6.96 % | 15.54 % | 13.67 % |

*The amounts presented were determined as of September 30. The schedule is presented to illustrate the requirements of GASB 75. Currently, only data for fiscal years ended September 30, 2023, 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 Nine Plan Years | | | | | | | | |
|---|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Authority's proportion of the FRS net pension liability | 0.05347 % | 0.05315 % | 0.04929 % | 0.06162 % | 0.06296 % | 0.05922 % | 0.06045 % | 0.05597 % | 0.05388 % |
| Authority's proportionate share of the FRS net pension liability | \$ 21,304 | \$ 19,774 | \$ 3,723 | \$ 26,709 | \$ 21,684 | \$ 17,839 | \$ 17,880 | \$ 14,132 | \$ 6,960 |
| Authority's covered payroll | \$ 16,127 | \$ 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 | 132.10 % | 121.87 % | 26.61 % | 161.46 % | 132.12 % | 116.69 % | 121.20 % | 103.80 % | 54.84 % |
| FRS fiduciary net position as a percentage of total pension liability | 82.00 % | 83.00 % | 96.00 % | 79.00 % | 83.00 % | 84.00 % | 83.00 % | 84.00 % | 92.00 % |

Note: The amounts presented for each fiscal year were determined as of June 30. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ended June 30, 2015-2023 are available.

Jacksonville Aviation Authority

Required Supplementary Information Schedule of the Authority's Contributions Florida Retirement System Pension Plan

| | Last Nine Plan Years Years Ended June 30 (Dollar Amounts in Thousands) | | | | | | | | |
|--|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required FRS contribution | \$ 2,681 | \$ 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 | 2,681 | 2,399 | 1,912 | 2,099 | 2,124 | 1,852 | 1,698 | 1,553 | 1,314 |
| FRS Contribution Excess | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority's Covered Payroll | \$ 16,127 | \$ 16,226 | \$ 13,989 | \$ 15,765 | \$ 16,825 | \$ 15,287 | \$ 14,753 | \$ 13,614 | \$ 12,692 |
| FRS Contributions as a Percentage of Covered Payroll | 16.62 % | 14.78 % | 13.67 % | 13.31 % | 12.62 % | 12.11 % | 11.51 % | 11.41 % | 10.35 % |

Note: The amounts presented for each fiscal year were determined as of September 30. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ended June 30, 2015-2023 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

| | Last Nine Plan Years | | | | | | | | |
|---|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Authority's proportion of the HIS net pension liability | 0.05665 % | 0.05561 % | 0.51895 % | 0.62761 % | 0.06311 % | 0.05944 % | 0.06030 % | 0.55437 % | 0.05273 % |
| Authority's proportionate share of the HIS net pension liability | \$ 8,997 | \$ 5,890 | \$ 6,366 | \$ 7,663 | \$ 7,061 | \$ 6,291 | \$ 6,448 | \$ 6,460 | \$ 5,377 |
| Authority's covered payroll | \$ 22,642 | \$ 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 | 39.74 % | 26.97 % | 34.33 % | 35.19 % | 33.44 % | 32.10 % | 34.29 % | 36.75 % | 35.28 % |
| HIS Plan fiduciary net position as a percentage of total pension liability | 4.12 % | 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 June 30. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ended June 30, 2015-2023 are available.

Jacksonville Aviation Authority

Required Supplementary Information Schedule of the Authority's Contributions Health Insurance Subsidy Pension Plan

| | Last Nine Fiscal Years | | | | | | | | |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required HIS contribution | \$ 909 | \$ 699 | \$ 305 | \$ 439 | \$ 444 | \$ 387 | \$ 355 | \$ 325 | \$ 202 |
| HIS contributions in relation to the contractually required contribution | 909 | 699 | 305 | 439 | 444 | 387 | 355 | 325 | 202 |
| HIS Contribution Excess | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Authority's Covered Payroll | \$ 22,642 | \$ 21,842 | \$ 18,543 | \$ 20,853 | \$ 21,517 | \$ 18,807 | \$ 18,807 | \$ 12,692 | \$ 15,109 |
| HIS Contributions as a Percentage of Covered Payroll | 4.01 % | 3.20 % | 1.64 % | 2.11 % | 2.06 % | 2.06 % | 1.89 % | 2.56 % | 1.34 % |

Note: The amounts presented for each fiscal year were determined as of September 30. The schedule is presented to illustrate the requirements of GASB Statement No. 68. Currently, only data for fiscal years ended June 30, 2015-2023 are available.

Statistical

Annual Financial Report

Fiscal Year Ended September 30, 2023



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.

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-----------|------------|-----------|----------|-----------|
| Cash flows from operating activities | \$ 34,745 | \$ 39,124 | \$ 26,089 | \$ 6,380 | \$ 40,124 |
| Cash flows from non-capital financing activities | 10,128 | 27,976 | 7,704 | 12,073 | 198 |
| Cash flows from capital and related financing activities | (71,628) | 61,417 | (13,051) | (8,505) | (25,008) |
| Cash flows from investing activities | 10,093 | 3,206 | (4,551) | 1,306 | 2,063 |
| Net change in cash and cash equivalents | (16,662) | 131,723 | 16,191 | 11,254 | 17,377 |
| Cash and equivalents, beginning of year | 246,142 | 114,418 | 98,227 | 86,973 | 69,596 |
| Cash and equivalents, end of year | 229,480 | 246,141 | 114,418 | 98,227 | 86,973 |
| Noncash investing, capital and financing activities | | | | | |
| Change in fair value of investments | \$ 881 | \$ (3,808) | \$ (612) | \$ 546 | \$ 1,240 |
| Capitalized Interest | \$ - | \$ - | \$ - | \$ - | \$ - |
| Capital assets acquired through contracts payable and accruals | \$ 6,230 | \$ 2,230 | \$ 844 | \$ 578 | \$ 1,058 |
| Grants receivable | \$ 1,888 | \$ 2,431 | \$ 3,165 | \$ 1,099 | \$ 1,731 |

Source: Jacksonville Aviation Authority financial statements

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | \$ 28,720 | \$ 34,177 | \$ 26,018 | \$ 29,433 | \$ 22,865 |
| Cash flows from non-capital financing activities | 135 | 269 | 202 | 253 | 242 |
| Cash flows from capital and related financing activities | (9,303) | (25,006) | (38,354) | (26,828) | (15,350) |
| Cash flows from investing activities | 4,471 | (12,296) | 8,617 | (493) | 5,616 |
| Net change in cash and cash equivalents | 24,023 | (2,856) | (3,517) | 2,365 | 13,373 |
| Cash and equivalents, beginning of year | 45,573 | 48,429 | 51,945 | 49,580 | 36,207 |
| Cash and equivalents, end of year | 69,596 | 45,573 | 48,429 | 51,945 | 49,580 |
| Noncash investing, capital and financing activities | | | | | |
| Change in fair value of investments | \$ (680) | \$ (282) | \$ 468 | \$ 6 | \$ (201) |
| Capitalized Interest | \$ 165 | \$ 164 | \$ (763) | - | - |
| Capital assets acquired through contracts payable and accruals | \$ 1,491 | \$ 420 | \$ 2,250 | \$ 39,787 | \$ 4,398 |
| Grants receivable | \$ 2,342 | \$ 1,187 | \$ 4,201 | \$ - | \$ - |

Source: Jacksonville Aviation Authority financial statements

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-------------------|------------------|------------------|------------------|------------------|
| Concessions | | | | | |
| Rent-A-Car | \$ 14,300 | \$ 13,777 | \$ 10,544 | \$ 8,340 | \$ 12,128 |
| Food & beverage | 1,086 | 2,735 | 1,485 | 1,652 | 3,282 |
| Retail | 2,615 | 1,975 | 1,351 | 1,194 | 2,065 |
| Fuel flowage fees | 912 | 919 | 883 | 697 | 715 |
| Other concessions | 2,463 | 1,950 | 1,369 | 1,379 | 1,673 |
| Total concessions | 21,376 | 21,357 | 15,633 | 13,262 | 19,863 |
| Fees and charges | | | | | |
| Landing fees – signatory | 12,102 | 11,204 | 7,693 | 6,437 | 10,503 |
| Landing fees – non-signatory | 1,233 | 886 | 771 | 819 | 1,887 |
| Passenger screening – signatory | - | - | - | - | - |
| Passenger screening – non-signatory | - | - | - | - | - |
| Security user fees | 1,249 | 980 | 672 | 770 | 1,269 |
| Other fees | 7,026 | 6,527 | 5,585 | 4,841 | 5,661 |
| Total fees and charges | 21,610 | 19,597 | 14,721 | 12,868 | 19,320 |
| Space and facility rentals | | | | | |
| Air cargo building | 1,459 | 1,323 | 1,296 | 1,257 | 1,122 |
| Ramp use – signatory | - | - | - | - | - |
| Ramp use – non-signatory | 2,824 | 2,505 | 1,871 | 1,730 | 2,981 |
| Hangar spaces | 7,347 | 6,844 | 6,540 | 6,235 | 5,704 |
| Terminal space rentals – signatory | 11,535 | 11,382 | 8,561 | 12,854 | 10,291 |
| Terminal space rentals – non-signatory | 437 | 341 | 335 | 574 | 765 |
| Other lease rentals | 7,600 | 7,619 | 7,741 | 8,181 | 5,810 |
| Total space and facility rentals | 31,202 | 30,015 | 26,345 | 30,833 | 26,673 |
| Parking economy lots 1, 2, and 3 | | | | | |
| Economy lots 1, 2, and 3 | 6,308 | 4,043 | 1,382 | 2,299 | 4,907 |
| Garages and daily surface lot | 27,209 | 21,304 | 11,374 | 10,926 | 19,708 |
| Other parking | 902 | 525 | 244 | 559 | 920 |
| Total parking | 34,419 | 25,872 | 13,000 | 13,784 | 25,535 |
| Other revenue | | | | | |
| Electric | 608 | 582 | 467 | 483 | 554 |
| Fuel sales | 1,107 | 1,038 | 754 | 664 | 853 |
| Other revenue | 712 | 382 | 428 | 339 | 384 |
| Total other revenues | 2,427 | 2,002 | 1,649 | 1,486 | 1,791 |
| Total operating revenues | \$ 111,034 | \$ 98,843 | \$ 71,348 | \$ 72,233 | \$ 93,182 |

