

# Jacksonville Aviation Authority

## Annual Financial Report Fiscal Year 2019

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Comprehensive Annual Financial Report for the  
Fiscal Years Ended September 30, 2019  
and September 30, 2018 of the  
Jacksonville Aviation Authority  
Jacksonville, Florida



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**Jacksonville Aviation Authority  
Jacksonville, Florida**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
*FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND SEPTEMBER 30, 2018*

PREPARED BY:  
FINANCE DIVISION

RICHARD A. ROSSI  
CHIEF FINANCIAL OFFICER

ROSS JONES  
DIRECTOR OF FINANCE

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# Introductory

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Annual Financial Report

Fiscal Years Ended September 30, 2019 and 2018





March 10, 2020

To the Board of Directors of the Jacksonville Aviation Authority:

We present the Annual Financial Report of the Jacksonville Aviation Authority (the Authority) for the fiscal year ended September 30, 2019. The Finance Department prepared this report. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rest with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, changes in financial position, and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information of the financial position of the Authority.

#### *Reporting Entity and Its Services*

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

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

Mark VanLoh, Chief Executive Officer (CEO) of the Authority, plans and directs all the programs and activities of the Authority, focusing on the future and the development of long-term business strategies.

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

#### *Economic Condition and Outlook*

Situated in the corner of Northeast Florida, Jacksonville is considered the metropolitan market for over ten Florida and South Georgia counties. The City of Jacksonville is the hub of an array of services that include an international airport, three general aviation airports, a deep-water port, travel and tourism, recreational and sports activities, medical and health, higher education and cultural amenities. With a Metropolitan Statistical Area (MSA) population of over one million, Jacksonville is on the verge of being classified as a first-tier city. The Jacksonville MSA consists of Baker, Clay, Duval, Nassau, Putnam, and St. Johns Counties.

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

### *Long-Term Financial Planning*

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

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

In regards to the Authority's long-term debt obligations, the Authority had bank debt of \$58.17 million outstanding as of September 30, 2019. Since the Authority no longer has any revenue bonds, no bond service coverage ratio is required.

### *Accounting Systems*

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

The objectives of internal control are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data 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 Federal Single Audit Act of 1984, as amended. The Authority selected the firm of RSM US, LLP to perform these services. Their opinion is presented with this report. The reports required under the Single Audit Act are presented under separate cover. Each year, the independent certified public accountants meet with the Audit and Finance Committee of the Board of Directors to review the results of the audit.

### *Acknowledgements*

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

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

Respectfully submitted,

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

Richard A. Rossi  
Chief Financial Officer



**Jacksonville, Florida**

**Board of Directors**

- Russell Thomas.....Chairman
- Patrick Kilbane.....Vice Chairman
- Giselle Carson.....Secretary
- Ray Alfred.....Treasurer
- Jay Demetree.....Member
- Frank Mackesy.....Member
- Michelle B. Barnett.....Member

**Senior Staff**

- Mark VanLoh.....Chief Executive Officer
- Tony Cugno.....Chief Operating Officer
- Richard A. Rossi.....Chief Financial Officer
- Rusty Chandler.....Chief Cecil Airport and General Aviation
- Debra Braga.....Chief Legal Officer



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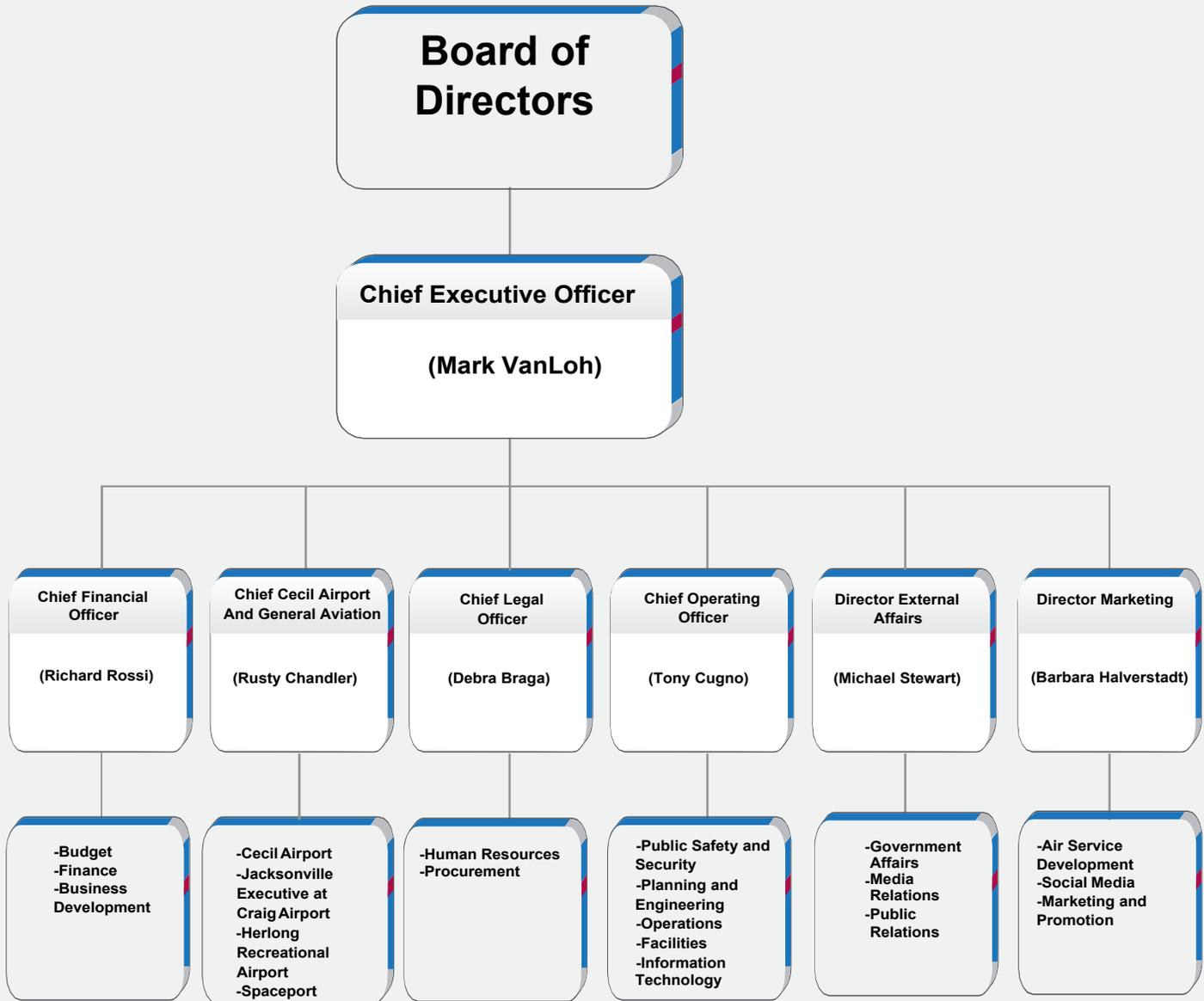
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

# Jacksonville Aviation Authority Organizational Chart





RSM US LLP

## Independent Auditor's Report

The Board of Directors  
Jacksonville Aviation Authority

### Report on the Financial Statements

We have audited the accompanying financial statements of the Jacksonville Aviation Authority (the Authority), as of and for the years ended September 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2019 and 2018, and the change in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters***Required Supplementary Information*

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

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated March 10, 2020 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*RSM US LLP*

Jacksonville, Florida  
March 10, 2020

## **Jacksonville Aviation Authority**

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

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#### **Introduction**

The following discussion and analysis of the financial performance and activity of the Jacksonville Aviation Authority "the Authority" is meant to provide an introduction to and understanding of the Authority's basic financial statements for fiscal years ended September 30, 2019 and 2018. The discussion has been prepared by management and is unaudited and should be read in conjunction with the financial statements and associated notes thereto, which follow this section.

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

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

The Authority operates an airport system that consists of four airports: Jacksonville International Airport (JIA), Jacksonville Executive at Craig Airport, Herlong Recreational Airport and Cecil Airport. The organization consists of 296 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 statements of net position, the statements of revenues, expenses and changes in net position and the statements of cash flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned and expenses recognized when incurred. Capital asset related costs are capitalized and are depreciated (except land and construction in progress) over their estimated useful lives. Certain components of net position are restricted for debt service and, where applicable, for construction activities.

The statements of net position each present the Authority's financial position as of one point in time, September 30, 2019 and 2018, and include all assets and deferred outflows of resources, liabilities and deferred inflows of resources of the Authority. The statements of net position demonstrate that the Authority's assets and deferred outflows of resources equal liabilities and deferred inflows of resources plus net position. Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. Net position is displayed in three components: invested in capital assets, restricted, and unrestricted.

## Jacksonville Aviation Authority

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

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

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

#### Authority's Activity Highlights

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

Passenger enplanements at JIA for the fiscal year ended September 30, 2019 totaled 3.54 million, an increase of 13.62% from the prior fiscal year. The increase reflects continuing strength in the American economy as well as new air service from Spirit Airlines. In fiscal year 2018, JIA had enplanements of 3.12 million, an increase of 13.03% from fiscal year 2017.

Landed weight totaled 4.52 million for fiscal year 2019, an increase of 15.0% from the prior year. In fiscal year 2018, JIA had landed weight of 3.93 million, an increase of 10.46% from fiscal year 2017.

As in 2018, Delta Airlines and American Airlines dominated fiscal 2019 in enplanements activity and landed weight. Southwest, JetBlue and United, 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:

	2019	2018	2017
Total Passengers	7,073,228	6,221,827	5,508,933
% (decrease) increase	14%	12.94%	-1.37%
Enplanements	3,543,188	3,118,540	2,759,067
% (decrease) increase	13.62%	13.03%	-1.45%
Landed Weight	4,521,908	3,931,615	3,559,324
% (decrease) increase	15.01%	10.46%	0.44%

For fiscal year 2019, the Jacksonville International Airport average daily air carrier departures were 97 compared to 83 and 84 departures in 2018 and 2017, respectively.

## **Jacksonville Aviation Authority**

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

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#### **Financial Highlights**

The Authority's assets and deferred outflows exceeded liabilities and deferred inflows of resources for fiscal year 2019 by approximately \$561.66 million compared to \$533.73 million and \$516.99 million in fiscal years 2018 and 2017, respectively. Unrestricted net position as of the end of fiscal years 2019, 2018 and 2017 was approximately \$83.73 million, \$75.37 million, and \$54.26 million, respectively. The Authority may use these funds for any lawful purpose.

The overall financial position of the Authority has increased as indicated by this fiscal year's increase in total net position. The improving trend for fiscal years 2019 and 2018 is due primarily to earnings from increased rental and parking activity combined with lower interest expense.

The Authority's total debt decreased by \$18.84 million and \$10.09 million in fiscal years 2019 and 2018, respectively. During fiscal year 2019, the Authority made normal scheduled debt service payments of \$11.84 million. During fiscal year 2018, the Authority made normal scheduled debt service payments of \$7.09 million.

#### **Operating Revenues**

In fiscal year 2019 operating revenues increased by 11.09% from 2018. The primary factor was an increase in Parking of 18.57% due to an increase in both activity and rate.

In fiscal year 2018 operating revenues increased by 2.45% from 2017. The primary factor was an increase in Parking of 11.63%.

#### **Operating Expenses**

In fiscal year 2019 operating expenses before depreciation and amortization increased by 13.91% over 2018. Repairs and maintenance increased 24.00% primarily due to terminal equipment breakdowns.

In fiscal year 2018 operating expenses before depreciation and amortization increased by 6.77% over 2017. Repairs and maintenance increased 48.96% primarily due to the enhanced focus on maintenance in FY18.

#### **Operating Margin**

In fiscal year 2019 the operating margin decreased 1.74% from 31.46% in 2018 to 29.72% in 2019. The primary reason for the decrease is revenue from parking. In fiscal year 2018 the operating margin decreased 2.77% from 34.23% in 2017 to 31.46%.

#### **Non-operating Revenues**

Non-operating revenues in fiscal year 2019 increased 27.84% from 2018. This was the result of higher Passenger Facility Charges (PFC) on increased enplanements and higher interest on investments.

Non-operating revenues in fiscal year 2018 increased 9.75% from 2017. This was the result of higher Passenger Facility Charges (PFC) on increased enplanements.

#### **Non-operating Expenses**

Non-operating expenses decreased by 7.81% and 26.80% in fiscal years 2019 and 2018, respectively. This was a result of lower interest expense on debt and lower timber expenses.

## Jacksonville Aviation Authority

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

#### Capital Contributions

Capital contributions increased by 55.93% in fiscal year 2019 and increased in fiscal year 2018 by 112.84%. 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>			
	2019	2018	Increase/ (Decrease) from 2018	% Increase/ (Decrease) from 2018
<b>Assets</b>				
Current	\$ 136,993	\$ 116,109	\$ 20,884	18.0%
Noncurrent (restricted/other)	12,846	15,019	(2,173)	(14.5)%
Capital assets, net	525,949	523,409	2,540	0.5%
Total assets	675,788	654,537	21,251	3.2%
<b>Deferred outflow of resources</b>	12,965	12,800	165	1.3%
<b>Liabilities</b>				
Current	39,499	38,181	1,318	3.5%
Long-term	84,955	92,329	(7,374)	(8.0)%
Total liabilities	124,454	130,510	(6,056)	(4.6)%
<b>Deferred inflow of resources</b>	2,636	3,100	(464)	(15.0)%
<b>Net Position</b>				
Net investment in capital assets	467,866	446,304	21,562	4.8%
Restricted	10,063	12,058	(1,995)	(16.5)%
Unrestricted	83,734	75,365	8,369	11.1%
Total net position	\$ 561,663	\$ 533,727	\$ 27,936	5.2%
<b>Working Capital</b>				
Current assets	\$ 136,993	\$ 116,109	\$ 20,884	18.0%
Current liabilities	(39,499)	(38,181)	(1,318)	3.5%
Working capital	\$ 97,494	\$ 77,928	\$ 19,566	25.1%
Current ratio	3.47	3.04		

During 2019 total assets increased by 3.2%, deferred outflow of resources increased by 1.3%, total liabilities decreased by 5.3%, and total deferred inflow of resources decreased by 15.0%. The main driver for changes in deferred balances is pension expense. These changes resulted in an increase in net position of 5.2%.

**Jacksonville Aviation Authority**

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

	<i>(Dollar amounts in thousands)</i>			
	2018	2017	Increase/ (Decrease) from 2017	% Increase/ (Decrease) from 2017
<b>Assets</b>				
Current	\$ 116,109	\$ 92,644	\$ 23,465	25.33%
Noncurrent (restricted/other)	15,019	16,115	(1,096)	-6.80%
Capital assets, net	523,409	535,633	(12,224)	-2.28%
Total assets	<u>654,537</u>	<u>644,392</u>	<u>10,145</u>	<u>1.57%</u>
<b>Deferred outflow of resources</b>	<u>12,800</u>	<u>14,667</u>	<u>(1,867)</u>	<u>-12.73%</u>
<b>Liabilities</b>				
Current	38,181	322,274	5,907	18.30%
Long-term	92,329	107,840	(15,511)	-14.38%
Total liabilities	<u>130,510</u>	<u>430,114</u>	<u>(9,604)</u>	<u>-6.85%</u>
<b>Deferred inflow of resources</b>	<u>3,100</u>	<u>1,952</u>	<u>1,149</u>	<u>58.86%</u>
<b>Net Position</b>				
Net investment in capital assets	446,304	449,755	(3,451)	-0.77%
Restricted	12,058	12,980	(922)	-7.10%
Unrestricted	75,365	54,258	21,107	38.90%
Total net position	<u>\$ 533,727</u>	<u>\$ 516,993</u>	<u>\$ 16,734</u>	<u>3.24%</u>
<b>Working Capital</b>				
Current assets	\$ 116,109	\$ 92,644	\$ 23,465	25.33%
Current liabilities	(38,181)	(32,274)	(5,907)	18.30%
Working capital	<u>\$ 77,928</u>	<u>\$ 60,370</u>	<u>\$ 17,558</u>	<u>29.08%</u>
Current ratio	3.04	2.87		

During 2018 total assets decreased by 1.57%, deferred outflow of resources decreased by 12.73%, total liabilities decreased by 6.85% and deferred inflow of resources decreased by 58.86%. These changes resulted in an increase in net position of 3.24%.

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.

## Jacksonville Aviation Authority

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

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#### Signatory Airline Rates and Charges

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 2019, 2018 and 2017.

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

	2019		2018		2017
Landing fees (per 1,000 lbs. MGLW)	\$ 2.94	\$	3.29	\$	3.43
Average terminal rental rate (per square foot)	152.14		138.03		166.77
Conditioned space (per square foot)	188.45		171.22		210.61
Unconditioned space (per square foot)	65.96		59.93		73.71

## Jacksonville Aviation Authority

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

The following charts and tables show the major sources and the percentage of operating revenues and expenses for fiscal years 2019, 2018 and 2017.

