



Council Auditor's Office

Independent Agency Quarterly Summary for the Six Months Ended March 31, 2022

May 13, 2022

Report #858

Released on: May 13, 2022

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



May 13, 2022

Special Report #858

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 six months ended March 31, 2022 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 April 30, 2022, and we are to submit the consolidated financial report by May 15, 2022. JEA, JPA and JTA submitted their reports on time and JAA submitted their report on May 3, 2022.

The City and the Jacksonville Housing Finance Authority did not submit a quarterly financial report for the six months ended March 31, 2022. We have not received any quarterly reports for the City and Jacksonville Housing Finance Authority since the last quarter in fiscal year 2019/2020. Per the City's Chief Financial Officer (CFO), continued issues with the implementation of the City's financial system and COVID-19 staffing impacts have caused delays with closing the City's financial records. Additionally, per the CFO, even though the City's monthly financial closings have been completed through February 2022, he indicated that meeting the 6/30/22 deadline for submission of the Fiscal Year 2021 Annual Comprehensive Financial Report is their top priority, after which they will shift focus to quarterly reporting. 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 six months ending March 31, 2022, projects a balanced budget at year end for the Electric System, the Water & Wastewater System, and the District Energy System. However, as discussed below, JEA is currently projected to exceed its budgetary appropriation authority approved by Council for the Electric and Water & Wastewater Systems and will need to file legislation to amend their FY 2021/22 budget if the projections hold.

Electric System

Fuel Related Revenues & Expenses

For the six months ending March 31, 2022, the Electric System schedule of Fuel Related Revenues and Expenses is balanced. The projected favorable variance of \$160,079,186 in Fuel Revenues is due to projected higher fuel rates charged to customers based on higher fuel prices for JEA. The Regulatory Fund transfer of \$4,988,868 represents an over recovery of fuel costs for the first six months which will be used to offset future fuel costs. There is a projected unfavorable variance of \$194,561,190 for Fuel and Purchased Power Expense due to projected increases in fuel and purchased power costs.

Base Related Revenues & Expenses

For the six months ending March 31, 2022, the Electric System schedule of Base Related Revenues and Expenses shows a surplus of \$36,711,233, although it is projected to be a balanced budget at year end. There is a projected favorable budget variance of \$4,526,443 in Total Base Related Revenues and a projected favorable budget variance of \$25,371,575 in Total Base Related Expenses. The projected favorable variance for Base Rate Revenues of \$3,453,424 is primarily due to projected sales exceeding budgeted sales. Also contributing to the projected favorable variance in revenue is an unexpected increase of \$879,000 in Other Revenues from a dark fiber lease extension that was not budgeted. The favorable variance for Base Related Expenses is primarily due to a projected favorable variance of \$22,817,238 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 \$4,513,372 mainly due to a projected favorable variance of \$4,404,649 in the Environmental – Rate Stabilization transfer due to increased withdrawals from the rate stabilization fund for environmental capital projects and a projected favorable variance of \$2,064,334 in debt service due to projections for lower than budgeted interest rates on variable rate debt, which is offset by an unfavorable variance of \$1,955,611 in Demand Side Management - Rate Stabilization. If the Operating and Non-Operating Revenue and Expense projections materialize, Base Income Before Transfers is projected to incur a favorable balance of \$33,816,991 which will be used to fund increases in the projected transfer amounts to Operating Capital Outlay and Operating Capital Outlay – Environmental.

If JEA's projections hold true, JEA will exceed its budgetary appropriation authority approved by Council by approximately \$164 million. As discussed above, the overage is mainly due to projected fuel expenses which will be recovered by collecting additional fuel revenues via the variable fuel charge. As a result, JEA will need to file legislation to amend their FY 2021/22 budget.

Water & Wastewater System

For the six months ending March 31, 2022, the Water & Wastewater System schedule of Revenues and Expenses shows a surplus of \$966,336, although it is projected to be a balanced budget at year end. Total Operating Revenues shows a projected favorable budget variance of \$4,850,632 mainly due to a projected favorable variance of \$4,121,806 in Water and Sewer revenues based on projected sales being higher than budget due to fewer days of rain and a projected favorable variance of \$1,030,970 in Other Revenues due to actual Sewer Service Connection Fee Revenue coming in higher than budgeted year to date. Total Operating Expenses shows a projected favorable budget variance of \$9,633,909 primarily due to a projected favorable variance of \$6,022,920 in Operations and Maintenance expenses for Intercompany Charges and Allocations, Professional Services, and Industrial Services along with a projected favorable variance of \$3,348,621 in Environmental CUP-DSM expenses due to less payouts for incentive programs and professional services. Total Non-Operating Revenues project a favorable variance of \$8,322,970 primarily due to a projected favorable variance of \$8,259,614 in Capacity Extension Fees based on rate increases taking effect in April 2022. Total Non-Operating Expenses shows a projected favorable variance of \$14,989,559 due to a projected \$7,653,591 transfer from the Environmental Rate Stabilization Fund to cover projected higher capital spending for environmental projects. Additionally, there is a projected favorable variance of \$7,335,968 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 \$37,797,070 which is being used to fund projected additional expenses for Environmental Capital Outlay, Operating Capital Outlay, and to deposit Capacity/Extension Fees in the Renewal and Replacement reserve account for future expansion of the Water & Wastewater System.

If JEA's projections hold true, JEA will exceed its budgetary appropriation authority approved by Council by approximately \$13 million. As discussed above, the overage is mainly due to additional Operating Revenue and Capacity/Extension Fees related to new development. As a result, JEA will need to file legislation to amend their FY 2021/22 budget.

District Energy System

For the six months ending March 31, 2022, the District Energy System schedule of Revenues and Expenses shows a surplus of \$107,716, although it is projected to be a balanced budget at year end. There is a projected unfavorable variance in Operating Revenues of \$533,124 mainly due to projected lower sales. There is a projected favorable variance in Operating Expenses of \$344,542 due to projected lower expenses for Operating and Maintenance costs due to lower sales and associated operating costs. There is a projected favorable variance of \$133,648 in Non-Operating Expenses for debt service due to lower than budgeted interest rates for variable rate debt. Income Before Transfers shows a projected unfavorable variance of \$54,244 which will be mitigated by a decrease in the transfer to Operating Capital Outlay.