| | <i>(amounts in full numbers)</i> | | | | |
|--|----------------------------------|-----------|-----------|-----------|-----------|
| Signatory airline rates and charges | | | | | |
| Gross landing fee (per 1,000 lbs) | \$ 3.23 | \$ 3.38 | \$ 3.15 | \$ 2.71 | \$ 2.94 |
| Average annual terminal rent (per sq. ft.) | \$ 154.42 | \$ 161.13 | \$ 144.01 | \$ 174.54 | \$ 152.14 |
| Enplaned passengers | 3,644,693 | 3,198,391 | 2,082,911 | 1,978,268 | 3,543,188 |
| Cost per enplaned passenger | \$ 6.96 | \$ 7.72 | \$ 8.22 | \$ 10.29 | \$ 6.50 |

Source: Jacksonville Aviation Authority audited financial statements

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|------------------|------------------|
| Concessions | | | | | |
| Rent-A-Car | \$ 11,438 | \$ 10,171 | \$ 10,620 | \$ 10,521 | \$ 9,861 |
| Food & beverage | 2,933 | 2,526 | 2,449 | 2,338 | 2,139 |
| Retail | 1,990 | 1,813 | 1,814 | 1,790 | 1,715 |
| Fuel flowage fees | 756 | 609 | 1,475 | 1,035 | 525 |
| Other concessions | 1,140 | 953 | 1,413 | 1,249 | 1,263 |
| Total concessions | 18,257 | 16,072 | 17,771 | 16,933 | 15,503 |
| Fees and charges | | | | | |
| Landing fees – signatory | 10,624 | 10,408 | 9,577 | 8,788 | 8,237 |
| Landing fees – non-signatory | 1,100 | 468 | 314 | 304 | 75 |
| Passenger screening – signatory | - | - | - | - | - |
| Passenger screening – non-signatory | - | - | - | - | - |
| Security user fees | 1,205 | 1,109 | 1,154 | 1,156 | 1,092 |
| Other fees | 4,878 | 4,043 | 3,623 | 3,231 | 2,785 |
| Total fees and charges | 17,807 | 16,028 | 14,668 | 13,479 | 12,189 |
| Space and facility rentals | | | | | |
| Air cargo building | 904 | 838 | 826 | | 881 |
| Ramp use – signatory | - | - | - | 851 | - |
| Ramp use – non-signatory | 1,361 | 1,168 | 1,303 | 1,892 | 1,218 |
| Hangar spaces | 5,523 | 5,347 | 5,431 | 5,136 | 4,120 |
| Terminal space rentals – signatory | 7,721 | 12,969 | 9,931 | 7,648 | 7,575 |
| Terminal space rentals – non-signatory | 528 | 339 | 309 | 592 | 453 |
| Other lease rentals | 8,394 | 8,285 | 8,905 | 8,489 | 7,503 |
| Total space and facility rentals | 24,481 | 28,946 | 26,705 | 24,608 | 21,750 |
| Parking economy lots 1, 2, and 3 | | | | | |
| Economy lots 1, 2, and 3 | 3,619 | 3,129 | 3,130 | 3,075 | 2,942 |
| Garages and daily surface lot | 17,021 | 15,548 | 15,262 | 14,512 | 13,719 |
| Other parking | 895 | 614 | 601 | 604 | 595 |
| Total parking | 21,535 | 19,291 | 18,993 | 18,191 | 17,256 |
| Other revenue | | | | | |
| Electric | 554 | 542 | 750 | 820 | 793 |
| Fuel sales | 796 | 667 | 624 | 679 | 688 |
| Other revenue | 453 | 330 | 314 | 296 | 303 |
| Total other revenues | 1,803 | 1,539 | 1,688 | 1,795 | 1,784 |
| Total operating revenues | \$ 83,883 | \$ 81,876 | \$ 79,825 | \$ 75,006 | \$ 68,482 |

| | <i>(amounts in full numbers)</i> | | | | |
|--|----------------------------------|-----------|-----------|-----------|-----------|
| Signatory airline rates and charges | | | | | |
| Gross landing fee (per 1,000 lbs) | \$ 3.29 | \$ 3.43 | \$ 3.16 | \$ 2.87 | \$ 2.80 |
| Average annual terminal rent (per sq. ft.) | \$ 138.03 | \$ 166.77 | \$ 146.19 | \$ 132.38 | \$ 133.62 |
| Enplaned passengers | 3,118,540 | 2,759,067 | 2,799,587 | 2,722,032 | 2,602,821 |
| Cost per enplaned passenger | \$ 6.34 | \$ 8.70 | \$ 7.19 | \$ 6.13 | \$ 6.27 |

Source: Jacksonville Aviation Authority audited financial statements

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Operating revenues: | | | | | |
| Concessions | \$ 21,376 | \$ 21,356 | \$ 15,633 | \$ 13,262 | \$ 19,863 |
| Fees and charges | 21,610 | 19,598 | 14,721 | 12,868 | 19,320 |
| Space and facility rentals | 31,202 | 30,015 | 26,345 | 30,833 | 26,673 |
| Parking | 34,419 | 25,871 | 13,000 | 13,784 | 25,535 |
| Other revenue | 2,427 | 2,002 | 1,649 | 1,486 | 1,791 |
| Total operating revenues | <u>111,034</u> | <u>98,842</u> | <u>71,348</u> | <u>72,233</u> | <u>93,182</u> |
| Operating expenses: | | | | | |
| Wages and benefits | 37,073 | 29,053 | 24,357 | 33,338 | 34,614 |
| Services and supplies | 18,972 | 17,110 | 14,058 | 16,978 | 18,017 |
| Repairs and maintenance | 8,664 | 8,817 | 7,824 | 4,510 | 5,048 |
| Promotion, advertising & dues | 797 | 710 | 579 | 534 | 733 |
| Registration and travel | 479 | 364 | 158 | 272 | 554 |
| Utilities and taxes | 4,692 | 4,791 | 3,868 | 3,809 | 4,380 |
| Other operating expenses | 3,101 | 2,537 | 2,271 | 2,258 | 2,145 |
| Depreciation and amortization | 31,385 | 34,125 | 38,113 | 39,058 | 35,935 |
| Total operating expenses | <u>105,163</u> | <u>97,507</u> | <u>91,228</u> | <u>100,757</u> | <u>101,426</u> |
| Operating loss | 5,871 | 1,335 | (19,879) | (28,524) | (8,244) |
| Nonoperating revenues: | | | | | |
| Passenger facility charges | 14,354 | 12,871 | 8,729 | 7,516 | 14,053 |
| Investment income | 13,264 | (200) | 593 | 2,765 | 3,946 |
| Payment from federal and state agencies | 9,968 | 17,084 | 7,704 | 11,878 | 325 |
| Other revenues | 98 | - | - | - | - |
| Total nonoperating revenues | <u>37,684</u> | <u>29,755</u> | <u>17,027</u> | <u>22,159</u> | <u>18,324</u> |
| Nonoperating expenses: | | | | | |
| Interest expense | 6,328 | 7,077 | 1,858 | 1,417 | 1,619 |
| Other expenses | - | (284) | 477 | (33) | 164 |
| Total nonoperating expenses | <u>6,328</u> | <u>6,793</u> | <u>2,335</u> | <u>1,384</u> | <u>1,783</u> |
| Income (loss) before capital contributions | 37,227 | 24,296 | (5,187) | (7,749) | 8,297 |
| Capital contributions | 5,546 | 9,264 | 14,859 | 15,389 | 19,638 |
| Change in net position | <u>\$ 42,773</u> | <u>\$ 33,561</u> | <u>\$ 9,672</u> | <u>\$ 7,640</u> | <u>\$ 27,935</u> |
| Net investment in capital assets | \$ 445,536 | \$ 482,536 | \$ 452,222 | \$ 459,276 | \$ 467,866 |
| Net position at end of year: | | | | | |
| Restricted | 35,598 | 26,967 | 17,596 | 13,413 | 10,063 |
| Unrestricted | 185,067 | 113,925 | 109,183 | 96,614 | 83,734 |
| Total net position | <u>\$ 666,201</u> | <u>\$ 623,428</u> | <u>\$ 578,974</u> | <u>\$ 569,303</u> | <u>\$ 561,663</u> |