	<i>(Dollar amounts in thousands)</i>		
	2019	2018	2017
Operating revenues:			
Concessions	\$ 19,863	\$ 18,257	\$ 16,072
Fees and charges	19,320	17,807	16,028
Space and facility rentals	26,673	24,481	28,946
Parking	25,535	21,535	19,291
Other revenue	1,791	1,803	1,539
Total operating revenues	<u>93,182</u>	<u>83,883</u>	<u>81,876</u>
Operating expenses:			
Wage and benefits	34,614	29,273	27,945
Services and supplies	18,017	15,646	15,368
Repairs and maintenance	5,048	4,071	2,733
Promotions, advertising and dues	733	1,879	1,033
Registration and travel	554	505	345
Utilities and taxes	4,380	4,339	4,629
Other operating expenses	2,144	1,781	1,796
Depreciation and amortization	35,935	34,649	33,717
Total operating expenses	<u>101,425</u>	<u>92,143</u>	<u>87,566</u>
Operating loss	<u>(8,243)</u>	<u>(8,260)</u>	<u>(5,690)</u>
Nonoperating revenues:			
Passenger facility charges	14,053	12,538	10,881
Investment income	3,946	1,422	817
Payments from federal and state agencies	325	374	383
Other revenues	-	-	980
Total nonoperating revenues	<u>18,324</u>	<u>14,334</u>	<u>13,061</u>
Nonoperating expenses:			
Interest expense	1,619	1,660	2,228
Other expenses	164	274	414
Total nonoperating expenses	<u>1,783</u>	<u>1,934</u>	<u>2,642</u>
Income before capital contributions	8,298	4,140	4,729
Capital contributions	<u>19,638</u>	<u>12,594</u>	<u>5,917</u>
Change in net position	27,936	16,734	10,646
Net position, beginning of year	533,727	516,993	506,347
Net position, end of year	<u>\$ 561,663</u>	<u>\$ 533,727</u>	<u>\$ 516,993</u>

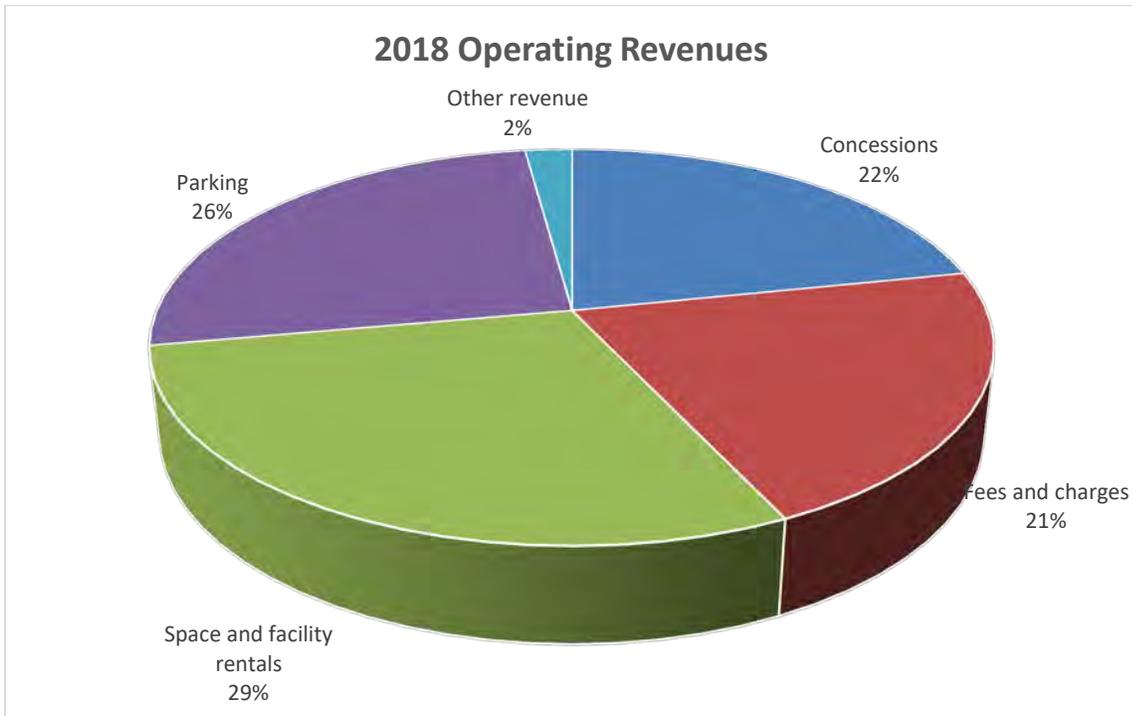
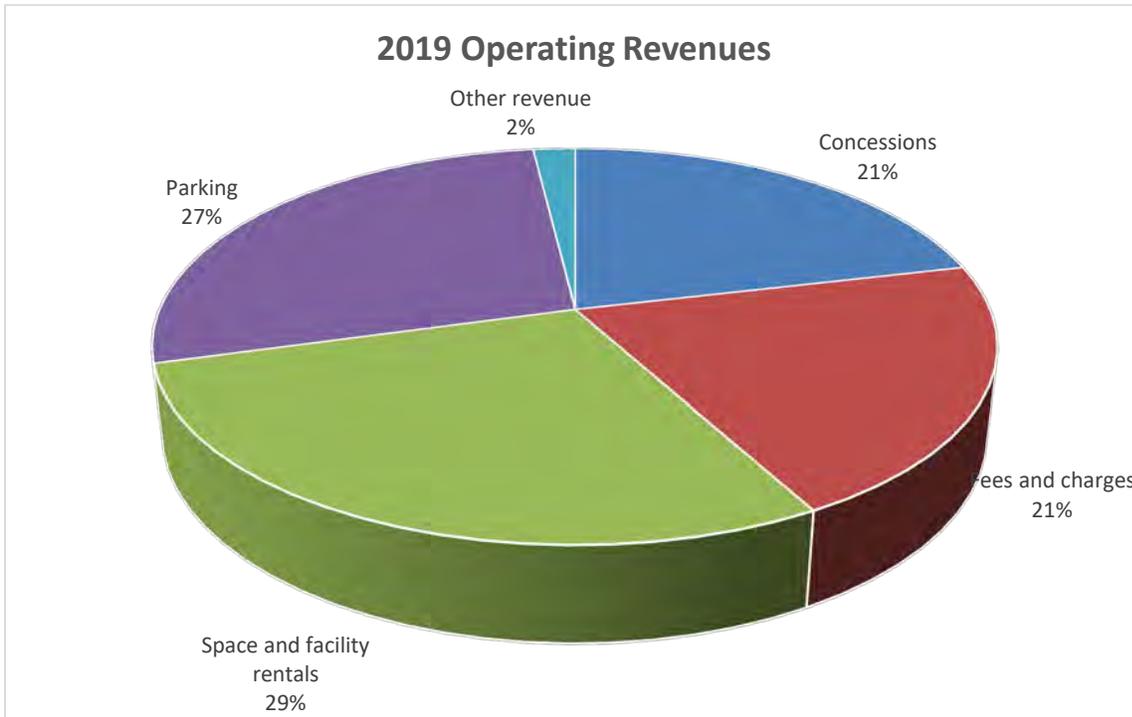
### Operating Revenues

Operating revenue increased by 11.09% and 2.45% in fiscal years 2019 and 2018, respectively. Refer to the changes in net position section of this MD&A for additional information related to operating revenues.

**Jacksonville Aviation Authority**

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

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**Jacksonville Aviation Authority**

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

*(Dollar amounts in thousands)*

	2019	2018	Increase/ (Decrease) from 2018	% Increase/ (Decrease) from 2018
Concessions	\$ 19,863	\$ 18,257	\$ 1,606	8.80%
Fees and charges	19,320	17,807	1,513	8.50%
Space and facility rentals	26,673	24,481	2,192	8.95%
Parking	25,535	21,535	4,000	18.57%
Other revenue	1,791	1,803	(12)	(0.67)%
<b>Total operating revenues</b>	<b>\$ 93,182</b>	<b>\$ 83,883</b>	<b>\$ 9,299</b>	<b>11.09%</b>

*(Dollar amounts in thousands)*

	2018	2017	Increase/ (Decrease) from 2017	% Increase/ (Decrease) from 2017
Concessions	\$ 18,257	\$ 16,072	\$ 2,185	13.60%
Fees and charges	17,807	16,028	1,779	11.10%
Space and facility rentals	24,481	28,946	(4,465)	(15.43)%
Parking	21,535	19,291	2,244	11.63%
Other revenue	1,803	1,539	264	17.15%
<b>Total operating revenues</b>	<b>\$ 83,883</b>	<b>\$ 81,876</b>	<b>\$ 2,007</b>	<b>2.45%</b>

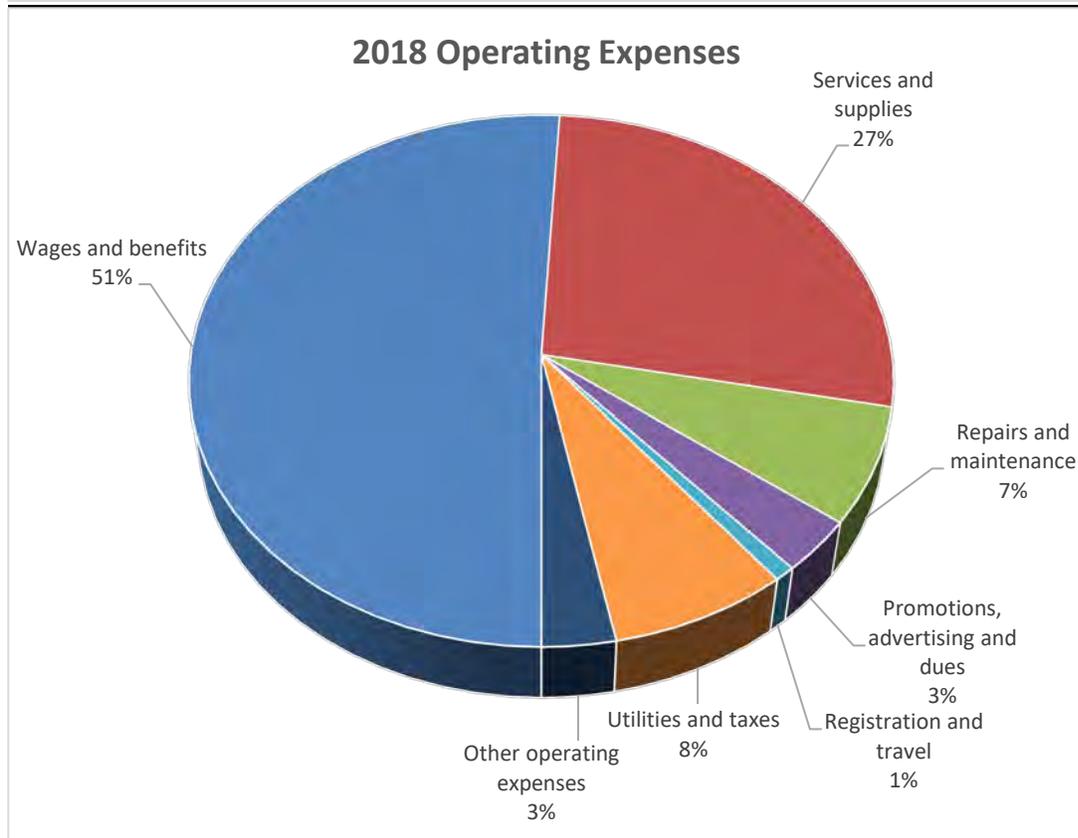
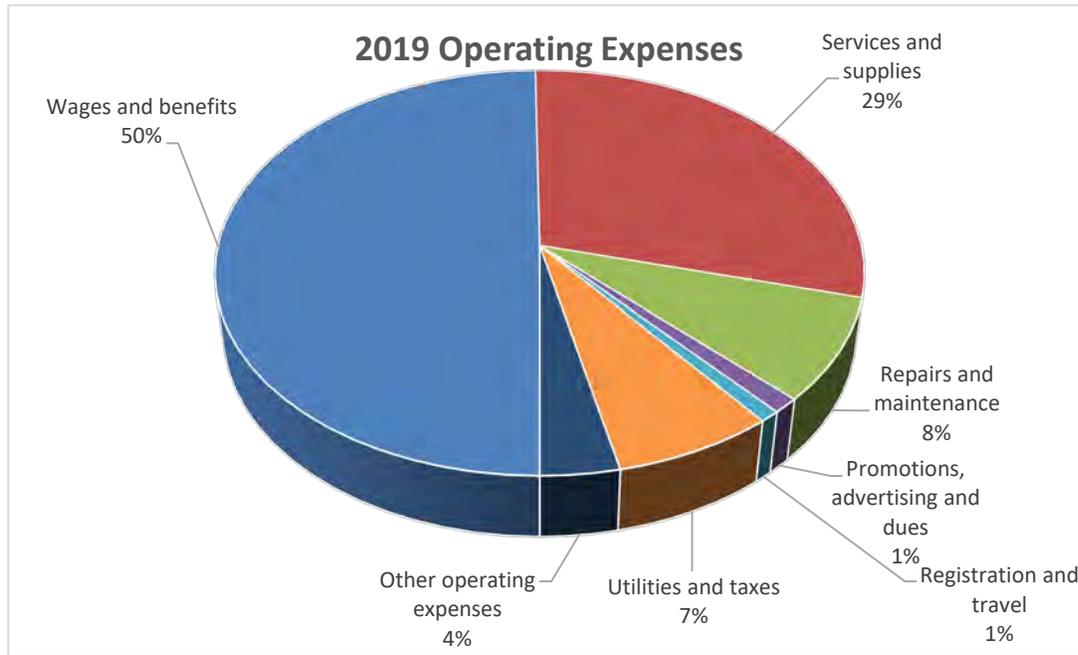
## Jacksonville Aviation Authority

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

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#### Operating Expenses

Operating expenses, before depreciation and amortization, increased 13.91% and 6.77% in fiscal years 2019 and 2018, respectively. Refer to the changes in net positions 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**

*(Dollar amounts in thousands)*

	2019	2018	Increase/ (Decrease) from 2018	% Increase/ (Decrease) from 2018
Wages and benefits	\$ 34,614	\$ 29,273	\$ 5,341	18.25%
Services and supplies	18,017	15,646	2,371	15.15%
Repairs and maintenance	5,048	4,071	977	24.00%
Promotions, advertising and dues	733	1,879	(1,146)	(60.99)%
Registration and travel	554	505	49	9.70%
Utilities and taxes	4,380	4,339	41	0.94%
Other operating expenses	2,144	1,781	363	20.38%
<b>Total operating expenses</b>	<b>\$ 65,490</b>	<b>\$ 57,494</b>	<b>\$ 7,996</b>	<b>13.91%</b>

*(Dollar amounts in thousands)*

	2018	2017	Increase/ (Decrease) from 2017	% Increase/ (Decrease) from 2017
Wages and benefits	\$ 29,273	\$ 27,945	\$ 1,328	4.75%
Services and supplies	15,646	15,368	278	1.81%
Repairs and maintenance	4,071	2,733	1,338	48.96%
Promotions, advertising and dues	1,879	1,033	846	81.90%
Registration and travel	505	345	160	46.38%
Utilities and taxes	4,339	4,629	(290)	(6.26)%
Other operating expenses	1,781	1,796	(15)	(0.84)%
<b>Total operating expenses</b>	<b>\$ 57,494</b>	<b>\$ 53,849</b>	<b>\$ 3,645</b>	<b>6.77%</b>

**Debt Activity**

The Authority did not issue any new debt in fiscal year 2019. In 2019, normal debt service payments reduced the overall debt by \$11.84 million. Additional payments from available resources were made in the amount of \$7.00 million to further reduce debt balances. In 2018, the debt service payments reduced the overall debt by \$13.09 million.

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

## **Jacksonville Aviation Authority**

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

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#### **Cash and Investment Management**

The Authority's cash and cash equivalents increased \$17.38 million for fiscal year 2019 over 2018. Cash and cash equivalents, restricted, decreased by \$2.00 million and unrestricted cash and cash equivalents increased by \$19.37 million.

The Authority's cash and cash equivalents increased \$24.02 million for fiscal year 2018 over 2017. Cash and cash equivalents, restricted, decreased by \$0.92 million and unrestricted cash and cash equivalents increased by \$24.94 million.

#### **Capital Construction**

During 2019, the Authority expended approximately \$34.8 million on capital activities. Major projects in 2019 include the consolidated maintenance facility, runway 11/29 and taxiway C and D, and Fire Station 73.

During 2018, the Authority expended approximately \$22.20 million on capital activities. Major projects in 2018 include the consolidated maintenance facility, the CCTV upgrade, and garage signage improvements.

Average monthly capital construction spending was \$2.90 million, \$1.85 million, and \$2.30 million for fiscal years 2019, 2018, and 2017, respectively.

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

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

The Authority projects steady growth for fiscal year 2020 in relation to the prior year. Revenues for fiscal year 2020 are forecasted to be approximately \$99.38 million or 1.81% above fiscal year 2019. Operating expenses before depreciation and amortization for fiscal year 2020 are forecasted to be approximately \$68.60 million or 13.47% above fiscal year 2019.

The Authority expects to see steady growth in fiscal year 2020 as we anticipate an increase in space and facility rentals and continued improvement in financial conditions of the nation's airlines. Cost for security, maintenance, and other operational expenses continue to increase. The Authority continues to seek opportunities to diversify its revenues.

#### **Contacting the Authority's Financial Management**

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

Jacksonville Aviation Authority

Statements of Net Position  
September 30, 2019 and 2018  
(Dollars in thousands)

	2019	2018
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 76,910	\$ 57,538
Investments	48,802	46,814
Accounts receivable, net of allowance of \$112 in 2019 and \$112 in 2018	6,914	7,240
Grants receivable	1,731	2,342
Interest receivable	398	332
Notes receivable	179	173
Inventory and other assets	2,059	1,670
<b>Total current assets</b>	<b>136,993</b>	<b>116,109</b>
Noncurrent assets:		
Restricted cash and cash equivalents	10,063	12,058
Notes receivable	2,783	2,961
<b>Total noncurrent assets</b>	<b>12,846</b>	<b>15,019</b>
Capital assets:		
Land	71,143	71,143
Construction in progress	24,341	25,984
Property, plant and equipment	943,481	933,552
Less accumulated depreciation	(513,214)	(507,651)
Other capital assets, net of amortization	198	381
<b>Total capital assets</b>	<b>525,949</b>	<b>523,409</b>
<b>Total noncurrent and capital assets</b>	<b>538,795</b>	<b>538,428</b>
<b>Total assets</b>	<b>675,788</b>	<b>654,537</b>
Deferred outflows of resources:		
Derivative instrument – swap	873	574
Loss on refunding	1,765	2,118
Pension	10,327	10,108
<b>Total deferred outflow of resources</b>	<b>12,965</b>	<b>12,800</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 688,753</b>	<b>\$ 667,337</b>

See notes to financial statements.

