



**Council Auditor's Office**

**Independent Agency  
Quarterly Summary for the Three Months Ended December 31, 2021**

**February 15, 2022**

**Report #855**

**Released on: February 15, 2022**

**OFFICE OF THE COUNCIL AUDITOR**  
Suite 200, St. James Building



February 15, 2022

Special Report #855

Honorable Members of the City Council  
City of Jacksonville

Pursuant to Chapter 106 of the Ordinance Code, attached are the required financial statements and narratives for the three months ended December 31, 2021 for the City's Independent Agencies. The various reporting entities prepared and submitted these unaudited reports to the Council Auditor's Office. These reports are not audited by the Council Auditor's Office, but rather are assessed for reasonableness. Thus, our report does not represent an audit or attestation conducted pursuant to Government Auditing Standards.

Municipal Code Sections 106.421 through 106.423 require this quarterly financial report. To meet the reporting dates specified by law, the Director of Finance and Administration/CFO of the City and the Chief Financial Officer of each of its Independent Agencies were to submit their reports to the Council Auditor on or before January 30, 2022, and we are to submit the consolidated financial report by February 15, 2022. JEA, JPA and JTA submitted their reports on time and JAA submitted their report on February 1, 2022.

The City and the Jacksonville Housing Finance Authority did not submit a quarterly financial report for the three months ended December 31, 2021. We have not received any quarterly reports for the City and Jacksonville Housing Finance Authority since the last quarter in fiscal year 2019/2020 due to continued issues with the implementation of the City's financial system causing delays with closing the City's financial records. An accurate and timely quarterly summary is an important financial monitoring tool for the Administration and City Council as evidenced by the municipal code requirements of the report itself and the timing of each report. In order to meet our reporting deadline required by the municipal code, we are issuing this report on the independent agencies.

The narrative reports from the reporting entities are generally sufficient for understanding the statements presented; however, we have commented to provide further clarification.

## INDEPENDENT AGENCIES

### JEA

#### All Systems

JEA's quarterly summary for the three months ending December 31, 2021, for the Electric System is showing a surplus of \$115,468,464 at year end. The Water & Sewer System and District Energy Systems project a balanced budget at year end.

#### Electric System

##### **Fuel Related Revenues & Expenses**

For the three months ending December 31, 2021, the Electric System schedule of Fuel Related Revenues and Expenses is balanced. The projected favorable variance of \$109,337,643 in Fuel Revenues is due to projected higher fuel prices. The Regulatory Fund transfer of \$41,766,996 represents the balance of the former Fuel Rate Stabilization Fund, and the Operating Cash transfer of \$452,707 represents the difference between the amount charged for fuel and the cost to purchase fuel. There is a projected unfavorable variance of \$143,891,647 for Fuel and Purchased Power Expense due to projected increases in fuel cost and purchased power costs. However, we will be working with JEA prior to the issuance of the second quarterly report to ensure that projections for fuel costs are accurately reflected and not being used to balance fuel revenues and expenses.

##### **Base Related Revenues & Expenses**

For the three months ending December 31, 2021, the Electric System schedule of Base Related Revenues and Expenses shows a surplus of \$100,710,008 which is primarily due to a one-time payment of \$100,000,000 from Florida Power & Light related to the shutdown of Plant Scherer that will be used for early debt retirement. There is a projected favorable budget variance of \$6,429,259 in Total Base Related Revenues and a projected favorable budget variance of \$16,014,465 in Total Base Related Expenses. The favorable variance for Base Related Revenues is due to projected sales exceeding budgeted sales. The favorable variance for Base Related Expenses is primarily due to a projected favorable variance of \$14,549,499 in Operating and Maintenance charges for industrial services, professional services, rental & lease costs, maintenance agreements & repair services, and maintenance of right of ways. Non-Operating Expenses show a projected favorable variance of \$6,500,334 mainly due to a projected favorable variance of \$5,867,444 in the Environmental – Rate Stabilization transfer due to regulatory delays for environmental capital projects. If the Operating and Non-Operating Revenue and Expense projections materialize, Base Income Before Transfers is projected to incur a favorable balance of \$28,645,620. Finally, JEA is projecting to reduce its budget for Operating Capital Outlay by \$98,896,030, resulting in a positive favorable variance. However, we will be working with JEA prior to the issuance of the second quarterly report to ensure that this projection reflects actual capital needs.

### **Water & Sewer System**

For the three months ending December 31, 2021, the Water & Sewer System schedule of Revenues and Expenses shows a surplus of \$1,595,193. Total Operating Revenues shows a projected favorable budget variance of \$346,971 due to a projected favorable variance of \$1,970,216 in Water and Sewer revenues based on projected sales being slightly higher than budget due to fewer days of rain. This is offset by an unfavorable projected variance of \$1,566,629 in Other Revenues due to various fees and charges coming in lower than budget in the first quarter. Total Operating Expenses shows a projected favorable budget variance of \$7,898,287 primarily due to a projected favorable variance of \$5,956,981 in Operations and Maintenance expenses for salaries and benefits (due to vacancies within the first quarter), other services, and intercompany charges along with a projected favorable variance of \$1,832,954 in Environmental CUP-DSM expenses due to less payouts for incentive programs. Total Non-operating Expenses shows a projected favorable variance of \$17,801,630 due to a projected \$10,623,524 transfer from the Environmental Rate Stabilization Fund to cover projected higher capital spending for environmental projects. Additionally, there is a projected favorable variance of \$7,178,106 in Debt Service due to projected lower variable interest rates, lower fixed rates for debt refunded in fiscal year 2021, and projections for no new borrowing in the current fiscal year. Income before Transfers is projected to incur a favorable balance of \$22,032,794 which is entirely offset by increases or decreases in the projected transfer amounts to Environmental Capital Outlay, Operating Capital Outlay, Renewal & Replacements and Capacity/Extension Fees.

### **District Energy System**

For the three months ending December 31, 2021, the District Energy System schedule of Revenues and Expenses shows a surplus of \$131,754. There is a projected unfavorable variance in Operating Revenues of \$200,075 mainly due to projected lower sales. There is a projected favorable variance in Operating Expenses of \$354,297 due to projected lower expenses for Operating and Maintenance costs due to lower sales and associated operating costs. Income Before Transfers shows a projected favorable variance of \$294,505 which is completely offset by an increase in the transfer to Operating Capital Outlay.

### **Jacksonville Transportation Authority**

The financial report of the Jacksonville Transportation Authority (JTA) for the three months ending December 31, 2021, anticipates no budgetary stress for JTA as a whole. However, the following is noted:

#### **Bus Division**

The Bus Division for the three months ending December 31, 2021, shows a surplus of \$2,092,941, and JTA is projecting a favorable budget variance of \$6,128,279 at year end. In Operating Revenues, JTA is projecting a favorable budget variance of \$1,783,548 primarily due to projected favorable budgeted variances of \$3,524,812 and \$1,456,410 for Net Sales Tax – Operating and Local Option Gas Tax, respectively. This is partially offset by a projected unfavorable budget variance of \$518,245 in Federal, State & Local Grants that was based on spending in the first quarter and a projected unfavorable budget variance of \$2,655,367 in Passenger Fares due to a decline in ridership. In Operating Expenses there are projected

unfavorable budget variances in Salaries and Fringe Benefits of \$1,266,629 and \$1,859,667, respectively, primarily due to these line items not including the union increases in the fiscal year 2021/2022 budget, as well as increased pension plan contributions due to adjusted actuarial assumptions which was finalized after the fiscal year 2021/2022 budget was approved. Additionally, there is a projected unfavorable budget variance of \$638,689 in Services due to an unbudgeted increase with JTA's ReadIRide service. This is offset by favorable variances projected in various expenditure lines, including \$294,364 in Insurance due to the property insurance expenses on the Kings Avenue garage being budgeted in the Bus fund but actual expenses being recorded in the Skyway fund, a projected favorable variance of \$6,432,681 in a contingency that will not be spent, and projected favorable variances in the transfers to other divisions.