Source: Jacksonville Aviation Authority audited financial statements

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------|------------|-----------|-----------|-----------|
| Operating revenues: | | | | | |
| Concessions | \$ 18,257 | \$ 16,072 | \$ 17,771 | \$ 16,933 | \$ 15,504 |
| Fees and charges | 17,807 | 16,028 | 14,668 | 13,479 | 12,189 |
| Space and facility rentals | 24,481 | 28,946 | 26,705 | 24,608 | 21,751 |
| Parking | 21,535 | 19,291 | 18,993 | 18,191 | 17,257 |
| Other revenue | 1,803 | 1,539 | 1,688 | 1,794 | 1,783 |
| Total operating revenues | 83,883 | 81,876 | 79,825 | 75,005 | 68,484 |
| Operating expenses: | | | | | |
| Wages and benefits | 29,273 | 27,945 | 25,328 | 21,579 | 19,612 |
| Services and supplies | 15,646 | 15,368 | 14,581 | 14,537 | 14,208 |
| Repairs and maintenance | 4,071 | 2,733 | 2,607 | 2,097 | 2,209 |
| Promotion, advertising & dues | 1,879 | 1,033 | 1,052 | 2,453 | 1,672 |
| Registration and travel | 505 | 345 | 386 | 313 | 289 |
| Utilities and taxes | 4,339 | 4,629 | 4,855 | 5,116 | 5,223 |
| Other operating expenses | 1,781 | 1,796 | 2,151 | 1,877 | 1,682 |
| Depreciation and amortization | 34,649 | 33,717 | 31,346 | 28,575 | 28,951 |
| Total operating expenses | 92,143 | 87,566 | 82,306 | 76,547 | 73,846 |
| Operating loss | (8,260) | (5,690) | (2,481) | (1,542) | (5,362) |
| Nonoperating revenues: | | | | | |
| Passenger facility charges | 12,538 | 10,881 | 10,983 | 10,955 | 10,554 |
| Investment income | 1,422 | 817 | 1,451 | 926 | 667 |
| Payment from federal and state agencies | 374 | 383 | 318 | 369 | 483 |
| Other revenues | - | 980 | 1,387 | 319 | 100 |
| Total nonoperating revenues | 14,334 | 13,061 | 14,139 | 12,569 | 11,804 |
| Nonoperating expenses: | | | | | |
| Interest expense | 1,660 | 2,228 | 3,946 | 4,775 | 5,071 |
| Other expenses | 274 | 414 | 444 | 204 | 1,582 |
| Total nonoperating expenses | 1,934 | 2,642 | 4,390 | 4,979 | 6,653 |
| Income (loss) before capital contributions | 4,140 | 4,729 | 7,268 | 6,048 | (211) |
| Capital contributions | 12,594 | 5,917 | 21,762 | 16,526 | 14,047 |
| Change in net position | \$ 16,734 | \$ 10,646 | \$ 29,030 | \$ 22,574 | \$ 13,836 |
| Net investment in capital assets | \$446,304 | \$ 449,755 | \$441,000 | \$404,670 | \$386,557 |
| Net position at end of year: | | | | | |
| Restricted | 12,058 | 12,980 | 14,576 | 30,468 | 30,437 |
| Unrestricted | 75,365 | 54,258 | 49,654 | 41,001 | 37,750 |
| Total net position | \$533,727 | \$ 516,993 | \$505,230 | \$476,139 | \$454,744 |

Source: Jacksonville Aviation Authority audited financial statements

**Principal Revenue Payers
Last Ten Fiscal Years
(Unaudited)
(Dollar amounts in thousands)**

| | 2023 Amount | % of Revenue | 2022 Amount | % of Revenue | 2021 Amount | % of Revenue |
|-------------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|
| American Airlines | \$ 14,014 | 12.62% | \$13,745 | 13.91% | \$13,105 | 18.4% |
| Delta Air Lines | 13,568 | 12.22% | 13,476 | 13.63% | 12,113 | 17.0% |
| Southwest Airlines Co. | 8,259 | 7.44% | 8,150 | 8.25% | 8,885 | 12.5% |
| United Airlines | 5,809 | 5.23% | 7,621 | 7.71% | 7,555 | 10.6% |
| Enterprise Leasing Company | 6,169 | 5.56% | 5,833 | 5.90% | 4,941 | 6.9% |
| JetBlue | 4,677 | 4.21% | 5,357 | 5.42% | 3,993 | 5.6% |
| Hertz Corporation, The | 5,731 | 5.16% | 3,684 | 3.73% | 2,393 | 3.4% |
| Flightstar Aircraft Services, Inc | 3,717 | 3.35% | 3,582 | 3.62% | 3,609 | 5.1% |
| Budget Rent a Car System, Inc | 2,061 | 1.86% | 3,124 | 3.00% | - | -% |
| Host International Inc. | 3,601 | 3.24% | 2,974 | 3.00% | - | -% |
| Boeing Company | 2,473 | 2.23% | - | -% | - | -% |
| Paradies Jacksonville, Inc | 2,442 | 2.20% | - | -% | - | -% |
| U.S General Services Administration | - | -% | - | -% | 2,581 | 3.6% |
| Federal Express Corporation | 2,083 | 1.88% | - | -% | 2,563 | 3.6% |
| Avis Rent A Car | 3,682 | 3.32% | - | -% | - | -% |
| US Airways Group, Inc. | - | -% | - | -% | - | -% |
| Total Principal Revenue Payers | \$ 78,286 | 70.51% | \$67,546 | 68.17% | \$61,738 | 86.5% |
| Total operating revenues | \$ 111,034 | | \$98,843 | | \$71,348 | |

Source: Jacksonville Aviation Authority Records

Principal Revenue Payers (Continued)
Last Ten Fiscal Years
(Unaudited)
(Dollar amounts in thousands)

| | 2020 Amount | % of Revenue | 2019 Amount | % of Revenue | 2018 Amount | % of Revenue |
|-------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| American Airlines | \$ 10,303 | 14.3% | \$13,216 | 14.2% | \$ 8,222 | 9.8% |
| Delta Air Lines | 9,707 | 13.4% | 14,718 | 15.8% | 9,033 | 10.8% |
| Southwest Airlines Co. | 7,214 | 10.0% | 9,770 | 10.5% | 6,313 | 7.5% |
| United Airlines | 5,152 | 7.1% | 6,969 | 7.5% | 4,553 | 5.4% |
| Enterprise Leasing Company | 4,040 | 5.6% | 5,867 | 6.3% | 5,293 | 6.3% |
| JetBlue | 3,012 | 4.2% | 5,644 | 6.1% | 3,683 | 4.4% |
| Hertz Corporation, The | 1,965 | 2.7% | 3,009 | 3.2% | 2,701 | 3.2% |
| Flightstar Aircraft Services, Inc | 3,724 | 5.2% | 3,657 | 3.9% | 3,016 | 3.6% |
| Budget Rent a Car System, Inc | - | - % | - | - % | 2,197 | 2.6% |
| Host International Inc. | 1,880 | 2.6% | 3,567 | 3.8% | 2,939 | 3.5% |
| U.S General Services Administration | 2,552 | 3.5% | 2,525 | 2.7% | - | - % |
| Federal Express Corporation | - | - % | - | - % | - | - % |
| Avis Rent A Car | - | - % | - | - % | 2,077 | 2.5% |
| US Airways Group, Inc. | - | - % | - | - % | - | - % |
| Total Principal Revenue Payers | \$ 49,548 | 68.6% | \$68,942 | 74.0% | \$50,027 | 59.6% |
| Total operating revenues | \$ 72,233 | 68.6% | \$93,182 | 74.0% | \$83,883 | 59.6% |

Source: Jacksonville Aviation Authority Records

Jacksonville Aviation Authority

Principal Revenue Payers (Continued)

Last Ten Fiscal Years

(Unaudited)