Jacksonville Aviation Authority

Statement of Net Position (Continued)  
September 30, 2019 and 2018  
(Dollars in thousands)

	2019	2018
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 8,780	\$ 5,701
Accrued expenses	23,173	18,722
Notes payable – current portion	6,135	11,835
Accrued interest payable	353	432
Construction contracts and retainage payable	1,058	1,491
<b>Total current liabilities</b>	<b>39,499</b>	<b>38,181</b>
Long-term liabilities:		
OPEB liability	3,307	2,460
Notes payable	52,030	65,165
Derivative instrument – swap	873	574
Net pension liability	28,745	24,130
<b>Total long-term liabilities</b>	<b>84,955</b>	<b>92,329</b>
<b>Total liabilities</b>	<b>124,454</b>	<b>130,510</b>
Deferred inflow of resources:		
Gain on refunding	623	731
Pension	2,013	2,369
<b>Total deferred inflow of resources</b>	<b>2,636</b>	<b>3,100</b>
Net position		
Net investment in capital assets	467,866	446,304
Restricted for capital acquisition and construction	4,835	7,144
Restricted for O & M	5,167	4,856
Restricted for R & R and other	61	58
Unrestricted	83,734	75,365
<b>Total net position</b>	<b>561,663</b>	<b>533,727</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 688,753</b>	<b>\$ 667,337</b>

**Jacksonville Aviation Authority**

**Statements of Revenues, Expenses, and Changes in Net Position  
Years Ended September 30, 2019 and 2018  
(Dollars in thousands)**

	2019	2018
Operating revenues:		
Concessions	\$ 19,863	\$ 18,257
Fees and charges	19,320	17,807
Space and facility rentals	26,673	24,481
Parking	25,535	21,535
Other revenue	1,791	1,803
<b>Total operating revenues</b>	<b>93,182</b>	<b>83,883</b>
Operating expenses:		
Wages and benefits	34,614	29,273
Services and supplies	18,017	15,646
Repairs and maintenance	5,048	4,071
Promotions, advertising and dues	733	1,879
Registration and travel	554	505
Utilities and taxes	4,380	4,339
Other operating expenses	2,144	1,781
<b>Operating expenses before depreciation and amortization</b>	<b>65,490</b>	<b>57,494</b>
Operating income before depreciation and amortization	27,692	26,389
Depreciation and amortization	35,935	34,649
<b>Operating loss</b>	<b>(8,243)</b>	<b>(8,260)</b>
Nonoperating revenues:		
Passenger facility charges	14,053	12,538
Investment income	3,946	1,422
Payments from federal and state agencies	325	374
<b>Total nonoperating revenues</b>	<b>18,324</b>	<b>14,334</b>
Nonoperating expenses:		
Interest expense	1,619	1,660
Other expenses	164	274
<b>Total nonoperating expenses</b>	<b>1,783</b>	<b>1,934</b>
<b>Income before capital contributions</b>	<b>8,298</b>	<b>4,140</b>
Capital contributions	19,638	12,594
Change in net position	27,936	16,734
Net position, beginning of year	533,727	516,993
Net position, end of year	<b>\$ 561,663</b>	<b>\$ 533,727</b>

See notes to financial statements.

**Jacksonville Aviation Authority**

**Statements of Cash Flows**  
**Years Ended September 30, 2019 and 2018**  
**(Dollars in thousands)**

	2019	2018
Cash flows from operating activities:		
Receipts from customers and tenants	\$ 93,508	\$ 83,839
Payments to suppliers for goods and services	(23,820)	(28,360)
Payments to employees for services	(29,531)	(27,141)
Other (expense) revenue	(33)	382
<b>Net cash flows provided by operating activities</b>	<b>40,124</b>	<b>28,720</b>
Cash flows non-capital and related financing activities:		
Nonoperating grants received	198	135
<b>Net cash flows provided by non-capital financing activities</b>	<b>198</b>	<b>135</b>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(38,950)	(22,200)
Principal paid on capital debt	(18,835)	(10,090)
Interest paid on capital debt	(1,453)	(1,421)
Proceeds from sale of equipment	38	431
Contributions-in-aid of construction	20,139	11,439
Passenger facility charges received	14,053	12,538
<b>Net cash used in capital and related financing activities</b>	<b>(25,008)</b>	<b>(9,303)</b>
Cash flows from investing activities:		
Collections on notes receivable	172	214
Interest on investments	2,639	1,982
Purchase of investment securities	(27,604)	(21,614)
Proceeds from sale and maturities of investment securities	26,856	23,889
<b>Net cash provided by investing activities</b>	<b>2,063</b>	<b>4,471</b>
<b>Net change in cash and cash equivalents</b>	<b>17,377</b>	<b>24,023</b>
Cash and cash equivalents:		
Beginning of year	69,596	45,573
End of year	\$ 86,973	\$ 69,596

(Continued)

**Jacksonville Aviation Authority**

**Statements of Cash Flows (Continued)**  
**Years Ended December 31, 2019 and 2018**  
**(Dollars in thousands)**

	2019	2018
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating loss	\$ (8,243)	\$ (8,260)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization expense	35,935	34,649
(Increase) decrease in accounts receivable	326	(44)
Increase in inventory and other assets	(279)	(195)
Increase (decrease) in accounts payable	3,081	(4,319)
(Increase) decrease in pension deferred outflow	(219)	767
Increase in accrued expenses	9,912	4,484
Increase (decrease) in pension deferred inflow	(356)	1,256
Other operating activities	(33)	382
<b>Net cash flows provided by operating activities</b>	<b>\$ 40,124</b>	<b>\$ 28,720</b>
Supplemental schedule of noncash investing, capital and financing activities:		
Change in fair value of investments	\$ 1,240	\$ (680)
Capital assets acquired through contracts payable and accruals	\$ 1,058	\$ 1,491
Capital contributions receivable	\$ 1,731	\$ 2,342

See notes to financial statements.

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# Notes to Financial Statements

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Annual Financial Report

Fiscal Years Ended September 30, 2019 and 2018

Notes



## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **1. Organization and Reporting Entity**

##### **Organization**

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

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

##### **Reporting Entity**

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

#### **2. Summary of Significant Accounting Policies**

##### **New Accounting Guidance**

###### **GASB 87: Leases**

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 requirements of this Statement are effective for reporting periods beginning after December 15, 2019. This statement will have a material impact on the financial statements of the Authority.

###### **GASB 89: Accounting for Interest Cost Incurred before the End of a Construction Period**

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Authority early adopted this GASB in fiscal 2019.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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

##### **GASB 90: Majority Equity Interests**

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. This statement will have no impact of the financial statements of the Authority.

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

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related not disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The standard is not expected to impact the Authority's financial statements.

#### **Basis of Accounting**

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

The Authority's activities are accounted for similarly to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Current assets include cash and amounts convertible to cash during the next normal operating cycle or one year. Current liabilities include those obligations to be liquidated with current assets.

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

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

#### **Net Position**

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

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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

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

#### **Proprietary Accounting and Financial Reporting**

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

#### **Budgeting Requirements**

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

Prior to July 1 of each year, the Authority prepares and submits its budget to the City Council for the ensuing fiscal year. The City Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis. The Authority's Chief Executive Officer has been delegated the authority to approve budgetary changes to the budget within all categories, subject to the following limitations: once adopted, the total budget may only be increased through action of the City Council; operating budget item transfers may be made with the approval to the Chief Executive Officer or his designee, line-to-line capital budget transfers may be made with the approval of the Chief Executive Officer or his designee if it is cumulatively less than or equal to \$250,000 or with the approval of the Board if over \$250,000. In keeping with the requirements of a proprietary fund budget, budget comparisons have not been included in the financial section of this report.

#### **Revenue Recognition**

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

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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

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

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

#### **Cash, Cash Equivalents and Investments**

The deposit and investment of Authority monies is governed by provisions of its enabling legislation and by an investment policy adopted by the Authority. The Governing Body has authorized the Authority to establish bank accounts with a qualified depository pursuant to Chapter 280 of the Florida Statutes. Accordingly, all of the Authority's deposits are considered fully 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, and the Florida State Board of Administration Investment Pool. Restricted bond proceeds are invested in accordance with the bond indenture agreements.

#### **Receivables**

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

#### **Inventory**

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

#### **Restricted Assets**

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

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

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

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

#### Capital Assets

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

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

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

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

#### Debt Issuance Costs

Debt issuance costs represent costs incurred in the process of issuing bonds or notes and are expensed in the year of issuance.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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

##### **Compensated Absences**

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

##### **Pension Plan**

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

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

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

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

##### **Capital Contributions: Federal and State Grants**

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

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

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

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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

### **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 as least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport, or furnish opportunities for enhanced competition between or among carriers.

PFC charges at the rate of \$3.00 per enplaned passenger have been levied by the Authority since April 1, 1994, under an FAA approved application to impose \$12.26 million in PFC fees. Since this first record of decision the Authority has submitted and received approval to collect \$363.46 million since inception through November 1, 2024. In February 2003, with an earliest charge effective date of May 1, 2003, the FAA approved an amendment to impose and use passenger facility charges, at JIA at a new rate of \$4.50. This amendment also permits the Authority to finance certain projects with PFC revenues. Through September 30, 2019, the Authority has collected, including interest earnings, PFCs totaling approximately \$251.51 million. PFCs, along with related interest earnings are recognized and recorded as non-operating revenue in the year collected by the air carriers.

The Authority has expended approximately \$242.91 million of PFCs on projects funded on a pay-as-you-go and financing basis.

### **Management Estimates**

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

## **3. Investments**

### **Credit Risk**

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

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

The Authority's investments are rated as follows:

September 30, 2019 Investment Type	Rating	<i>(Dollar amounts in thousands)</i> Fair Value
US Treasury and government agency securities	AA+	\$ 7,743
US Treasury and government agency securities	AAA	16,551
Corporate Bonds	A	3,487
Corporate Bonds	A-	2,233
Corporate Bonds	A+	2,088
Corporate Bonds	AA	1,090
Corporate Bonds	AA-	1,365
Corporate Bonds	AA+	784
Corporate Bonds	AAA	7,093
Corporate Bonds *	BBB+	1,175
Foreign Bonds	A+	203
Foreign Bonds	A3	205
Foreign Bonds	AAA	2,581
Foreign Bonds*	BBB	202
Foreign Bonds*	BBB+	208
Municipal Bonds	AA	206
Municipal Bonds	AA-	517
Municipal Bonds	AA+	637
Municipal Bonds	AAA	434
Total		<u>\$ 48,802</u>

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 3. Investments (Continued)

September 30, 2018		<i>(dollar amounts in thousands)</i>
Investment Type	Rating	Fair Value
US Treasury and government agency securities	AAA	\$ 13,198
US Treasury and government agency securities	AA+	9,637
Money market mutual funds	AAA	217
Asset Backed Securities	AAA	7,385
Corporate Bonds	AAA	98
Corporate Bonds	AA+	868
Corporate Bonds	AA	719
Corporate Bonds	AA-	1,229
Corporate Bonds	A+	2,687
Corporate Bonds	A	2,362
Corporate Bonds	A-	2,302
Corporate Bonds	A3	581
Corporate Bonds *	BBB+	468
Foreign Bonds	AAA	3,781
Foreign Bonds	A+	198
Foreign Bonds	A3	196
Foreign Bonds	A	397
Municipal Bonds	AA	200
Municipal Bonds	AA-	508
Total		<u>\$ 47,031</u>

*\*Note: These bonds were rated A- 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.

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 3. Investments (Continued)

##### Investment Maturity Distribution

*(dollar amounts in thousands)*

Type of Investments	<i>(dollar amounts in thousands)</i>		
	Less Than One Year from 09/30/2019	One to Five Years	Total
US Treasury and government agency securities	\$ 579	\$ 23,715	\$ 24,294
Corporate Bonds	3,510	15,805	19,315
Foreign Bonds	1,043	2,356	3,399
Municipal Bonds	-	1,794	1,794
Total investments	<u>\$ 5,132</u>	<u>\$ 43,670</u>	<u>\$ 48,802</u>

*(dollar amounts in thousands)*

Type of Investments	<i>(dollar amounts in thousands)</i>		
	Less Than One Year from 09/30/2018	One to Five Years	Total
US Treasury and government agency securities	\$ 6,233	\$ 16,602	\$ 22,835
Money market mutual funds*	217	-	217
Asset Backed Securities	38	7,347	7,385
Corporate Bonds	1,805	9,509	11,314
Foreign Bonds	468	4,104	4,572
Municipal Bonds	-	708	708
Total investments	<u>\$ 8,761</u>	<u>\$ 38,270</u>	<u>\$ 47,031</u>

\*Reported as cash equivalents on the statements of net position

#### Credit Risk

All securities purchased by, and all collateral obtained by, the Authority under its investment policy shall be properly designated as assets of the Authority and may be held in safekeeping by a third-party custodial bank or other third-party custodial institution. As of September 30, 2019, and 2018 all investment securities of the Authority are held with an appropriate custodian or trustee or are held in accounts in the name of, and belonging to, the Authority.

#### Concentration of Credit Risk

Exclusive of restricted funds, the following are the Authority's investment percentages limits. The Authority's investment in the Florida Local Government Surplus Funds Trust Fund and the United States Government Securities shall not exceed 100% of the total investment portfolio. Total United States Government Agencies, Repurchase Agreements, and Registered Investment Companies held by the Authority shall each not exceed 75% of the total value of the investment portfolio. Maximum exposure to any Interest Bearing Time Deposits, Money Markets or Savings Accounts shall be limited to 50% of the total investment portfolio. The Authority's investment in Commercial Paper, Corporate Notes, and Short Term Bond Funds shall not exceed 35% of the total investment portfolio. Authority investments in Supranationals, where the United States is a shareholder and voting member shall not exceed 25%. Maximum exposure to Mortgage-Backed Securities and State and/or Local Government Taxable and /or Tax-Exempt Debt shall not exceed 25% of the total investment portfolio. The Authority shall not exceed 25% of its portfolio value for Asset-Backed Securities and 10% for Bankers Acceptance.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

As of September 30, 2019, all investment holdings of the Authority were in compliance with the investment policy in place as of that date. Investments in any one issuer representing 5% or more of the Authority's total investments as of September 30, 2019 were as follows: \$15.64 million 31.71% invested in issues of the US Treasury Notes and \$3.15 million 6.39% invested in Federal Home Loan Banks.

As of September 30, 2018, all investment holdings of the Authority are in compliance with these policies. Investments in any one issuer representing 5% or more of the Authority's total investments as of September 30, 2019 are as follows: \$13.38 million 28.32% invested in US Treasury Notes and \$3.77 million 7.97% invested in issues of the Federal Home Loan Banks.

<i>(dollar amounts in thousands)</i>			
September 30, 2019			
	Unrestricted	Restricted	Fair Value
Investments:			
US Treasury and government agency securities	\$ 24,294	\$ -	\$ 24,294
Foreign Bonds	3,399	-	3,399
Asset Backed Securities		-	-
Corporate Bonds	19,315	-	19,315
Municipal obligations	1,794	-	1,794
Total investments	<u>\$ 48,802</u>	<u>\$ -</u>	<u>\$ 48,802</u>

<i>(dollar amounts in thousands)</i>			
September 30, 2018			
	Unrestricted	Restricted	Fair Value
Investments:			
US Treasury and government agency securities	\$ 22,835	\$ -	\$ 22,835
Money market mutual funds*	217	-	217
Foreign Bonds	4,572	-	4,572
Asset Backed Securities	7,385	-	7,385
Corporate Bonds	11,314	-	11,314
Municipal obligations	708	-	708
Total investments	<u>\$ 47,031</u>	<u>\$ -</u>	<u>\$ 47,031</u>

\*Reported as cash equivalents on the statements of net position

The Authority follows GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, which requires the adjustment of the carrying value of investments to fair value to be represented as a component of investment income. Investments are presented at fair value, which is based on available or equivalent market values.

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 3. Investments (Continued)

The Authority has the following recurring fair value measurements as of September 30, 2019:

- US Treasury and government agency securities of \$24.29 million are valued using quoted prices in an active market or identical assets on active markets (Level 1 inputs).
- Corporate bonds of \$12.32 million, asset backed securities of \$6.99 million, municipal bonds of \$1.79 million, and foreign bonds of \$3.40 million are valued using a matrix pricing model (Level 2 inputs).

The Authority had the following recurring fair value measurements as of September 30, 2018:

- US Treasury and government agency securities of \$22.84 million were valued using quoted prices in an active market for identical assets (Level 1 inputs).
- Corporate Bonds of \$11.31 million, asset backed securities of \$7.39 million, municipal bonds of \$0.71 million and foreign bonds of \$4.57 million are valued using a matrix pricing model (Level 2 inputs).

The following shows a reconciliation of the investment categories to the statements of net position for cash equivalents and investments for the fiscal years September 30, 2019 and 2018.

<i>(dollar amounts in thousands)</i>					
Cash and Investments as of September 30, 2019					
	Cash	Money Market Mutual Funds	Investment Securities	Total Investments	Total Cash and Investments
Current assets:					
Cash and cash equivalents	\$ 76,910	\$ -	\$ -	\$ -	\$ 76,910
Investments	-	-	48,802	48,802	48,802
Noncurrent assets:					
Restricted cash and cash equivalents	10,063	-	-	-	10,063
	<u>\$ 86,973</u>	<u>\$ -</u>	<u>\$ 48,802</u>	<u>\$ 48,802</u>	<u>\$ 135,775</u>
<i>(dollar amounts in thousands)</i>					
Cash and Investments as of September 30, 2018					
	Cash	Money Market Mutual Funds	Investment Securities	Total Investments	Total Cash and Investments
Current assets:					
Cash and cash equivalents	\$ 57,321	\$ 217	\$ -	\$ 217	\$ 57,538
Investments	-	-	46,814	46,814	46,814
Noncurrent assets:					
Restricted cash and cash equivalents	12,058	-	-	-	12,058
	<u>\$ 69,379</u>	<u>\$ 217</u>	<u>\$ 46,814</u>	<u>\$ 47,031</u>	<u>\$ 116,410</u>

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**4. Receivables**

Accounts receivable are recorded net of allowances for uncollectible accounts of \$112 thousand and \$112 thousand at September 30, 2019 and 2018, respectively. Accounts receivable at year-end are comprised of the following:

	Percent of Balance	
	2019	2018
Receivables from:		
Airlines	83.45%	76.06%
Concessionaires/non-aviation	12.07%	15.42%
Parking customers	4.48%	8.52%

The Authority entered into separate operating and lease agreements with various tenants where the following note receivables were issued: February 25, 2005 for \$4.63 million over 25 years at an interest rate ranging from 6% to 9%. The current rate of interest for 2019 is 8%.