For fiscal year 2021/2022, JTA has received \$2,371,919 in CARES Act funding for the three months ending December 31, 2021.

### **CTC Division**

The CTC Division is projecting a balanced budget at year end. However, for Operating Revenues, the State Transportation Disadvantaged Funds has a projected unfavorable variance of \$505,682, due to the reduced number of Americans with Disabilities Act (ADA) eligible trips and a projected unfavorable variance of \$314,536 in Passenger Fares due to ridership. For Operating Expenditures, Fringe Benefits shows a projected unfavorable variance of \$311,922 due to JTA's reclassification of fringe benefits from salaries to the appropriate expenditure line. This was offset by projected favorable variances of \$487,038 in Services and \$472,760 in Material and Supplies based on first quarter spending.

### **Ferry Division**

The Ferry Division is projecting a balanced budget at year end. However, for Operating Revenues, Federal, State & Local Grants has a projected favorable budget variance of \$241,957, due to JTA working with each department to close old grants or utilize the grant funds for other eligible projects. The additional grant funds are from the fiscal year 2018 Section 5307 Passenger Ferry Boat grant. For Operating Expenditures, Fringe Benefits had a projected unfavorable variance of \$51,624 due to JTA's reclassification of fringe benefits from salaries to the appropriate expenditure line. This is offset by favorable variances in various expenditure lines, including \$174,636 in Services primarily based on first quarter spending.

### **General Fund/Engineering Division**

The General Fund/Engineering Division for the three months ending December 31, 2021, shows a surplus of \$10,725,297, and is projecting a favorable budget variance of \$11,096,216 at year end. This surplus is primarily due to a projected favorable budget variance of \$11,005,146 in Non-Transportation Revenue due to the sale of surplus property. Also, JTA reported negative interest earnings for the three months ending December 31, 2021, due to JTA's investment performance for the first quarter. For Operating Expenditures, Fringe Benefits showed a projected unfavorable variance of \$337,621 due to JTA's reclassification of fringe benefits from salaries to the appropriate expenditure line; however, this was offset by projected favorable variances in various expenditure lines, including \$293,521 in Salaries due to the shift of the fringe accounts from the salary line.

In the quarterly summary for the twelve months ended September 30, 2021, we had noted that JTA needed to file legislation to amend their fiscal year 2020/2021 budget due to the Bus, Skyway, and General Fund/Engineering Divisions' expenditures exceeding budgetary appropriation approved by City Council. We recommend that JTA file legislation to amend their fiscal year 2020/2021 budget as soon as possible.

### **Jacksonville Port Authority**

The Jacksonville Port Authority's (JPA) financial report for the three months ending December 31, 2021, anticipates no budgetary stress at year-end. Overall, JPA is projecting year-end Net Income Before Transfers of \$13,322,890, with \$12,079,604 being transferred to Operating Capital Outlay and a surplus of \$1,243,286 remaining. However, JPA's financial report for the first quarter does show a deficit of \$4,359,717 in year-to-date actual Net Income Before Transfers, which is due to 63% of JPA's debt service payments being due in the first quarter. Under Operating Revenues, JPA is projecting a \$222,094 unfavorable budget variance in Container revenue due to one tenant building its business and two tenants each having one vessel in dry dock for the month of December. Also, JPA is projecting a \$445,944 unfavorable budget variance in Auto revenue due to auto volumes being impacted by supply chain issues, parts, and computer chips as mentioned in JPA's cover letter. These unfavorable revenue variances are offset by a projected \$501,077 favorable budget variance in Other Operating Revenues due to higher than budgeted railroad only container business at Talleyrand Marine Terminal and two tipping fee events scheduled later in the fiscal year. The unfavorable revenue variances are also offset by projected favorable budget variances of \$121,241 and \$45,720 in Break Bulk and Liquid Bulk, respectively.

For Total Operating Expenditures, JPA is projecting a favorable budget variance of \$502,317. This is primarily due to JPA projecting a \$242,060 favorable budget variance in Security Services. Also, JPA is projecting a favorable budget variance in various expenditure line items due to these expenditures being lower than expected in the first quarter. For Non-Operating Expenses, JPA is projecting a favorable budget variance of \$759,329, which is primarily due to a projected favorable budget variance of \$762,191 in Debt Service due to JPA projecting to pay less principal in its line of credit, as well as paying less interest than budgeted on the 2020 City of Jacksonville bridge loan due to the loan projected to be paid off sooner than expected.

### **Jacksonville Aviation Authority**

Jacksonville Aviation Authority's (JAA) financial report for the three months ending December 31, 2021 indicates no budgetary stress. After noting errors in JAA's financial report, JAA provided our office with revised schedules. JAA is showing an end of quarter Net Income Before Transfers of \$14,422,859 before transfers to Operating Capital Outlay, the Passenger Facility Charge (PFC) Reserve, and Retained Earnings, with a deficit of \$1,967,992. However, JAA projects an overall surplus of \$15,522,147 at year end. Total passenger activity for the first quarter was approximately 1.6 million passengers, which is an increase of 126.44% over the

same quarter in fiscal year 2020/2021, but still a decrease of 7.05% compared to fiscal year 2018/2019 (prior to the Pandemic).

Total Operating Revenues are projected to experience a favorable budget variance of \$9,932,568 at year end. The projected favorable variance is primarily due to a projected favorable variance of \$5,258,828 in Concessions from car rentals and a projected favorable variance of \$2,459,756 in Fees & Charges revenue related to projected increases in aircraft landings. Parking revenue also is showing a projected favorable variance of \$2,810,560 due to increased passenger activity.

Total Operating Expenditures are projected to experience a favorable budget variance of \$948,134 at year end. The projected favorable variance is primarily due to projected favorable variances of \$1,755,061 in Operating Contingency due to projecting to not utilize the contingency in this fiscal year, \$666,892 in benefits due to hiring delays, \$347,877 in Utilities, Taxes & Gov't Fees due to less usage, and \$132,037 in Repairs & Maintenance due to the timing of the spending. The projected favorable variance is offset by a projected unfavorable variance of \$2,000,629 in Salaries due to increases in salaries above the 2% increase that was budgeted, reinstatement of the Employee Incentive Pay Plan (EIPP) with a \$407,000 projected payout that was not budgeted, and approximately \$155,000 in other incentives and bonuses that were not budgeted.