(Dollar amounts in thousands)

| | 2017 Amount | % of Revenue | 2016 Amount | % of Revenue | 2015 Amount | % of Revenue | 2014 Amount |
|-------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| American Airlines | \$ 12,097 | 14.8% | \$11,933 | 14.9% | \$ 9,480 | 12.6% | \$ 4,393 |
| Delta Air Lines | 12,565 | 15.3% | 12,092 | 15.1% | 13,017 | 17.4% | 12,042 |
| Southwest Airlines Co. | 8,032 | 9.8% | 7,873 | 9.9% | 8,489 | 11.3% | 9,235 |
| United Airlines | 5,477 | 6.7% | 5,197 | 6.5% | 5,162 | 6.9% | 4,980 |
| Enterprise Leasing Company | 4,956 | 6.1% | 4,842 | 6.1% | 4,681 | 6.2% | 3,995 |
| JetBlue | 4,956 | 6.1% | 4,707 | 5.9% | 4,595 | 6.1% | 3,150 |
| Hertz Corporation, The | 2,561 | 3.1% | 2,628 | 3.3% | 2,592 | 3.5% | 2,527 |
| Flightstar Aircraft Services, Inc | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Budget Rent a Car System, Inc | 2,024 | 2.5% | 2,037 | 2.6% | 2,112 | 2.8% | - |
| Host International Inc. | 2,820 | 3.4% | 2,743 | 3.4% | 2,651 | 3.5% | 2,525 |
| U.S General Services Administration | - | 0.0% | - | 0.0% | - | 0.0% | 2,304 |
| Federal Express Corporation | - | 0.0% | - | 0.0% | - | 0.0% | - |
| Avis Rent A Car | 1,957 | 2.4% | 2,053 | 2.6% | 2,076 | 2.8% | - |
| US Airways Group, Inc. | - | 0.0% | - | 0.0% | 3,430 | 4.6% | 7,197 |
| Total Principal Revenue Payers | \$ 57,445 | 70.0% | \$56,105 | 70.3% | \$58,285 | 77.7% | \$ 52,348 |
| Total operating revenues | \$ 81,876 | | \$79,825 | | \$75,005 | | \$ 68,484 |

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 |
|-------------|-----------|----------|--------------------|--|---------------------------------------|
| 2023 | \$ - | \$ 6,110 | \$ 6,110 | \$ 73,779 | 8.28% |
| 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% |

Source: Jacksonville Aviation Authority Records

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

| | 2023 | 2022 | 2021 | 2020 |
|--|-----------|-----------|-----------|-----------|
| Revenues: | | | | |
| Concessions | \$ 21,376 | \$ 21,357 | \$ 15,633 | \$ 13,262 |
| Fees and charges | 21,610 | 19,597 | 14,721 | 12,868 |
| Space and facility rentals | 31,202 | 30,015 | 26,345 | 30,833 |
| Parking | 34,419 | 25,872 | 13,000 | 13,784 |
| Other revenue | 2,427 | 2,002 | 1,649 | 1,486 |
| Interest income | 11,587 | (200) | 593 | 2,765 |
| Transfers-signatory airline agreement | - | - | - | - |
| Transfers-PFC Series 2016, 2012 (now 2021) | 5,925 | 133 | 4,867 | 4,056 |
| Total revenues and transfers | 128,548 | 98,776 | 76,808 | 79,054 |
| Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments) | 73,778 | 63,382 | 53,116 | 47,805 |
| Net operating revenues | 54,770 | 35,394 | 23,692 | 31,249 |
| Revenue note service charges for: | | | | |
| Series 2021 note (Boeing) | 4,620 | 4,620 | - | - |
| Series 2021 note (PFC backed) | 3,908 | 113 | 872 | - |
| Series 2016 note (PFC backed) | 2,018 | 20 | 1,985 | 2,005 |
| Series 2013 note | - | - | - | - |
| Series 2012 note (PFC backed) | - | - | 2,010 | 2,023 |
| Series 2008 note | - | - | 3,157 | 3,269 |
| Series 2006 bonds (PFC backed) | - | - | - | - |
| Total revenue note service charges | \$ 10,545 | \$ 4,753 | \$ 8,024 | \$ 7,297 |
| Revenue note service coverage | 5.19 | 7.45 | 2.95 | 4.2 |
| Required bond service coverage | 1.25 | 1.25 | 1.25 | 1.2 |
| Net operating revenue after covering junior debt: | 44,224 | - | - | - |
| Service charges for junior debt: | | | | |
| Truist line of credit (Concourse B) | 1,301 | - | - | - |
| Total service charges for junior debt | \$ 1,301 | \$ - | \$ - | \$ - |
| Revenue note service coverage for senior and junior debt | 4.62 | - | - | - |
| Required bond service coverage for junior debt | 1.10 | - | - | - |
| Total enplanements | 3,645 | 3,198 | 2,083 | 1,97 |
| Debt per enplanement | \$ 3.25 | \$ 1.49 | \$ 3.85 | \$ 3.6 |

Source: Jacksonville Aviation Authority Records

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

| | 2018 | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|-----------|
| Revenues: | | | | |
| Concessions | \$ 18,257 | \$ 16,072 | \$ 17,771 | \$ 16,933 |
| Fees and charges | 17,807 | 16,028 | 14,668 | 13,479 |
| Space and facility rentals | 24,481 | 28,946 | 26,705 | 24,608 |
| Parking | 21,535 | 19,291 | 18,993 | 18,191 |
| Other revenue | 1,803 | 1,539 | 1,688 | 1,794 |
| Interest income | 1,422 | 817 | 1,451 | 926 |
| Transfers-signatory airline agreement | - | - | - | - |
| Transfers-PFC Series 2016, 2012 | 10,336 | 5,639 | 8,091 | 8,073 |
| Total revenues and transfers | 95,641 | 88,332 | 89,367 | 84,004 |
| Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments) | 57,494 | 53,849 | 50,960 | 47,972 |
| Net operating revenues | 38,147 | 34,483 | 34,483 | 36,032 |
| Revenue note service charges for: | | | | |
| Series 2021 note | - | - | - | - |
| Series 2021 note (PFC backed) | - | - | - | - |
| Series 2016 note (PFC backed) | 5,411 | 2,459 | 114 | - |
| Series 2013 note | - | 8,655 | 6,253 | 5,306 |
| Series 2012 note (PFC backed) | 3,193 | 3,215 | 3,258 | 3,302 |
| Series 2008 note | 3,319 | 3,286 | 3,302 | 3,297 |
| Series 2006 bonds (PFC backed) | - | - | 5,251 | 5,221 |
| Total revenue note service charges | \$ 11,923 | \$ 17,615 | \$ 18,178 | \$ 17,126 |
| Revenue note service coverage | 3.20 | 1.96 | 2.11 | 2.11 |
| Required bond service coverage | 1.25 | 1.25 | 1.25 | 1.25 |
| Net operating revenue after covering junior debt: | - | - | - | - |
| Service charges for junior debt: | | | | |
| Truist line of credit (Concourse B) | - | - | - | - |
| Total service charges for junior debt | \$ - | \$ - | \$ - | \$ - |
| Revenue note service coverage for senior and junior debt | - | - | - | - |
| Required bond service coverage for junior debt | - | - | - | - |
| Total enplanements | 3,119 | 2,759 | 2,800 | 2,720 |
| Debt per enplanement | \$ 3.82 | \$ 6.38 | \$ 6.49 | \$ 6.29 |

Source: Jacksonville Aviation Authority Records

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 | 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 | | | \$ 2,210,000 | | \$ 23,761 | \$ 2,233,761 |

Call Feature
 Purpose: Defease 2006 Bonds
 Refunding Eligibility

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 | 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>\$ 682,489</u> | <u>\$ 23,443,889</u> |

Call Feature
Purpose: Refund 2012 Note
Refunding Eligibility

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

| Note Year | Date | Fiscal Year | 2023 Variable Interest Line of Credit - Concourse B | | | |
|-----------|-----------|-------------|---|--------|---------------------|----------------------|
| | | | Principal | Coupon | Interest | Debt Svs. Yr |
| 2024 | 9/30/2024 | 2024 | \$ - | 4.568% | \$ 1,827,200 | \$ 1,827,200 |
| 2024 | 10/27/24 | 2025 | 40,000,000 | 4.568% | 152,267 | 40,152,267 |
| Total | | | <u>\$ 40,000,000</u> | | <u>\$ 1,979,467</u> | <u>\$ 41,979,467</u> |

Call Feature
 Purpose: Preliminary Financing of Concourse B
 Refunding Eligibility and Option to extent to 10/27/2025