Bond Ratings

On March 28, 2022, Moody's upgraded JEA Electric System senior lien bonds, St. Johns River Power Park bonds and Bulk Power Supply System Scherer Project 4 bonds from A2 to A1 and upgraded Electric System subordinated lien bonds from A3 to A2. Moody's affirmed the associated VMIG-1 short-term rating for variable rate senior lien bonds and upgraded the associated short-term rating for variable rate subordinated lien bonds from VMIG-2 to VMIG-1. Moody's also revised JEA's rating outlook from positive to stable indicating a low likelihood of a rating change in the near future.

Jacksonville Transportation Authority

The financial report of the Jacksonville Transportation Authority (JTA) for the six months ending March 31, 2022, anticipates no budgetary stress for JTA as a whole. However, the following is noted:

Bus Division

The Bus Division for the six months ending March 31, 2022, shows a surplus of \$13,282,871, and JTA is projecting a favorable budget variance of \$6,877,933 at year end. In Operating Revenues, JTA is projecting a favorable budget variance of \$6,733,520 primarily due to a projected favorable budget variance of \$4,394,753 in Federal, State & Local Grants primarily due to receiving the final distribution of American Recovery Plan Act (ARPA) funds of \$13,650,875, as well as a projected favorable budget variance of \$4,969,284 for Net Sales Tax – Operating. This is partially offset by a projected unfavorable budget variance of \$2,766,227 in Passenger Fares due to a decline in ridership. In Operating Expenses there are projected unfavorable budget variances in Salaries and Fringe Benefits of \$226,751 and \$3,547,427 respectively, primarily due to these line items not including the union increases in the fiscal year 2021/22 budget, as well as increased pension plan contributions due to adjusted actuarial assumptions which were finalized after the fiscal year 2021/22 budget was approved. Additionally, there is a projected unfavorable budget variance of \$1,045,395 in Fuel and Lubricants due to usage and the average price of fuel. Also, there are projected unfavorable budget variances of \$538,739 in Services due to an unbudgeted increase with JTA's ReditRide service, \$1,228,347 in All Other/Miscellaneous primarily due to JTA paying an unbudgeted local match of \$978,875 for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant, and \$854,401 in Transfers to CTC. This is offset by favorable budget variances projected in various expenditure lines, including \$504,445 in Materials and Supplies, a projected favorable budget variance of \$6,432,681 in a contingency that will not be spent, and projected favorable budget variances in transfers to the Skyway and Ferry Divisions.

CTC Division

The CTC Division is projecting a balanced budget at year end. However, within Operating Revenues the State Transportation Disadvantaged Funds has a projected unfavorable budget variance of \$725,824 due to the reduced number of Americans with Disabilities Act (ADA) eligible trips and Passenger Fares has a projected unfavorable budget variance of \$399,300 due to ridership. This was partially offset by a projected favorable budget variance of \$854,401 in Transfer from Bus Operations to provide additional revenue to address the items below budget. For Operating Expenditures, the overall projected favorable budget variance of \$249,170 is

primarily due to a projected favorable budget variance of \$136,330 in Materials and Supplies and a projected favorable budget variance of \$96,678 in Salaries.

General Fund/Engineering Division

The General Fund/Engineering Division for the six months ending March 31, 2022, shows a surplus of \$9,501,115, and is projecting a favorable budget variance of \$10,837,230 at year end. This is primarily due to a projected favorable budget variance of \$12,353,358 in Non-Transportation Revenue due to the sale of surplus property. This is partially offset by a projected unfavorable budget variance of \$1,659,765 in negative interest earnings due to JTA's investment performance for the first six months of the fiscal year. For Operating Expenditures, Fringe Benefits showed a projected unfavorable budget variance of \$124,259 due to JTA's reclassification of fringe benefits from salaries to the appropriate expenditure line, and Services showed a projected unfavorable budget variance of \$287,738 primarily due to using outside consulting agencies for both CARES Act projects as well as the LOGT projects. This was offset by projected favorable budget variances in various expenditure lines, including \$525,485 in Salaries due to the shift of the fringe accounts from the salary line.

In the quarterly summary for the three months ended December 31, 2021, we had noted that JTA needed to file legislation to amend their fiscal year 2020/21 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 2020/21 budget as soon as possible.

Jacksonville Port Authority

The Jacksonville Port Authority's (JPA) financial report for the six months ending March 31, 2022, indicates no anticipated budgetary stress at year-end. Overall, JPA is projecting year-end Net Income Before Transfers of \$14,428,905, with \$12,079,604 being transferred to Operating Capital Outlay and a surplus of \$2,349,301 remaining. Although JPA's financial report for the second quarter does show a deficit of \$2,530,564 in year-to-date actual Net Income Before Transfers, this is due to JPA paying an unbudgeted termination fee for the early redemption of the Special Purpose Bonds discussed below.

Under Operating Revenues, JPA is projecting a \$505,000 unfavorable budget variance in Auto revenue due to auto volumes being impacted negatively by supply chain issues as mentioned in JPA's cover letter. Unfavorable revenue variances are offset by a projected \$1,274,793 favorable budget variance in Break Bulk due to shippers shifting products such as coffee, wood products, and fertilizer from containers to bulk, as well as a projected \$775,870 favorable budget variance in Cruise revenue due to a higher than budgeted occupancy rate on cruises for this fiscal year. Additionally, there is a projected \$656,614 favorable variance in Other Operating Revenues due to higher than budgeted non-cargo dockage events increasing (i.e., maintenance stops and changing of flags the ships sail under) as well as a tipping event scheduled for May 2022, where JPA's dredge spoil sites will be utilized by an outside entity.