Total Non-Operating Revenues are projected to experience a favorable budget variance of \$12,563,638, which is mainly due to a projected favorable variance of \$4,462,133 in Passenger Facility Charges and a projected favorable variance of \$8,107,156 in Other Revenues due to JAA receiving \$7,800,000 of Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) funds. Total Non-Operating Expenditures are projected to experience an unfavorable variance of \$4,586,629 primarily due to a projected unfavorable variance in Debt Service of \$5,447,053 due to the issuance of debt for the Boeing project at Cecil Airport. If the projections for Operating and Non-Operating Revenues and Expenditures hold true, this will result in a net favorable budget variance in Net Income Before Transfers of \$18,857,711 and a surplus of \$15,522,147 after transfers to Operating Capital Outlay, Passenger Facility Charge Reserve, and Retained Earnings at the end of the fiscal year.

---

## **DEBT RATINGS**

In an effort to monitor any significant changes in debt ratings on outstanding debt issued by the Independent Agencies, we asked the Independent Agencies who issue bonds to provide rating information on a quarterly basis. There were no changes to the debt ratings of the Independent Agencies during the quarter.

Please refer to page 23 for a detailed list of individual bond ratings.

---

**FINANCIAL REPORTS**

The following financial reports are presented as prepared by the various reporting entities.

<b>AGENCY MEMO and FINANCIAL STATEMENTS</b>	<b>PAGES</b>
JEA	8 - 11
Jacksonville Transportation Authority	12 - 18
Jacksonville Port Authority	19 - 20
Jacksonville Aviation Authority	21 - 22
 <b>BOND RATINGS</b>	
Independent Agencies	23
Bond Rating Scale	24

Respectfully submitted,

*Kim Taylor*

Kim Taylor, CPA  
Council Auditor



BUILDING COMMUNITY

January 24, 2022

**SUBJECT: QUARTERLY FINANCIAL SUMMARY – December 31, 2021**

---

**FROM:** Joseph E. Orfano, VP, Financial Services and Treasurer, JEA

---

**TO:** Ms. Kim Taylor, CPA Council Auditor City Hall

---

The attached financial summary for JEA has been prepared in accordance with the instructions provided by the Council Auditor's Office.

For the 3 months ended December 31, 2021, JEA contributed \$30.3 million to the City's General Fund. JEA also paid to the City \$23.5 million in Public Service Taxes and \$9.9 million in City of Jacksonville Franchise Fees for a total combined payment to the City of \$63.8 million. This represents an increase of \$0.9 million from prior year.

The Electric System experienced a positive fund balance of \$100.7m for the three months ended December 31, 2021, resulting primarily from a \$100 million dollar payment from Florida Power and Light related to the Plant Scherer Unit 4 shutdown. This payment will be used primarily for early debt retirement in January. This represents 7.8% of the original annual operating budget. The annual projection for the Electric System shows a positive balance of \$115.5 million.

The Water and Wastewater System produced a positive fund balance of \$1.6 million for the three months ended December 31, 2021. This represents 0.3% of the original annual operating budget. The annual projection for the Water and Wastewater System shows a balanced budget.

The District Energy System produced a positive fund balance of \$0.13 million for the three months ended December 31, 2021, while the annual projection shows a balanced budget.

JEA experienced no budgetary stress during the 3 months ended December 31, 2021. JEA is actively monitoring the credit markets in order to efficiently manage debt. A schedule of JEA's bond ratings as of December 31, 2021 is included with this report.

*Joseph E. Orfano*

---

VP, Financial Services and Treasurer

Attachments: As noted

**JEA QUARTERLY FINANCIAL SUMMARY - ELECTRIC SYSTEM**

December 31, 2021

ASSETS:		LIABILITIES & EQUITY:		
Cash and Investments	\$289,182,000	Current Liabilities		\$166,286,000
Other Current Assets	205,620,000	Other Liabilities		2,331,655,000
Fixed and Other Assets	3,629,247,000	Fund Equity (Net Assets)		1,626,108,000
<b>TOTAL ASSETS</b>	<b>\$4,124,049,000</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$4,124,049,000</b>
				<b>BUDGET VARIANCE</b>
	<b>Revised</b>	<b>As of 3 Months</b>		<b>FAVORABLE</b>
	<b>Budget</b>	<b>Actual</b>	<b>Projected</b>	<b>(UNFAVORABLE)</b>
<b>FUEL RELATED REVENUES &amp; EXPENSES:</b>				
FUEL REVENUES	368,899,940	91,676,524	478,237,583	109,337,643
Total Net Fuel Revenues	\$368,899,940	\$91,676,524	\$478,237,583	\$109,337,643
<b>FUEL EXPENSES</b>				
Transfer To/(From) Regulatory Funds (1)	-7,284,992	-41,766,996	-41,766,996	34,482,004
Transfer To/(From) Operating Cash (2)	0	-452,707	452,707	-452,707
Fuel & Purchased Power	376,184,932	133,896,227	519,551,872	-143,366,940
Total Fuel & Purchased Power	\$368,899,940	\$91,676,524	\$478,237,583	-\$109,337,643
FUEL SURPLUS/(DEFICIT)	\$0	\$0	\$0	\$0
<b>BASE RELATED REVENUES &amp; EXPENSES:</b>				
<b>BASE OPERATING REVENUES</b>				
Base Rate Revenues	785,192,000	180,574,245	791,354,387	6,162,387
Environmental Charge Revenue	7,442,000	1,719,195	7,508,131	66,131
Conservation Charge & Demand Side Revenue	732,000	121,912	691,315	-40,685
Other Revenues	123,615,440	106,074,797	123,786,378	170,938
Natural Gas Pass Through Revenue	823,420	276,342	893,908	70,488
Total Base Related Revenues	\$917,804,860	\$288,766,491	\$924,234,119	\$6,429,259
<b>BASE OPERATING EXPENSES</b>				
Operating and Maintenance	255,776,299	47,790,764	241,226,800	14,549,499
Environmental	2,263,500	131,728	1,829,356	434,144
Conservation & Demand-side Management	7,227,800	895,230	6,301,209	926,591
Natural Gas Pass Through Expense	918,473	356,891	1,044,405	-125,932
Non-Fuel Purchased Power	263,361,133	15,925,956	263,310,504	50,629
Non-Fuel Uncollectibles & PSC Tax	1,391,596	135,191	1,212,062	179,534
Emergency Contingency	5,000,000	0	5,000,000	0
Total Base Related Expenses	\$535,938,801	\$65,235,760	\$519,924,336	\$16,014,465
BASE OPERATING INCOME	\$381,866,059	\$223,530,731	\$404,309,783	\$22,443,724
<b>NON-OPERATING REVENUE</b>				
Investment Income	3,194,911	490,276	2,896,473	-298,438
Total Non-Operating Revenue	\$3,194,911	\$490,276	\$2,896,473	-\$298,438
<b>NON-OPERATING EXPENSES</b>				
Debt Service	109,816,948	26,852,930	108,130,828	1,686,120
Demand-side Management - Rate Stabilization	-395,800	651,889	657,430	-1,053,230
Rate Stabilization - Debt Management	0	0	0	0
Environmental - Rate Stabilization	-3,821,756	-126,641	-9,689,200	5,867,444
Total Non-Operating Expenses	\$105,599,392	\$27,378,178	\$99,099,058	\$6,500,334
BASE INCOME BEFORE TRANSFERS	\$279,461,578	\$196,642,829	\$308,107,198	\$28,645,620
City Contribution	-94,545,651	-23,636,413	-94,545,651	0
Interlocal Agreement	0	0	0	0
Renewal & Replacements	-66,329,200	-16,582,300	-66,329,200	0
Operating Capital Outlay	-115,291,939	-54,000,000	-16,395,909	98,896,030
Operating Capital Outlay - Environmental	-3,294,788	-1,714,108	-15,367,974	-12,073,186
Operating Contingency	0	0	0	0
BASE SURPLUS/(DEFICIT) (3)	\$0	\$100,710,008	\$115,468,464	\$115,468,464
TOTAL SURPLUS/(DEFICIT)	\$0	\$100,710,008	\$115,468,464	\$115,468,464
TOTAL REVENUES	\$1,289,899,711	\$380,933,291	\$1,405,368,175	
TOTAL APPROPRIATIONS	\$1,289,899,711	\$280,223,283	\$1,289,899,711	

