



**Council Auditor's Office**

**Independent Agency  
Quarterly Summary for the Twelve Months Ended September 30, 2022**

**December 14, 2022**

**Report #863**

**Released on: December 14, 2022**

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



December 14, 2022

Special Report #863

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 twelve months ended September 30, 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 Independent Agency were to submit their reports to the Council Auditor on or before November 30, 2022, and we are to submit the consolidated financial report by December 15, 2022. JEA, JPA, JAA and JTA submitted their reports on time. However, JEA had to resubmit their report since an amended budget not yet approved by City Council and year-end transfers that eliminated variances for expenditures for the fiscal year were included on the report.

The City and the Jacksonville Housing Finance Authority did not submit a quarterly financial report for the twelve months ended September 30, 2022. We have not received quarterly reports for the City and Jacksonville Housing Finance Authority since the last quarter in fiscal year 2019/2020. Per the Finance and Administration Department, they have been focused on catching up with the state and federal reporting requirements post-ERP system implementation. However, the Administration has stated that a report for the City and the Jacksonville Housing Finance Authority will be submitted for the first quarter of fiscal year 2022/2023. 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. Additionally, the fourth quarter report provides the year-end financial outcome and identifies any budgetary variances. In order to meet our reporting deadline required by the municipal code, we are issuing this report on the independent agencies.

Also, specified in more detail within this report we have noted that JEA and JTA will need to submit legislation to amend their budgets. These two agencies had actual expenditures at year-end that exceeded the Council approved appropriation authority for fiscal year 2021/2022.

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 twelve months ending September 30, 2022, shows a surplus of \$62,073,213 for the Electric System and a balanced budget for the Water & Wastewater System and the District Energy System at year end. However, as discussed below, JEA exceeded its budgetary appropriation authority approved by Council for the Electric, Water & Wastewater, and District Energy Systems. To address the overages, the JEA Board approved an amendment to their fiscal year 2021/22 budget on October 26, 2022. In addition, legislation will need to be filed with City Council.

#### Electric System

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

For the twelve months ending September 30, 2022, the Electric System schedule of Fuel Related Revenues and Expenses is balanced. The favorable variance of \$263,460,415 in Fuel Revenues is due to higher fuel rates charged to customers based on higher fuel prices for JEA and increased sales compared to the previous year. The Regulatory Fund transfer of \$12,582,275 represents an under recovery of fuel costs for the year which will be recovered in future fuel charges. There is an unfavorable variance of \$310,524,694 for Fuel and Purchased Power Expense due to increases in fuel costs during the year.

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

For the twelve months ending September 30, 2022, the Electric System schedule of Base Related Revenues and Expenses shows a surplus of \$62,073,213 at year end. There is a favorable budget variance of \$21,676,568 in Total Base Related Revenues and a favorable budget variance of \$90,086,562 in Total Base Related Expenses. The favorable variance for Base Rate Revenues of \$16,932,219 is primarily due to actual sales exceeding budgeted sales. Also contributing to the favorable variance in revenue is an increase of \$3,817,884 in Other Revenues from a Dark Fiber contract not being cancelled, FEMA reimbursements from Hurricane Dorian, increases in transmission services, and a transfer from the Environmental Liability Reserve to fund remediation projects. The favorable variance for Base Related Expenses is primarily due to favorable variances of \$49,315,536 in Non-Fuel Purchased Power due to unanticipated delays with Plant Vogtle, \$32,760,097 in Operating and Maintenance due to lower than budgeted expenses for industrial services, rental & lease costs, salaries & benefits, maintenance agreements & repair services, other legal expense, supplemental workforce, operating reserves, contracts and contingencies, and city services, and \$5,000,000 in the Emergency Contingency due to not using the contingency.

Non-Operating Expenses ended the year with an unfavorable variance of \$4,587,019 mainly due to unfavorable variances of \$4,793,341 in the Environmental – Rate Stabilization transfer due to a larger than budgeted transfer to the rate stabilization fund due to increased environmental charge revenue and decreased spending for environmental capital projects, and \$1,986,690 for a transfer to the Demand-side Management – Rate Stabilization fund, offset by a favorable variance of \$2,193,012 in Debt Service due to lower than budgeted interest rates on variable rate

debt. Base Income Before Transfers experienced a favorable variance of \$107,694,407 which will be used to fund an increase of \$42,708,061 in the transfer to Operating Capital Outlay and an increase of \$2,913,133 in the transfer to Operating Capital Outlay – Environmental.

Based on year end actual expenses, JEA exceeded its budgetary appropriation authority approved by Council by \$223,582,066 mainly due to fuel expenses, which are recovered by collecting additional fuel revenues via the variable fuel charge.

### **Water & Wastewater System**

For the twelve months ending September 30, 2022, the Water & Wastewater System schedule of Revenues and Expenses is balanced.