For Total Operating Expenditures, JPA is projecting a favorable budget variance of \$1,767,311. This is primarily due to JPA projecting a \$955,127 favorable budget variance in Security

Services, partially due to bringing some contract security personnel in-house, along with projected savings in various expenditure line items. Under Non-Operating Expenses, JPA is projecting an unfavorable budget variance of \$1,582,231 in Debt Service due to an unbudgeted termination fee of \$4,064,100 for the early redemption of debt to allow another tenant to take over the MOL terminal. The termination fee was partially offset by advanced rent payments received by MOL in the amount of \$924,173. Also, JPA is projecting to pay \$850,342 less interest than budgeted in its line of credit, as well as \$41,667 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 six months ending March 31, 2022, indicates no budgetary stress. JAA is showing an end of quarter Net Income Before Transfers of \$23,553,968 before transfers to Operating Capital Outlay and the Passenger Facility Charge (PFC) Reserve, and a transfer from Retained Earnings, with an overall surplus of \$15,082,936. JAA projects an overall surplus of \$26,955,417 at year end. Total passenger activity for the second quarter was approximately 1.4 million passengers, which is an increase of 97.47% over the same quarter in fiscal year 2020/21, but still a decrease of 16.15% compared to fiscal year 2018/19 (prior to the Pandemic).

Total Operating Revenues are projected to experience a favorable budget variance of \$11,211,036 at year end. The projected favorable variance is primarily due to a projected favorable variance of \$5,189,984 in Concessions from car rentals, \$4,464,410 in Parking charges due to projected increased passenger activity and increased rates for parking in the daily garage and surface lots, and \$1,934,366 in Fees & Charges revenue related to projected increases in aircraft landings.

Total Operating Expenditures are projected to experience a favorable budget variance of \$1,653,026 at year end. The projected favorable variance is primarily due to projected favorable variances of \$1,650,884 in Operating Contingency due to projecting to not utilize the contingency in this fiscal year, \$526,458 in benefits due to projected lower costs for employee health and dental benefits, and hiring delays, \$260,951 in Utilities, Taxes & Gov't Fees due to efficiency gains from equipment replacement and lower projections for bad debt expense, and \$194,260 in Insurance Expense due to projected lower premiums after contract renewal. The projected favorable variance is offset by a projected unfavorable variance of \$1,195,897 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 \$11,848,660 which is mainly due to a projected favorable variance of \$3,684,433 in Passenger Facility Charges and a projected favorable variance of \$8,142,532 in Other Revenues due to JAA receiving \$7,800,000 of Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) funds in November 2021. Total Non-Operating Expenditures are projected to

experience an unfavorable variance of \$4,366,543 primarily due to a projected unfavorable variance in Debt Service of \$5,192,491 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 Net Income Before Transfers of \$42,436,466 and an overall surplus of \$26,955,417 after transfers to Operating Capital Outlay and Passenger Facility Charge Reserve, and a transfer from 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. As mentioned above, Moody's upgraded JEA Electric System senior lien bonds, subordinated lien bonds, St. Johns River Power Park bonds, and Bulk Power Supply System Bonds. Moody's also upgraded JEA's short-term rating for variable rate subordinated lien bonds. There were no changes to the debt ratings of the other 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.

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Respectfully submitted,

Kim Taylor

Kim Taylor, CPA
Council Auditor



BUILDING COMMUNITY

April 29, 2022

SUBJECT: QUARTERLY FINANCIAL SUMMARY – March 31, 2022

FROM: Joseph E. Orfano, VP, Financial Services, 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 six months ended March 31, 2022, JEA contributed \$60.6 million to the City's General Fund. JEA also paid to the City \$45.2 million in Public Service Taxes and \$20.4 million in City of Jacksonville Franchise Fees for a total combined payment to the City of \$126.1 million. This represents an increase of \$2.3 million from prior year.

The Electric System experienced a positive fund balance of \$36.7m for the six months ended March 31, 2022. This represents 2.9% of the original annual operating budget. The annual projection for the Electric System shows a balanced budget.

The Water and Wastewater System produced a positive fund balance of \$.97 million for the six months ended March 31, 2022. This represents 0.18% 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 \$0.11 million for the six months ended March 31, 2022, while the annual projection shows a balanced budget.

JEA experienced no budgetary stress during the six months ended March 31, 2022. JEA is actively monitoring the credit markets in order to efficiently manage debt. A schedule of JEA's bond ratings as of March 31, 2022 is included with this report.