(1) Due to the elimination of the Fuel Rate Stabilization Fund, the line has been renamed to "Transfer to (from) Regulatory Funds"

(2) A negative operating cash transfer value depicts costs to be recovered from future revenues. A positive operating cash transfer value depicts revenues to be used for future costs.

(3) The Electric System produced a surplus of \$100.7 million for the Quarter ended December 31, 2021. The driver of the surplus was a \$100 million payment from Florida Power and Light in December 2021 that is part of the Scherer shutdown agreement. The surplus funds will be used for Scherer and SJRPP early debt retirements performed in January. The remaining balance will be used as a contribution to the non-fuel purchased power rate stabilization fund to fund future Vogtle expenses.

**JEA QUARTERLY FINANCIAL SUMMARY - WATER & WASTEWATER SYSTEM**

December 31, 2021

<b>ASSETS:</b>		<b>LIABILITIES &amp; EQUITY:</b>	
Cash and Investments	\$67,307,000	Current Liabilities	\$35,069,000
Other Current Assets	125,323,000	Other Liabilities	1,688,532,000
Fixed and Other Assets	3,424,810,000	Fund Equity (Net Assets)	1,893,839,000
<b>TOTAL ASSETS</b>	<b><u>\$3,617,440,000</u></b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>\$3,617,440,000</u></b>

	Revised Budget	As of 3 Months Actual	Projected	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUES AND EXPENSES:</b>				
<b>OPERATING REVENUES</b>				
Water and Sewer Revenues	439,929,234	110,052,415	441,899,450	1,970,216
Environmental Revenues	27,010,000	6,447,569	26,953,384	-56,616
Other Revenues	25,494,531	4,807,003	23,927,902	-1,566,629
<b>Total Operating Revenues</b>	<b><u>\$492,433,765</u></b>	<b><u>\$121,306,987</u></b>	<b><u>\$492,780,736</u></b>	<b><u>\$346,971</u></b>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	184,882,130	40,127,133	178,925,149	5,956,981
Environmental CUP-DSM	7,933,200	311,670	6,100,246	1,832,954
Uncollectibles	700,409	66,757	592,057	108,352
Emergency Contingency	1,000,000	0	1,000,000	0
<b>Total Operating Expenses</b>	<b><u>\$194,515,739</u></b>	<b><u>\$40,505,560</u></b>	<b><u>\$186,617,452</u></b>	<b><u>\$7,898,287</u></b>
<b>OPERATING INCOME</b>	<b><u>\$297,918,026</u></b>	<b><u>\$80,801,427</u></b>	<b><u>\$306,163,284</u></b>	<b><u>\$8,245,258</u></b>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>				
<b>NON-OPERATING REVENUES</b>				
Investment Income	2,075,631	555,499	2,112,224	36,593
Capacity/Extension Fees	47,000,000	7,200,111	42,949,313	-4,050,687
Contributed Capital	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b><u>\$49,075,631</u></b>	<b><u>\$7,755,610</u></b>	<b><u>\$45,061,537</u></b>	<b><u>-\$4,014,094</u></b>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	67,135,355	14,869,652	59,957,249	7,178,106
Environmental - Rate Stabilization	0	-1,719,992	-10,623,524	10,623,524
<b>Total Non-Operating Expenses</b>	<b><u>\$67,135,355</u></b>	<b><u>\$13,149,660</u></b>	<b><u>\$49,333,725</u></b>	<b><u>\$17,801,630</u></b>
<b>INCOME BEFORE TRANSFERS</b>	<b>\$279,858,302</b>	<b>\$75,407,377</b>	<b>\$301,891,096</b>	<b>\$22,032,794</b>
City Contribution	-26,666,722	-6,666,681	-26,666,722	0
Interlocal Agreements	-24,686,653	-3,686,653	-24,686,653	0
Renewal & Replacements	-28,358,000	-7,089,500	-28,877,090	-519,090
Operating Capital Outlay	-146,356,780	-47,137,805	-155,785,876	-9,429,096
Environmental Capital Outlay	-6,790,147	-2,031,434	-22,925,442	-16,135,295
Capacity/Extension Fees	-47,000,000	-7,200,111	-42,949,313	4,050,687
Contributed Capital	0	0	0	0
Operating Contingency	0	0	0	0
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b><u>\$0</u></b>	<b><u>\$1,595,193</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>TOTAL REVENUES</b>	<b><u>\$541,509,396</u></b>	<b><u>\$129,062,597</u></b>	<b><u>\$537,842,273</u></b>	
<b>TOTAL APPROPRIATIONS</b>	<b><u>\$541,509,396</u></b>	<b><u>\$127,467,404</u></b>	<b><u>\$537,842,273</u></b>	

**JEA QUARTERLY FINANCIAL SUMMARY - DISTRICT ENERGY SYSTEM**

December 31, 2021

<b>ASSETS:</b>		<b>LIABILITIES &amp; EQUITY:</b>		
Cash and Investments	\$1,216,000	Current Liabilities		\$58,000
Other Current Assets	552,000	Other Liabilities		31,129,000
Fixed and Other Assets	35,681,000	Fund Equity (Net Assets)		6,262,000
<b>TOTAL ASSETS</b>	<b>\$37,449,000</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$37,449,000</b>

  