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 |
| 2023 | 10/01/23 | 2024 | \$ - | 2.96% | \$ 2,309,762 | \$ - |
| 2024 | 04/01/24 | 2024 | | | 2,309,762 | 4,619,524 |
| 2024 | 10/01/24 | 2025 | 3,655,000 | 2.96% | 2,309,762 | |
| 2025 | 04/01/25 | 2025 | | | 2,255,668 | 8,220,430 |
| 2025 | 10/01/25 | 2026 | 3,765,000 | 2.96% | 2,255,668 | |
| 2026 | 04/01/26 | 2026 | | | 2,199,946 | 8,220,614 |
| 2026 | 10/01/26 | 2027 | 3,875,000 | 2.96% | 2,199,946 | |
| 2027 | 04/01/27 | 2027 | | | 2,142,596 | 8,217,542 |
| 2027 | 10/01/27 | 2028 | 3,990,000 | 2.96% | 2,142,596 | |
| 2028 | 04/01/28 | 2028 | | | 2,083,544 | 8,216,140 |
| 2028 | 10/01/28 | 2029 | 4,110,000 | 2.96% | 2,083,544 | |
| 2029 | 4/1/2029 | 2029 | | | 2,022,716 | 8,216,260 |
| 2029 | 10/1/2029 | 2030 | 4,230,000 | 2.96% | 2,022,716 | |
| 2030 | 4/1/2030 | 2030 | | | 1,960,112 | 8,212,828 |
| 2030 | 10/1/2030 | 2031 | 4,355,000 | 2.96% | 1,960,112 | |
| 2031 | 4/1/2031 | 2031 | | | 1,895,658 | 8,210,770 |
| 2031 | 10/1/2031 | 2032 | 4,485,000 | 2.96% | 1,895,658 | |
| 2032 | 4/1/2032 | 2032 | | | 1,829,280 | 8,209,938 |
| 2032 | 10/1/2032 | 2033 | 4,620,000 | 2.96% | 1,829,280 | |
| 2033 | 4/1/2033 | 2033 | | | 1,760,904 | 8,210,184 |
| 2033 | 10/1/2033 | 2034 | 4,755,000 | 2.96% | 1,760,904 | |
| 2034 | 4/1/2034 | 2034 | | | 1,690,530 | 8,206,434 |
| 2034 | 10/1/2034 | 2035 | 4,895,000 | 2.96% | 1,690,530 | |
| 2035 | 4/1/2035 | 2035 | | | 1,618,084 | 8,203,614 |
| 2035 | 10/1/2035 | 2036 | 5,040,000 | 2.96% | 1,618,084 | |
| 2036 | 4/1/2036 | 2036 | | | 1,543,492 | 8,201,576 |
| 2036 | 10/1/2036 | 2037 | 5,190,000 | 2.96% | 1,543,492 | |
| 2037 | 4/1/2037 | 2037 | | | 1,466,680 | 8,200,172 |
| 2037 | 10/1/2037 | 2038 | 5,345,000 | 2.96% | 1,466,680 | |
| 2038 | 4/1/2038 | 2038 | | | 1,387,574 | 8,199,254 |
| 2038 | 10/1/2038 | 2039 | 5,500,000 | 2.96% | 1,387,574 | |
| 2039 | 4/1/2039 | 2039 | | | 1,306,174 | 8,193,748 |
| 2039 | 10/1/2039 | 2040 | 5,665,000 | 2.96% | 1,306,174 | |
| 2040 | 4/1/2040 | 2040 | | | 1,222,332 | 8,193,506 |
| 2040 | 10/1/2040 | 2041 | 5,830,000 | 2.96% | 1,222,332 | |
| 2041 | 4/1/2041 | 2041 | | | 1,136,048 | 8,188,380 |
| 2041 | 10/1/2041 | 2042 | 6,005,000 | 2.96% | 1,136,048 | |
| 2042 | 4/1/2042 | 2042 | | | 1,047,174 | 8,188,222 |
| 2042 | 10/1/2042 | 2043 | 6,180,000 | 2.96% | 1,047,174 | |
| 2043 | 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 |
| 2044 | 4/1/2044 | 2044 | | | 861,508 | 8,182,218 |
| 2044 | 10/1/2044 | 2045 | 6,555,000 | 2.96% | 861,508 | |
| 2045 | 4/1/2045 | 2045 | | | 764,494 | 8,181,002 |
| 2045 | 10/1/2045 | 2046 | 6,750,000 | 2.96% | 764,494 | |
| 2046 | 4/1/2046 | 2046 | | | 664,594 | 8,179,088 |
| 2046 | 10/1/2046 | 2047 | 6,950,000 | 2.96% | 664,594 | |
| 2047 | 4/1/2047 | 2047 | | | 561,734 | 8,176,328 |
| 2047 | 10/1/2047 | 2048 | 7,155,000 | 2.96% | 561,734 | |
| 2048 | 4/1/2048 | 2048 | | | 455,840 | 8,172,574 |
| 2048 | 10/1/2048 | 2049 | 7,365,000 | 2.96% | 455,840 | |
| 2049 | 4/1/2049 | 2049 | | | 346,838 | 8,167,678 |
| 2049 | 10/1/2049 | 2050 | 7,585,000 | 2.96% | 346,838 | |
| 2050 | 4/1/2050 | 2050 | | | 234,580 | 8,166,418 |
| 2050 | 10/1/2050 | 2051 | 7,810,000 | 2.96% | 234,580 | |
| 2051 | 4/1/2051 | 2051 | | | 118,992 | 8,163,572 |
| 2051 | 10/1/2051 | 2052 | 8,040,000 | 2.96% | 118,992 | 8,158,992 |
| | | | \$ 156,065,000 | | \$ 77,994,890 | \$ 234,059,890 |

Call Feature
Purpose: Capital Financing

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

| Note Year | Date | Fiscal Year | Principal | Interest | Debt Svs. Yr |
|-----------|-----------|-------------|--------------|--------------|--------------|
| 2023 | 10/01/23 | 2024 | \$ 5,700,700 | \$ 2,442,398 | \$ - |
| 2024 | 04/01/24 | 2024 | - | 2,406,009 | - |
| 2024 | 09/30/24 | 2024 | | 1,827,200 | 12,376,307 |
| 2024 | 10/01/24 | 2025 | 7,602,400 | 2,406,009 | - |
| 2024 | 10/27/24 | 2025 | 40,000,000 | 152,267 | - |
| 2025 | 04/01/25 | 2025 | | 2,331,518 | 52,492,194 |
| 2025 | 10/01/25 | 2026 | 7,539,400 | 2,331,518 | - |
| 2026 | 04/01/26 | 2026 | - | 2,257,113 | 12,128,031 |
| 2026 | 10/01/26 | 2027 | 7,686,800 | 2,257,113 | - |
| 2027 | 04/01/27 | 2027 | - | 2,180,895 | 12,124,808 |
| 2027 | 10/01/27 | 2028 | 7,839,500 | 2,180,895 | - |
| 2028 | 04/01/28 | 2028 | - | 2,102,788 | 12,123,183 |
| 2028 | 10/01/28 | 2029 | 7,997,600 | 2,102,788 | |
| 2029 | 4/1/2029 | 2029 | - | 2,022,716 | 12,123,104 |
| 2029 | 10/1/2029 | 2030 | 4,230,000 | 2,022,716 | |
| 2030 | 4/1/2030 | 2030 | - | 1,960,112 | 8,212,828 |
| 2030 | 10/1/2030 | 2031 | 4,355,000 | 1,960,112 | |
| 2031 | 4/1/2031 | 2031 | - | 1,895,658 | 8,210,770 |
| 2031 | 10/1/2031 | 2032 | 4,485,000 | 1,895,658 | |
| 2032 | 4/1/2032 | 2032 | - | 1,829,280 | 8,209,938 |
| 2032 | 10/1/2032 | 2033 | 4,620,000 | 1,829,280 | |
| 2033 | 4/1/2033 | 2033 | - | 1,760,904 | 8,210,184 |
| 2033 | 10/1/2033 | 2034 | 4,755,000 | 1,760,904 | |
| 2034 | 4/1/2034 | 2034 | - | 1,690,530 | 8,206,434 |
| 2034 | 10/1/2034 | 2035 | 4,895,000 | 1,690,530 | |
| 2035 | 4/1/2035 | 2035 | - | 1,618,084 | 8,203,614 |
| 2035 | 10/1/2035 | 2036 | 5,040,000 | 1,618,084 | |
| 2036 | 4/1/2036 | 2036 | - | 1,543,492 | 8,201,576 |
| 2036 | 10/1/2036 | 2037 | 5,190,000 | 1,543,492 | |
| 2037 | 4/1/2037 | 2037 | - | 1,466,680 | 8,200,172 |
| 2037 | 10/1/2037 | 2038 | 5,345,000 | 1,466,680 | |
| 2038 | 4/1/2038 | 2038 | - | 1,387,574 | 8,199,254 |
| 2038 | 10/1/2038 | 2039 | 5,500,000 | 1,387,574 | |
| 2039 | 4/1/2039 | 2039 | - | 1,306,174 | 8,193,748 |
| 2039 | 10/1/2039 | 2040 | 5,665,000 | 1,306,174 | |
| 2040 | 4/1/2040 | 2040 | - | 1,222,332 | 8,193,506 |
| 2040 | 10/1/2040 | 2041 | 5,830,000 | 1,222,332 | |
| 2041 | 4/1/2041 | 2041 | - | 1,136,048 | 8,188,380 |
| 2041 | 10/1/2041 | 2042 | 6,005,000 | 1,136,048 | |
| 2042 | 4/1/2042 | 2042 | - | 1,047,174 | 8,188,222 |
| 2042 | 10/1/2042 | 2043 | 6,180,000 | 1,047,174 | |
| 2043 | 4/1/2043 | 2043 | - | 955,710 | 8,182,884 |
| 2043 | 10/1/2043 | 2044 | 6,365,000 | 955,710 | |
| 2044 | 4/1/2044 | 2044 | - | 861,508 | 8,182,218 |
| 2044 | 10/1/2044 | 2045 | 6,555,000 | 861,508 | |