Joseph E. Orfano

Joseph E. Orfano
VP, Financial Services and Treasurer

Attachments: As noted

JEA QUARTERLY FINANCIAL SUMMARY - ELECTRIC SYSTEM
March 31, 2022

	Revised Budget	As of 6 Months Actual	Projected	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
ASSETS:				
Cash and Investments	\$224,969,000			
Other Current Assets	210,727,000			
Fixed and Other Assets	3,695,924,000			
TOTAL ASSETS	<u>\$4,131,620,000</u>			
LIABILITIES & EQUITY:				
Current Liabilities				\$161,666,000
Other Liabilities				2,411,926,000
Fund Equity (Net Assets)				1,558,028,000
TOTAL LIABILITIES & EQUITY				<u>\$4,131,620,000</u>
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES	368,899,940	219,702,051	528,979,126	160,079,186
Total Net Fuel Revenues	<u>\$368,899,940</u>	<u>\$219,702,051</u>	<u>\$528,979,126</u>	<u>\$160,079,186</u>
FUEL EXPENSES				
Transfer to (from) Rate Stabilization, Net ¹	-7,284,992	-41,766,988	-41,766,996	34,482,004
Transfer to (from) Other Regulatory Funds, Net ²	0	4,988,868	0	0
Fuel & Purchased Power	376,184,932	256,480,171	570,746,122	-194,561,190
Total Fuel & Purchased Power	<u>\$368,899,940</u>	<u>\$219,702,051</u>	<u>\$528,979,126</u>	<u>-\$160,079,186</u>
FUEL SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
BASE RELATED REVENUES & EXPENSES:				
BASE OPERATING REVENUES				
Base Rate Revenues	785,192,000	361,418,406	788,645,424	3,453,424
Environmental Charge Revenue	7,442,000	3,427,753	7,476,983	34,983
Conservation Charge & Demand Side Revenue	732,000	279,488	677,773	-54,227
Other Revenues	123,615,440	112,705,118	124,512,840	897,400
Natural Gas Pass Through Revenue	823,420	606,571	1,018,283	194,863
Total Base Related Revenues	<u>\$917,804,860</u>	<u>\$478,437,336</u>	<u>\$922,331,303</u>	<u>\$4,526,443</u>
BASE OPERATING EXPENSES				
Operating and Maintenance	255,776,299	105,122,429	232,959,061	22,817,238
Environmental	2,263,500	290,896	1,422,652	840,848
Conservation & Demand-side Management	7,227,800	2,067,432	5,711,064	1,516,736
Natural Gas Pass Through Expense	918,473	705,148	1,167,059	-248,586
Non-Fuel Purchased Power	263,361,133	119,594,048	263,361,133	0
Non-Fuel Uncollectibles & PSC Tax	1,391,596	197,969	946,257	445,339
Emergency Contingency	5,000,000	0	5,000,000	0
Total Base Related Expenses	<u>\$535,938,801</u>	<u>\$227,977,922</u>	<u>\$510,567,226</u>	<u>\$25,371,575</u>
BASE OPERATING INCOME	<u>\$381,866,059</u>	<u>\$250,459,414</u>	<u>\$411,764,077</u>	<u>\$29,898,018</u>
NON-OPERATING REVENUE				
Investment Income	3,194,911	992,525	2,600,512	-594,399
Total Non-Operating Revenue	<u>\$3,194,911</u>	<u>\$992,525</u>	<u>\$2,600,512</u>	<u>-\$594,399</u>
NON-OPERATING EXPENSES				
Debt Service	109,816,948	53,748,268	107,752,614	2,064,334
Demand-side Management - Rate Stabilization	-395,800	1,418,155	1,559,811	-1,955,611
Rate Stabilization - Debt Management	0	0	0	0
Environmental - Rate Stabilization	-3,821,756	-107,127	-8,226,405	4,404,649
Total Non-Operating Expenses	<u>\$105,599,392</u>	<u>\$55,059,296</u>	<u>\$101,086,020</u>	<u>\$4,513,372</u>
BASE INCOME BEFORE TRANSFERS	\$279,461,578	\$196,392,643	\$313,278,569	\$33,816,991
City Contribution	-94,545,651	-47,272,825	-94,545,651	0
Interlocal Agreement	0	0	0	0
Renewal & Replacements	-66,329,200	-33,164,600	-66,329,200	0
Operating Capital Outlay	-115,291,939	-76,000,000	-138,122,981	-22,831,042
Operating Capital Outlay - Environmental	-3,294,788	-3,243,985	-14,280,737	-10,985,949
Operating Contingency	0	0	0	0
BASE SURPLUS/(DEFICIT) ³	<u>\$0</u>	<u>\$36,711,233</u>	<u>\$0</u>	<u>\$0</u>
TOTAL SURPLUS/(DEFICIT)	<u>\$0</u>	<u>\$36,711,233</u>	<u>\$0</u>	<u>\$0</u>
TOTAL REVENUES	<u>\$1,289,899,711</u>	<u>\$699,131,912</u>	<u>\$1,453,910,941</u>	
TOTAL APPROPRIATIONS	<u>\$1,289,899,711</u>	<u>\$662,420,679</u>	<u>\$1,453,910,941</u>	

(1) The Fuel Rate Stabilization Fund was eliminated in Q1, FY22.

(2) Transfer to (from) Other Regulatory Funds, Net represents over or under recovery of fuel costs based on the current fuel rate. A negative fuel fund balance depicts costs to be recovered from future revenues. A positive fund balance depicts revenues to be used for future costs.

(3) The Electric System produced a surplus of \$36.7 million for the Quarter ended March 31, 2022.

JEA QUARTERLY FINANCIAL SUMMARY - WATER & WASTEWATER SYSTEM

March 31, 2022

ASSETS:		LIABILITIES & EQUITY:		
Cash and Investments	\$76,668,000	Current Liabilities		\$48,617,000
Other Current Assets	121,286,000	Other Liabilities		1,693,493,000
Fixed and Other Assets	3,455,323,000	Fund Equity (Net Assets)		1,911,167,000
TOTAL ASSETS	\$3,653,277,000	TOTAL LIABILITIES & EQUITY		\$3,653,277,000

	Revised Budget	As of 6 Months Actual	Projected	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES AND EXPENSES:				
OPERATING REVENUES				
Water and Sewer Revenues	439,929,234	217,100,957	444,051,040	4,121,806
Environmental Revenues	27,010,000	12,486,389	26,707,856	-302,144
Other Revenues	25,494,531	12,578,233	26,525,501	1,030,970
Total Operating Revenues	\$492,433,765	\$242,165,579	\$497,284,397	\$4,850,632
OPERATING EXPENSES				
Operating and Maintenance	184,882,130	84,240,402	178,859,210	6,022,920
Environmental CUP-DSM	7,933,200	500,597	4,584,579	3,348,621
Uncollectibles	700,409	87,842	438,041	262,368
Emergency Contingency	1,000,000	0	1,000,000	0
Total Operating Expenses	\$194,515,739	\$84,828,841	\$184,881,830	\$9,633,909
OPERATING INCOME	\$297,918,026	\$157,336,738	\$312,402,567	\$14,484,541
NON-OPERATING REVENUES AND EXPENSES:				
NON-OPERATING REVENUES				
Investment Income	2,075,631	1,101,169	2,138,987	63,356
Capacity/Extension Fees	47,000,000	17,241,992	55,259,614	8,259,614
Contributed Capital	0	0	0	0
Total Non-Operating Revenues	\$49,075,631	\$18,343,161	\$57,398,601	\$8,322,970
NON-OPERATING EXPENSES				
Debt Service	67,135,355	29,807,096	59,799,387	7,335,968
Environmental - Rate Stabilization	0	-1,111,433	-7,653,591	7,653,591
Total Non-Operating Expenses	\$67,135,355	\$28,695,663	\$52,145,796	\$14,989,559
INCOME BEFORE TRANSFERS	\$279,858,302	\$146,984,236	\$317,655,372	\$37,797,070
City Contribution	-26,666,722	-13,333,361	-26,666,722	0
Interlocal Agreements	-25,722,619	-4,722,619	-22,419,423	3,303,196
Renewal & Replacements	-28,358,000	-14,179,000	-28,358,000	0
Operating Capital Outlay	-145,320,814	-91,624,242	-163,725,965	-18,405,151
Environmental Capital Outlay	-6,790,147	-4,916,686	-21,225,648	-14,435,501
Capacity/Extension Fees	-47,000,000	-17,241,992	-55,259,614	-8,259,614
Contributed Capital	0	0	0	0
Operating Contingency	0	0	0	0
TOTAL SURPLUS/(DEFICIT)	\$0	\$966,336	\$0	\$0
TOTAL REVENUES	\$541,509,396	\$260,508,740	\$554,682,998	
TOTAL APPROPRIATIONS	\$541,509,396	\$259,542,404	\$554,682,998	