	<b>Revised Budget</b>	<b>As of 3 Months Actual</b>	<b>Projected</b>	<b>BUDGET VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>OPERATING REVENUES AND EXPENSES:</b>				
<b>OPERATING REVENUES</b>				
Operating Revenue	8,839,543	2,006,944	8,639,468	-200,075
<b>Total Operating Revenues</b>	<b>\$8,839,543</b>	<b>\$2,006,944</b>	<b>\$8,639,468</b>	<b>-\$200,075</b>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	5,127,990	1,019,071	4,773,693	354,297
<b>Total Operating Expenses</b>	<b>\$5,127,990</b>	<b>\$1,019,071</b>	<b>\$4,773,693</b>	<b>\$354,297</b>
<b>OPERATING INCOME</b>	<b>\$3,711,553</b>	<b>\$987,873</b>	<b>\$3,865,775</b>	<b>\$154,222</b>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>				
<b>NON-OPERATING REVENUES</b>				
Investment Income	0	304	304	304
<b>Total Non-Operating Revenues</b>	<b>\$0</b>	<b>\$304</b>	<b>\$304</b>	<b>\$304</b>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	3,171,208	755,873	3,031,229	139,979
Rate Stabilization - Debt Management	0	0	0	0
<b>Total Non-Operating Expenses</b>	<b>\$3,171,208</b>	<b>\$755,873</b>	<b>\$3,031,229</b>	<b>\$139,979</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>\$540,345</b>	<b>\$232,304</b>	<b>\$834,850</b>	<b>\$294,505</b>
Renewal & Replacements	-402,200	-100,550	-402,200	0
Operating Capital Outlay	-138,145	0	-432,650	-294,505
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$131,754</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL REVENUES</b>	<b>\$8,839,543</b>	<b>\$2,007,248</b>	<b>\$8,639,772</b>	
<b>TOTAL APPROPRIATIONS</b>	<b>\$8,839,543</b>	<b>\$1,875,494</b>	<b>\$8,639,772</b>	



JACKSONVILLE  
TRANSPORTATION  
AUTHORITY

**Administration**

Jacksonville Regional  
Transportation Center  
at LaVilla  
100 LaVilla Center Drive  
Jacksonville, FL 32204

**Operations**

P.O. Drawer "0"  
100 N. Myrtle Avenue  
Jacksonville, FL 32203

Main (904) 630-3181

Fax (904) 630-3166

[www.jtafla.com](http://www.jtafla.com)

January 28, 2022

Ms. Kim Taylor, CPA  
Council Auditor  
City Hall – Suite 200  
117 West Duval Street  
Jacksonville, Florida 32202

Dear Ms. Taylor,

Enclosed are the quarterly reports for the Jacksonville Transportation Authority for the quarter ended December 31, 2021. I am including a full-year projection variance narrative for each division.

JTA has been the recipient of American Recovery Plan Act (ARPA) grant funding by virtue of being the Federal Transit Administration's designated recipient for the Jacksonville Urbanized Area, and is expected to receive the final distribution in February.

***Bus Fund***

Bus revenues are projected to be favorable for the year primarily due to projected tax revenues combined with timing of proceeds from the ARPA (a larger than budgeted amount will be booked in fiscal year 2022). Net tax revenues have exceeded budget by 8.9% for the first three months of this fiscal year. Expenses are projected to be substantially under budget, as the operating contingency is more than sufficient to cover any line item variances. As a reminder, a portion of the contingency was intended to cover union contract increases, which were negotiated after the FY22 budget was finalized.

***CTC Fund (Connexion)***

The forecast for Connexion reflects expenses under budget by \$1.0 million primarily resulting from continued lower ridership due to the pandemic. As a result, the transfer from the Bus fund is expected to be \$0.2 million lower than budgeted.

The majority of service provided by this fund is for riders covered under the federally mandated ADA program. The Connexion service requires a Bus fund transfer to support operations.



***Skyway Fund***

Skyway expenses are projected to be slightly favorable to budget. The forecast of the transfer from the Bus fund is slightly less than budget. The Skyway is a fare-free service and requires a transfer from the Bus fund to support operations.

***Ferry Fund***

The St. Johns River Ferry is projected to be below budget for expenses, as most expense categories are expected to be favorable. The transfer from the Bus fund is forecast to be \$0.52 million lower than budgeted.

***General Fund***

The General Fund revenues are projected to be higher than budget due to the sale of surplus real estate. Expenses are expected to be slightly under budget.

Please call me at 632-5520 if you have any questions about these quarterly reports.

Respectfully,

***Kendra Burton***

Kendra Burton  
Manager, Financial Planning and Analysis  
Jacksonville Transportation Authority

cc: Nathaniel P. Ford, Sr.  
Greg Hayes

Jacksonville Transportation Authority  
 Mass Transit Division - Bus  
 Quarterly Summary  
 For The Period Ended  
 December 31, 2021

BALANCE SHEET INFORMATION

Cash & Investments	-\$2,253,686	Current Liabilities	\$14,426,881
Current Assets	49,924,586	Other Liabilities	15,788,155
Fixed Assets	<u>197,899,576</u>	Fund Equity	<u>215,355,440</u>
Total Assets	<u><u>\$245,570,476</u></u>	Total Liab. & Equity	<u><u>\$245,570,476</u></u>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>3 MOS YTD Actual</u>	<u>FY22 Projected</u>	<u>Projected Favorable (Unfavorable) Budget Variance</u>
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$18,783,669	\$2,066,356	\$18,265,424	-\$518,245
Local Option Gas Tax	14,658,748	5,035,987	16,115,158	1,456,410
Net Sales Tax - Operating	73,073,556	19,149,592	76,598,368	3,524,812
Passenger Fares	8,545,927	1,472,640	5,890,560	-2,655,367
Federal Preventative Maintenance	1,750,000	437,500	1,750,000	0
Non-Transportation Revenue	1,040,275	254,492	1,017,968	-22,307
Interest Earnings	<u>1,987</u>	<u>58</u>	<u>232</u>	<u>-1,755</u>
Total Operating Revenues	<u><u>\$117,854,162</u></u>	<u><u>\$28,416,625</u></u>	<u><u>\$119,637,710</u></u>	<u><u>\$1,783,548</u></u>
<u>Operating Expenditures</u>				
Salaries and Wages	\$40,464,875	\$8,932,876	\$41,731,504	-\$1,266,629
Fringe Benefits	18,175,581	5,758,812	20,035,248	-1,859,667
Fuel and Lubricants	3,498,523	1,054,776	3,419,104	79,419
Materials and Supplies	5,035,291	1,160,831	4,643,324	391,967
Services	21,501,651	3,535,085	22,140,340	-638,689
Insurance	998,400	176,009	704,036	294,364
Travel/Training/Dues & Subscriptions	528,254	110,506	442,024	86,230
All Other/Miscellaneous	2,258,059	609,403	2,237,612	20,447
Contingency	6,432,681	0	0	6,432,681
Transfer to CTC (ADA expense)	12,729,376	3,283,962	12,540,543	188,833
Transfer to Skyway	4,680,402	1,397,276	4,589,104	91,298
Transfer to Ferry	<u>1,551,069</u>	<u>304,148</u>	<u>1,026,592</u>	<u>524,477</u>
Total Operating Expenditures	<u><u>\$117,854,162</u></u>	<u><u>\$26,323,684</u></u>	<u><u>\$113,509,431</u></u>	<u><u>\$4,344,731</u></u>
Surplus/(Deficit)	<u><u>\$0</u></u>	<u><u>\$2,092,941</u></u>	<u><u>\$6,128,279</u></u>	<u><u>\$6,128,279</u></u>

Jacksonville Transportation Authority  
 Mass Transit Division - Connexion (CTC)  
 Quarterly Summary  
 For The Period Ended  
 December 31, 2021

BALANCE SHEET INFORMATION

Cash & Investments	-\$310	Current Liabilities	\$1,917,847
Current Assets	3,377,361	Other Liabilities	1,441,232
Fixed Assets	1,559,280	Fund Equity	1,577,252
<b>Total Assets</b>	<b>\$4,936,331</b>	<b>Total Liab. &amp; Equity</b>	<b>\$4,936,331</b>