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

| Note Year | Date | Fiscal Year | Principal | Interest | Debt Svs. Yr |
|-----------|-----------|-------------|-----------------------|----------------------|-----------------------|
| 2045 | 4/1/2045 | 2045 | - | 764,494 | 8,181,002 |
| 2045 | 10/1/2045 | 2046 | 6,750,000 | 764,494 | |
| 2046 | 4/1/2046 | 2046 | - | 664,594 | 8,179,088 |
| 2046 | 10/1/2046 | 2047 | 6,950,000 | 664,594 | |
| 2047 | 4/1/2047 | 2047 | - | 561,734 | 8,176,328 |
| 2047 | 10/1/2047 | 2048 | 7,155,000 | 561,734 | |
| 2048 | 4/1/2048 | 2048 | - | 455,840 | 8,172,574 |
| 2048 | 10/1/2048 | 2049 | 7,365,000 | 455,840 | |
| 2049 | 4/1/2049 | 2049 | - | 346,838 | 8,167,678 |
| 2049 | 10/1/2049 | 2050 | 7,585,000 | 346,838 | |
| 2050 | 4/1/2050 | 2050 | - | 234,580 | 8,166,418 |
| 2050 | 10/1/2050 | 2051 | 7,810,000 | 234,580 | |
| 2051 | 4/1/2051 | 2051 | - | 118,992 | 8,163,572 |
| 2051 | 10/1/2051 | 2052 | 8,040,000 | 118,992 | 8,158,992 |
| | | | <u>\$ 221,036,400</u> | <u>\$ 80,680,607</u> | <u>\$ 301,717,007</u> |

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

| Fiscal Year | Revenue Bonds | Revenue Notes | Line of credit | Total |
|-------------|---------------|---------------|----------------|-----------|
| 2023 | \$ - | \$ 181,036 | \$ 40,000 | \$221,036 |
| 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 |

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Naval Air Station Jacksonville | - | 20,000 | 20,000 | 20,000 | 20,000 |
| Amazon | 16,000 | - | - | - | - |
| Duval County Public Schools | - | 13,113 | 13,113 | 13,113 | 13,113 |
| Baptist Health | 12,400 | 12,000 | 12,000 | 10,651 | 10,651 |
| Bank of America | 7,700 | - | - | - | - |
| Mayo Clinic Hospital | 7,280 | - | 7,280 | 6,400 | 6,400 |
| Florida Blue | 5,512 | - | 5,704 | 5,704 | - |
| St. Vincent's HealthCare | 5,379 | - | - | 5,379 | 5,379 |
| Fleet Readiness Center Southeast | 5,350 | 5,350 | 5,350 | 4,300 | - |
| UPS | 4,500 | - | - | - | - |
| Deloitte LLP and Subsidiaries | - | 4,315 | - | - | - |
| UF Health Jacksonville | 4,200 | 4,767 | 4,200 | 4,200 | 7,136 |
| UF Health Jacksonville Cancer Center | - | 4,200 | - | - | - |
| Memorial Hospital Jacksonville | 3,440 | 3,440 | - | - | - |
| University of North Florida | - | 3,048 | 3,048 | - | - |
| Gate Petroleum | 3,000 | 3,000 | 3,000 | - | - |
| CSX Corp. | - | 2,525 | - | - | - |
| Naval Station Mayport | - | - | - | 10,032 | 9,000 |
| City of Jacksonville | - | - | - | - | 8,998 |
| St. Johns County School District | - | - | - | - | 5,298 |
| Clay County School Board | - | - | - | - | 4,616 |
| Citigroup Inc. | - | - | - | - | - |
| 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 | - | - | - | - | - |
| Total | <u>74,761</u> | <u>78,758</u> | <u>73,695</u> | <u>79,779</u> | <u>97,591</u> |

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

Sources: 2023 Jacksonville Business Journal - Book of Lists 23-24, 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.

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
| Naval Air Station Jacksonville | 20,000 | 20,000 | 20,000 | 19,800 | 20,000 |
| Duval County Public Schools | 13,113 | 13,106 | 13,106 | 12,060 | 12,744 |
| Baptist Health | 10,651 | 10,748 | 10,615 | 9,851 | 9,159 |
| Fleet Readiness Center Southeast | 4,200 | - | - | - | - |
| UF Health Jacksonville | - | 6,000 | 6,000 | - | - |
| Deloitte LLP and Subsidiaries | - | - | - | - | - |
| UF Health Jacksonville Cancer Center | - | - | - | - | - |
| Memorial Hospital Jacksonville | - | - | - | - | - |
| University of North Florida | 2,280 | - | - | - | - |
| CSX Corp. | 2,925 | 2,400 | - | - | - |
| Naval Station Mayport | - | - | 9,000 | 9,000 | 9,000 |
| City of Jacksonville | - | - | 7,273 | 7,260 | 8,003 |
| Mayo Clinic Hospital | - | 6,100 | - | 5,500 | 5,211 |
| St. Vincent's HealthCare | 5,379 | 5,505 | 5,392 | - | 5,156 |
| 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 |
| 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 |
| Total | <u>66,328</u> | <u>69,059</u> | <u>103,590</u> | <u>80,471</u> | <u>93,719</u> |

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.

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

| Calendar Year | Population | Personal Income (in thousands) | Per Capita Personal Income | Unemployment Rate |
|---------------|------------|-----------------------------------|-------------------------------|----------------------|
| 2023 | 1,675,668 | \$ 105,112,904 | \$ 62,729 | 3.0% |
| 2022 | 1,637,666 | \$ 97,066,568 | \$ 59,271 | 3.2% |
| 2021 | 1,587,892 | \$ 87,532,441 | \$ 55,125 | 3.7% |
| 2020 | 1,559,514 | \$ 80,191,700 | \$ 51,421 | 2.9% |
| 2019 | 1,534,701 | \$ 76,357,000 | \$ 49,754 | 3.4% |
| 2018 | 1,504,980 | \$ 71,707,300 | \$ 47,647 | 3.9% |
| 2017 | 1,478,212 | \$ 67,211,625 | \$ 45,468 | 4.7% |
| 2016 | 1,449,481 | \$ 64,094,915 | \$ 44,219 | 5.2% |
| 2015 | 1,419,127 | \$ 61,608,676 | \$ 43,413 | 6.2% |
| 2014 | 1,394,624 | \$ 60,175,990 | \$ 43,149 | 6.9% |
| 2013 | 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, Florida
Jacksonville International Airport
Enplanements
(Unaudited)
Year Ended September, 30:

| | 2023 | Market Share 2023 | 2022 | Market Share 2022 |
|-------------------------------|-------------------------|----------------------|-------------------------|----------------------|
| American Airlines Corporation | 1,008,727 | 27.7% | 876,976 | 27.4% |
| Delta Air Lines Inc | 942,414 | 25.9% | 875,710 | 27.4% |
| Southwest Airlines Co | 545,706 | 15.0% | 499,860 | 15.6% |
| United Airlines | 511,709 | 14.0% | 429,076 | 13.4% |
| JetBlue Airways Corporation | 314,071 | 8.6% | 340,940 | 10.7% |
| Breeze Airways | 70,777 | 1.9% | 11,164 | 0.0% |
| Allegiant Air LLC | 94,729 | 2.6% | 80,960 | 2.5% |
| Frontier Airlines | 120,303 | 3.3% | 58,546 | 1.8% |
| Silver Airways Corp | 18,843 | 0.5% | 12,276 | 0.4% |
| Air Ground Logistics Inc | 4,329 | 0.1% | 4,625 | 0.1% |
| Sun Country Airlines | 13,085 | 0.4% | 8,258 | 0.0% |
| Spirit Airlines Inc | - | 0.0% | - | 0.0% |
| Air Canada | - | 0.0% | - | 0.0% |
| US Airways Inc | - | 0.0% | - | 0.0% |
| Total Enplanements | <u><u>3,644,693</u></u> | <u><u>100.0%</u></u> | <u><u>3,198,391</u></u> | <u><u>100.0%</u></u> |

Source: Jacksonville Aviation Authority Records

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

| | 2021 | 2020 | 2019 | 2018 |
|-------------------------------|------------------|------------------|------------------|------------------|
| American Airlines Corporation | 618,129 | 548,789 | 824,420 | 743,805 |
| Delta Air Lines Inc | 528,705 | 543,088 | 991,560 | 895,524 |
| Southwest Airlines Co | 397,573 | 363,253 | 616,933 | 548,368 |
| United Airlines | 290,837 | 216,707 | 388,297 | 349,214 |
| JetBlue Airways Corporation | 166,816 | 156,522 | 358,011 | 360,769 |
| Breeze Airways | - | - | - | - |
| Allegiant Air LLC | 46,206 | 52,914 | 72,926 | 85,324 |
| Frontier Airlines | 21,349 | 34,105 | 165,253 | 99,077 |
| Silver Airways Corp | 8,043 | - | 1,018 | 15,061 |
| Air Ground Logistics Inc | 4,978 | 4,727 | 6,235 | 7,199 |
| Sun Country Airlines | - | - | - | - |
| Spirit Airlines Inc | 275 | 58,163 | 110,808 | - |
| Air Canada | - | - | 7,727 | 14,199 |
| US Airways Inc | - | - | - | - |
| Total Enplanements | <u>2,082,911</u> | <u>1,978,268</u> | <u>3,543,188</u> | <u>3,118,540</u> |