JEA QUARTERLY FINANCIAL SUMMARY - DISTRICT ENERGY SYSTEM

March 31, 2022

ASSETS:		LIABILITIES & EQUITY:	
Cash and Investments	\$1,487,000	Current Liabilities	\$94,000
Other Current Assets	285,000	Other Liabilities	31,453,000
Fixed and Other Assets	35,937,000	Fund Equity (Net Assets)	6,162,000
TOTAL ASSETS	\$37,709,000	TOTAL LIABILITIES & EQUITY	\$37,709,000

	Revised Budget	As of 6 Months Actual	Projected	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
OPERATING REVENUES AND EXPENSES:				
OPERATING REVENUES				
Operating Revenue	8,839,543	3,845,177	8,306,419	-533,124
Total Operating Revenues	\$8,839,543	\$3,845,177	\$8,306,419	-\$533,124
OPERATING EXPENSES				
Operating and Maintenance	5,127,990	2,022,694	4,783,448	344,542
Total Operating Expenses	\$5,127,990	\$2,022,694	\$4,783,448	\$344,542
OPERATING INCOME	\$3,711,553	\$1,822,483	\$3,522,971	-\$188,582
NON-OPERATING REVENUES AND EXPENSES:				
NON-OPERATING REVENUES				
Investment Income	0	690	690	690
Total Non-Operating Revenues	\$0	\$690	\$690	\$690
NON-OPERATING EXPENSES				
Debt Service	3,171,208	1,514,357	3,037,560	133,648
Rate Stabilization - Debt Management	0	0	0	0
Total Non-Operating Expenses	\$3,171,208	\$1,514,357	\$3,037,560	\$133,648
INCOME BEFORE TRANSFERS	\$540,345	\$308,816	\$486,101	-\$54,244
Renewal & Replacements	-402,200	-201,100	-402,200	0
Operating Capital Outlay	-138,145	0	-83,901	54,244
TOTAL SURPLUS/(DEFICIT)	\$0	\$107,716	\$0	\$0
TOTAL REVENUES	\$8,839,543	\$3,845,867	\$8,307,109	
TOTAL APPROPRIATIONS	\$8,839,543	\$3,738,151	\$8,307,109	



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

April 30, 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 March 31, 2022. I am including a full-year projection variance narrative for each division.

JTA is 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. The final distribution of this funding was received this quarter.

Bus Fund

Bus revenues are projected to be favorable for the year primarily due to projected tax revenues combined with a larger than budgeted proceeds from the ARPA booked in February. Expenses are projected to be slightly under budget, as the contingency will offset increased salary expenses and fuel costs, and the CRISI match. 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 \$0.2 million. Revenues are projected to be lower than budgeted directly resulting from continued lower ridership. As a result, the transfer from the Bus fund is expected to be \$0.9 million higher 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 \$0.3 million lower than budgeted. Improved ridership and higher passenger fares are forecast for the remainder of the year.

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. The combination of these two factors results in a substantial surplus.

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
 March 31, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$10,191,834	Current Liabilities	\$8,033,856
Current Assets	45,962,196	Other Liabilities	24,174,776
Fixed Assets	<u>206,085,909</u>	Fund Equity	<u>230,031,307</u>
Total Assets	<u><u>\$262,239,939</u></u>	Total Liab. & Equity	<u><u>\$262,239,939</u></u>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>6 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	\$18,039,211	\$23,178,422	\$4,394,753
Local Option Gas Tax	14,658,748	7,812,355	14,724,710	65,962
Net Sales Tax - Operating	73,073,556	41,421,420	78,042,840	4,969,284
Passenger Fares	8,545,927	2,889,850	5,779,700	-2,766,227
Federal Preventative Maintenance	1,750,000	875,000	1,750,000	0
Non-Transportation Revenue	1,040,275	553,941	1,107,882	67,607
Interest Earnings	<u>1,987</u>	<u>2,064</u>	<u>4,128</u>	<u>2,141</u>
Total Operating Revenues	<u><u>\$117,854,162</u></u>	<u><u>\$71,593,841</u></u>	<u><u>\$124,587,682</u></u>	<u><u>\$6,733,520</u></u>
<u>Operating Expenditures</u>				
Salaries and Wages	\$40,464,875	\$18,245,813	\$40,691,626	-\$226,751
Fringe Benefits	18,175,581	11,561,504	21,723,008	-3,547,427
Fuel and Lubricants	3,498,523	2,121,959	4,543,918	-1,045,395
Materials and Supplies	5,035,291	2,215,423	4,530,846	504,445
Services	21,501,651	10,520,195	22,040,390	-538,739
Insurance	998,400	323,371	746,742	251,658
Travel/Training/Dues & Subscriptions	528,254	268,211	526,422	1,832
All Other/Miscellaneous	2,258,059	2,428,203	3,486,406	-1,228,347
Contingency	6,432,681	0	0	6,432,681
Transfer to CTC (ADA expense)	12,729,376	6,899,484	13,583,777	-854,401
Transfer to Skyway	4,680,402	2,985,701	4,571,402	109,000
Transfer to Ferry	<u>1,551,069</u>	<u>741,106</u>	<u>1,265,212</u>	<u>285,857</u>
Total Operating Expenditures	<u><u>\$117,854,162</u></u>	<u><u>\$58,310,970</u></u>	<u><u>\$117,709,749</u></u>	<u><u>\$144,413</u></u>
Surplus/(Deficit)	<u><u>\$0</u></u>	<u><u>\$13,282,871</u></u>	<u><u>\$6,877,933</u></u>	<u><u>\$6,877,933</u></u>