BUDGET INFORMATION

	FY22 Original Budget	3 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$347,327	-\$21,253	\$326,074	-\$21,253
Passenger Fares	1,109,380	198,711	794,844	-314,536
State Transportation Disadvantaged Funds	1,826,890	330,302	1,321,208	-505,682
City of Jacksonville (Paratransit Contribution)	1,525,919	389,175	1,525,919	0
Federal Preventative Maintenance	250,000	62,500	250,000	0
Non-Transportation Revenue	0	6,541	26,164	26,164
Transfer from Bus Operations	12,729,376	3,283,962	12,540,543	-188,833
<b>Total Operating Revenues</b>	<b>\$17,788,892</b>	<b>\$4,249,938</b>	<b>\$16,784,752</b>	<b>-\$1,004,140</b>
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,633,342	\$600,856	\$2,403,424	\$229,918
Fringe Benefits	1,082,210	348,533	1,394,132	-311,922
Fuel and Lubricants	890,010	268,998	875,992	14,018
Materials and Supplies	865,676	98,229	392,916	472,760
Services	12,061,666	2,893,657	11,574,628	487,038
Insurance	1,174	861	3,444	-2,270
Travel/Training/Dues & Subscriptions	67,509	15,833	48,332	19,177
All Other/Miscellaneous	187,305	22,971	91,884	95,421
Contingency	0	0	0	0
<b>Total Operating Expenditures</b>	<b>\$17,788,892</b>	<b>\$4,249,938</b>	<b>\$16,784,752</b>	<b>\$1,004,140</b>
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Jacksonville Transportation Authority  
 Mass Transit Division - Skyway  
 Quarterly Summary  
 For The Period Ended  
 December 31, 2021

BALANCE SHEET INFORMATION

Cash & Investments	\$25,933	Current Liabilities	\$1,686,095
Current Assets	2,707,714	Other Liabilities	1,069,562
Fixed Assets	66,339,119	Fund Equity	66,317,109
Total Assets	\$69,072,766	Total Liab. & Equity	\$69,072,766

BUDGET INFORMATION

	FY22 Original Budget	3 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$234,611	\$62,967	\$251,868	\$17,257
Federal Preventative Maintenance	2,000,000	500,000	2,000,000	0
Non-Transportation Revenue	0	316	1,264	1,264
Transfer from Bus Operations	4,680,402	1,397,276	4,589,104	-91,298
Total Operating Revenues	\$6,915,013	\$1,960,559	\$6,842,236	-\$72,777
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,903,521	\$713,765	\$2,855,060	\$48,461
Fringe Benefits	1,398,747	345,946	1,383,784	14,963
Fuel and Lubricants	7,798	1,358	5,432	2,366
Materials and Supplies	1,041,018	400,602	902,408	138,610
Services	697,860	218,400	773,600	-75,740
Insurance	496,947	196,179	584,716	-87,769
Travel/Training/Dues & Subscriptions	30,378	5,462	21,848	8,530
All Other/Miscellaneous	338,744	78,847	315,388	23,356
Contingency	0	0	0	0
Total Operating Expenditures	\$6,915,013	\$1,960,559	\$6,842,236	\$72,777
Surplus/(Deficit)	\$0	\$0	\$0	\$0

Jacksonville Transportation Authority  
 Mass Transit Division - Ferry  
 Quarterly Summary  
 For The Period Ended  
 December 31, 2021

BALANCE SHEET INFORMATION

Cash & Investments	\$0	Current Liabilities	\$823
Current Assets	1,528,834	Other Liabilities	1,367,341
Fixed Assets	23,442,663	Fund Equity	23,603,333
<b>Total Assets</b>	<b>\$24,971,497</b>	<b>Total Liab. &amp; Equity</b>	<b>\$24,971,497</b>

BUDGET INFORMATION

	FY22 Original Budget	3 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$127,823	\$92,445	\$369,780	\$241,957
Passenger Fares	1,180,702	316,956	1,267,824	87,122
Non-Transportation	0	0	0	0
Transfer from Bus Operations	1,551,069	304,148	1,026,592	-524,477
<b>Total Operating Revenues</b>	<b>\$2,859,594</b>	<b>\$713,549</b>	<b>\$2,664,196</b>	<b>-195,398</b>
<u>Operating Expenditures</u>				
Salaries and Wages	\$222,375	\$50,031	\$200,124	\$22,251
Fringe Benefits	63,376	28,750	115,000	-51,624
Fuel and Lubricants	213,593	93,623	184,492	29,101
Materials and Supplies	10,210	1,743	6,972	3,238
Services	2,182,832	502,049	2,008,196	174,636
Insurance	55,210	13,687	54,748	462
Travel/Training/Dues & Subscriptions	9,278	2,023	8,092	1,186
All Other/Miscellaneous	102,720	21,643	86,572	16,148
Contingency	0	0	0	0
<b>Total Operating Expenditures</b>	<b>\$2,859,594</b>	<b>\$713,549</b>	<b>\$2,664,196</b>	<b>\$195,398</b>
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Jacksonville Transportation Authority  
 General Fund  
 Quarterly Summary  
 For the Period Ended  
 December 31, 2021

BALANCE SHEET INFORMATION

Cash & Investments	\$134,803,412	Current Liabilities	\$475,240
Current Assets	3,127,497	Other Liabilities	3,157,664
Fixed Assets	<u>0</u>	Fund Equity	<u>134,298,005</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$137,930,909</u></u></b>	<b>TOTAL LIAB &amp; EQUITY</b>	<b><u><u>\$137,930,909</u></u></b>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>3 MOS YTD Actual</u>	<u>FY22 Projected</u>	<u>Projected Favorable (Unfavorable) Budget Variance</u>
<u>Operating Revenues</u>				
Net Sales Tax - Operating	\$2,032,848	\$508,212	\$2,032,848	\$0
Non-Transportation Revenue	124,098	11,007,311	11,129,244	11,005,146
Interest Earnings	<u>350,615</u>	<u>-206,281</u>	<u>424,876</u>	<u>74,261</u>
<b>Total Operating Revenues</b>	<b><u><u>\$2,507,561</u></u></b>	<b><u><u>\$11,309,242</u></u></b>	<b><u><u>\$13,586,968</u></u></b>	<b><u><u>\$11,079,407</u></u></b>
<u>Operating Expenditures</u>				
Salaries & Wages	\$1,493,493	\$249,993	\$1,199,972	\$293,521
Fringe Benefits	418,807	189,107	756,428	-337,621
Materials and Supplies	10,721	9,747	8,988	1,733
Services	503,738	117,282	469,128	34,610
Insurance	220	62	220	0
Training/Travel/Dues & Subscriptions	49,787	12,863	36,452	13,335
All Other/Miscellaneous	30,795	4,891	19,564	11,231
Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Operating Expenditures</b>	<b><u><u>\$2,507,561</u></u></b>	<b><u><u>\$583,945</u></u></b>	<b><u><u>\$2,490,752</u></u></b>	<b><u><u>\$16,809</u></u></b>
<b>Surplus/(Deficit)</b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$10,725,297</u></u></b>	<b><u><u>\$11,096,216</u></u></b>	<b><u><u>\$11,096,216</u></u></b>



January 27, 2022

Ms. Kim Taylor  
Council Auditor  
City Hall at St. James, Suite 200  
117 W. Duval St.  
Jacksonville, FL 32202

Re: Quarterly Report for period ending 12-31-21

Dear Ms. Taylor,

Enclosed is the Jacksonville Port Authority Unaudited Quarterly Report as of December 31, 2021.