Total Operating Revenues experienced a favorable budget variance of \$13,170,948 mainly due to a favorable variance of \$8,442,224 in Water and Sewer revenues based on sales being higher than budgeted due to system growth and weather-related factors and a favorable variance of \$5,112,738 in Other Revenues due to actual Sewer Service Connection Fee Revenue and Tappings Revenue coming in higher than budgeted, as well as an unbudgeted FEMA reimbursement. Total Operating Expenses show a favorable variance of \$9,766,448 primarily due to a favorable variance of \$4,930,640 in Environmental CUP-DSM expenses due to less payouts for incentive programs, professional services, and marketing & business promotion, \$3,369,724 in Operations and Maintenance expenses being lower than budgeted for insurance, intercompany charges & allocations, professional services, and industrial services, and \$1,000,000 due to not using the Emergency Contingency. Total Non-Operating Revenues show a favorable variance of \$1,813,276 primarily due to a favorable variance of \$1,602,585 in Investment Income due to increased yields on the investment portfolio and higher cash balances during the fourth quarter. Total Non-Operating Expenses show a favorable variance of \$11,370,306 due to a favorable variance of \$6,579,138 in Debt Service due to lower variable interest rates, lower fixed rates for debt refunded in fiscal year 2021, and no new borrowing during the current fiscal year. Additionally, \$4,791,168 was transferred from the Environmental Rate Stabilization Fund to cover higher capital spending for environmental projects. Income before Transfers of \$36,120,978, along with a favorable balance of \$2,505,212 in the Interlocal Agreements due to a budgeted pre-payment not being made, were used to fund additional expenses for Operating Capital Outlay, Environmental Capital Outlay, and a transfer to the Capacity/Extension Fees reserve account for future expansion of the Water & Wastewater System.

Based on year end actual expenses, JEA exceeded its budgetary appropriation authority approved by Council by \$14,984,224 mainly due to transferring additional funds to Operating Capital Outlay.

### **District Energy System**

For the twelve months ending September 30, 2022, the District Energy System schedule of Revenues and Expenses is balanced. Operating Revenues experienced a favorable variance of \$157,685 due to the increases in the variable fuel rate and consumption revenues. Operating Expenses experienced an unfavorable variance of \$103,750 due to increased costs for utilities (electricity and water) charged to the DES system to generate chilled water to meet customer

demand. Non-Operating Revenues experienced a favorable variance of \$20,779 due to higher yields and cash balances in the fourth quarter. Non-Operating Expenses experienced a favorable variance of \$111,398 due to lower than budgeted Revolving Credit Facility interest. These positive variances totaling \$186,112 (reflected in Income Before Transfers), were used to fund additional capital projects.

Based on year end actual revenues and expenses JEA exceeded its budgetary appropriation authority approved by Council by \$178,464 mainly due to transferring additional funds to Operating Capital Outlay.

### **Jacksonville Transportation Authority**

The financial report of the Jacksonville Transportation Authority (JTA) for the twelve months ending September 30, 2022, indicates no budgetary stress for JTA as a whole. However, all of the JTA Divisions' actual expenditures exceeded the budgetary appropriation approved by City Council as noted below and separate legislation will need to be filed to amend their Fiscal Year 2021/22 budgets.

#### **Bus Division**

The Bus Division shows a surplus of \$13,724,108 in actual revenues and expenditures at year-end, which is mainly due to a favorable variance in Total Operating Revenues of \$17,596,073. Federal, State & Local Grants has a favorable variance of \$5,606,912 related to American Rescue Plan Act funding and there is a favorable variance of \$14,564,148 in Net Sales Tax – Operating due to higher than budgeted sales tax collections, which is partially offset by an unfavorable variance of \$2,652,391 in Passenger Fares due to decreased ridership. In Operating Expenses, there is an unfavorable variance of \$3,871,965, which is due to an unfavorable variance of \$4,980,098 in Fringe Benefits based on the reclassification of accounts from Salaries and Wages to Fringe Benefits, an unfavorable budget variance of \$3,817,877 in Services mainly due to grant expenses related to project management, and an unfavorable variance of \$1,740,636 in Fuel and Lubricants due to higher fuel prices. The Transfer to CTC has an unfavorable variance of \$1,429,301 due to higher than anticipated fuel costs and contract increases for the Connexion (CTC) Division. The Transfer to Skyway has an unfavorable variance of \$900,722 due to additional maintenance costs for the Skyway Division. This is partially offset by a favorable variance of \$6,432,681 in a Contingency that was not utilized, and a favorable variance of \$2,469,523 in Salaries and Wages primarily due to the reclassification of certain accounts to Fringe Benefits.

The Bus Division's expenditures exceeded its budgetary appropriation approved by the City Council by \$3,871,965. JTA will need to file legislation to amend their Fiscal Year 2021/22 budget as soon as possible.

#### **Connexion (CTC) Division**

The Connexion (CTC) Division is showing a balanced budget at year-end. However, it should be noted there was a higher than budgeted Transfer from Bus Operations in the amount of \$1,429,301 to cover increased expenses in the Connexion (CTC) Division. The Connexion

(CTC) Division's expenditures exceeded its budgetary appropriation approved by the City Council by an amount of \$829,738. This is primarily due to higher than budgeted fuel costs that caused an unfavorable variance of \$552,549 in Fuel and Lubricants and an increase in the contract rate for JTA's third-party paratransit provider that caused an unfavorable variance of \$515,024 in Services. JTA will need to file legislation to amend their Fiscal Year 2021/22 budget as soon as possible.

### **Skyway Division**

The Skyway Division is showing a balanced budget at year-end. However, it should be noted there was a higher than budgeted Transfer from Bus Operations in the amount of \$900,722 to cover increased expenses in the Skyway Division. The Skyway Division's expenditures exceeded its budgetary appropriation approved by City Council by an amount of \$729,996, primarily due to unbudgeted maintenance costs for the system causing unfavorable variances of \$352,880 in Services and \$236,604 in Materials and Supplies. JTA will need to file legislation to amend their Fiscal Year 2021/22 budget as soon as possible.