*(dollar amounts in thousands)*

October 1, 2018 Balance	Increases	Decreases	September 30, 2019 Balance	Amounts Due Within One Year
\$ 3,134	\$ -	\$ (172)	\$ 2,962	\$ 179

*(dollar amounts in thousands)*

October 1, 2017 Balance	Increases	Decreases	September 30, 2018 Balance	Amounts Due Within One Year
\$ 3,348	\$ -	\$ (214)	\$ 3,134	\$ 173

**5. Restricted Assets**

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

	<i>(dollar amounts in thousands)</i>	
	2019	2018
Noncurrent restricted cash and cash equivalents:		
Federal forfeiture	\$ 40	\$ 58
Other	21	8
PFC Account (TD Bank)	4,835	7,143
Restricted O&M Fund	5,167	4,849
Total noncurrent restricted cash and cash equivalents	<u>\$ 10,063</u>	<u>\$ 12,058</u>

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**6. Capital Assets**

Capital assets activity for the years ended September 30, 2019 and 2018:

	<i>(dollar amounts in thousands)</i>			
	Beginning Balance October 1, 2018	Transfers and Additions	Transfers and Disposals	Ending Balance September 30, 2019
Capital assets not being depreciated:				
Land	\$ 71,143	\$ -	\$ -	\$ 71,143
Construction in progress	25,984	41,298	(42,941)	24,341
Total capital assets not being depreciated	<u>97,127</u>	<u>41,298</u>	<u>(42,941)</u>	<u>95,484</u>
Other capital assets:				
Buildings and structures	153,568	4,036	(7)	157,597
Other improvements	717,986	24,961	(29,294)	713,653
Equipment	61,998	17,065	(6,832)	72,231
Total other capital assets	<u>933,552</u>	<u>46,062</u>	<u>(36,133)</u>	<u>943,481</u>
Intangible capital assets	8,146	-	-	8,146
Less amortization	(7,765)	(183)	-	(7,948)
Total intangible assets	<u>381</u>	<u>(183)</u>	<u>-</u>	<u>198</u>
Total assets being depreciated	<u>933,933</u>	<u>45,879</u>	<u>(36,133)</u>	<u>943,679</u>
Total capital assets	<u>1,031,060</u>	<u>87,177</u>	<u>(79,074)</u>	<u>1,039,163</u>
Less accumulated depreciation buildings	79,537	4,077	(7)	83,607
Other improvements	389,925	24,992	(23,384)	391,533
Equipment	38,189	6,683	(6,798)	38,074
Total accumulated depreciation	<u>507,651</u>	<u>35,752</u>	<u>(30,189)</u>	<u>513,214</u>
	<u>\$ 523,409</u>	<u>\$ 51,425</u>	<u>\$ (48,885)</u>	<u>\$ 525,949</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$35.75 million and \$33.42 million, respectively. During fiscal year September 30, 2018 we capitalized \$165 thousand in interest. For fiscal year end September 30, 2019, the Authority elected to early adopt GASB 89 and therefore did not capitalize any interest.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 6. Capital Assets (Continued)

	<i>(dollar amounts in thousands)</i>			
	Beginning Balance October 1, 2017	Transfers and Additions	Transfers and Disposals	Ending Balance September 30, 2018
Capital assets not being depreciated:				
Land	\$ 71,143	\$ -	\$ -	\$ 71,143
Construction in progress	21,824	23,270	(19,110)	25,984
Total capital assets not being depreciated	92,967	23,270	(19,110)	97,127
Other capital assets:				
Buildings and structures	148,387	6,220	(1,039)	153,568
Other improvements	721,664	8,863	(12,541)	717,986
Equipment	71,466	4,027	(13,495)	61,998
Total other capital assets	941,517	19,110	(27,075)	933,552
Intangible capital assets	8,146	-	-	8,146
Less amortization	(7,351)	(414)	-	(7,765)
Total intangible assets	795	(414)	-	381
Total assets being depreciated	942,312	18,696	(27,075)	933,933
Total capital assets	1,035,279	41,966	(46,185)	1,031,060
Less accumulated depreciation buildings	76,512	4,000	(975)	79,537
Other improvements	376,488	24,455	(11,018)	389,925
Equipment	46,645	4,969	(13,425)	38,189
Total accumulated depreciation	499,645	33,424	(25,418)	507,651
	<u>\$ 535,634</u>	<u>\$ 8,542</u>	<u>\$ (20,767)</u>	<u>\$ 523,409</u>

#### 7. Pension Plans

##### Plan Description

##### Florida Retirement System

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

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

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **7. Pension Plans (Continued)**

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

The FRS provides vesting of benefits after 6 years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) 6 years of service and age 62, or the age after age 62 that the member becomes vested, or 30 years of service regardless of age (may include four years military), whichever comes first; or (2) 6 years of special risk service and age 55, or 25 total years of special risk services and age 52 (may include four years wartime military service), or 25 total years special risk service, regardless of age, or 30 years of any creditable service, regardless of age (may include four years wartime military service). Early retirement may be taken any time after completing 6 years of service; however, there is a 5% benefit reduction for each year prior to normal retirement age. Benefits are computed on the basis of age, average final compensation and years of service. Average final compensation is the average of the 5 highest fiscal years of earnings. The FRS also provides death and disability benefits. Benefits are established by Florida Statutes.

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

The FRS provides vesting of benefits after 8 years of creditable service. Members are eligible for normal retirement after they have met one of the following: (1) 8 years of service and age 65, or the age after age 65 that the member becomes vested, or 33 years of service regardless of age (may include four years military), whichever comes first; or (2) eight years of special risk service and age 60, or 30 total years of special risk services and age 57 (may include four years wartime military service), or 30 total years special risk service, regardless of age, or 30 years of any creditable service, regardless of age (may include 4 years wartime military service). Early retirement may be taken any time after completing 8 years of service; however, there is a 5% benefit reduction for each year prior to normal retirement age. Benefits are computed on the basis of age, average final compensation, and years of service. Average final compensation is the average of the 8 highest fiscal years of earnings. The FRS also provides death and disability benefits. Benefits are established by Florida Statutes.

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

#### **Funding Policy**

##### **Florida Retirement System**

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

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**7. Pension Plans (Continued)**

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

Year		Special Risks Participants	Deferred Retirement Option Participants	Senior Management Participants	Regular Participants
07/01/2019-06/30/2020	Employer	25.48%	14.60%	25.41%	8.47%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	28.48%	14.60%	28.41%	11.47%
07/01/2018-06/30/2019	Employer	24.50%	14.03%	24.06%	8.26%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	27.50%	14.03%	27.06%	11.26%
07/01/2017-06/30/2018	Employer	23.27%	13.26%	22.71%	7.92%
	Employee	3.00%	0.00%	3.00%	3.00%
	Total	26.27%	13.26%	25.71%	10.92%

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

	<i>(dollar amounts in thousands)</i>		
	2019	2018	2017
Employer	\$ 2,568	\$ 2,240	\$ 2,053
Employee	624	565	537
Total	\$ 3,192	\$ 2,805	\$ 2,590

**Pension Plan**

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

At September 30, 2019 and 2018, the Authority reported a liability of \$21.68 million and \$17.84 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2019 and 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 7. Pension Plans (Continued)

The Authority's proportionate share of the net pension liability was based on the Authority's 2019 and 2018 fiscal year contributions relative to the 2019 and 2018 fiscal year contributions of all participating members. At June 30, 2019 and 2018 the Authority's proportionate share was 0.062964624% and 0.05922483%, which was an increase of 0.00373974% from its proportionate share measured as of June 30, 2018 and an increase of 0.002513984% from its proportionate share measured as of June 30, 2017.

For the fiscal years ended September 30, 2019 and 2018, the Authority recognized pension expense of \$5.62 and \$3.27 million related to the Plan. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<i>(dollar amounts in thousands)</i>			
	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,286	\$ (14)	\$ 1,511	\$ (55)
Change of assumptions	5,569	-	5,829	-
Net difference between projected and actual earnings on FRS pension plan investments	-	(1,200)	-	(1,378)
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	1,211	(150)	859	(184)
Authority's contributions subsequent to the measurement date	486	-	442	-
Total	<u>\$ 8,552</u>	<u>\$ (1,364)</u>	<u>\$ 8,641</u>	<u>\$ (1,617)</u>

For fiscal years ended September 30, 2019 and 2018 deferred outflow of resources related to pensions, totaled \$486.09 and \$442.63 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, 2019 and 2018, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	<i>(Dollar amounts in thousands)</i>
	2019 Deferred Outflows/(Inflows) Net
2020	\$ 2,431
2021	733
2022	1,772
2023	1,337
2024	345
Thereafter	84
	<u>\$ 6,702</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 7. Pension Plans (Continued)

##### Actuarial Assumptions

The total pension liability in the July 1, 2019 and 2018 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Inflation	2.60%	2.60%
Salary increases – average including inflation	3.25%	3.25%
Investment rate of return – net of pension plan investment expense including inflation	6.90%	7.00%

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, 2019 and 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

##### July 1, 2019 Actuarial Assumptions

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.30%	3.30%	1.80%
Fixed Income	18.00%	4.10%	4.10%	4.00%
Global equity	54.00%	8.00%	6.80%	17.00%
Real estate (property)	11.00%	6.70%	6.10%	11.30%
Private Equity	10.00%	11.20%	8.40%	26.50%
Strategic investments	6.00%	5.90%	5.70%	8.60%
Total	<u>100.00%</u>			
Assumed Inflation – Mean			2.60%	1.90%

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

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**7. Pension Plans (Continued)**

July 1, 2018  
Actuarial Assumptions

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Target Allocation (1)
Cash	1.00%	2.90%	2.90%	1.80%
Fixed Income	18.00%	4.40%	4.30%	4.00%
Global equity	54.00%	7.60%	6.30%	17.00%
Real estate (property)	10.00%	6.60%	6.00%	11.30%
Private Equity	11.00%	10.70%	7.80%	26.50%
Strategic investments	6.00%	6.00%	5.70%	8.60%
Total	<u>100.00%</u>			
Assumed Inflation – Mean			2.60%	1.90%

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90% for 2018 and 7.00% for 2019. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.9% rate of return assumption used in the June 30, 2019 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.90% and 7.00% for 2019 and 2018, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate.

	<i>(dollar amounts in thousands)</i>					
	2019			2018		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Authority's proportionate share of the net pension liability	\$ 37,485	\$ 21,684	\$ 8,488	\$ 32,557	\$ 17,839	\$ 5,615

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **7. Pension Plans (Continued)**

##### **Pension Plan Fiduciary Net Position**

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

##### **The Retiree Health Insurance Subsidy Program (HIS)**

###### **Plan Description**

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

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

For the fiscal years ended September 30, 2019 and 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement with a minimum HIS payment of \$30 and a maximum HIS benefit of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

###### **Contributions**

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal years ended June 30, 2019 and 2018, the contribution rate was 1.66% and 1.66% of payroll pursuant to section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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

At September 30, 2019 and 2018, the Authority reported a net pension liability of \$7.06 and \$6.29 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018.

The Authority's proportionate share of the net pension liability was based on the Authority's 2019 and 2018 fiscal year contributions relative to the total 2019 and 2018 fiscal year contributions of all participating members. At June 30, 2019 and 2018, the Authority's proportionate share was 0.063107425%, and 0.059436095% which was an increase of 0.00367133% from its proportionate share measured as of June 30, 2018, and an increase of 0.007670565% from its proportionate share measured as of June 30, 2017.

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

**7. Pension Plans (Continued)**

For the fiscal year ended September 30, 2019 and 2018, the Authority recognized pension expense of \$879 and \$724 thousand related to the HIS Plan. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	<i>(dollar amounts in thousands)</i>			
	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 86	\$ (9)	\$ 96	\$ (11)
Change of assumptions	817	(577)	700	(665)
Net difference between projected and actual earnings on FRS HIS investments	5	-	4	-
Changes in proportion and differences between Authority's FRS contributions and proportionate share of contributions	783	(63)	590	(76)
Authority's contributions subsequent to the measurement date	84	-	77	-
Total	<u>\$ 1,775</u>	<u>\$ (649)</u>	<u>\$ 1,467</u>	<u>\$ (752)</u>

For fiscal years ended September 30, 2019 and 2018 deferred outflows of resources related to pensions, totaling \$84 and \$77 thousand, resulting from Authority contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019 and 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ending September 30:	<i>(dollar amounts in thousands)</i>	
	2019	
	Deferred Outflows/(Inflows)	Net
2020	\$ 444	
2021	355	
2022	195	
2023	(141)	
2024	26	
Thereafter	163	
	<u>\$ 1,042</u>	

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

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**7. Pension Plans (Continued)**

**Actuarial Assumptions**

The total pension liability in the July 1, 2019 and 2018, actuarial valuations, for the HIS Plan, was determined using the following actuarial assumptions, applied to all periods include in the measurement:

	2019	2018
Inflation	2.60%	2.60%
Salary increases	3.25%	3.25%
Investment rate of return	3.50%	3.87%

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

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

**Discount Rate**

The discount rate used to measure the total pension liability relating to the HIS Plan were 3.50% and 3.87% for 2019 and 2018. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index as adopted as the applicable municipal bond index.

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

The following presents the Authority's proportionate share of the net pension liability, for the HIS Plan, calculated using the discount rate of 3.50% and 3.87% for 2019 and 2018, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1 % point higher than the current rate.

	<i>(dollar amounts in thousands)</i>					
	2019			2018		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	2.50%	3.50%	4.50%	2.87%	3.87%	4.87%
Authority's proportionate share of the net pension liability	\$ 8,061	\$ 7,061	\$ 6,229	\$ 7,165	\$ 6,291	\$ 5,562

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 7. Pension Plans (Continued)

##### Pension Plan Fiduciary Net Position

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

##### *FRS – Defined Contribution Pension Plan*

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

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

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **7. Pension Plans (Continued)**

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

The Authority's Investment Plan pension expense totaled \$472 thousand for the fiscal year ended September 30, 2019, and \$395 thousand for the fiscal year ended September 30, 2018.

#### **8. Deferred Compensation Plans**

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

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

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

#### **9. Postretirement Health and Other Benefits**

##### **Plan Description**

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

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

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

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 9. Postretirement Health and Other Benefits (Continued)

The Authority is required to value their postretirement health and other benefits biennially. The most recent actuarial valuation date was fiscal year ended September 30, 2019. The valuation incorporated 307 active and retired employees, reflecting the sum of 299 active employees and 8 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% 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.

#### Annual OPEB Cost and OPEB Liability

Changes to the OPEB liability related to the transition from GASB 45 to 75 are not significant. Accordingly we have applied the provisions of GASB 75 prospectively by recording an increase in expense in 2018 rather than restating opening net position.

#### OPEB Expense

OPEB expense recognized by the authority for the fiscal year ended September 30, 2019 was \$846,730.

#### OPEB Outflows and Inflows

The deferred outflows and inflows associated with the OPEB liability are not considered significant to the Authority. Accordingly, we have not recorded deferred outflows and inflows.

The following table shows the changes in total OPEB liability by source as of September 30, 2019 and 2018.

	2019	2018
Balance, beginning of year	\$ 2,460,200	\$ 2,346,870
Service cost	74,897	58,595
Interest cost	94,696	90,824
Change in Assumption	715,501	-
Benefit payments	(38,364)	(36,089)
Balance, end of year	<u>\$ 3,306,930</u>	<u>\$ 2,460,200</u>

**Jacksonville Aviation Authority**

**Notes to Financial Statements**

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

**Actuarial Methods and Assumptions**

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

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Measurement Date	09/30/2019	09/30/2018
Actuarial Valuation Date	10/1/2017	10/1/2017
Salary and Wage Increase	3.5%	3.5%
Healthcare Cost Trend Rate:		
Pre-65 years old	9.0%	9.0%
65 years and older	9.0%	9.0%
Discount Rate	3.0%	3.9%
Mortality Tables Used	RP 2014 Healthy Male and Female Tables	RP 2014 Healthy Male and Female Tables
Date of experience study on which significant assumptions were based	10/1/2017	10/1/2017

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, 2019 costs and liabilities were determined using the following assumptions: (1) discount rate of 3.9% per annum, compounded annually; (2) pre-retirement mortality rates and post-retirement mortality rates were based on the RP-2014 Healthy Male and Female tables; (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 9.00% for fiscal year 2018. Future years are estimated by adjusting the starting claim costs by an assumed ongoing cost trend grading down by 0.5% per year, resulting in an ultimate rate of 5.00% by fiscal year 2027; (5) as the plan is unfunded, no assumptions have been made regarding investment returns; (6) the plan is not related to salaries, therefore no assumptions have been made regarding projected salary increases.