Jacksonville Transportation Authority
 Mass Transit Division - Connexion (CTC)
 Quarterly Summary
 For The Period Ended
 March 31, 2022

BALANCE SHEET INFORMATION

Cash & Investments	-\$52	Current Liabilities	\$1,575,592
Current Assets	2,146,661	Other Liabilities	1,683,894
Fixed Assets	1,308,369	Fund Equity	195,492
Total Assets	\$3,454,978	Total Liab. & Equity	\$3,454,978

BUDGET INFORMATION

	FY22 Original Budget	6 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$347,327	-\$21,253	\$368,580	\$21,253
Passenger Fares	1,109,380	355,040	710,080	-399,300
State Transportation Disadvantaged Funds	1,826,890	550,533	1,101,066	-725,824
City of Jacksonville (Paratransit Contribution)	1,525,919	781,417	1,525,919	0
Federal Preventative Maintenance	250,000	125,000	250,000	0
Non-Transportation Revenue	0	150	300	300
Transfer from Bus Operations	12,729,376	6,899,484	13,583,777	854,401
Total Operating Revenues	\$17,788,892	\$8,690,371	\$17,539,722	-\$249,170
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,633,342	\$1,268,332	\$2,536,664	\$96,678
Fringe Benefits	1,082,210	642,610	1,135,220	-53,010
Fuel and Lubricants	890,010	544,946	839,892	50,118
Materials and Supplies	865,676	207,030	729,346	136,330
Services	12,061,666	5,897,769	12,045,538	16,128
Insurance	1,174	1,706	1,706	-532
Travel/Training/Dues & Subscriptions	67,509	36,045	67,490	19
All Other/Miscellaneous	187,305	91,933	183,866	3,439
Contingency	0	0	0	0
Total Operating Expenditures	\$17,788,892	\$8,690,371	\$17,539,722	\$249,170
Surplus/(Deficit)	\$0	\$0	\$0	\$0

Jacksonville Transportation Authority
 Mass Transit Division - Skyway
 Quarterly Summary
 For The Period Ended
 March 31, 2022

BALANCE SHEET INFORMATION

Cash & Investments	-\$24,614	Current Liabilities	\$1,918,149
Current Assets	2,603,482	Other Liabilities	813,557
Fixed Assets	<u>64,974,206</u>	Fund Equity	<u>64,821,368</u>
Total Assets	<u><u>\$67,553,074</u></u>	Total Liab. & Equity	<u><u>\$67,553,074</u></u>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>6 MOS YTD Actual</u>	<u>FY22 Projected</u>	<u>Projected Favorable (Unfavorable) Budget Variance</u>
<u>Operating Expenditures</u>				
Federal, State & Local Grants	\$234,611	\$62,967	\$245,934	\$11,323
Federal Preventative Maintenance	2,000,000	1,000,000	2,000,000	0
Non-Transportation Revenue	0	775	1,550	1,550
Transfer from Bus Operations	<u>4,680,402</u>	<u>2,985,701</u>	<u>4,571,402</u>	<u>-109,000</u>
Total Operating Revenues	<u><u>\$6,915,013</u></u>	<u><u>\$4,049,443</u></u>	<u><u>\$6,818,886</u></u>	<u><u>-\$96,127</u></u>
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,903,521	\$1,367,883	\$2,735,766	\$167,755
Fringe Benefits	1,398,747	707,399	1,334,798	63,949
Fuel and Lubricants	7,798	3,088	6,176	1,622
Materials and Supplies	1,041,018	737,318	924,636	116,382
Services	697,860	622,452	744,904	-47,044
Insurance	496,947	391,800	783,600	-286,653
Travel/Training/Dues & Subscriptions	30,378	14,583	29,166	1,212
All Other/Miscellaneous	338,744	204,920	259,840	78,904
Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenditures	<u><u>\$6,915,013</u></u>	<u><u>\$4,049,443</u></u>	<u><u>\$6,818,886</u></u>	<u><u>\$96,127</u></u>
Surplus/(Deficit)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Jacksonville Transportation Authority
 Mass Transit Division - Ferry
 Quarterly Summary
 For The Period Ended
 March 31, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$0	Current Liabilities	\$51,626
Current Assets	922,774	Other Liabilities	894,542
Fixed Assets	23,525,585	Fund Equity	23,502,191
Total Assets	\$24,448,359	Total Liab. & Equity	\$24,448,359

BUDGET INFORMATION

	FY22 Original Budget	6 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$127,823	\$104,467	\$208,934	\$81,111
Passenger Fares	1,180,702	655,131	1,310,262	129,560
Non-Transportation	0	0	0	0
Transfer from Bus Operations	1,551,069	741,106	1,265,212	-285,857
Total Operating Revenues	\$2,859,594	\$1,500,704	\$2,784,408	-\$75,186
<u>Operating Expenditures</u>				
Salaries and Wages	\$222,375	\$104,459	\$208,918	\$13,457
Fringe Benefits	63,376	50,995	101,990	-38,614
Fuel and Lubricants	213,593	197,446	204,892	8,701
Materials and Supplies	10,210	4,636	9,272	938
Services	2,182,832	1,058,648	2,117,296	65,536
Insurance	55,210	27,374	54,748	462
Travel/Training/Dues & Subscriptions	9,278	5,218	8,436	842
All Other/Miscellaneous	102,720	51,928	78,856	23,864
Contingency	0	0	0	0
Total Operating Expenditures	\$2,859,594	\$1,500,704	\$2,784,408	\$75,186
Surplus/(Deficit)	\$0	\$0	\$0	\$0

Jacksonville Transportation Authority
 General Fund
 Quarterly Summary
 For the Period Ended
 March 31, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$135,694,903	Current Liabilities	\$498,054
Current Assets	2,248,905	Other Liabilities	2,369,050
Fixed Assets	<u>0</u>	Fund Equity	<u>135,076,704</u>
TOTAL ASSETS	<u><u>\$137,943,808</u></u>	TOTAL LIAB & EQUITY	<u><u>\$137,943,808</u></u>