### **Ferry Division**

The Ferry Division is showing a balanced budget at year-end. However, it should be noted that the Ferry Division's expenditures exceeded its budgetary appropriation approved by City Council by an amount of \$259,868. This is primarily due to higher than budgeted fuel costs for the Ferry Division causing an unfavorable variance of \$297,014 in Fuel and Lubricants. JTA will need to file legislation to amend their Fiscal Year 2021/22 budget as soon as possible.

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

The General Fund/Engineering Division shows an overall surplus of \$7,949,826 at year end. Operating Revenues is showing a favorable variance of \$9,398,250, which is due to a favorable variance of \$11,047,829 in Non-Transportation Revenue because of the sale of surplus property, which is being partially offset by an unfavorable variance in negative interest earnings of \$1,649,579 due to JTA's investment performance for the fiscal year. Operating Expenditures has an unfavorable variance of \$1,448,424, primarily due to an unfavorable variance in Services of \$1,342,140 due to project management software, as well as construction and legal consulting services. There is also an unfavorable variance of \$365,077 in Materials and Supplies due to accounting entry errors that should have been posted to Services and All Other/Miscellaneous which will be corrected in JTA's closing period. The unfavorable variances are partially offset by a favorable variance in Salaries and Wages of \$369,265 due to the reclassification of accounts from Salaries and Wages to Fringe Benefits. Despite the overall surplus, the General Fund/Engineering Division expenditures exceeded its budgetary appropriation approved by City Council by an amount of \$1,448,424 primarily due to increased Services expense. JTA will need to file legislation to amend their Fiscal Year 2021/22 budget as soon as possible.

## **Jacksonville Port Authority**

The Jacksonville Port Authority's (JPA) financial report for the twelve months ended September 30, 2022, indicates no budgetary stress. Overall, JPA recorded Net Income Before Transfers of \$14,739,312, with \$9,483,495 being transferred to Operating Capital Outlay (which is \$2,596,109 less than budgeted due to JPA receiving \$4,000,000 in American Rescue Plan funds from the City) and \$5,255,817 being shown as Surplus for the year-end.

JPA recorded a favorable variance of \$3,636,011 for Total Operating Revenues. This is primarily due to a favorable variance in Break Bulk of \$1,781,855 due to shippers shifting products such as coffee, wood products, and fertilizer from containers to bulk and an increased demand for forest products, and a favorable variance of \$1,338,282 in Cruise revenue due to a higher than budgeted occupancy rate on cruises for this fiscal year. Additionally, JPA recorded a favorable variance of \$1,129,524 in Other Operating Revenues primarily due to a dredge spoil disposal event where JPA's dredge spoil sites were utilized by an outside entity, as well as higher than budgeted other dockage revenue (maintenance stops and changing of flags the ships sail under, etc.). The favorable variance is offset by an unfavorable variance of \$420,489 in Military revenue, due to the uncertainty of when military supplies will be shipped, as well as an unfavorable variance of \$233,401 in Container revenue as a result of the port being closed on September 29<sup>th</sup> and 30<sup>th</sup> due to Hurricane Ian, which caused two vessel calls to be missed and postponed into the first quarter of FY 2022/23. Also, Auto revenue recorded an unfavorable variance of \$122,401 primarily due to supply chain issues.

For Total Operating Expenditures, JPA reported a favorable variance of \$913,031. The overall favorable operating variance is primarily due to JPA recording a \$997,339 favorable variance in Security Services from bringing some contract security personnel in-house, a \$414,744 favorable variance in Berth Maintenance Dredging due to the year-end dredging event being postponed to the first quarter of FY 2022/23 due to Hurricane Ian, along with favorable variances in various expenditure line items. The favorable variance is partially offset by an unfavorable variance of \$610,549 in Services and Supplies primarily due to increased fuel costs and workers compensation insurance assessments. For Non-Operating Expenses, JPA recorded an unfavorable variance of \$2,142,566 in Debt Service primarily due to an unbudgeted termination fee for the early redemption of debt to allow another tenant to take over a terminal located at Dames Point Marine Terminal and the unbudgeted refunding of a 2020 Bank Note. The termination fee and refunding were partially offset by advanced rent payments received by the former tenant at Dames Point Marine Terminal, paying less in interest than budgeted for the terminated bonds, and paying less interest than budgeted for their line of credit.

## **Jacksonville Aviation Authority**

Jacksonville Aviation Authority's (JAA) financial report for the twelve months ending September 30, 2022, indicates no budgetary stress. JAA is showing Net Income Before Transfers of \$58,976,177 before transfers to Operating Capital Outlay and the Passenger Facility Charge (PFC) Reserve, with an overall surplus of \$48,580,817 at year end. Total passenger activity for the year was approximately 6,387,924 passengers, which is an increase of 53.45% over fiscal

year 2020/21, but still a decrease of 9.69% compared to fiscal year 2018/19 (prior to the Pandemic).