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 9. Postretirement Health and Other Benefits (Continued)

##### Health Care Cost and Discount Rate Sensitivity

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

	Rate	Health Care Cost Trend Sensitivity		
		1% Decrease	Current Rate	1% Increase
As of September 2019	3.5%	\$ 2,333,723	\$ 3,306,930	\$ 4,744,286
As of September 2018	3.5%	\$ 1,788,652	\$ 2,460,200	\$ 3,442,847

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

	Rate	Discount Rate Sensitivity		
		1% Decrease	Current Rate	1% Increase
As of September 2019	3.0%	\$ 4,465,351	\$ 3,306,930	\$ 2,510,236
As of September 2018	3.5%	\$ 3,271,443	\$ 2,460,200	\$ 1,896,650

#### 10. Long-Term Indebtedness

All of the Authority's debt consists of direct borrowing. A summary of changes to long-term indebtedness follows:

	<i>(dollar amounts in thousands)</i>				
	October 1, 2018 Balance	Increases	Decreases	2019 Balance	Due Within One Year
Revenue refunding notes	\$ 77,000	\$ -	\$ 18,835	\$ 58,165	\$ 6,135
Less amounts due within one year	(11,835)			(6,135)	
Total long-term portion	65,165	-	18,835	52,030	
Total revenue notes payable	\$ 65,165	\$ -	\$ 18,835	\$ 52,030	

	<i>(dollar amounts in thousands)</i>				
	October 1, 2017 Balance	Increases	Decreases	2018 Balance	Due Within One Year
Revenue refunding notes	\$ 87,090	\$ -	\$ 10,090	\$ 77,000	\$ 11,835
Less amounts due within one year	(7,090)			(11,835)	
Total long-term portion	80,000	-	10,090	65,165	
Total revenue notes payable	\$ 80,000	\$ -	\$ 10,090	\$ 65,165	

## Jacksonville Aviation Authority

### Notes to Financial Statements

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

##### 2008 Revenue Note

On April 1, 2008 a note was issued from Compass Bank (Compass) in the amount of \$41.49 million. The purpose of the note was to refund the 2005 airport revenue refunding bonds, pay a portion of the 2005 swap termination fee and pay issue costs. The note has a variable interest rate of 65% of 1-month LIBOR plus 64.35 basis points (0.6435%). The annual interest rate at September 30, 2019 was 0.772%.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2019, and the fixed interest rate of 3.412%:

Years Ending September 30:	<i>(dollar amounts in thousands)</i>		
	Principal	Interest	Total
2020	\$ 2,750	\$ 567	\$ 3,317
2021	2,845	472	3,317
2022	2,945	372	3,317
2023	3,045	271	3,316
2024	3,152	165	3,317
2025	3,258	56	3,314
Total	<u>\$ 17,995</u>	<u>\$ 1,903</u>	<u>\$ 19,898</u>

##### 2012 Revenue Refunding Note

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

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2019:

Years Ending September 30:	<i>(dollar amounts in thousands)</i>		
	Principal	Interest	Total
2020	\$ 1,525	\$ 511	\$ 2,036
2021	1,525	485	2,010
2022	1,525	457	1,982
2023	25,740	223	25,963
Total	<u>\$ 30,315</u>	<u>\$ 1,676</u>	<u>\$ 31,991</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

#### 10. Long-Term Indebtedness (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%. 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 2017 revenue refunding note.

Payments of the long-term outstanding note will require the following principal and interest payments based on the amounts outstanding at September 30, 2019.

Years Ending September 30:	<i>(dollar amounts in thousands)</i>		
	Principal	Interest	Total
2020	\$ 1,860	\$ 161	\$ 2,021
2021	1,895	127	2,022
2022	1,930	93	2,023
2023	1,960	58	2,018
2024	2,000	22	2,022
2025	210	2	212
Total	<u>\$ 9,855</u>	<u>\$ 463</u>	<u>\$ 10,318</u>

##### Annual Requirements

Annual requirements to repay all outstanding long-term debt as of September 30, 2019, are as follows:

Years Ending September 30,	<i>(dollar amounts in thousands)</i>					
	2016 Revenue Refunding Note	2008 Note	2012 Revenue Refunding Note	Total Principal and Interest	Total Principal	Total Interest
2020	\$ 2,021	\$ 3,317	\$ 2,036	\$ 7,374	\$ 6,135	\$ 1,239
2021	2,022	3,317	2,010	7,349	6,265	1,084
2022	2,023	3,318	1,982	7,323	6,400	923
2023	2,018	3,315	25,963	31,296	30,745	551
2024	2,022	3,315	-	5,337	5,150	187
2025	212	3,316	-	3,528	3,470	58
	<u>\$ 10,318</u>	<u>\$ 19,898</u>	<u>\$ 31,991</u>	<u>\$ 62,207</u>	<u>\$ 58,165</u>	<u>\$ 4,042</u>

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **11. Airline Use and Lease Agreements**

The Airline Use and Lease Agreement (“Agreement”) provides for the lease to signatory airlines exclusive use of certain premises, non-exclusive use of certain public use premises in the terminal and in the ramp area and non-exclusive use of the landing area at JIA. This is a residual Agreement with a 5-year term ended on September 30, 2018. In December of 2018 all signatory airlines agreed to a 10-year extension of the Agreement. The amended Agreement will expire September 30, 2027.

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

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

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

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

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

#### **12. Airport Tenant Agreements**

The Authority has entered into concession agreements with tenants for the use of certain airport facilities including, but not limited to, ready/return rental car parking areas, buildings, terminals, customer service areas, advertising, food and beverage, retail, and on-airport rental cars. Normally, the terms of the agreement include a fixed minimum annual guarantee (MAG) payment to the airport as well as additional contingent payments based on the tenants’ annual sales volume of business. Revenues exceeded the MAG amounts due in 2019 of \$18.53 million by \$4.26 million. Some of the agreements provide for a periodic review and re-determination of the payment amounts.

## Jacksonville Aviation Authority

### Notes to Financial Statements

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

Minimum future rental income for each of the next five years and thereafter, excluding contingent amounts on non-cancelable operating leases at September 30, 2019, as follows:

Years Ending September 30:	<i>(dollar amounts in thousands)</i>	
	Total	
2020	\$	48,675
2021		48,109
2022		46,345
2023		41,849
2024		27,102
2025-2029		94,211
2030-2034		22,273
2035-2039		19,295
2040-2044		15,510
2045-2049		8,032
2050		1,638
	\$	<u>373,039</u>

The signatory airline Agreements are renegotiated at the end of their term. The current Agreement expires in eight years on September 30, 2027.

#### 13. Capital Contributions

The Authority receives, on a reimbursement basis, grants from the State of Florida and the U.S. Government for certain capital construction projects through the 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 this program. This program is subject to federal and state audit. Total federal and state grant capital contributions were \$19.64 million and \$12.59 million, respectively, for the years ended September 30, 2019 and 2018.

The Authority received federal and state grants for the capital programs for the years ended September 30, 2019 and 2018, as summarized in the table below.

	2019	2018
Capital Programs:		
State grants for construction	\$ 10,464	\$ 7,649
Federal grants for construction	4,014	1,177
TSA grants for construction	3,004	3,756
Other contributions for construction	2,156	12
	<u>\$ 19,638</u>	<u>\$ 12,594</u>

## Jacksonville Aviation Authority

### Notes to Financial Statements

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#### 13. Capital Contributions (Continued)

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

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

#### 14. Operating Grants

The Authority received TSA funds for operating programs for years ended September 30, 2019 and 2018, as summarized in the tables below.

	2019	2018
Operating Programs:		
TSA K-9 & Federal programs	\$ 325	\$ 259

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

Grants for operating programs for the years ended September 30, 2019 and 2018, are reported in the statements of revenues, expenses and changes in net position as non-operating revenue.

#### 15. Payments to City of Jacksonville

During fiscal years 2019 and 2018, the Authority paid approximately \$6.50 million and \$4.54 million to the City for expenses relating to legal, insurance, firefighting and miscellaneous services.

#### 16. Commitments and Contingencies Terminal and Capital Improvement Program

As of September 30, 2019 and 2018, the Authority has outstanding contractual commitments for completion of certain capital improvement projects, totaling \$28.3 million and \$18.30 million of which an estimated \$11.6 million and \$7.90 million are eligible for partial reimbursement, respectively, from the FAA, State of Florida and Transportation Security Administration. The remaining amount is expected to be funded from existing PFCs, debt instruments and/or future debt issuance, and Authority funds.

#### Concentration of Credit Risk

The Authority leases facilities to the airlines under certain leases and/or use agreements and to other businesses under agreements to operate concessions with the airport system. Amounts due from airlines represent approximately 83.45% and 76.06% of accounts receivable for 2019 and 2018, respectively. Airline operating revenues represent approximately 54.00% and 29.72% of total operating revenues for 2019 and 2018, respectively. Revenue received from five major airlines and a leasing company totaled 60.29% and 44.22% of total operating revenues for 2019 and 2018, respectively. This includes 15.79% from Delta Air Lines, 14.18% from American Airlines and 10.48% from Southwest Airlines Co. in 2019. For 2018 Delta was 10.77%, American Airlines was 9.8% and Southwest was 7.53%.

## **Jacksonville Aviation Authority**

### **Notes to Financial Statements**

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#### **16. Commitments and Contingencies Terminal and Capital Improvement Program (Continued)**

##### **Compliance Audits**

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

##### **Litigation**

The Authority is named as a defendant in lawsuits from time to time. The Authority is currently a defendant in one minor lawsuit. Although the outcome of the lawsuit is not presently determinable, in the opinion of the Authority's attorney the resolution of these matters will not have a material adverse effect on the financial position of the Authority.

#### **17. Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees, and natural disasters. The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability, and workers' compensation coverage. The Authority's expense is the premium charge by the City's self-insurance plan. The City has excess coverage for individual workers' compensation claims above \$1.50 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 2019 amounted to \$348.16 thousand. In 2018 the premium was \$285.27 thousand.

The Authority's property insurance premium expenses amounted to \$822.93 thousand and \$773.86 thousand for the years ended September 30, 2019 and 2018, respectively. The Authority is also a participant in the City's general liability insurance program. General liability insurance premium expense amounted to \$63.35 thousand and \$60.24 thousand for the years ended September 30, 2019 and 2018.

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

**Jacksonville Aviation Authority**

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

	2019	2018
<b>Total OPEB Liability</b>		
Service cost	\$ 74,897	\$ 58,595
Interest cost	94,696	90,824
Change in Assumption	715,501	(36,089)
Benefit payments	(38,364)	-
<b>Net change in total OPEB liability</b>	<b>846,730</b>	<b>113,330</b>
Total OPEB Liability – beginning	2,460,200	2,346,870
<b>Total OPEB Liability – ending</b>	<b>3,306,930</b>	<b>2,460,200</b>
Covered Payroll	21,285,124	18,000,793
Total OPEB Liability as a % of Covered Payroll	15.54%	13.67%

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

**Jacksonville Aviation Authority**

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

	2019	2018	2017	2016	2015	2014
Authority's proportion of the FRS net pension liability	0.06296462%	0.05922483%	0.06045064%	0.05596706%	0.05388330%	0.05157812%
Authority's proportion share of the FRS net pension liability	\$ 21,684	\$ 17,839	\$ 17,880	\$ 14,132	\$ 6,960	\$ 3,147
Authority's covered payroll	\$ 16,412	\$ 15,287	\$ 14,753	\$ 13,614	\$ 12,692	\$ 11,907
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll	129%	116%	121%	103%	54%	26%
FRS Plan fiduciary net position as a percentage of the total pension liability	83%	84%	83%	84%	92%	96%

*Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014-19 are available.*

**Jacksonville Aviation Authority**

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

	2019	2018	2017	2016	2015	2014
Contractually required FRS contribution	\$ 2,124	\$ 1,852	\$ 1,698	\$ 1,553	\$ 1,314	\$ 1,130
FRS contributions in relation to the contractually required contribution	2,124	1,852	1,698	1,553	1,314	1,314
FRS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (184)
Authority's covered payroll	\$ 16,825	\$ 15,287	\$ 14,753	\$ 13,614	\$ 12,692	\$ 11,907
FRS contributions as a percentage of covered payroll	12.62%	12.11%	11.51%	11.41%	10.35%	9.49%

*Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014-19 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 Ten Years  
September 30, 2019  
(Unaudited)  
(Dollar amounts in thousands)**

	2019	2018	2017	2016	2015	2014
Authority's proportion of the HIS net pension liability	0.06310743%	0.05943609%	0.06030194%	0.05543686%	0.05272815%	0.05088140%
Authority's proportion share of the HIS net pension liability	\$ 7,061	\$ 6,291	\$ 6,448	\$ 6,460	\$ 5,377	\$ 4,758
Authority's covered payroll	\$ 21,114	\$ 19,600	\$ 18,807	\$ 17,578	\$ 15,243	\$ 15,109
Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll	33.44%	32.10%	34.29%	36.80%	35.28%	31.49%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	1.65%	1.65%	1.64%	0.99%	33.61%

*Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014-19 are available.*

**Jacksonville Aviation Authority**

**Required Supplemental Information  
Schedule of the Authority's Contributions  
Health Insurance Subsidy Pension Plan  
September 30, 2019  
Last Ten Years  
(Unaudited)  
(Dollar amounts in thousands)**

	2019	2018	2017	2016	2015	2014
Contractually required HIS contribution	\$ 444	\$ 387	\$ 355	\$ 325	\$ 202	\$ 174
HIS contributions in relation to the contractually required HIS contribution	444	387	355	325	202	202
HIS contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (28)
Authority's covered payroll	\$ 21,517	\$ 18,807	\$ 18,807	\$ 12,692	\$ 15,109	\$ 15,243
HIS contributions as a percentage of covered payroll	2.06%	2.06%	1.89%	2.56%	1.34%	1.14%

*Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement 68. Currently, only data for fiscal years ending June 30, 2014-19 are available.*

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# Statistical

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Annual Financial Report

Fiscal Years Ended September 30, 2019 and 2018



Statistical



## **Jacksonville Aviation Authority**

### **The objectives of the Statistical Section Information**

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

Statistical information is presented in the following five categories:

#### **Financial Trend Information**

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

#### **Revenue Capacity Information**

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

#### **Debt Capacity Information**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

**Jacksonville Aviation Authority**

**Changes in Cash and Cash Equivalents  
Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2019	2018	2017
Cash flows from operating activities	\$ 40,124	\$ 28,720	\$ 34,177
Cash flows from non-capital financing activities	198	135	269
Cash flows from capital and related financing activities	(25,008)	(9,303)	(25,006)
Cash flows from investing activities	2,063	4,471	(12,296)
Net change in cash and cash equivalents	17,377	24,023	(2,856)
Cash and equivalents, beginning of year	69,596	45,573	48,429
Cash and equivalents, end of year	86,973	69,596	45,573
<b>Noncash investing, capital and financing activities</b>			
Change in fair value of investments	1,240	(680)	(282)
Capitalized Interest	-	165	164
Capital assets acquired through contracts payable and accruals	1,058	1,491	420
Grants receivable	\$ 1,731	\$ 2,342	\$ 1,187

*Source: Jacksonville Aviation Authority financial statements*

**Jacksonville Aviation Authority**

**Changes in Cash and Cash Equivalents (Continued)**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2016	2015	2014	2013	2012	2011	2010
\$	26,018	\$ 29,433	\$ 22,865	\$ 30,980	\$ 21,739	\$ 20,621	\$ 20,849
	202	253	242	1,157	243	201	1,031
	(38,354)	(26,828)	(15,350)	(39,864)	(29,295)	(18,022)	(21,141)
	8,617	(493)	5,616	10,588	(1,786)	5,727	(16,776)
	(3,517)	2,365	13,373	2,861	(9,099)	8,527	(16,037)
	51,945	49,580	36,207	33,346	42,445	33,918	49,955
	48,429	51,945	49,580	36,207	33,346	42,445	33,918
	468	6	(201)	(404)	156	(254)	41
	(763)	-	-	-	-	(83)	(84)
	2,250	39,787	4,398	(816)	-	-	-
\$	4,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Jacksonville Aviation Authority**

**Principal Operating Revenues, Airline Rates and  
Charges and Cost Per Enplaned Passenger  
Years Ended September 30,  
(Unaudited)  
(Dollar amounts in thousands)**

	2019	2018	2017	2016	2015
<b>Concessions</b>					
Rent-A-Car	\$ 12,128	\$ 11,438	\$ 10,171	\$ 10,620	\$ 10,521
Food & beverage	3,282	2,933	2,526	2,449	2,338
Retail	2,065	1,990	1,813	1,814	1,790
Fuel flowage fees	715	756	609	1,475	1,035
Other concessions	1,673	1,140	953	1,413	1,249
<b>Total concessions</b>	<b>19,863</b>	<b>18,257</b>	<b>16,072</b>	<b>17,771</b>	<b>16,933</b>
<b>Fees and charges</b>					
Landing fees – signatory	10,503	10,624	10,408	9,577	8,788
Landing fees – non-signatory	1,887	1,100	468	314	304
Passenger screening – signatory	-	-	-	-	-
Passenger screening – non-signatory	-	-	-	-	-
Security user fees	1,269	1,205	1,109	1,154	1,156
Other fees	5,661	4,878	4,043	3,623	3,231
<b>Total fees and charges</b>	<b>19,320</b>	<b>17,807</b>	<b>16,028</b>	<b>14,668</b>	<b>13,479</b>
<b>Space and facility rentals</b>					
Air cargo building	1,122	904	838	826	851
Ramp use – signatory	-	-	-	-	-
Ramp use – non-signatory	2,981	1,361	1,168	1,303	1,892
Hangar spaces	5,704	5,523	5,347	5,431	5,136
Terminal space rentals – signatory	10,291	7,721	12,969	9,931	7,648
Terminal space rentals – non-signatory	765	578	339	309	592
Other lease rentals	5,810	8,394	8,285	8,905	8,489
<b>Total space and facility rentals</b>	<b>26,673</b>	<b>24,481</b>	<b>28,946</b>	<b>26,705</b>	<b>24,608</b>
<b>Parking Economy lots 1, 2 and 3</b>					
Economy lots 1,2 and 3	4,907	3,619	3,129	3,130	3,075
Garages and daily surface lot	19,708	17,021	15,548	15,262	14,512
Other parking	920	895	614	601	604
<b>Total parking</b>	<b>25,535</b>	<b>21,535</b>	<b>19,291</b>	<b>18,993</b>	<b>18,191</b>
<b>Other revenue</b>					
Electric	554	554	542	750	820
Fuel sales	853	796	667	624	679
Other revenue	384	453	330	314	296
<b>Total other revenues</b>	<b>1,791</b>	<b>1,803</b>	<b>1,539</b>	<b>1,688</b>	<b>1,795</b>
<b>Total operating revenues</b>	<b>\$ 93,182</b>	<b>\$ 83,883</b>	<b>\$ 81,876</b>	<b>\$ 79,825</b>	<b>\$ 75,006</b>
<b>Signatory airline rates and charges</b>	<i>(amounts in full numbers)</i>				
Gross landing fee (per 1,000 lbs)	\$ 2.94	\$ 3.29	\$ 3.43	\$ 3.16	\$ 2.87
Average annual terminal rent (per sq. ft.)	\$ 152.14	\$ 138.03	\$ 166.77	\$ 146.19	\$ 132.38
Enplaned passengers	3,543,188	3,118,540	2,759,067	2,799,587	2,722,032
Cost per enplaned passenger	\$ 6.25	\$ 6.34	\$ 8.70	\$ 7.19	\$ 6.13