BUDGET INFORMATION

	FY22 Original Budget	6 MOS YTD Actual	FY22 Projected	Projected Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Net Sales Tax - Operating	\$2,032,848	\$1,016,424	\$2,032,848	\$0
Non-Transportation Revenue	124,098	11,088,728	12,477,456	12,353,358
Interest Earnings	<u>350,615</u>	<u>-1,104,575</u>	<u>-1,309,150</u>	<u>-1,659,765</u>
Total Operating Revenues	<u><u>\$2,507,561</u></u>	<u><u>\$11,000,577</u></u>	<u><u>\$13,201,154</u></u>	<u><u>\$10,693,593</u></u>
<u>Operating Expenditures</u>				
Salaries & Wages	\$1,493,493	\$484,004	\$968,008	\$525,485
Fringe Benefits	418,807	271,533	543,066	-124,259
Materials and Supplies	10,721	11,632	13,264	-2,543
Services	503,738	695,738	791,476	-287,738
Insurance	220	124	248	-28
Training/Travel/Dues & Subscriptions	49,787	18,240	26,480	23,307
All Other/Miscellaneous	30,795	18,191	21,382	9,413
Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Expenditures	<u><u>\$2,507,561</u></u>	<u><u>\$1,499,462</u></u>	<u><u>\$2,363,924</u></u>	<u><u>\$143,637</u></u>
Surplus/(Deficit)	<u><u>\$0</u></u>	<u><u>\$9,501,115</u></u>	<u><u>\$10,837,230</u></u>	<u><u>\$10,837,230</u></u>

Jacksonville Port Authority (JAXPORT)

April 21, 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 3-31-22

Dear Ms. Taylor,

Enclosed is the Jacksonville Port Authority Unaudited Quarterly Report as of March 31, 2022.

JAXPORT revenues are slightly above budget six months to date and forecasted to exceed budget by \$2 million for the full year. Cruise operations are back in service as of March 2022 and are sailing at close to full occupancy thus far. Auto volumes are impacted negatively by supply chain issues, but auto revenues are steady as most processors have fixed lease rates. Break bulk revenues, which includes paper and wood pulp, and other non-container commodities are also trending positive to budget. Total operating expenses are projected to stay under budget for the full year.

JAXPORT has experienced no budgetary stress in FY2022.

As of March 2022, 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

Corporate Headquarters – 2831 Talleyrand Avenue, Jacksonville, FL 32206
JAXPORT.COM

JACKSONVILLE PORT AUTHORITY
QUARTERLY REPORT SUMMARY
For the Six Months Ending March 31, 2022
UNAUDITED

BALANCE SHEET

Cash and Investments	\$64,036,036	Current Liabilities	\$9,472,494
Accounts Receivable & Other Assets	41,575,715	Notes and Bonds Payable	238,313,432
Fixed Assets	847,748,032	Other Liabilities	166,064,094
TOTAL ASSETS	\$953,359,783	Net Position	539,509,764
		TOTAL LIABILITIES & EQUITY	\$953,359,783

OPERATING & NON-OPERATING ITEMS

	ORIGINAL BUDGET	YTD ACTUAL	ANNUAL PROJECTED	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE
OPERATING REVENUES				
Containers	\$29,856,732	\$14,624,221	\$29,856,732	\$0
Autos	15,220,500	7,407,425	14,714,850	-505,650
Military	998,133	190,633	848,133	-150,000
Break Bulk	4,133,415	2,704,104	5,408,208	1,274,793
Liquid Bulk	1,490,922	784,845	1,569,690	78,768
Dry Bulk	2,078,202	1,019,407	2,038,814	-39,388
Cruise	1,224,130	472,793	2,000,000	775,870
Other Operating Revenues	2,778,721	1,545,974	3,435,335	656,614
TOTAL OPERATING REVENUES	\$57,780,755	\$28,749,402	\$59,871,762	\$2,091,007
OPERATING EXPENDITURES				
Salaries	\$13,120,191	\$6,372,971	\$12,933,067	\$187,125
Employee Benefits	5,913,133	2,865,820	5,822,387	90,747
Services & Supplies	4,948,700	2,359,041	4,818,082	130,618
Security Services	5,402,169	2,148,521	4,447,042	955,127
Business Travel & Training	576,725	79,036	367,399	209,327
Promotion, Advertising & Dues	734,327	358,590	717,180	17,147
Utility Services	781,944	322,764	645,528	136,416
Repairs & Maintenance Projects	2,077,416	1,018,368	2,036,736	40,680
Crane Maintenance Pass Thru	-450,000	-198,059	-396,118	-53,882
Berth Maintenance Dredging	5,335,165	3,031,699	5,335,165	0
Miscellaneous	163,115	54,554	109,108	54,007
TOTAL OPERATING EXPENDITURES	\$38,602,885	\$18,413,305	\$36,835,575	\$1,767,311
OPERATING INCOME	\$19,177,870	\$10,336,097	\$23,036,187	\$3,858,317
NON-OPERATING REVENUES				
Investment Income	\$8,688	\$7,791	\$15,582	\$6,894
Shared Revenue from Primary Govt	9,642,191	4,880,335	9,760,670	118,479
Operating Grants	73,440	0	36,720	-36,720
Other Revenue	8,500	1,802	3,604	-4,896
	\$9,732,819	\$4,889,928	\$9,816,576	\$83,757
NON-OPERATING EXPENSES				
Debt Service	\$16,827,725	\$14,363,348	\$18,409,956	-\$1,582,231
Other Expenditures	3,360	6,951	13,902	-10,542
	\$16,831,085	\$14,370,299	\$18,423,858	-\$1,592,773
NET INCOME BEFORE CAPITAL OUTLAY AND CONTINGENCY	\$12,079,604	\$855,726	\$14,428,905	\$2,349,301
Transfer (to)/from Operating Capital Outlay	-\$12,079,604	-\$3,386,290	-\$12,079,604	\$0
SURPLUS (DEFICIT)	\$0	-\$2,530,564	\$2,349,301	\$2,349,301
TOTAL REVENUES	\$67,513,574	\$33,639,330	\$69,688,338	
TOTAL APPROPRIATIONS	\$67,513,574	\$36,169,894	\$67,339,037	



May 03, 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 six months ended March 31, 2022.