Total Operating Revenues experienced a favorable variance of \$15,508,635 at year end. The favorable variance is primarily due to a favorable variance of \$6,903,473 in Parking charges due to increased passenger activity and increased parking rates, \$5,729,468 in Concessions from car rentals due to increased passenger traffic and higher rental prices, and \$2,687,715 in Fees & Charges due to increased landings by signatory airlines as well as private and charter aircraft.

Total Operating Expenditures experienced a favorable variance of \$1,212,150 at year end. JAA is reporting favorable variances of \$822,342 in Repairs & Maintenance and \$274,728 in Services and Supplies; however, JAA used the Operating Contingency of \$1,925,061 throughout the fiscal year to cover the higher costs of repairs, maintenance projects and development along with higher costs for gas and oil, operating supplies, and contractual services. There is also a favorable variance of \$257,757 in Benefits due to unfilled positions and lower costs for health and dental coverage. The favorable variance was partially offset by an unfavorable variance of \$220,403 in Salaries due to increased overtime, as well as incentive pay and bonuses that were not budgeted.

Total Non-Operating Revenues ended the year with a favorable budget variance of \$34,253,712. The favorable variance was primarily due to favorable variances of \$27,392,235 in Other Revenue due to the receipt of \$15.9 million in American Rescue Plan Act (ARPA) grant funds (\$9.5 million was received during the 4<sup>th</sup> quarter), \$7.9 million in Coronavirus Response & Relief Supplemental Appropriation Act (CRRSA) funds, and \$2.5 million in Coronavirus Aid, Relief and Economic Security Act (CARES) funds during the year. There are favorable variances of \$4,723,703 in Passenger Facility Charges due to increased passenger activity, and \$2,137,774 in Investment Income due to an increase in interest rates. Total Non-Operating Expenses experienced an unfavorable variance of \$14,088,606 at year end primarily due to an unfavorable variance of \$14,907,626 in Debt Service due to unbudgeted expenses of \$9,700,000 to pay off the 2008 PNC/Compass note due to the receipt of grant funds, and \$5,506,653 in issuance costs and interest expenses for new debt issued for the Boeing Project at the Cecil Commerce Center.

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## **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 24 for a detailed list of individual bond ratings.

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**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

December 1, 2022

**SUBJECT: QUARTERLY FINANCIAL SUMMARY – September 30, 2022**

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

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

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

For the twelve months ended September 30, 2022, JEA contributed \$121.2 million to the City’s General Fund. JEA also paid to the City \$96.1 million in Public Service Taxes and \$45.8 million in City of Jacksonville Franchise Fees for a total combined payment to the City of \$263.1 million. This represents an increase of \$12.5 million from prior year.

The Electric System produced a positive fund balance of \$62.1 million for the twelve months ended September 30, 2022. This represents 4.8% of the original annual operating budget. The Electric System had a \$62.1 million surplus for the year ended September 30, 2022. Actual revenues and expenses ended higher than budget for the Electric System. A budget amendment reflecting these increases is currently pending legislation.

The Water and Wastewater System produced a balanced budget for the year ended September 30, 2022. Actual revenues and expenses ended higher than budget for the Water and Wastewater System. A budget amendment reflecting these increases is currently pending legislation.

The District Energy System produced a balanced budget for the year ended September 30, 2022. Actual revenues and expenses ended higher than budget for the District Energy System. A budget amendment reflecting these increases is currently pending legislation.

JEA experienced no budgetary stress during the twelve months ended September 30, 2022. In December of 2021, JEA began charging customers a variable fuel rate that is set monthly to align with fuel and purchased power expenses. The increases in fuel and purchased power expenses throughout Fiscal Year 2022 have resulted in an increase in fuel and purchased power revenue. These increases are reflected in the aforementioned budget amendment currently pending legislation.

JEA is actively monitoring the credit markets in order to efficiently manage debt. A schedule of JEA’s bond ratings as of September 30, 2022 is included with this report.

Joseph E. Orfano  
Joseph E. Orfano  
VP, Financial Services

Attachments: As noted



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

September 30, 2022

<b>ASSETS:</b>		<b>LIABILITIES &amp; EQUITY:</b>	
Cash and Investments	\$67,889,000	Current Liabilities	\$54,126,000
Other Current Assets	126,187,000	Other Liabilities	1,728,716,000
Fixed and Other Assets	<u>3,546,243,000</u>	Fund Equity (Net Assets)	<u>1,957,477,000</u>
<b>TOTAL ASSETS</b>	<u><u>\$3,740,319,000</u></u>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$3,740,319,000</u></u>