JAXPORT revenues are slightly below budget expectations as of first quarter FY2022 by 5.5%, but forecasted to meet budget for the full year. Auto volumes are impacted negatively thus far by supply chain issues, parts and computer chips. Other revenue line items such as break bulk and liquid bulk, and operating revenues are trending positive to budget. Cruise operations are expected to begin again on March 7.

JAXPORT has experienced no budgetary stress in FY2022.

As of December, 2021, JAXPORT Bond Ratings (unchanged) are as follows:

Fitch – A (Affirmed Rating – April 2021)

Moody's – A2 (Affirmed Rating – September 2020).

If you have any questions or need additional information, please call me at 357-3004.

Sincerely,

*Mike McClung*

Mike McClung  
Director of Finance

Attachments

**JACKSONVILLE PORT AUTHORITY**  
**QUARTERLY REPORT SUMMARY**  
For the Three Months Ending December 31, 2021  
**UNAUDITED**

**BALANCE SHEET**

Cash and Investments	\$44,462,740	Current Liabilities	\$8,170,007
Accounts Receivable & Other Assets	42,001,822	Notes and Bonds Payable	246,210,678
Fixed Assets	844,639,503	Other Liabilities	158,782,823
<b>TOTAL ASSETS</b>	<b>\$931,104,065</b>	Net Position	517,940,558
		<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$931,104,065</b>

**OPERATING & NON-OPERATING ITEMS**

	ORIGINAL BUDGET	YTD ACTUAL	ANNUAL PROJECTED	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE
<b>OPERATING REVENUES</b>				
Containers	\$29,856,732	\$7,042,089	\$29,634,638	-\$222,094
Autos	15,220,500	3,582,153	14,774,556	-445,944
Military	998,133	84,677	998,133	0
Break Bulk	4,133,415	1,154,595	4,254,656	121,241
Liquid Bulk	1,490,922	418,450	1,536,642	45,720
Dry Bulk	2,078,202	442,826	2,078,202	0
Cruise	1,224,130	7,683	1,224,130	0
Other Operating Revenues	2,778,721	618,395	3,279,798	501,077
<b>TOTAL OPERATING REVENUES</b>	<b>\$57,780,755</b>	<b>\$13,350,868</b>	<b>\$57,780,755</b>	<b>\$0</b>
<b>OPERATING EXPENDITURES</b>				
Salaries	\$13,120,191	\$3,183,009	\$13,120,191	\$0
Employee Benefits	5,913,133	1,432,679	5,913,133	0
Services & Supplies	4,948,700	1,120,463	4,948,700	0
Security Services	5,402,169	1,108,482	5,160,109	242,060
Business Travel & Training	576,725	45,397	477,941	98,784
Promotion, Advertising & Dues	734,327	125,182	675,927	58,400
Utility Services	781,944	156,079	742,537	39,407
Repairs & Maintenance Projects	2,077,416	465,228	2,023,290	54,126
Crane Maintenance Pass Thru	-450,000	-111,403	-450,000	0
Berth Maintenance Dredging	5,335,165	1,930,684	5,335,165	0
Miscellaneous	163,115	31,239	153,575	9,540
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$38,602,885</b>	<b>\$9,487,039</b>	<b>\$38,100,568</b>	<b>\$502,317</b>
<b>OPERATING INCOME</b>	<b>\$19,177,870</b>	<b>\$3,863,829</b>	<b>\$19,680,187</b>	<b>\$502,317</b>
<b>NON-OPERATING REVENUES</b>				
Investment Income	\$8,688	\$3,209	\$8,688	\$0
Shared Revenue from Primary Govt	9,642,191	2,424,938	9,642,191	0
Operating Grants	73,440	0	55,080	-18,360
Other Revenue	8,500	90	8,500	0
	<b>\$9,732,819</b>	<b>\$2,428,237</b>	<b>\$9,714,459</b>	<b>-\$18,360</b>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	\$16,827,725	\$10,648,081	\$16,065,534	\$762,191
Other Expenditures	3,360	3,702	6,222	-2,862
	<b>\$16,831,085</b>	<b>\$10,651,783</b>	<b>\$16,071,756</b>	<b>\$759,329</b>
<b>NET INCOME BEFORE CAPITAL OUTLAY AND CONTINGENCY</b>	<b>\$12,079,604</b>	<b>-\$4,359,717</b>	<b>\$13,322,890</b>	<b>\$1,243,286</b>
Transfer (to)/from Operating Capital Outlay	-\$12,079,604	-\$1,598,919	-\$12,079,604	\$0
<b>SURPLUS (DEFICIT)</b>	<b>\$0</b>	<b>-\$5,958,636</b>	<b>\$1,243,286</b>	<b>\$1,243,286</b>
<b>TOTAL REVENUES</b>	<b>\$67,513,574</b>	<b>\$15,779,105</b>	<b>\$67,495,214</b>	
<b>TOTAL APPROPRIATIONS</b>	<b>\$67,513,574</b>	<b>\$21,737,741</b>	<b>\$66,251,928</b>	



February 1, 2022

Ms. Kim Taylor, CPA, MACC  
Council Auditor  
City Hall at St. James, Suite 200  
117 W. Duval Street  
Jacksonville, FL 32202

RE: Quarterly Report

Dear Ms. Taylor:

The attached financial summary for the Jacksonville Aviation Authority has been prepared in accordance with the instructions provided by the Council Auditor's Office.

Enclosed is the Unaudited Quarterly Report of the Jacksonville Aviation Authority for the three months ended December 31, 2021.

Operating Revenues for Q1 were \$25.02 million. Annual projected year end revenues are tracking over budget by \$9.93 million but could change as the year progresses. Operating Expenditures for Q1 were \$14.19 million. Expenditures are tracking right on budget of \$63.98 million at year end. The quarter closes with a positive budget to actual variance in Operating Income. Projected year end Operating Income currently sits \$10.88 million above budget but may change in future quarters.

The Jacksonville Aviation Authority remains in a challenging operational environment, however business has been stronger than expected during the first three months of fiscal 2022. Our plan is to monitor passenger activity and adjust spending accordingly, for the purposes of maintaining a stable financial position.

If you have any questions or need additional information, please call Carolyn Reed, 904-741-2351.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ross Jones", is written over a light blue horizontal line.