Operating Revenues for Q2 were \$47.49 million. Annual projected year end revenues are tracking over budget by \$11.21 million but could change as the year progresses. Operating Expenditures for Q2 were \$29.50 million. Expenditures are tracking right on budget of \$63.27 million at year end. The second quarter closes with a positive budget to actual variance in Operating Income. Projected year end Operating Income currently sits \$12.86 million above budget but may change in future quarters.

The Jacksonville Aviation Authority remains in alert to market condition environment, however business continues stronger than expected during the first six months of fiscal year 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 Jose Lopez, 904-741-3168.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ross Jones', is written over a white rectangular background.

Ross Jones
Chief Financial Officer

Jacksonville Aviation Authority
Jacksonville, Florida
Quarterly Report Summary
For the Six months ended March, 31 2022
UNAUDITED

Cash and investments	337,816,983	Current liabilities	41,093,530
Other current assets	11,672,277	Other liabilities	217,476,991
Fixed and other assets	500,944,966	Total equity	591,863,705
Total assets	\$850,434,226	Total liabilities and equity	\$850,434,226
			Budget Variance Favorable (Unfavorable)
	2021/2022 Revised Budget	YTD Actual	Annual Projected
OPERATING REVENUES			
Concessions	15,626,166	10,408,075	20,816,150
Fees & Charges	18,052,320	9,993,343	19,986,686
Space & Facility Rentals	30,065,211	14,780,124	29,560,248
Parking	18,967,224	11,441,668	23,431,634
Sale of Utilities	1,368,347	786,425	1,572,850
Other Miscellaneous Operating Revenue	247,606	85,171	170,342
TOTAL OPERATING REVENUES	\$84,326,874	\$47,494,806	\$95,537,910
OPERATING EXPENDITURES			
Salaries	20,219,924	10,166,262	21,415,821
Benefits	8,938,446	4,205,994	8,411,988
Services and Supplies	16,868,061	8,081,464	16,820,928
Repairs & Maintenance	8,946,650	3,109,136	8,946,650
Promotion, Advertising and Dues	781,111	335,288	727,576
Registration & Travel	452,208	98,546	400,092
Insurance Expense	1,829,000	1,046,068	1,634,740
Cost of Goods for Sale	695,000	315,707	631,414
Utilities, Taxes & Gov't Fees	4,541,853	2,140,451	4,280,902
Operating Contingency	1,650,884	0	0
TOTAL OPERATING EXPENDITURES	\$64,923,137	\$29,498,916	\$63,270,111
OPERATING INCOME	\$19,403,737	\$17,995,890	\$32,267,799
NON-OPERATING REVENUES			
Passenger Facility Charges	8,066,219	5,875,326	11,750,652
Investment income	1,470,343	717,269	1,492,038
Other Revenues	432,660	8,137,359	8,575,192
TOTAL NON-OPERATING REVENUES	\$9,969,222	\$14,729,954	\$21,817,882
NON-OPERATING EXPENDITURES			
Debt Service	6,297,072	9,092,050	11,489,563
Other Expenditures	985,600	79,826	159,652
TOTAL NON-OPERATING EXPENDITURES	\$7,282,672	\$9,171,876	\$11,649,215
NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC	\$22,090,287.00	\$23,553,968.00	\$42,436,466.00
RESERVE AND RETAINED EARNINGS			
Transfer (to) Operating Capital Outlay	-30,472,500	-12,104,548	-24,992,061
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751	-3,907,952	-3,907,952
Transfer (to)/from Retained Earnings	13,418,964	7,541,468	13,418,964
SURPLUS/(DEFICIT)	\$0	\$15,082,936	\$26,955,417
TOTAL REVENUES	\$94,296,096	\$62,224,760	\$117,355,792
TOTAL OTHER SOURCES - RETAINED EARNINGS	\$13,418,964	\$7,541,468	\$13,418,964
TOTAL REVENUES & OTHER SOURCES OF REVENUE	\$107,715,060	\$69,766,228	\$130,774,756

Bond Ratings for Independent Agencies				
As of March 31, 2022				
	<u>Fitch</u>	<u>S&P</u>	<u>Moody</u>	
<u>JEA</u>				
Uninsured Long Term				
Electric Senior Bonds	AA	A+	A1	
Electric Subordinated Bonds	AA	A	A2	
Uninsured Short Term				
Electric Senior Bonds	F1+	A-1	VMIG-1	
Electric Subordinated Bonds	F1+	A-1	VMIG-1	
Uninsured Long Term				
SJRPP Bonds	AA	A+	A1	
Uninsured Long Term				
Water and Sewer Senior Bonds	AA	AA+	Aa3	
Water and Sewer Subordinated Bonds	AA	AA	Aa3	
Uninsured Short Term				
Water and Sewer Senior Bonds	F1 - F1+	A-1	VMIG-1	
Water and Sewer Subordinated Bonds	F1+	A-1 – A-1+	VMIG-1	
Uninsured Long Term				
Bulk Power Supply System Bonds	AA	A+	A1	
District Energy System Bonds	AA	AA	A1	
<u>Jacksonville Transportation Authority</u>				
Local Option Gas Tax Revenue Bonds - Series 2015	AA-	AA	Not Rated	
Local Option Gas Tax Revenue Bonds - Series 2020	AA-	AA	Not Rated	
<u>Jacksonville Port Authority</u>				
Revenue Bonds - Series 2012	A	Not Rated	A2	
Revenue Bonds - Series 2018B	A	Not Rated	A2	
Revenue Bonds - Series 2020B	A	Not Rated	A2	
Source: 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		High grade
Aa3		AA-		AA-		
A1	P-2	A+	A-1	A+	F1	Upper medium grade
A2		A		A		
A3		A-		A-		F2
Baa1	P-3	BBB+	A-2	BBB+		
Baa2		BBB		BBB	F3	Medium grade
Baa3		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		C		CCC+		
Caa2	CCC		CCC			
Caa3	CCC-		CC			
Ca	CC		C	Speculative, in or near default		
C	C		C			
/	D	D	D	RD/D	RD/D	In default, little prospect of recovery
/						

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