	Original Budget	Revised Budget (1)	As of 12 Months Actual	BUDGET VARIANCE FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUES AND EXPENSES:</b>				
<b>OPERATING REVENUES</b>				
Water and Sewer Revenues	\$439,929,234	\$439,929,234	\$448,371,458	\$8,442,224
Environmental Revenues	27,010,000	27,010,000	26,625,986	-384,014
Other Revenues	25,494,531	25,494,531	30,607,269	5,112,738
<b>Total Operating Revenues</b>	<u>\$492,433,765</u>	<u>\$492,433,765</u>	<u>\$505,604,713</u>	<u>\$13,170,948</u>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	\$184,882,130	\$184,882,130	\$181,512,406	\$3,369,724
Environmental CUP-DSM	7,608,200	7,933,200	3,002,560	4,930,640
Uncollectibles	700,409	700,409	234,325	466,084
Emergency Contingency	1,000,000	1,000,000	0	1,000,000
<b>Total Operating Expenses</b>	<u>\$194,190,739</u>	<u>\$194,515,739</u>	<u>\$184,749,291</u>	<u>\$9,766,448</u>
<b>OPERATING INCOME</b>	<u>\$298,243,026</u>	<u>\$297,918,026</u>	<u>\$320,855,422</u>	<u>\$22,937,396</u>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>				
<b>NON-OPERATING REVENUES</b>				
Investment Income	\$2,075,631	\$2,075,631	\$3,678,216	\$1,602,585
Capacity/Extension Fees	47,000,000	47,000,000	47,210,691	210,691
Contributed Capital	0	0	0	0
<b>Total Non-Operating Revenues</b>	<u>\$49,075,631</u>	<u>\$49,075,631</u>	<u>\$50,888,907</u>	<u>\$1,813,276</u>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	\$67,135,355	\$67,135,355	\$60,556,217	\$6,579,138
Environmental - Rate Stabilization	0	0	-4,791,168	4,791,168
<b>Total Non-Operating Expenses</b>	<u>\$67,135,355</u>	<u>\$67,135,355</u>	<u>\$55,765,049</u>	<u>\$11,370,306</u>
<b>INCOME BEFORE TRANSFERS</b>	<u>\$280,183,302</u>	<u>\$279,858,302</u>	<u>\$315,979,280</u>	<u>\$36,120,978</u>
City Contribution	-\$26,666,722	-\$26,666,722	-\$26,666,722	\$0
Interlocal Agreements	-21,000,000	-21,758,437	-19,253,225	2,505,212
Renewal & Replacements	-25,243,465	-28,358,000	-28,358,000	0
Operating Capital Outlay	-149,471,315	-149,284,996	-177,763,446	-28,478,450
Environmental Capital Outlay	-10,801,800	-6,790,147	-16,727,196	-9,937,049
Capacity/Extension Fees	-47,000,000	-47,000,000	-47,210,691	-210,691
Contributed Capital	0	0	0	0
Operating Contingency	0	0	0	0
<b>TOTAL SURPLUS/(DEFICIT)</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>TOTAL REVENUES</b>	<u>\$541,509,396</u>	<u>\$541,509,396</u>	<u>\$556,493,620</u>	
<b>TOTAL APPROPRIATIONS</b>	<u>\$541,509,396</u>	<u>\$541,509,396</u>	<u>\$556,493,620</u>	

(1) Revised Budget represents Revised Budget as of FY22 Quarter 3, does not include 4th Quarter FTRs and pending Budget Amendment

**JEA QUARTERLY FINANCIAL SUMMARY - DISTRICT ENERGY SYSTEM**  
**September 30, 2022**

<b>ASSETS:</b>		<b>LIABILITIES &amp; EQUITY:</b>	
Cash and Investments	\$1,341,000	Current Liabilities	\$101,000
Other Current Assets	329,000	Other Liabilities	36,308,000
Fixed and Other Assets	41,011,000	Fund Equity (Net Assets)	6,272,000
<b>TOTAL ASSETS</b>	<b>\$42,681,000</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$42,681,000</b>

	<b>Original Budget</b>	<b>Revised Budget <sup>1</sup></b>	<b>As of 12 Months Actual</b>	<b>BUDGET VARIANCE FAVORABLE (UNFAVORABLE)</b>
<b>OPERATING REVENUES AND EXPENSES:</b>				
<b>OPERATING REVENUES</b>				
Operating Revenue	\$8,839,543	\$8,839,543	\$8,997,228	\$157,685
<b>Total Operating Revenues</b>	<b>\$8,839,543</b>	<b>\$8,839,543</b>	<b>\$8,997,228</b>	<b>\$157,685</b>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	\$5,127,990	\$5,127,990	\$5,231,740	-\$103,750
<b>Total Operating Expenses</b>	<b>\$5,127,990</b>	<b>\$5,127,990</b>	<b>\$5,231,740</b>	<b>-\$103,750</b>
<b>OPERATING INCOME</b>	<b>\$3,711,553</b>	<b>\$3,711,553</b>	<b>\$3,765,488</b>	<b>\$53,935</b>
<b>NON-OPERATING REVENUES AND EXPENSES:</b>				
<b>NON-OPERATING REVENUES</b>				
Investment Income	0	0	20,779	20,779
<b>Total Non-Operating Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,779</b>	<b>\$20,779</b>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	\$3,171,208	\$3,171,208	\$3,059,810	\$111,398
Rate Stabilization - Debt Management	0	0	0	0
<b>Total Non-Operating Expenses</b>	<b>\$3,171,208</b>	<b>\$3,171,208</b>	<b>\$3,059,810</b>	<b>\$111,398</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>\$540,345</b>	<b>\$540,345</b>	<b>\$726,457</b>	<b>\$186,112</b>
Renewal & Replacements	-\$426,828	-\$402,200	-\$402,200	\$0
Operating Capital Outlay	-113,517	-138,145	-324,257	-186,112
<b>TOTAL SURPLUS/(DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL REVENUES</b>	<b>\$8,839,543</b>	<b>\$8,839,543</b>	<b>\$9,018,007</b>	
<b>TOTAL APPROPRIATIONS</b>	<b>\$8,839,543</b>	<b>\$8,839,543</b>	<b>\$9,018,007</b>	

(1) Revised Budget represents Revised Budget as of FY22 Quarter 3, does not include 4th Quarter FTRs and pending Budget Amendment



JACKSONVILLE  
TRANSPORTATION  
AUTHORITY

**Administration**

121 W. Forsyth Street,  
Suite 200  
Jacksonville, FL 32202

**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)

November 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 September 30, 2022. A full-year variance narrative for each division is included.