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Principal Operating Revenues, Airline Rates and  
Charges and Cost Per Enplaned Passenger Years Ended September 30,  
(Unaudited)  
(Dollar amounts in thousands)**

	2014	2013	2012	2011	2010
Concessions					
Rent-A-Car	\$ 9,861	\$ 8,929	\$ 9,040	\$ 9,053	\$ 8,815
Food and beverage	2,139	1,973	1,808	1,776	1,619
Retail	1,715	1,679	1,771	1,731	1,820
Fuel flowage fees	525	547	704	689	622
Other concessions	1,263	1,233	1,158	885	892
<b>Total concessions</b>	<b>15,503</b>	<b>14,361</b>	<b>14,481</b>	<b>14,134</b>	<b>13,768</b>
Fees and charges	8,237	8,835	6,028	5,431	4,357
Landing fees – non-signatory	75	25	1,553	1,320	784
Passenger screening – signatory	-	-	1,440	1,408	1,185
Passenger screening – non-signatory	-	1	429	399	260
Security user fees	1,092	1,078	1,005	983	3,415
Other fees	2,785	2,574	2,817	2,944	2,282
<b>Total fees and charges</b>	<b>12,189</b>	<b>12,513</b>	<b>13,272</b>	<b>12,485</b>	<b>12,283</b>
Space and facility rentals air cargo building	881	872	855	849	865
Ramp use – signatory	-	3	874	852	674
Ramp use – non-signatory	1,218	927	198	136	170
Hangar spaces	4,120	3,423	2,805	2,726	2,458
Terminal space rentals – signatory	7,575	8,975	2,826	6,200	5,219
Terminal space rentals – non-signatory	453	564	696	627	499
Other lease rentals	7,503	6,714	5,925	5,741	5,833
<b>Total space and facility rentals</b>	<b>21,750</b>	<b>21,478</b>	<b>14,179</b>	<b>17,131</b>	<b>15,718</b>
Parking economy lots 1, 2 and 3	2,942	2,910	2,808	2,793	3,412
Garages and daily surface lot	13,719	13,097	13,016	13,318	11,805
Other parking	595	594	348	287	190
<b>Total parking</b>	<b>17,256</b>	<b>16,601</b>	<b>16,172</b>	<b>16,398</b>	<b>15,407</b>
Other revenue electric	793	839	956	966	833
Fuel sales	688	798	843	847	748
Other revenue	303	282	514	521	523
<b>Total other revenues</b>	<b>1,784</b>	<b>1,919</b>	<b>2,313</b>	<b>2,334</b>	<b>2,104</b>
<b>Total operating revenues</b>	<b>\$ 68,482</b>	<b>\$ 66,872</b>	<b>\$ 60,417</b>	<b>\$ 62,482</b>	<b>\$ 59,280</b>

	<i>(amounts in full numbers)</i>				
Signatory airline rates and charges					
Gross landing fee (per 1,000 lbs)	\$ 2.80	\$ 2.63	\$ 2.37	\$ 2.06	\$ 1.42
Average annual terminal rent (per sq. ft.)	\$ 133.62	\$ 143.23	\$ 46.52	\$ 39.29	\$ 40.18
Enplaned passengers	2,602,821	2,563,570	2,644,059	2,783,809	2,777,807
Cost per enplaned passenger	\$ 6.27	\$ 6.78	\$ 7.46	\$ 6.46	\$ 5.30

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Total Revenues, Expenses and Changes in Net Position  
Years Ended September 30,  
(Unaudited)  
(Dollar amounts in thousands)**

	2019	2018	2017	2016	2015
Operating revenues:					
Concessions	\$ 19,863	\$ 18,257	\$ 16,072	\$ 17,771	\$ 16,933
Fees and charges	19,320	17,807	16,028	14,668	13,479
Space and facility rentals	26,673	24,481	28,946	26,705	24,608
Parking	25,535	21,535	19,291	18,993	18,191
Other revenue	1,791	1,803	1,539	1,688	1,794
Total operating revenues	<u>93,182</u>	<u>83,883</u>	<u>81,876</u>	<u>79,825</u>	<u>75,005</u>
Operating expenses:					
Wages and benefits	34,614	29,273	27,945	25,328	21,579
Services and supplies	18,017	15,646	15,368	14,581	14,537
Repairs and maintenance	5,048	4,071	2,733	2,607	2,097
Promotion, advertising & dues	733	1,879	1,033	1,052	2,453
Registration and travel	554	505	345	386	313
Utilities and taxes	4,380	4,339	4,629	4,855	5,116
Other operating expenses	2,145	1,781	1,796	2,151	1,877
Depreciation and amortization	35,935	34,649	33,717	31,346	28,575
Total operating expenses	<u>101,426</u>	<u>92,143</u>	<u>87,566</u>	<u>82,306</u>	<u>76,547</u>
Operating (loss)/income	(8,244)	(8,260)	(5,690)	(2,481)	(1,542)
Nonoperating revenues:					
Passenger facility charges	14,053	12,538	10,881	10,983	10,955
Investment income	3,946	1,422	817	1,451	926
Payments from primary government	-	-	-	-	-
Payment from federal and state agencies	325	374	383	318	369
Other revenues	-	-	980	1,387	319
Total nonoperating revenues	<u>18,324</u>	<u>14,334</u>	<u>13,061</u>	<u>14,139</u>	<u>12,569</u>
Nonoperating expenses: Interest expense					
Interest Expense	1,619	1,660	2,228	3,946	4,775
Other expenses	164	274	414	444	204
Total nonoperating expenses	<u>1,783</u>	<u>1,934</u>	<u>2,642</u>	<u>4,390</u>	<u>4,979</u>
Income (loss) before capital contributions	8,297	4,140	4,729	7,268	6,048
Capital contributions	19,638	12,594	5,917	21,762	16,526
Change in net position	<u>\$ 27,935</u>	<u>\$ 16,734</u>	<u>\$ 10,646</u>	<u>\$ 29,030</u>	<u>\$ 22,574</u>
Net investment in capital assets	\$467,866	\$446,304	\$449,755	\$441,000	\$404,670
Net position at end of year:					
Restricted	10,063	12,058	12,980	14,576	30,468
Unrestricted	83,734	75,365	54,258	49,654	41,001
Total net position	<u>\$561,663</u>	<u>\$533,727</u>	<u>\$516,993</u>	<u>\$505,230</u>	<u>\$476,139</u>

Source: Jacksonville Aviation Authority audited financial statements

**Jacksonville Aviation Authority**

**Total Revenues, Expenses and Changes in Net Position (Continued)**  
**Years Ended September 30,**  
**(Unaudited)**  
**(Dollar amounts in thousands)**

	2014	2013	2012	2011	2010
Operating revenues:					
Concessions	\$ 15,504	\$ 14,361	\$ 14,482	\$ 14,134	\$ 13,768
Fees and charges	12,189	12,513	13,272	12,485	12,283
Space and facility rentals	21,751	21,478	14,179	17,131	15,718
Parking	17,257	16,601	16,171	16,398	15,406
Other revenue	1,783	1,919	2,313	2,334	2,104
Total operating revenues	<u>68,484</u>	<u>66,872</u>	<u>60,417</u>	<u>62,482</u>	<u>59,279</u>
Operating expenses:					
Wages and benefits	19,612	20,139	19,014	18,390	16,862
Services and supplies	14,208	14,054	13,755	13,355	12,332
Repairs and maintenance	2,209	1,811	1,978	1,981	2,200
Promotion, advertising and dues	1,672	1,409	881	824	486
Registration and travel	289	248	275	202	237
Utilities and taxes	5,223	5,255	5,425	5,534	5,259
Other operating expenses	1,682	1,661	1,797	1,743	1,549
Depreciation and amortization	28,951	27,812	27,525	30,753	30,394
Total operating expenses	<u>73,846</u>	<u>72,389</u>	<u>70,650</u>	<u>72,782</u>	<u>69,319</u>
Operating (loss)/income	<u>(5,362)</u>	<u>(5,517)</u>	<u>(10,233)</u>	<u>(10,300)</u>	<u>(10,040)</u>
Nonoperating revenues:					
Passenger facility charges	10,554	10,310	10,743	11,195	11,329
Investment income	667	659	1,037	981	1,549
Payments from primary government	-	31	-	1	1
Payment from federal and state agencies	483	392	243	201	280
Contributions from other governments	-	-	-	-	750
Other revenues	100	1,400	1,180	516	538
Total nonoperating revenues	<u>11,804</u>	<u>12,792</u>	<u>13,203</u>	<u>12,894</u>	<u>14,447</u>
Nonoperating expenses: interest expense					
Interest expense	5,071	7,273	8,874	9,330	9,369
Other expenses	1,582	238	144	166	228
Total nonoperating expenses	<u>6,653</u>	<u>7,511</u>	<u>9,018</u>	<u>9,496</u>	<u>9,597</u>
Income (loss) before capital contributions	<u>(211)</u>	<u>(236)</u>	<u>(6,048)</u>	<u>(6,902)</u>	<u>(5,190)</u>
Capital contributions	14,047	11,989	8,347	9,502	10,011
Change in net position	<u>\$ 13,836</u>	<u>\$ 11,753</u>	<u>\$ 2,299</u>	<u>\$ 2,600</u>	<u>\$ 4,821</u>
Net position at end of year:					
Net investment in capital assets	\$386,557	\$381,529	\$355,251	\$349,691	\$352,264
Restricted	30,437	27,413	39,093	39,875	39,495
Unrestricted	37,750	44,403	47,248	49,727	44,934
Total net position	<u>\$454,744</u>	<u>\$453,345</u>	<u>\$441,592</u>	<u>\$439,293</u>	<u>\$436,693</u>

**Jacksonville Aviation Authority**

**Principal Revenue Payers  
Year Ended September 30,  
(Unaudited)  
(Dollar amounts in thousands)**

	2019 Amount	% of Revenue	2018 Amount	% of Revenue	2017 Amount	% of Revenue
Delta Air Lines	\$ 14,718	15.79 %	\$ 9,033	10.77 %	\$ 12,565	15.35 %
American Airlines	13,216	14.18 %	8,222	9.80 %	12,097	14.77 %
Southwest Airlines Co.	9,770	10.48 %	6,313	7.53 %	8,032	9.81 %
United Airlines	6,969	7.48 %	4,553	5.43 %	5,477	6.69 %
Enterprise Leasing Company	5,867	6.30 %	5,293	6.31 %	4,956	6.05 %
JetBlue	5,644	6.06 %	3,683	4.39 %	4,956	6.05 %
Flightstar Aircraft Services, Inc	3,657	3.92 %	3,016	3.60 %	-	- %
Host International Inc.	3,567	3.83 %	2,939	3.50 %	2,820	3.44 %
Hertz Corporation, The	3,009	3.23 %	2,701	3.22 %	2,561	3.13 %
U.S General Services Administration	2,525	2.71 %	-	- %	-	- %
Budget Rent a Car System, Inc	-	- %	2,197	2.62 %	2,024	2.47 %
Avis Rent A Car	-	- %	2,077	2.48 %	1,957	2.39 %
US Airways Group, Inc.	-	- %	-	- %	-	- %
Total Principal Revenue Payers	\$ 68,942	73.98 %	\$ 50,027	59.64 %	\$ 57,445	70.16 %
Total operating revenues	\$ 93,182		\$ 83,883		\$ 81,876	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Principal Revenue Payers (Continued)**  
**Year Ended September 30,**  
**(Unaudited)**  
**(Dollar amounts in thousands)**

	2016 Amount	% of Revenue	2015 Amount	% of Revenue	2014 Amount	% of Revenue
Delta Air Lines	\$ 12,092	15.15 %	\$ 13,017	17.35 %	\$ 12,042	17.58 %
American Airlines	11,933	14.95 %	9,480	12.64 %	4,393	6.41 %
Southwest Airlines Co.	7,873	9.86 %	8,489	11.32 %	9,235	13.48 %
United Airlines	5,197	6.51 %	5,162	6.88 %	4,980	7.27 %
Enterprise Leasing Company	4,842	6.07 %	4,681	6.24 %	3,995	5.83 %
JetBlue	4,707	5.90 %	4,595	6.13 %	3,150	4.60 %
Flightstar Aircraft Services, Inc	-	- %	-	- %	-	- %
Host International Inc.	2,743	3.44 %	2,651	3.53 %	2,525	3.69 %
Hertz Corporation, The	2,628	3.29 %	2,592	3.46 %	2,527	3.69 %
U.S General Services Administration	-	- %	-	- %	2,304	3.36 %
Budget Rent a Car System, Inc	2,037	2.55 %	2,112	2.82 %	-	- %
Avis Rent A Car	2,053	2.57 %	2,076	2.77 %	-	- %
US Airways Group, Inc.	-	- %	3,430	4.57 %	7,197	10.51 %
Total Principal Revenue Payers	\$ 56,105	70.28 %	\$ 58,285	77.71 %	\$ 52,348	76.44 %
Total operating revenues	\$ 79,825		\$ 75,005		\$ 68,484	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Principal Revenue Payers (Continued)**  
**Year Ended September 30,**  
**(Unaudited)**  
**(Dollar amounts in thousands)**

	2013 Amount	% of Revenue	2012 Amount	% of Revenue	2011 Amount	% of Revenue	2010 Amount	% of Revenue
Delta Air Lines	\$ 11,451	17.12 %	\$ 8,044	13.31 %	\$ 7,683	12.30 %	\$ 3,959	6.68 %
American Airlines	4,113	6.15 %	2,333	3.86 %	2,426	3.88 %	-	- %
Southwest Airlines Co.	9,358	13.99 %	6,491	10.74 %	5,916	9.47 %	3,163	5.34 %
United Airlines	-	- %	-	- %	-	- %	-	- %
Enterprise Leasing Company	-	- %	-	- %	1,592	2.55 %	-	- %
JetBlue	2,864	4.28 %	2,026	3.35 %	-	- %	-	- %
Flightstar Aircraft Services, Inc.	-	- %	-	- %	-	- %	-	- %
Host International Inc.	2,402	3.59 %	2,249	3.72 %	1,748	2.80 %	1,933	3.26 %
Hertz Corporation, The	2,354	3.52 %	2,292	3.79 %	2,334	3.74 %	2,332	3.93 %
U.S General Services Administration	-	- %	-	- %	-	- %	-	- %
Budget Rent a Car System, Inc	-	- %	-	- %	-	- %	1,614	2.72 %
Avis Rent A Car	1,910	2.86 %	1,908	3.16 %	1,915	3.06 %	2,000	3.37 %
US Airways Group, Inc.	6,323	9.46 %	4,152	6.87 %	4,231	6.77 %	2,334	3.94 %
DTG Operations	1,597	2.39 %	-	- %	1,621	2.59 %	-	- %
Total Principal Revenue Payers	\$ 44,040	65.86 %	\$ 33,487	55.43 %	\$ 31,645	50.65 %	\$ 21,307	35.94 %
Total operating revenues	\$ 66,872		\$ 60,417		\$ 62,482		\$ 59,279	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Ratio of Annual Debt Service  
to Total Expenses Excluding Depreciation  
Year Ended September 30, 2019  
(Unaudited)  
(Dollar amounts in thousands)**

Fiscal Year	Principal	Interest	Total Debt Service	Total Expenses Other than Depreciation	Ratio of Debt Service to Expenditures
2019	\$ 18,835	\$ 1,619	\$ 20,454	\$ 65,491	31.23%
2018	10,090	1,660	11,750	57,494	20.44%
2017	15,650	2,228	17,878	53,849	33.20%
2016	12,020	3,946	15,966	50,960	31.33%
2015	11,765	4,775	16,540	47,972	34.48%
2014	6,390	5,071	11,461	45,547	25.16%
2013	10,220	7,273	17,493	44,576	39.24%
2012	9,775	8,733	18,508	43,124	42.92%
2011	9,400	6,528	15,928	32,450	49.08%
2010	9,005	9,369	18,374	38,925	47.20%

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Debt Service Coverage**

**Last Ten Fiscal Years**

**(Unaudited)**

**(Dollar amounts in thousands)**

	2019	2018	2017
Revenues:			
Concessions	\$ 19,863	\$ 18,257	\$ 16,072
Fees and charges	19,320	17,807	16,028
Space and facility rentals	26,673	24,481	28,946
Parking	25,535	21,535	19,291
Other revenue	1,791	1,803	1,539
Interest income	3,946	1,422	817
Transfers-signatory airline agreement	-	-	-
Transfers-PFC Series 2006, 2012	13,834	10,336	5,639
Total revenues and transfers	110,962	95,641	88,332
Less: Operating and maintenance expenses (excluding depreciation and expenses associated with payments from other governments)	61,450	57,494	53,849
Net operating revenues	49,512	38,147	34,483
Revenue note service charges for:			
Series 2016 note	9,855	5,411	2,459
Series 2013 note	-	-	8,655
Series 2012 note (PFC backed)	7,049	3,193	3,215
Series 2008 note	3,283	3,319	3,286
Series 2006 bonds (PFC backed)	-	-	-
Series 2003A bonds	-	-	-
Total revenue note service charges	\$ 20,187	\$ 11,923	\$ 17,615
Revenue note service coverage	2.45	3.20	1.96
Required bond service coverage	-	-	-
Total enplanements	3,543	3,119	2,759
Debt per enplanement	\$ 5.70	\$ 3.82	\$ 6.38