Source: Jacksonville Aviation Authority Records

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

| | 2017 | 2016 | 2015 | 2014 |
|-------------------------------|------------------|------------------|------------------|------------------|
| American Airlines Corporation | 730,942 | 761,343 | 742,374 | 278,360 |
| Delta Air Lines Inc | 839,728 | 852,218 | 858,787 | 818,900 |
| Southwest Airlines Co | 486,684 | 501,395 | 524,376 | 604,257 |
| United Airlines | 275,952 | 258,055 | 234,496 | 222,320 |
| JetBlue Airways Corporation | 332,489 | 346,128 | 299,555 | 200,309 |
| Breeze Airways | - | - | - | - |
| Allegiant Air LLC | 68,026 | 60,914 | 18,497 | - |
| Frontier Airlines | - | - | - | - |
| Silver Airways Corp | 12,559 | 13,083 | 40,681 | 17,043 |
| Air Ground Logistics Inc | 5,223 | 4,177 | 3,266 | 1,833 |
| Sun Country Airlines | - | - | - | - |
| Spirit Airlines Inc | - | - | - | - |
| Air Canada | 7,464 | 2,274 | - | - |
| US Airways Inc | - | - | - | 459,796 |
| Total Enplanements | <u>2,759,067</u> | <u>2,799,587</u> | <u>2,722,032</u> | <u>2,602,821</u> |

Source: Jacksonville Aviation Authority Records

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

| | 2023 | Market Share 2023 | 2022 | Market Share 2022 |
|----------------------------------|------------------|----------------------|------------------|----------------------|
| American Airlines Corporation | 1,121,968 | 24.6% | 954,726 | 23.0% |
| Breeze Airways | 99,157 | 2.2% | 15,009 | <1% |
| Delta Air Lines Inc | 1,040,926 | 22.8% | 957,507 | 23.0% |
| Southwest Airlines Co | 562,627 | 12.3% | 514,042 | 12.0% |
| United Airlines | 568,171 | 12.4% | 478,615 | 12.0% |
| JetBlue Airways Corporation | 352,588 | 7.7% | 402,517 | 10.0% |
| Allegiant Air LLC | 94,386 | 2.1% | 81,434 | 2.0% |
| Air Ground Logistics Inc | 40,449 | <1% | 37,354 | 1.0% |
| Frontier Airlines Inc. | 109,252 | 2.4% | 56,534 | 1.0% |
| Sun Country Airlines Inc | 16,768 | <1% | 8,496 | <1% |
| Silver Airways Corp | 22,242 | <1% | 14,054 | <1% |
| Spirit Airlines | 142 | 0.0% | 142 | <1% |
| Air Canada | - | 0.0% | - | 0.0% |
| US Airways Inc | - | 0.0% | - | 0.0% |
| TOTAL COMMERCIAL AIRLINES | 4,028,676 | 88.2% | 3,520,430 | 85.4% |
| AIR CARGO CARRIERS: | | | | |
| United Parcel Service Company | 289,728 | 6.3% | 305,990 | 7.0% |
| Federal Express Corporation | 244,509 | 5.4% | 289,614 | 7.0% |
| Suburban Air Freight Inc | 4,057 | <1% | 4,154 | <1% |
| Ameriflight LLC | 71 | <1% | 74 | <1% |
| Mountain Air Cargo Inc | 36 | <1% | 36 | <1% |
| TOTAL CARGO AIRLINES | 538,401 | 11.8% | 599,868 | 14.6% |
| TOTAL LANDED WEIGHTS | 4,567,077 | 100.0% | 4,120,298 | 100.0% |

Source: Jacksonville Aviation Authority Records

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

| | 2021 | 2020 | 2019 | 2018 |
|----------------------------------|------------------|------------------|------------------|------------------|
| American Airlines Corporation | 709,790 | 692,412 | 932,414 | 817,981 |
| Breeze Airways | - | - | - | - |
| Delta Air Lines Inc | 703,563 | 682,930 | 1,060,744 | 967,439 |
| Southwest Airlines Co | 467,641 | 518,336 | 731,556 | 647,620 |
| United Airlines | 354,392 | 265,724 | 421,460 | 376,984 |
| JetBlue Airways Corporation | 204,794 | 211,912 | 419,003 | 418,327 |
| Allegiant Air LLC | 53,450 | 65,810 | 71,128 | 87,144 |
| Air Ground Logistics Inc | 37,080 | 19,434 | 25,644 | 27,816 |
| Frontier Airlines Inc. | 22,227 | 34,899 | 159,498 | 97,234 |
| Sun Country Airlines Inc | - | - | - | - |
| Silver Airways Corp | 10,870 | - | 1,539 | 21,432 |
| Spirit Airlines | 1,195 | 72,943 | 135,203 | - |
| Air Canada | - | - | 9,400 | 16,444 |
| US Airways Inc | - | - | - | - |
| TOTAL COMMERCIAL AIRLINES | <u>2,565,002</u> | <u>2,564,400</u> | <u>3,967,589</u> | <u>3,478,421</u> |
| AIR CARGO CARRIERS: | | | | |
| United Parcel Service Company | 329,577 | 317,257 | 254,761 | 220,442 |
| Federal Express Corporation | 272,811 | 253,493 | 295,501 | 228,445 |
| Suburban Air Freight Inc | 4,154 | 4,186 | 4,057 | 4,283 |
| Ameriflight LLC | 45 | - | - | 16 |
| Mountain Air Cargo Inc | 72 | 36 | 9 | 9 |
| TOTAL CARGO AIRLINES | <u>606,659</u> | <u>574,972</u> | <u>554,328</u> | <u>453,195</u> |
| TOTAL LANDED WEIGHTS | <u>3,171,661</u> | <u>3,139,372</u> | <u>4,521,917</u> | <u>3,931,616</u> |

Source: Jacksonville Aviation Authority Records

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

| | 2017 | 2016 | 2015 | 2014 |
|----------------------------------|------------------|------------------|------------------|------------------|
| American Airlines Corporation | 858,142 | 877,851 | 904,261 | 304,435 |
| Breeze Airways | - | - | - | - |
| Delta Air Lines Inc | 934,981 | 934,362 | 993,669 | 989,362 |
| Southwest Airlines Co | 556,721 | 565,804 | 593,027 | 781,392 |
| United Airlines | 298,650 | 266,612 | 239,356 | 243,254 |
| JetBlue Airways Corporation | 380,594 | 388,435 | 334,258 | 225,429 |
| Allegiant Air LLC | 72,299 | 62,676 | 18,514 | - |
| Air Ground Logistics Inc | 15,558 | 12,118 | 9,453 | 5,289 |
| Frontier Airlines Inc. | - | - | - | - |
| Sun Country Airlines Inc | - | - | - | - |
| Silver Airways Corp | 23,456 | 24,995 | 57,827 | 23,057 |
| Spirit Airlines | - | - | - | - |
| Air Canada | 8,912 | 3,116 | - | - |
| US Airways Inc | - | - | - | 530,093 |
| TOTAL COMMERCIAL AIRLINES | <u>3,149,313</u> | <u>3,135,969</u> | <u>3,150,365</u> | <u>3,102,311</u> |
| AIR CARGO CARRIERS: | | | | |
| United Parcel Service Company | 195,324 | 198,386 | 188,094 | 186,616 |
| Federal Express Corporation | 211,014 | 206,557 | 203,065 | 205,419 |
| Suburban Air Freight Inc | 3,639 | 954 | - | 2,479 |
| Ameriflight LLC | - | 1,928 | 3,166 | 748 |
| Mountain Air Cargo Inc | 34 | - | 43 | - |
| TOTAL CARGO AIRLINES | <u>410,011</u> | <u>407,825</u> | <u>394,368</u> | <u>395,262</u> |
| TOTAL LANDED WEIGHTS | <u>3,559,324</u> | <u>3,543,794</u> | <u>3,544,733</u> | <u>3,497,573</u> |