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.

***Bus Fund***

Net sales tax revenue was higher than budgeted by \$14.5 million. Expenses were \$3.9 million over budget in the salaries and fringes, fuel and services categories. Salaries and fringes were over budget due to higher union wages that became effective in late 2021. As a reminder, a portion of the contingency was intended to cover union contract increases, because the negotiations concluded after the FY22 budget was finalized. Fuel was over budget due to higher market prices, but JTA's hedging program more than offset the variance and generated realized gains of over \$3.8 million for the year (this benefit was recorded in revenue). Services expense was over budget primarily due to grant-related costs, and were offset by grant revenue. The net result is a surplus of \$13.7 million for the year.

***CTC Fund (Connexion)***

Connexion expense was over budget by \$0.8 million resulting from higher fuel prices and an increase in the contract rate for MV Transportation, the third-party paratransit service provider. The fuel increase was offset by JTA's hedging program, but not reflected as an expense reduction. MV's contract was amended at a higher rate by the JTA Board in September 2021.

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 materials, supplies and services expenses are over budget primarily resulting from additional maintenance costs for the system. Federal preventative maintenance operating funds were transferred to capital projects, reducing revenues. The combination of these factors required a greater than budgeted transfer from Bus fund.

The Skyway is a fare-free service and requires a transfer from the Bus fund to support operations.

***Ferry Fund***

Expenses for the St. Johns River Ferry were slightly over budget due to the increased cost of fuel, which were offset by hedging, as noted above. This resulted in an increased transfer from the Bus Fund.

***General Fund***

General Fund revenues were higher than budget due to the sale of surplus property. Expenses were greater than budgeted primarily due to services related to project management software, and construction and legal consulting services. The favorable revenue variance more than offset negative expenses, and resulted in a surplus of \$8.0 million for the year.

We understand that a budget amendment will be required for all five funds, despite the fact that a sizeable surplus will be reported.

Please call me at 632-5276 if you have any questions about these quarterly reports.

Respectfully,

*K.Y. Lester*

Karen Y. Lester  
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  
September 30, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$11,999,446	Current Liabilities	\$7,209,121
Current Assets	112,748,330	Other Liabilities	84,823,120
Fixed Assets	<u>214,484,676</u>	Fund Equity	<u>247,200,209</u>
Total Assets	<u><u>\$339,232,452</u></u>	Total Liab. & Equity	<u><u>\$339,232,452</u></u>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>FY22 Revised Budget</u>	<u>FY22 Actuals</u>	<u>Favorable (Unfavorable) Budget Variance</u>
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$18,783,669	\$18,783,669	\$24,390,581	\$5,606,912
Local Option Gas Tax	14,658,748	14,658,748	14,597,779	-60,969
Net Sales Tax - Operating	73,073,556	73,073,556	87,637,704	14,564,148
Passenger Fares	8,545,927	8,545,927	5,893,536	-2,652,391
Federal Preventative Maintenance	1,750,000	1,750,000	1,754,909	4,909
Non-Transportation Revenue	1,040,275	1,040,275	1,162,586	122,311
Interest Earnings	<u>1,987</u>	<u>1,987</u>	<u>13,140</u>	<u>11,153</u>
Total Operating Revenues	<u>\$117,854,162</u>	<u>\$117,854,162</u>	<u>\$135,450,236</u>	<u>\$17,596,073</u>
<u>Operating Expenditures</u>				
Salaries and Wages	\$40,464,875	\$40,464,875	\$37,995,352	\$2,469,523
Fringe Benefits	18,175,581	18,175,581	23,155,679	-4,980,098
Fuel and Lubricants	3,498,523	3,498,523	5,239,159	-1,740,636
Materials and Supplies	5,035,291	5,035,291	4,510,538	524,753
Services	21,501,651	21,501,651	25,319,528	-3,817,877
Insurance	998,400	998,400	1,016,001	-17,601
Travel/Training/Dues & Subscriptions	528,254	528,254	689,564	-161,310
All Other/Miscellaneous	2,258,059	2,258,059	2,483,275	-225,216
Contingency	6,432,681	6,432,681	0	6,432,681
Transfer to CTC (ADA expense)	12,729,376	12,729,376	14,158,677	-1,429,301
Transfer to Skyway	4,680,402	4,680,402	5,581,124	-900,722
Transfer to Ferry	<u>1,551,069</u>	<u>1,551,069</u>	<u>1,577,231</u>	<u>-26,162</u>
Total Operating Expenditures	<u>\$117,854,162</u>	<u>\$117,854,162</u>	<u>\$121,726,127</u>	<u>-\$3,871,965</u>
Surplus/(Deficit)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$13,724,108</u></u>	<u><u>\$13,724,108</u></u>