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

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

	2016	2015	2014	2013	2012	2011	2010
\$	17,771	\$ 16,933	\$ 15,504	\$ 14,361	\$ 14,482	\$ 14,134	\$ 13,768
	14,668	13,479	12,189	12,513	13,272	12,485	12,283
	26,705	24,608	21,751	21,478	14,179	17,131	15,718
	18,993	18,191	17,257	16,601	16,171	16,398	15,406
	1,688	1,794	1,783	1,919	2,313	2,334	2,104
	1,451	926	667	659	1,037	981	1,549
	-	-	-	-	3,750	4,667	5,041
	8,091	8,073	7,115	6,124	7,175	7,541	7,548
	89,367	84,004	76,266	73,655	72,379	75,671	73,417
	50,960	47,972	44,895	44,577	43,125	42,029	38,925
	38,407	36,032	31,371	29,078	29,254	33,642	34,492
	114	-	-	-	-	-	-
	6,253	5,306	170	38	-	-	-
	3,258	3,302	2,337	692	-	-	-
	3,302	3,297	3,298	3,301	3,302	3,319	3,317
	5,251	5,221	5,243	5,843	7,673	7,875	7,815
	-	-	-	7,156	7,174	7,182	7,238
\$	18,178	\$ 17,126	\$ 11,048	\$ 17,030	\$ 18,149	\$ 18,376	\$ 18,370
	2.11	2.10	2.84	1.71	1.61	1.83	1.88
	1.25	1.25	1.25	1.25	1.25	1.25	1.25
	2,800	2,722	2,603	2,564	2,644	2,784	2,778
\$	6.49	\$ 6.29	\$ 4.24	\$ 6.64	\$ 6.86	\$ 6.60	\$ 6.61

**Jacksonville Aviation Authority**

**Debt Service Note Tables  
Year Ended September 30, 2019  
(Unaudited)**

Note Year	Date	Fiscal Year	2008 Swap Variable Interest Income/Expense				2008 Swap Fixed Interest Expense			
			Principal	Coupon	Interest	Debt Svs. Yr	Principal	Coupon	Interest	Debt Svs. Yr
2019	10/01/19	2020	\$ 2,750,000	0.772%	\$ 69,461	\$ -	\$ 2,750,000	3.412%	\$ 306,995	\$ -
2020	04/01/20	2020	-		58,846	2,878,307	-		260,080	3,317,075
2020	10/01/20	2021	2,845,000	0.772%	58,846	-	2,845,000	3.412%	260,080	-
2021	04/01/21	2021	-		47,864	2,951,710	-		211,544	3,316,624
2021	10/01/21	2022	2,945,000	0.772%	47,864	-	2,945,000	3.412%	211,544	-
2022	04/01/22	2022	-		36,496	3,029,360	-		161,302	3,317,846
2022	10/01/22	2023	3,045,000	0.772%	36,496	-	3,045,000	3.412%	161,302	-
2023	04/01/23	2023	-		24,743	3,106,239	-		109,355	3,315,657
2023	10/01/23	2024	3,150,000	0.772%	24,743	-	3,150,000	3.412%	109,355	-
2024	04/01/24	2024	-		12,584	3,187,327	-		55,616	3,314,971
2024	10/01/24	2025	3,260,000	0.772%	12,584	3,272,584	3,260,000	3.412%	55,616	3,315,616
TOTAL			<u>\$ 17,995,000</u>		<u>\$ 430,527</u>	<u>\$ 18,425,527</u>	<u>\$ 17,995,000</u>		<u>\$ 1,902,789</u>	<u>\$ 19,897,789</u>

Call Feature  
Purpose: 100% New Money  
Refunding Eligibility

**Jacksonville Aviation Authority**

**Debt Service Note Tables  
Year Ended September 30, 2019  
(Unaudited)**

Note Year	Date	Fiscal Year	Series 2012 Revenue Refunding Note			
			Principal	Coupon	Interest	Debt Svs. Yr
2019	10/01/19	2020	\$ 1,525,000	1.730%	\$ 260,709	\$ -
2020	04/01/20	2020	-		250,291	2,036,000
2020	10/01/20	2021	1,525,000	1.730%	249,033	-
2021	04/01/21	2021	-		235,967	2,010,000
2021	10/01/21	2022	1,525,000	1.730%	235,842	-
2022	04/01/22	2022	-		221,158	1,982,000
2022	10/01/22	2023	25,740,000	1.730%	222,777	25,962,777
TOTAL			<u>\$ 30,315,000</u>		<u>\$ 1,675,777</u>	<u>\$ 31,990,777</u>

Call Feature

Purpose: 2006 Bond Partial Refinance  
Refunding Eligibility

**Jacksonville Aviation Authority**

**Debt Service Note Tables  
Year Ended September 30, 2019  
(Unaudited)**

Note Year	Date	Fiscal Year	Series 2016 Revenue Refunding Note			
			Principal	Coupon	Interest	Debt Svs. Yr
2019	10/01/19	2020	\$ 1,860,000	1.807%	\$ 85,040	\$ -
2020	04/01/20	2020	-		75,960	2,021,000
2020	10/01/20	2021	1,895,000	1.807%	69,235	-
2021	04/01/21	2021	-		57,765	2,022,000
2021	10/01/21	2022	1,930,000	1.807%	51,114	-
2022	04/01/22	2022	-		41,886	2,023,000
2022	10/01/22	2023	1,960,000	1.807%	34,676	-
2023	04/01/23	2023	-		23,324	2,018,000
2023	10/01/23	2024	2,000,000	1.807%	15,967	-
2024	04/01/24	2024	-		6,033	2,022,000
2024	10/01/24	2025	210,000	1.807%	2,000	212,000
TOTAL			<u>\$ 9,855,000</u>		<u>\$ 463,000</u>	<u>\$ 10,318,000</u>

Call Feature

Purpose: Defeasement of 2006 Bonds

Refunding Eligibility

**Jacksonville Aviation Authority**

**Total Debt Service  
Year Ended September 30, 2019  
(Unaudited)**

Note Year	Date	Fiscal Year	Principal	Interest	Debt Svs. Yr
2019	10/01/19	2020	\$ 6,135,000	\$ 658,260	\$ -
2020	04/01/20	2020	-	581,349	7,374,609
2020	10/01/20	2021	6,265,000	581,349	-
2021	04/01/21	2021	-	502,500	7,348,849
2021	10/01/21	2022	6,400,000	502,500	-
2022	04/01/22	2022	-	421,629	7,324,129
2022	10/01/22	2023	30,745,000	421,629	-
2023	04/01/23	2023	-	129,322	31,295,951
2023	10/01/23	2024	5,150,000	129,322	-
2024	04/01/24	2024	-	57,513	5,336,835
2024	10/01/24	2025	3,470,000	57,513	-
2025	04/01/25	2025	-	-	3,527,513
TOTAL			<u>\$ 58,165,000</u>	<u>\$ 4,042,886</u>	<u>\$ 62,207,886</u>

**Jacksonville Aviation Authority**

**Outstanding Debt by Type  
Year Ended September 30, 2019  
Last Ten Fiscal Years  
(Unaudited)  
(Dollar amounts in thousands)**

Fiscal Year	Revenue				Total
	Revenue Bonds	Revenue Notes	Refunding Bonds	Notes Payable	
2019	\$ -	\$ 58,165	\$ -	\$ -	\$ 58,165
2018	-	77,000	-	-	77,000
2017	-	87,090	-	-	87,090
2016	-	102,740	-	-	102,740
2015	50,530	87,350	-	-	137,880
2014	53,265	97,380	-	-	150,645
2013	55,885	68,465	32,685	-	157,035
2012	111,950	34,855	37,055	-	183,860
2011	121,095	36,955	42,430	-	200,480
2010	123,320	38,985	47,575	-	209,880

**Jacksonville Aviation Authority**

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

	2018	2017	2016	2015	2014
Naval Air Station Jacksonville	20,000	20,000	20,000	20,000	20,000
Duval County Public Schools	13,113	13,106	13,106	13,106	12,744
Baptist Health	10,651	10,748	10,615	10,615	9,159
Naval Station Mayport	9,000	9,000	9,000	9,000	9,000
City of Jacksonville	7,273	7,273	7,273	7,273	8,003
UF Health Jacksonville	7,136	6,000	6,000	6,000	3,214
Mayo Clinic Hospital	6,400	6,100	-	-	5,211
St. Vincent's HealthCare	5,379	5,505	5,392	-	5,156
Clay County School Board	4,616	4,616	4,616	4,616	5,000
St. Johns County School District	4,388	4,388	4,388	4,388	4,046
Fleet Readiness Center Southeast	4,200	-	-	-	-
CSX Corp.	2,925	-	-	-	-
Florida Blue	-	5,200	6,000	6,000	6,000
Citigroup Inc.	-	4,580	4,317	4,317	3,500
Bank of America Merrill Lynch	-	-	-	-	-
J P Morgan Chase	-	-	-	-	3,900
<b>Total</b>	<b>95,081</b>	<b>96,516</b>	<b>90,707</b>	<b>85,315</b>	<b>94,933</b>

*Government employer information is not available for 2018, so 2017 totals are being used. Each employer's percentage of total employment is also unavailable. Information for 2019 is not currently available.*

*Source: 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, 2013 About.com Jacksonville, 2012 Jacksonville Economic Development 2011 and 2010 Jacksonville Cornerstone Regional Development Partnership, 2009 Jacksonville Economic Development*

**Jacksonville Aviation Authority**

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

	2013	2012	2011	2010
Naval Air Station Jacksonville	25,240	25,240	25,240	25,245
Duval County Public Schools	14,480	14,480	14,480	14,489
Baptist Health	8,270	8,270	8,270	8,276
Naval Station Mayport	9,000	9,000	12,670	12,677
City of Jacksonville	8,820	8,820	8,820	8,828
UF Health Jacksonville	-	-	-	-
Mayo Clinic Hospital	4,970	4,970	4,970	4,978
St. Vincent's HealthCare	-	-	-	-
Clay County School Board	-	-	-	-
St. Johns County School District	-	-	-	-
Fleet Readiness Center Southeast	-	-	-	-
CSX Corp.	-	-	-	-
Florida Blue	6,500	6,500	6,000	6,000
Citigroup Inc.	4,200	4,200	5,000	4,863
Bank of America Merrill Lynch	8,000	8,000	6,400	3,800
J P Morgan Chase	4,200	4,200	-	-
Total	<u>93,680</u>	<u>93,680</u>	<u>91,850</u>	<u>89,156</u>

*Government employer information is not available for 2018, so 2017 totals are being used. Each employer's percentage of total employment is also unavailable. Information for 2019 is not currently available.*

*Source: 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, 2013 About.com Jacksonville, 2012 Jacksonville Economic Development 2011 and 2010 Jacksonville Cornerstone Regional Development Partnership, 2009 Jacksonville Economic Development*

**Jacksonville Aviation Authority**

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

Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2018	1,534,701	\$ 76,357,000	\$ 49,754	3.4%
2017	1,504,980	71,707,300	47,647	3.9%
2016	1,478,212	67,211,625	45,468	4.7%
2015	1,449,481	64,094,915	44,219	5.2%
2014	1,419,127	61,608,676	43,413	6.2%
2013	1,394,624	60,175,990	43,149	6.9%
2012	1,377,850	57,731,463	41,900	10.6%
2011	1,360,998	55,394,044	40,701	10.6%
2010	1,349,103	53,308,761	39,514	11.7%
2009	1,328,144	52,297,000	39,175	10.1%

*Note: Population for 2018-2009 is estimated*

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

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements  
(Unaudited)**

	2019	Market Share 2019	2018	Market Share 2018
DELTA AIR LINES INC	991,560	27.98%	895,524	28.72%
AMERICAN AIRLINES CORPORATION	824,420	23.27%	743,805	23.85%
SOUTHWEST AIRLINES CO	616,933	17.41%	548,368	17.58%
JETBLUE AIRWAYS CORPORATION	358,011	10.10%	360,769	11.57%
UNITED AIRLINES	388,297	10.96%	349,214	11.20%
FRONTIER AIRLINES	165,253	4.66%	99,077	3.18%
ALLEGiant AIR LLC	72,926	2.06%	85,324	2.74%
SILVER AIRWAYS CORP	1,018	0.03%	15,061	0.48%
AIR CANADA	7,727	0.22%	14,199	0.46%
SPIRIT AIRLINES INC	110,808	3.13%	-	-
AIR GROUND LOGISTICS INC	6,235	0.18%	7,199	0.23%
US AIRWAYS INC	-	-	-	-
AIRTRAN AIRLINES INC	-	-	-	-
REPUBLIC AIRLINES INC	-	-	-	-
AMERICAN EAGLE AIRLINES	-	-	-	-
CONTINENTAL EXPRESS	-	-	-	-
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	-	-	-
SHUTTLE AMERICA CORPORATION	-	-	-	-
PINNACLE AIRLINES	-	-	-	-
GOJET AIRLINES	-	-	-	-
COMPASS AIRLINES INC	-	-	-	-
UNITED EXPRESS	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES	-	-	-	-
US AIRWAYS EXPRESS MESA	-	-	-	-
SHUTTLE AMERICA CORPORATION (UNITED)	-	-	-	-
COMAIR INC	-	-	-	-
CHAUTAUQUA AIRLINES INC	-	-	-	-
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	-	-	-
CONTINENTAL AIRLINES	-	-	-	-
GOJET AIRLINES (DELTA AIRLINES)	-	-	-	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	-	-	-
PSA AIRLINES INC	-	-	-	-
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	-	-	-
MESABA AIRLINES	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	-	-
FREEDOM AIRLINES (DELTA) CO MESA AIRLINES	-	-	-	-
<b>TOTAL ENPLANEMENTS</b>	<b>3,543,188</b>	<b>100.00%</b>	<b>3,118,540</b>	<b>100.00%</b>

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements  
(Unaudited)**

	2017	2016	2015	2014
DELTA AIR LINES INC	839,728	852,218	858,787	818,900
AMERICAN AIRLINES CORPORATION	730,942	761,343	742,374	278,360
SOUTHWEST AIRLINES CO	486,684	501,395	524,376	604,257
JETBLUE AIRWAYS CORPORATION	332,489	346,128	299,555	200,309
UNITED AIRLINES	275,952	258,055	234,496	222,320
FRONTIER AIRLINES	-	-	-	-
ALLEGiant AIR LLC	68,026	60,914	18,497	-
SILVER AIRWAYS CORP	12,559	13,083	40,681	17,043
AIR CANADA	7,464	2,274	-	-
SPIRIT AIRLINES INC	-	-	-	-
AIR GROUND LOGISTICS INC	5,223	4,177	3,266	1,833
US AIRWAYS INC	-	-	-	459,799
AIRTRAN AIRLINES INC	-	-	-	-
REPUBLIC AIRLINES INC	-	-	-	-
AMERICAN EAGLE AIRLINES	-	-	-	-
CONTINENTAL EXPRESS	-	-	-	-
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	-	-	-
SHUTTLE AMERICA CORPORATION	-	-	-	-
PINNACLE AIRLINES	-	-	-	-
GOJET AIRLINES	-	-	-	-
COMPASS AIRLINES INC	-	-	-	-
UNITED EXPRESS	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES	-	-	-	-
US AIRWAYS EXPRESS MESA	-	-	-	-
SHUTTLE AMERICA CORPORATION (UNITED)	-	-	-	-
COMAIR INC	-	-	-	-
CHAUTAUQUA AIRLINES INC	-	-	-	-
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	-	-	-
CONTINENTAL AIRLINES	-	-	-	-
GOJET AIRLINES (DELTA AIRLINES)	-	-	-	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	-	-	-
PSA AIRLINES INC	-	-	-	-
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	-	-	-
MESABA AIRLINES	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	-	-
FREEDOM AIRLINES (DELTA) CO MESA AIRLINES	-	-	-	-
<b>TOTAL ENPLANEMENTS</b>	<b>2,759,067</b>	<b>2,799,587</b>	<b>2,722,032</b>	<b>2,602,821</b>

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida  
Jacksonville International Airport  
Enplanements  
(Unaudited)**

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

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida**  
**Landed Weights**  
*(weights in 1000 lbs)*  
**(Unaudited)**

		Market Share		Market Share	
	2019	2019	2018	2018	
DELTA AIR LINES INC	1,060,744	23%	967,439	25%	
AMERICAN AIRLINES CORPORATION	932,414	21%	817,981	21%	
SOUTHWEST AIRLINES CO	731,556	16%	647,620	16%	
JETBLUE AIRWAYS CORPORATION	419,003	9%	418,327	11%	
UNITED AIRLINES	421,460	9%	376,984	10%	
FRONTIER AIRLINES INC.	159,498	4%	97,234	2%	
ALLEGiant AIR LLC	71,128	2%	87,144	2%	
AIR GROUND LOGISTICS INC	25,644	1%	27,816	1%	
SILVER AIRWAYS CORP	1,539	0%	21,432	1%	
AIR CANADA	9,400	0%	16,444	0%	
SPIRIT AIRLINES	135,203	3%	-	0%	
US AIRWAYS INC	-	0%	-	0%	
REPUBLIC AIRLINES INC	-	0%	-	0%	
AIRTRAN AIRLINES INC	-	0%	-	0%	
ENVOY AIR	-	0%	-	0%	
COMPASS AIRLINES INC	-	0%	-	0%	
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	0%	-	0%	
PINNACLE AIRLINES	-	0%	-	0%	
GOJET AIRLINES	-	0%	-	0%	
GOJET AIRLINES (DELTA AIRLINES)	-	0%	-	0%	
SHUTTLE AMERICA CORPORATION (UNITED)	-	0%	-	0%	
US AIRWAYS EXPRESS MESA	-	0%	-	0%	
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	0%	-	0%	
SHUTTLE AMERICA CORPORATION	-	0%	-	0%	
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	0%	-	0%	
PSA AIRLINES INC	-	0%	-	0%	
ATLANTIC SOUTHEAST AIRLINES	-	0%	-	0%	
UNITED EXPRESS	-	0%	-	0%	
COMAIR INC	-	0%	-	0%	
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	0%	-	0%	
CONTINENTAL AIRLINES	-	0%	-	0%	
CHAUTAUQUA AIRLINES INC	-	0%	-	0%	
CONTINENTAL EXPRESS	-	0%	-	0%	
MESABA AIRLINES	-	0%	-	0%	
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	0%	-	0%	
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	0%	-	0%	
DAL GLOBAL SERVICES INC	-	0%	-	0%	
ATLANTIC COAST AIRLINES	-	0%	-	0%	
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>3,967,589</b>	<b>88.00%</b>	<b>3,478,421</b>	<b>89.00%</b>	
<b>AIR CARGO CARRIERS:</b>					
FEDERAL EXPRESS CORPORATION	295,501	6.53%	228,445	5.81%	
UNITED PARCEL SERVICE COMPANY	254,761	5.63%	220,442	5.61%	
SUBURBAN AIR FREIGHT INC	4,057	0.09%	4,283	0.11%	
AMERIFLIGHT LLC	-	0.00%	16	0.00%	
MOUNTAIN AIR CARGO INC	9	0.00%	9	0.00%	
MISCELLANEOUS	-	0.00%	-	0.00%	
ABX	-	0.00%	-	0.00%	
<b>TOTAL CARGO AIRLINES</b>	<b>554,328</b>	<b>12.25%</b>	<b>453,195</b>	<b>11.53%</b>	
<b>TOTAL LANDED WEIGHTS</b>	<b>4,521,908</b>	<b>100.25%</b>	<b>3,931,616</b>	<b>100.53%</b>	