Ross Jones  
Chief Financial Officer

**Jacksonville Aviation Authority**  
**Jacksonville, Florida**  
**Quarterly Report Summary**  
**For the three months ended December 31, 2021**  
**UNAUDITED**

Cash and investments	\$335,011,287	Current liabilities	\$38,841,782
Other current assets	14,217,684	Other liabilities	224,895,612
Fixed and other assets	505,097,879	Total equity	590,589,456
Total assets	<u>\$854,326,850</u>	Total liabilities and equity	<u>\$854,326,850</u>
	<b>2021/2022</b>	<b>YTD</b>	<b>Annual</b>
	<b>Revised Budget</b>	<b>Actual</b>	<b>Projected</b>
			<b>Budget</b>
			<b>Variance</b>
			<b>Favorable</b>
			<b>(Unfavorable)</b>
<b>OPERATING REVENUES</b>			
Concessions	\$15,626,166	\$5,902,066	\$20,884,994
Fees & Charges	18,052,320	5,128,019	20,512,076
Space & Facility Rentals	30,065,211	7,332,251	29,329,004
Parking	18,967,224	6,216,627	21,777,784
Sale of Utilities	1,368,347	394,181	1,576,724
Other Miscellaneous Operating Revenue	247,606	44,715	178,860
<b>TOTAL OPERATING REVENUES</b>	<u>\$84,326,874</u>	<u>\$25,017,859</u>	<u>\$94,259,442</u>
<b>OPERATING EXPENDITURES</b>			
Salaries	\$20,219,924	\$5,119,731	\$22,220,553
Benefits	8,938,446	1,982,121	8,271,554
Services and Supplies	16,796,729	4,028,535	16,772,140
Repairs & Maintenance	8,907,205	1,193,792	8,775,168
Promotion, Advertising and Dues	781,011	214,645	779,580
Registration & Travel	448,908	60,224	443,896
Insurance Expense	1,829,000	369,985	1,838,432
Cost of Goods for Sale	695,000	167,426	669,704
Utilities, Taxes & Gov't Fees	4,551,853	1,050,994	4,203,976
Operating Contingency	1,755,061	0	0
<b>TOTAL OPERATING EXPENDITURES</b>	<u>\$64,923,137</u>	<u>\$14,187,453</u>	<u>\$63,975,003</u>
<b>OPERATING INCOME</b>	<u>\$19,403,737</u>	<u>\$10,830,406</u>	<u>\$30,284,439</u>
<b>NON-OPERATING REVENUES</b>			
Passenger Facility Charges	\$8,066,219	\$3,132,088	\$12,528,352
Investment income	1,470,343	337,423	1,464,692
Other Revenues	432,660	8,111,170	8,539,816
<b>TOTAL NON-OPERATING REVENUES</b>	<u>\$9,969,222</u>	<u>\$11,580,681</u>	<u>\$22,532,860</u>
<b>NON-OPERATING EXPENDITURES</b>			
Debt Service	\$6,297,072	\$7,956,934	\$11,744,125
Other Expenditures	985,600	31,294	125,176
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<u>\$7,282,672</u>	<u>\$7,988,228</u>	<u>\$11,869,301</u>
<b>NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS</b>	<u>\$22,090,287</u>	<u>\$14,422,859</u>	<u>\$40,947,998</u>
Transfer (to) Operating Capital Outlay	-\$30,472,500	-\$12,000,000	-\$21,035,000
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751	-1,172,038	-1,172,038
Transfer (to)/from Retained Earnings	13,418,964	-3,218,813	-3,218,813
<b>SURPLUS/(DEFICIT)</b>	<u>\$0</u>	<u>-\$1,967,992</u>	<u>\$15,522,147</u>
<b>TOTAL REVENUES</b>	\$94,296,096	\$36,598,540	\$116,792,302
<b>TOTAL OTHER SOURCES - RETAINED EARNINGS</b>	\$13,418,964	\$0	\$0
<b>TOTAL SOURCES</b>	<u>\$107,715,060</u>	<u>\$36,598,540</u>	<u>\$116,792,302</u>
<b>TOTAL APPROPRIATIONS</b>	<u>\$107,715,060</u>	<u>\$38,566,532</u>	<u>\$101,270,155</u>
<b>FULLTIME POSITIONS</b>	<u>271</u>	<u>245</u>	<u>271</u>
<b>TEMPORARY EMPLOYEE HOURS</b>	<u>5,220</u>	<u>213</u>	<u>852</u>

<b>Bond Ratings for Independent Agencies</b>				
<b>As of December 31, 2021</b>				
	<u>Fitch</u>	<u>S&amp;P</u>	<u>Moody</u>	
<b><u>JEA</u></b>				
<b>Uninsured Long Term</b>				
Electric Senior Bonds	AA	A+	A2	
Electric Subordinated Bonds	AA	A	A3	
<b>Uninsured Short Term</b>				
Electric Senior Bonds	F1+	A-1	VMIG-1	
Electric Subordinated Bonds	F1+	A-1	VMIG-2	
<b>Uninsured Long Term</b>				
SJRPP Bonds	AA	A+	A2	
<b>Uninsured Long Term</b>				
Water and Sewer Senior Bonds	AA	AA+	Aa3	
Water and Sewer Subordinated Bonds	AA	AA	Aa3	
<b>Uninsured Short Term</b>				
Water and Sewer Senior Bonds	F1 - F1+	A-1	VMIG-1	
Water and Sewer Subordinated Bonds	F1+	A-1 – A-1+	VMIG-1	
<b>Uninsured Long Term</b>				
Bulk Power Supply System Bonds	AA	A+	A2	
District Energy System Bonds	AA	AA	A1	
<b><u>Jacksonville Transportation Authority</u></b>				
Local Option Gas Tax Revenue Bonds - Series 2015	AA-	AA	Not Rated	
Local Option Gas Tax Revenue Bonds - Series 2020	AA-	AA	Not Rated	
<b><u>Jacksonville Port Authority</u></b>				
Revenue Bonds - Series 2012	A	Not Rated	A2	
Revenue Bonds - Series 2018B	A	Not Rated	A2	
Revenue Bonds - Series 2020B	A	Not Rated	A2	
<b>Source:</b> JEA- Joe Orfano, VP, Financial Services and Treasurer				
JTA- Kendra Burton, Manager of Financial Planning & Analysis				
JPA- Mike McClung, Director of Finance				

## Bond Ratings Scale

Moody's		S&P		Fitch		Definition
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
Aaa	P-1	AAA	A-1+	AAA	F1+	Prime
Aa1		AA+		AA+		High grade
Aa2		AA		AA		Upper medium grade
Aa3		AA-		AA-		
A1	P-2	A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3	P-2	A-	A-2	A-	F2	Medium grade
Baa1		BBB+		BBB+		
Baa2	P-3	BBB	A-3	BBB	F3	Medium grade
Baa3		BBB-		BBB-		
Ba1	Not Prime (NP)	BB+	B	BB+	B	Non-investment grade speculative
Ba2		BB		BB		
Ba3		BB-		BB-		
B1		B+		B+		Highly speculative
B2		B		B		
B3		B-		B-		
Caa1		CCC+		C		
Caa2	CCC	CC				
Caa3	CCC-	C	Speculative, in or near default			
Ca	CC	C				
C	C	D	D	RD/D	RD/D	In default, little prospect of recovery
/	D					
/	D					

### Municipal Short Term Ratings (Moody's)

Short Term	Demand Obligation	Definition
MIG1	VMIG1	Superior credit quality
MIG2	VMIG2	Strong credit quality
MIG3	VMIG 3	Acceptable credit quality
SG	SG	Speculative-grade credit quality