Jacksonville Transportation Authority  
Mass Transit Division - Connexion (CTC)  
Quarterly Summary  
For The Period Ended  
September 30, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$187	Current Liabilities	\$2,403,591
Current Assets	14,036,228	Other Liabilities	12,452,583
Fixed Assets	2,201,555	Fund Equity	1,381,795
Total Assets	\$16,237,970	Total Liab. & Equity	\$16,237,970

BUDGET INFORMATION

	FY22 Original Budget	FY22 Revised Budget	FY22 Actuals	Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$347,327	\$347,327	\$328,949	-\$18,378
Passenger Fares	1,109,380	1,109,380	727,261	-382,119
State Transportation Disadvantaged Funds	1,826,890	1,826,890	1,587,798	-239,092
City of Jacksonville (Paratransit Contribution)	1,525,919	1,525,919	1,565,795	39,876
Federal Preventative Maintenance	250,000	250,000	250,000	0
Non-Transportation Revenue	0	0	150	150
Transfer from Bus Operations	12,729,376	12,729,376	14,158,677	1,429,301
Total Operating Revenues	\$17,788,892	\$17,788,892	\$18,618,630	\$829,738
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,633,342	\$2,633,342	\$2,544,783	\$88,559
Fringe Benefits	1,082,210	1,082,210	1,346,521	-264,311
Fuel and Lubricants	890,010	890,010	1,442,559	-552,549
Materials and Supplies	865,676	865,676	454,032	411,644
Services	12,061,666	12,061,666	12,576,690	-515,024
Insurance	1,174	1,174	3,337	-2,163
Travel/Training/Dues & Subscriptions	67,509	67,509	112,723	-45,214
All Other/Miscellaneous	187,305	187,305	137,985	49,320
Contingency	0	0	0	0
Total Operating Expenditures	\$17,788,892	\$17,788,892	\$18,618,630	-\$829,738
Surplus/(Deficit)	\$0	\$0	\$0	\$0

Jacksonville Transportation Authority  
 Mass Transit Division - Skyway  
 Quarterly Summary  
 For The Period Ended  
 September 30, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$16,821	Current Liabilities	\$2,843,274
Current Assets	8,417,628	Other Liabilities	6,616,765
Fixed Assets	<u>64,580,667</u>	Fund Equity	<u>63,555,077</u>
Total Assets	<u><u>\$73,015,116</u></u>	Total Liab. & Equity	<u><u>\$73,015,116</u></u>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>FY22 Revised Budget</u>	<u>FY22 Actuals</u>	<u>Favorable (Unfavorable) Budget Variance</u>
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$234,611	\$234,611	\$62,967	-\$171,644
Federal Preventative Maintenance	2,000,000	2,000,000	2,000,000	0
Non-Transportation Revenue	0	0	918	918
Transfer from Bus Operations	<u>4,680,402</u>	<u>4,680,402</u>	<u>5,581,124</u>	<u>900,722</u>
Total Operating Revenues	<u><u>\$6,915,013</u></u>	<u><u>\$6,915,013</u></u>	<u><u>\$7,645,009</u></u>	<u><u>\$729,996</u></u>
<u>Operating Expenditures</u>				
Salaries and Wages	\$2,903,521	\$2,903,521	\$2,805,786	\$97,735
Fringe Benefits	1,398,747	1,398,747	1,443,787	-45,040
Fuel and Lubricants	7,798	7,798	1,013	6,785
Materials and Supplies	1,041,018	1,041,018	1,277,622	-236,604
Services	697,860	697,860	1,050,740	-352,880
Insurance	496,947	496,947	482,058	14,889
Travel/Training/Dues & Subscriptions	30,378	30,378	106,876	-76,498
All Other/Miscellaneous	338,744	338,744	477,127	-138,383
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>\$6,915,013</u></u>	<u><u>\$7,645,009</u></u>	<u><u>-\$729,996</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  
 September 30, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$0	Current Liabilities	\$3,528
Current Assets	1,669,275	Other Liabilities	1,919,583
Fixed Assets	23,871,834	Fund Equity	23,617,998
Total Assets	\$25,541,109	Total Liab. & Equity	\$25,541,109

BUDGET INFORMATION

	FY22 Original Budget	FY22 Revised Budget	FY22 Actuals	Favorable (Unfavorable) Budget Variance
<u>Operating Revenues</u>				
Federal, State & Local Grants	\$127,823	\$127,823	\$119,940	-\$7,883
Passenger Fares	1,180,702	1,180,702	1,422,291	241,589
Non-Transportation	0	0	0	0
Transfer from Bus Operations	1,551,069	1,551,069	1,577,231	26,162
Total Operating Revenues	\$2,859,594	\$2,859,594	\$3,119,462	\$259,868
<u>Operating Expenditures</u>				
Salaries and Wages	\$222,375	\$222,375	\$211,623	\$10,752
Fringe Benefits	63,376	63,376	107,322	-43,946
Fuel and Lubricants	213,593	213,593	510,607	-297,014
Materials and Supplies	10,210	10,210	12,654	-2,444
Services	2,182,832	2,182,832	2,080,761	102,071
Insurance	55,210	55,210	86,280	-31,070
Travel/Training/Dues & Subscriptions	9,278	9,278	12,178	-2,900
All Other/Miscellaneous	102,720	102,720	98,037	4,683
Contingency	0	0	0	0
Total Operating Expenditures	\$2,859,594	\$2,859,594	\$3,119,462	-\$259,868
Surplus/(Deficit)	\$0	\$0	\$0	\$0