Source: Jacksonville Aviation Authority Records

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

| | 2023 Employees | | 2022 Employees | | 2021 Employees | | 2020 Employees | | 2019 Employees | |
|--------------------------|-------------------|----|-------------------|----|-------------------|----|-------------------|----|-------------------|----|
| | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT |
| Executive Director | 4 | - | 4 | - | 3 | - | 3 | - | 3 | - |
| Marketing | 5 | - | 5 | - | 4 | - | 4 | - | 3 | - |
| Information Technology | 17 | - | 15 | - | 15 | - | 11 | - | 14 | - |
| External Affairs | 1 | - | 1 | - | 1 | - | 1 | - | 4 | - |
| Human Resources | 7 | - | 7 | - | 6 | - | 7 | - | 9 | - |
| Procurement | 13 | - | 14 | - | 12 | - | 13 | - | 9 | - |
| Accounting and Finance | 11 | - | 11 | - | 11 | - | 11 | - | 9 | - |
| Planning and Engineering | 12 | - | 11 | - | 10 | - | 10 | - | 12 | - |
| Business Development | 8 | - | 7 | - | 5 | - | 6 | - | 7 | - |
| Cecil Airport | 12 | - | 13 | - | 14 | - | 13 | - | 13 | - |
| JaxEx at Craig Airport | 4 | - | 4 | - | 3 | - | 4 | - | 4 | - |
| Herlong Airport | 9 | - | 9 | - | 8 | - | 8 | - | 9 | - |
| SpacePort | 1 | - | 1 | - | 1 | - | 1 | - | - | - |
| Building Maintenance | 24 | - | 25 | - | 22 | - | 20 | - | 33 | - |
| Field Maintenance | 30 | - | 29 | - | 26 | - | 25 | - | 31 | - |
| HBS | 10 | - | 9 | - | 7 | - | 9 | - | 10 | - |
| Custodial | 32 | - | 28 | - | 28 | - | 23 | - | 37 | - |
| Police/Security | 46 | - | 43 | - | 41 | - | 41 | - | 51 | - |
| Airport Operations | 28 | - | 29 | - | 27 | - | 27 | - | 28 | - |
| DBE | - | - | - | - | - | - | - | - | - | - |
| Total | 274 | - | 265 | - | 244 | - | 237 | - | 286 | - |

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

Source: Jacksonville Aviation Authority Records

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

| | 2018 Employees | | 2017 Employees | | 2016 Employees | | 2015 Employees | | 2014 Employees | |
|--------------------------|-------------------|----|-------------------|----|-------------------|----|-------------------|----|-------------------|----|
| | FT | PT | FT | PT | FT | PT | FT | PT | FT | PT |
| Executive Director | 3 | - | 3 | - | 3 | - | 3 | - | 3 | - |
| Marketing | 3 | - | 2 | - | 2 | - | 3 | - | 3 | - |
| Information Technology | 12 | - | 12 | - | 12 | - | 9 | - | 8 | - |
| External Affairs | 4 | - | 4 | - | 4 | - | 4 | - | 4 | - |
| Human Resources | 9 | - | 8 | - | 8 | - | 6 | - | 5 | - |
| Procurement | 14 | - | 14 | - | 13 | 1 | 13 | 1 | 13 | 1 |
| Accounting and Finance | 11 | - | 11 | - | 11 | - | 10 | - | 10 | - |
| Planning and Engineering | 12 | - | 12 | - | 12 | - | 12 | - | 11 | - |
| Business Development | 7 | - | 6 | - | 6 | - | 7 | - | 7 | - |
| Cecil Airport | 15 | - | 13 | - | 13 | - | 12 | 1 | 10 | 1 |
| JaxEx at Craig Airport | 3 | - | 4 | - | 4 | - | 3 | - | 4 | - |
| Herlong Airport | 8 | - | 9 | - | 9 | - | 9 | - | 9 | - |
| SpacePort | - | - | - | - | - | - | - | - | - | - |
| Building Maintenance | 28 | - | 27 | - | 27 | - | 28 | - | 23 | - |
| Field Maintenance | 29 | - | 28 | - | 27 | 1 | 27 | 1 | 24 | 1 |
| HBS | 10 | - | 10 | - | 10 | - | 10 | - | 9 | - |
| Custodial | 35 | - | 35 | - | 35 | - | 34 | - | 31 | - |
| Police/Security | 52 | - | 52 | - | 52 | - | 50 | - | 50 | - |
| Airport Operations | 29 | - | 26 | - | 26 | - | 23 | - | 27 | - |
| DBE | - | - | - | - | - | - | - | - | - | - |
| Total | 284 | - | 276 | - | 274 | 2 | 263 | 3 | 251 | 3 |

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

Source: Jacksonville Aviation Authority Records

Aircraft Operations
Year Ended September 30, 2023
(Unaudited)

| | Air Carrier | Air Taxi | Gen Aviation | Military | Total Aircraft Operations |
|------|-------------|----------|--------------|----------|---------------------------|
| 2023 | 64,503 | 13,357 | 14,770 | 6,662 | 99,292 |
| 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 |

Source: Jacksonville Aviation Authority Records

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

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------|-----------|----------|----------|-----------|----------|----------|----------|----------|----------|
| Signatory Airlines | | | | | | | | | | |
| American Airlines | X | X | X | X | X | X | X | X | X | X |
| Breeze Airways | X | X | - | - | - | - | - | - | - | - |
| Delta Airlines | X | X | X | X | X | X | X | X | X | X |
| JetBlue | X | X | X | X | X | X | X | X | X | X |
| 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 |
| Total Signatory Airlines | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| Non-signatory Airlines | | | | | | | | | | |
| Air Canada | - | - | - | - | X | X | X | X | - | - |
| AirTran | - | - | - | - | - | - | - | - | - | - |
| Air Wisconsin (American Air) | - | - | - | - | - | - | - | - | - | - |
| Allegiant | X | X | X | X | X | X | X | X | X | - |
| American Eagle | - | - | - | - | - | - | - | - | - | - |
| Endeavor Airlines (formerly ASA) | - | - | - | - | - | - | - | - | - | - |
| Charters | - | - | - | - | - | - | - | - | - | - |
| Chautauqua | - | - | - | - | - | - | - | - | - | - |
| Comair | - | - | - | - | - | - | - | - | - | - |
| Compass Airline | - | - | - | - | - | - | - | - | - | - |
| Continental Airlines | - | - | - | - | - | - | - | - | - | - |
| Continental Express | - | - | - | - | - | - | - | - | - | - |
| Express Jet (United Air) | - | - | - | - | - | - | - | - | - | - |
| Freedom Airlines | - | - | - | - | - | - | - | - | - | - |
| Frontier | X | X | X | X | X | X | - | - | - | - |
| Go Jet (United) | - | - | - | - | - | - | - | - | - | - |
| Mesa (American Air) | - | - | - | - | - | - | - | - | - | - |
| Mesaba | - | - | - | - | - | - | - | - | - | - |
| Pinnacle | - | - | - | - | - | - | - | - | - | - |
| PSA Airlines | - | - | - | - | - | - | - | - | - | - |
| Republic (American Air) | - | - | - | - | - | - | - | - | - | - |
| Shuttle America (Delta) | - | - | - | - | - | - | - | - | - | - |
| Silver Airways | X | X | X | - | X | X | X | X | X | X |
| Spirit Airlines | - | - | X | X | X | - | - | - | - | - |
| Sun Country Airlines | X | X | - | - | - | - | - | - | - | - |
| Total Non-signatory Airlines | 4 | 4 | 4 | 3 | 5 | 4 | 3 | 3 | 2 | 1 |
| Total Signatory and Non-signatory Airlines | 10 | 10 | 9 | 9 | 10 | 9 | 8 | 8 | 8 | 7 |
| Cargo | | | | | | | | | | |
| 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 | - | - | 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 | 5 | 4 | 4 | 4 | 5 | 4 | 4 | 5 | 4 |

Starting in 2013 affiliates are reported under signatory airlines.
Source: Jacksonville Aviation Authority Records

Primary Origination and Destination Passenger Markets
Year Ended September 30, 2023
(Unaudited)

| Rank | Market | Code | Trip Length |
|------|-----------------------------------|------|-------------|
| 1 | New York (LaGuardia) | LGA | MH |
| 2 | New York (JFK) | JFK | MH |
| 3 | Boston | BOS | MH |
| 4 | Newark | EWR | MH |
| 5 | Atlanta | ATL | SH |
| 6 | Philadelphia | PHL | MH |
| 7 | Baltimore | BWI | MH |
| 8 | Chicago (O'Hare) | ORD | MH |
| 9 | Nashville | BNA | SH |
| 10 | Denver | DEN | MH |
| 11 | Dallas-Ft. Worth | DFW | MH |
| 12 | Washington D.C. (Reagan National) | DCA | MH |
| 13 | Washington D.C. (Dulles) | IAD | MH |
| 14 | Los Angeles | LAX | LH |
| 15 | Las Vegas | LAS | LH |
| 16 | Detroit | DTW | MH |
| 17 | Minneapolis-St. Paul | MSP | MH |
| 18 | Flint | FNT | SH |
| 19 | Houston (Intercontinental) | IAH | MH |
| 20 | San Juan | SJU | MH |
| 21 | Phoenix | PHX | MH |
| 22 | St. Louis | STL | MH |
| 23 | Miami | MIA | SH |
| 24 | Hartford | BDL | MH |
| 25 | Pittsburgh | PIT | MH |

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

Airport Capital Asset Information
Year Ended September 30, 2023
(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 |
| | <u>4,411</u> | 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

Airport Capital Asset Information (Continued)
Year Ended September 30, 2023
(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



flyjacksonville.com