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida**  
**Landed Weights**  
*(weights in 1000 lbs)*  
**(Unaudited)**

	2017	2016	2015	2014
DELTA AIR LINES INC	934,981	934,362	993,669	989,362
AMERICAN AIRLINES CORPORATION	858,142	877,851	904,261	304,435
SOUTHWEST AIRLINES CO	556,721	565,804	593,027	781,392
JETBLUE AIRWAYS CORPORATION	380,594	388,435	334,258	225,429
UNITED AIRLINES	298,650	266,612	239,356	243,254
FRONTIER AIRLINES INC.	-	-	-	-
ALLEGiant AIR LLC	72,299	62,676	18,514	-
AIR GROUND LOGISTICS INC	15,558	12,118	9,453	5,289
SILVER AIRWAYS CORP	23,456	24,995	57,827	23,057
AIR CANADA	8,912	3,116	-	-
SPIRIT AIRLINES	-	-	-	-
US AIRWAYS INC	-	-	-	530,093
REPUBLIC AIRLINES INC	-	-	-	-
AIRTRAN AIRLINES INC	-	-	-	-
ENVOY AIR	-	-	-	-
COMPASS AIRLINES INC	-	-	-	-
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	-	-	-
PINNACLE AIRLINES	-	-	-	-
GOJET AIRLINES	-	-	-	-
GOJET AIRLINES (DELTA AIRLINES)	-	-	-	-
SHUTTLE AMERICA CORPORATION (UNITED)	-	-	-	-
US AIRWAYS EXPRESS MESA	-	-	-	-
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	-	-	-
SHUTTLE AMERICA CORPORATION	-	-	-	-
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	-	-	-
PSA AIRLINES INC	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES	-	-	-	-
UNITED EXPRESS	-	-	-	-
COMAIR INC	-	-	-	-
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	-	-	-
CONTINENTAL AIRLINES	-	-	-	-
CHAUTAUQUA AIRLINES INC	-	-	-	-
CONTINENTAL EXPRESS	-	-	-	-
MESABA AIRLINES	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	-	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	-	-
DAL GLOBAL SERVICES INC	-	-	-	-
ATLANTIC COAST AIRLINES	-	-	-	-
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>3,149,313</b>	<b>3,135,969</b>	<b>3,150,365</b>	<b>3,102,311</b>
<b>AIR CARGO CARRIERS:</b>				
FEDERAL EXPRESS CORPORATION	211,014	206,557	203,065	205,419
UNITED PARCEL SERVICE COMPANY	195,324	198,386	188,094	186,616
SUBURBAN AIR FREIGHT INC	3,639	954	-	2,479
AMERIFLIGHT LLC	-	1,928	3,166	748
MOUNTAIN AIR CARGO INC	34	-	43	-
MISCELLANEOUS	-	-	-	-
ABX	-	-	-	-
<b>TOTAL CARGO AIRLINES</b>	<b>410,011</b>	<b>407,825</b>	<b>394,368</b>	<b>395,262</b>
<b>TOTAL LANDED WEIGHTS</b>	<b>3,559,324</b>	<b>3,543,794</b>	<b>3,544,733</b>	<b>3,497,573</b>

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Jacksonville, Florida**  
**Landed Weights**  
*(weights in 1000 lbs)*  
**(Unaudited)**

	2013	2012	2011	2010
DELTA AIR LINES INC	1,021,543	813,618	801,499	722,553
AMERICAN AIRLINES CORPORATION	284,020	166,346	180,024	181,958
SOUTHWEST AIRLINES CO	859,114	805,030	890,870	862,176
JETBLUE AIRWAYS CORPORATION	216,234	216,234	171,867	152,829
UNITED AIRLINES	288,258	49,993	66,766	76,189
FRONTIER AIRLINES INC.	-	-	-	-
ALLEGiant AIR LLC	-	-	-	-
AIR GROUND LOGISTICS INC	5,583	12,180	11,463	-
SILVER AIRWAYS CORP	8,265	3,933	-	-
AIR CANADA	-	-	-	-
SPIRIT AIRLINES	-	-	-	-
US AIRWAYS INC	521,417	359,066	464,833	529,454
REPUBLIC AIRLINES INC	-	145,784	85,395	56,686
AIRTRAN AIRLINES INC	-	152,232	192,650	200,976
ENVOY AIR	-	107,379	140,674	99,474
COMPASS AIRLINES INC	-	36,023	52,538	35,875
UNITED EXPRESS AIRLINES CO MESA AIRLINES	-	58,625	67,918	45,630
PINNACLE AIRLINES	-	41,596	34,363	45,024
GOJET AIRLINES	-	37,855	28,810	-
GOJET AIRLINES (DELTA AIRLINES)	-	5,963	-	73,030
SHUTTLE AMERICA CORPORATION (UNITED)	-	16,993	15,258	-
US AIRWAYS EXPRESS MESA	-	22,712	11,172	7,720
EXPRESSJET AIRLINES INC (DELTA AIRLINES)	-	4,256	-	-
SHUTTLE AMERICA CORPORATION	-	46,786	17,027	5,997
AIR WISCONSIN AIRLINES CORPORATION CO US AIRWAYS	-	1,598	846	94
PSA AIRLINES INC	-	1,730	1,394	1,851
ATLANTIC SOUTHEAST AIRLINES	-	27,651	64,670	4,730
UNITED EXPRESS	-	26,246	1,662	-
COMAIR INC	-	14,125	87,737	68,834
SHUTTLE AMERICA CORPORATION (CONTINENTAL)	-	10,051	23,863	-
CONTINENTAL AIRLINES	-	9,880	4,407	30,343
CHAUTAUQUA AIRLINES INC	-	7,341	6,907	21,983
CONTINENTAL EXPRESS	-	92,131	124,645	142,502
MESABA AIRLINES	-	368	956	5,240
ATLANTIC SOUTHEAST AIRLINES (CONTINENTAL)	-	-	17,866	-
ATLANTIC SOUTHEAST AIRLINES (UNITED)	-	-	12,455	-
DAL GLOBAL SERVICES INC	-	-	322	-
ATLANTIC COAST AIRLINES	-	-	-	1,880
<b>TOTAL COMMERCIAL AIRLINES</b>	<b>3,204,434</b>	<b>3,293,725</b>	<b>3,580,857</b>	<b>3,373,028</b>
<b>AIR CARGO CARRIERS:</b>				
FEDERAL EXPRESS CORPORATION	198,341	196,971	211,323	212,938
UNITED PARCEL SERVICE COMPANY	186,859	186,599	186,799	189,609
SUBURBAN AIR FREIGHT INC	3,272	3,203	2,090	-
AMERIFLIGHT LLC	14	-	16	-
MOUNTAIN AIR CARGO INC	-	72	886	-
MISCELLANEOUS	-	-	-	16,478
ABX	-	-	-	-
<b>TOTAL CARGO AIRLINES</b>	<b>388,486</b>	<b>386,845</b>	<b>401,114</b>	<b>419,025</b>
<b>TOTAL LANDED WEIGHTS</b>	<b>3,592,920</b>	<b>3,680,570</b>	<b>3,981,971</b>	<b>3,792,053</b>

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Number of Employees  
Year Ended September 30,  
(Unaudited)**

	2019		2018		2017		2016		2015	
	Employees		Employees		Employees		Employees		Employees	
	FT	PT								
Executive Director	3	-	3	-	3	-	3	-	3	-
Marketing	3	-	3	-	2	-	2	-	3	-
Information Technology	14	-	12	-	12	-	12	-	9	-
External Affairs	4	-	4	-	4	-	4	-	4	-
Human Resources	9	-	9	-	8	-	8	-	6	-
Procurement	9	-	14	-	14	-	13	1	13	1
Accounting and Finance	9	2	11	-	11	-	11	-	10	-
Planning and Engineering	12	-	12	-	12	-	12	-	12	-
Business Development	7	-	7	-	6	-	6	-	7	-
Cecil Airport	13	-	15	-	13	-	13	-	12	1
JaxEx at Craig Airport	4	-	3	-	4	-	4	-	3	-
Herlong Airport	9	-	8	-	9	-	9	-	9	-
Building Maintenance	33	-	28	-	27	-	27	-	28	-
Field Maintenance	31	-	29	-	28	-	27	1	27	1
HBS	10	-	10	-	10	-	10	-	10	-
Custodial	37	-	35	-	35	-	35	-	34	-
Police/Security	51	-	52	-	52	-	52	-	50	-
Airport Operations	28	-	29	-	26	-	26	-	23	-
DBE	-	-	-	-	-	-	-	-	-	-
Total	286	2	284	-	276	-	274	2	263	3

FT – Full-time employee working more than 35 hours

PT – Part-time employee working 35 hours or less

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Number of Employees  
Year Ended September 30,  
(Unaudited)**

	2014		2013		2012		2011		2010	
	Employees		Employees		Employees		Employees		Employees	
	FT	PT								
Executive Director	3	-	3	-	3	-	2	-	2	-
Marketing	3	-	3	-	2	-	3	-	3	-
Information Technology	8	-	8	-	7	-	7	-	6	-
External Affairs	4	-	4	-	4	-	4	-	4	-
Human Resources	5	-	7	-	8	-	9	-	8	-
Procurement	13	1	10	1	10	1	9	1	9	1
Accounting and Finance	10	-	9	-	9	-	9	-	10	-
Planning and Engineering	11	-	11	-	11	-	12	-	12	-
Business Development	7	-	8	-	7	-	4	-	6	-
Cecil Airport	10	1	11	-	7	5	5	5	7	5
JaxEx at Craig Airport	4	-	3	-	3	1	3	1	3	1
Herlong Airport	9	-	8	1	5	2	6	2	6	2
Building Maintenance	23	-	25	-	22	-	26	-	26	-
Field Maintenance	24	1	22	1	23	1	22	1	23	1
HBS	9	-	9	-	9	-	10	-	10	-
Custodial	31	-	32	-	32	-	31	-	30	-
Police/Security	50	-	52	-	52	-	53	-	35	-
Airport Operations	27	-	24	-	26	-	23	-	19	1
DBE	-	-	-	-	-	-	1	-	1	-
Total	251	3	249	3	240	10	239	10	220	11

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

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Aircraft Operations  
Year Ended September 30, 2019  
(Unaudited)**

	Air Carrier	Air Taxi	Gen Aviation	Military	Total Aircraft Operations
2019	68,124	16,466	13,707	9,661	107,958
2018	61,195	15,529	14,251	8,801	99,776
2017	57,957	11,919	14,245	11,060	95,181
2016	56,307	16,351	12,594	16,315	101,567
2015	54,552	18,528	11,223	9,199	93,502
2014	49,457	20,168	11,544	6,460	87,629
2013	51,358	18,301	13,755	7,145	90,559
2012	55,101	15,594	12,519	5,926	89,140
2011	58,105	19,956	13,536	7,275	98,872
2010	53,004	22,602	12,694	6,553	94,853

*Source: Jacksonville Aviation Authority Records*

**Jacksonville Aviation Authority**

**Airlines Serving Jacksonville International Airport  
Years Ended September 30,  
(Unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Signatory Airlines</b>										
American Airlines	X	X	X	X	X	X	X	X	X	X
Delta Airlines	X	X	X	X	X	X	X	X	X	X
JetBlue	X	X	X	X	X	X	X	X	X	X
Southwest Airlines	X	X	X	X	X	X	X	X	X	X
United Airlines	X	X	X	X	X	X	X	X	X	X
US Airways	-	-	-	-	X	X	X	X	X	X
Total Signatory Airlines	5	5	5	5	6	6	6	6	6	6
<b>Non-signatory Airlines</b>										
Air Canada	X	X	X	X	-	-	-	-	-	-
AirTran	-	-	-	-	-	-	X	X	X	X
Air Wisconsin (American Air)	-	-	-	-	-	-	X	X	X	X
Allegiant	X	X	X	X	X	-	-	-	-	-
American Eagle	-	-	-	-	-	-	X	X	X	X
Endeavor Airlines (formerly ASA)	-	-	-	-	-	-	X	X	X	X
Charters	-	-	-	-	-	-	X	X	X	X
Chautauqua	-	-	-	-	-	-	-	X	X	X
Comair	-	-	-	-	-	-	-	X	X	X
Compass Airline	-	-	-	-	-	-	X	X	X	X
Continental Airlines	-	-	-	-	-	-	-	X	X	X
Continental Express	-	-	-	-	-	-	-	X	X	X
Express Jet (United Air)	-	-	-	-	-	-	X	X	-	-
Freedom Airlines	-	-	-	-	-	-	-	-	-	X
Frontier	X	X	-	-	-	-	-	-	-	-
Go Jet (United)	-	-	-	-	-	-	X	X	X	X
Mesa (American Air)	-	-	-	-	-	-	X	X	X	X
Mesaba	-	-	-	-	-	-	-	X	X	X
Pinnacle	-	-	-	-	-	-	X	X	X	X
PSA Airlines	-	-	-	-	-	-	X	X	X	X
Republic (American Air)	-	-	-	-	-	-	X	X	X	X
Shuttle America (Delta)	-	-	-	-	-	-	X	X	X	X
Silver Airways	X	X	X	X	X	X	X	X	-	-
Spirit Airlines	X	-	-	-	-	-	-	-	-	-
Total Non-signatory Airlines	5	4	3	3	2	1	15	20	18	19
Total Signatory and Non-signatory Airlines	10	9	8	8	8	7	21	26	24	25
<b>Cargo</b>										
UPS	X	X	X	X	X	X	X	X	X	X
FedEx	X	X	X	X	X	X	X	X	X	X
Mountain Air Cargo	X	X	-	-	X	-	-	X	X	-
Suburban Air Freight	X	X	X	X	X	X	X	X	X	-
Ameriflight, LLC	-	X	X	X	X	X	X	-	X	-
ABX	-	-	-	-	-	-	-	-	-	X
Total Cargo Airlines	4	5	4	4	5	4	4	4	5	3

Starting in 2013 affiliates are reported under signatory airlines.

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Primary Origination and Destination Passenger Markets  
Year Ended September 30, 2019  
(Unaudited)**

Rank	Market	
1	Atlanta	SH
2	Charlotte	SH
3	Fort Lauderdale	SH
4	Chicago O'Hare	MH
5	New York – JFK	MH
6	Washington, DC – Reagan National	MH
7	Miami	SH
8	Boston	MH
9	Dallas-Ft. Worth	MH
10	Newark	MH
11	Baltimore	MH
12	Houston Intercontinental	MH
13	Philadelphia	MH
14	Washington, DC – Dulles	MH
15	New York - LaGuarda	MH
16	Nashville	SH
17	Denver	MH
18	Detroit	MH
19	Houston Hobby	MH
20	Chicago Midway	MH
21	Minneapolis-St. Paul	MH
22	Dallas Love Field	MH
23	Las Vegas	LH
24	Toronto	MH
25	Cincinnati	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*

**Jacksonville Aviation Authority**

**Airport Capital Asset Information  
Year Ended September 30, 2019  
(Unaudited)**

Jacksonville International Airport

Location	18	Miles North of Downtown Jacksonville
Area	8,292	Acres
Airport Code	-	JAX
Runways	10,000	Feet Runway 7/25 (Primary)
	7,700	Feet Runway 13/31
Taxiways	13	75 Foot Wide
	2	50 Foot Wide
	2	90 Foot Wide
	3	60 Foot Wide
	1	150 Foot Wide
Aprons	1,575,752	Sq. Yards
Terminal with 2 Concourses	736,138	Sq. Ft.
Aircraft Gates	14	Gates leased by Signatory Airlines
	6	Gates operated by JAA
	1	International/Charter Gate
Cargo	-	South of Terminal
	225,000	Sq. Ft. Consisting of 4 Buildings
	86,600	Sq. Yrds. Consisting of 3 Cargo Ramps
	39,785	Sq. Ft. Aircraft Maintenance Facility
Parking Spaces	833	Short-term Hourly Garage
	1,963	Daily Garage
	1,722	Daily Surface Lot
	4,411	Economy Lots
	<u>8,929</u>	
Hotel	200	Rooms - Jacksonville Airport Hotel
	153,000	Sq. Ft.

General Aviation Airports:

Jacksonville Executive at Craig Airport

Location	9	Miles East of Downtown Jacksonville
Area	1,328	Acres
Runways	4,000	Feet
	4,000	Feet
Fixed Based Operators (FBO)	-	Craig Air Center
	-	Sky Harbor

Source: Jacksonville Aviation Authority Records

**Jacksonville Aviation Authority**

**Airport Capital Asset Information  
Year Ended September 30, 2019  
(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	6,078	Acres
Runways	12,500	Feet
	8,000	Feet
	8,000	Feet
	4,439	Feet
Aprons	672,953	Sq. Yrds.

*Source: Jacksonville Aviation Authority Records*

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