Jacksonville Transportation Authority  
 General Fund  
 Quarterly Summary  
 For the Period Ended  
 September 30, 2022

BALANCE SHEET INFORMATION

Cash & Investments	\$128,248,257	Current Liabilities	\$837,315
Current Assets	2,631,146	Other Liabilities	5,006,352
Fixed Assets	<u>0</u>	Fund Equity	<u>125,035,736</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$130,879,403</u></u></b>	<b>TOTAL LIAB &amp; EQUITY</b>	<b><u><u>\$130,879,403</u></u></b>

BUDGET INFORMATION

	<u>FY22 Original Budget</u>	<u>FY22 Revised Budget</u>	<u>FY22 Actuals</u>	<u>Favorable (Unfavorable) Budget Variance</u>
<u>Operating Revenues</u>				
Net Sales Tax - Operating	\$2,032,848	\$2,032,848	\$2,032,848	\$0
Non-Transportation Revenue	124,098	124,098	11,171,927	11,047,829
Interest Earnings	<u>350,615</u>	<u>350,615</u>	<u>-1,298,964</u>	<u>-1,649,579</u>
<b>Total Operating Revenues</b>	<b>\$2,507,561</b>	<b>\$ 2,507,561</b>	<b>\$11,905,811</b>	<b>\$9,398,250</b>
<u>Operating Expenditures</u>				
Salaries & Wages	\$1,493,493	\$1,493,493	\$1,124,228	\$369,265
Fringe Benefits	418,807	418,807	568,299	-149,492
Materials and Supplies	10,721	10,721	375,798	-365,077
Services	503,738	503,738	1,845,878	-1,342,140
Insurance	220	220	247	-27
Training/Travel/Dues & Subscriptions	49,787	49,787	40,328	9,459
All Other/Miscellaneous	30,795	30,795	1,207	29,588
Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Operating Expenditures</b>	<b><u>\$2,507,561</u></b>	<b><u>\$2,507,561</u></b>	<b><u>\$3,955,985</u></b>	<b><u>-\$1,448,424</u></b>
<b>Surplus/(Deficit)</b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$0</u></u></b>	<b><u><u>\$7,949,826</u></u></b>	<b><u><u>\$7,949,826</u></u></b>

# Jacksonville Port Authority (JAXPORT)

November 17, 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 9-30-22

Dear Ms. Taylor,

Enclosed is the Jacksonville Port Authority Unaudited Quarterly Report as of September 30, 2022.

JAXPORT revenues for year-end FY 2022 exceeded budget by \$3.6 million. Favorable variances in break bulk cargo revenues of \$1.8 million and Cruise revenues of \$1.3 million, in excess of budget, accounted for most of the positive revenue results. Container and Auto revenues were within one percent of budget targets. Total operating expenses were under budget \$913 thousand.

Non-operating expense were \$2.1 million net over budget. Included were costs associated with an accelerated bond refunding and also swap fees incurred related to a mid-year contract termination, both included in debt service costs. Total net income before capital outlay and contingency was \$14.7 million, resulting in a positive net variance of \$2.7 million to budget for the year.

JAXPORT experienced no budgetary stress in FY2022.

As of June 2022, JAXPORT Bond Ratings are as follows:

Fitch – A (Affirmed Rating – April 2022)

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 Twelve Months Ending September 30, 2022  
**UNAUDITED**

**BALANCE SHEET**

Cash and Investments	\$69,751,706	Current Liabilities	\$13,413,653
Accounts Receivable & Other Assets	32,291,479	Notes and Bonds Payable	224,851,951
Fixed Assets	856,329,215	Other Liabilities	42,233,666
<b>TOTAL ASSETS</b>	<b>\$958,372,400</b>	Net Position	677,873,131
		<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$958,372,400</b>

**OPERATING & NON-OPERATING ITEMS**

	2021/2022 ORIGINAL BUDGET	2021/2022 AMENDED BUDGET	2021/2022 YTD ACTUAL	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE
<b>OPERATING REVENUES</b>				
Containers	\$29,856,732	\$29,856,732	\$29,623,331	-\$233,401
Autos	15,220,500	15,220,500	15,098,099	-122,401
Military	998,133	998,133	577,644	-420,489
Break Bulk	4,133,415	4,133,415	5,915,270	1,781,855
Liquid Bulk	1,490,922	1,490,922	1,509,050	18,128
Dry Bulk	2,078,202	2,078,202	2,222,715	144,513
Cruise	1,224,130	1,224,130	2,562,412	1,338,282
Other Operating Revenues	2,778,721	2,778,721	3,908,245	1,129,524
<b>TOTAL OPERATING REVENUES</b>	<b>\$57,780,755</b>	<b>\$57,780,755</b>	<b>\$61,416,766</b>	<b>\$3,636,011</b>
<b>OPERATING EXPENDITURES</b>				
Salaries	\$13,120,191	\$13,120,191	\$13,243,244	-\$123,053
Employee Benefits	5,913,133	5,913,133	5,967,838	-54,705
Services & Supplies	4,948,700	4,948,700	5,559,249	-610,549
Security Services	5,402,169	5,402,169	4,404,830	997,339
Business Travel & Training	576,725	576,725	322,033	254,692
Promotion, Advertising & Dues	734,327	734,327	647,350	86,977
Utility Services	781,944	781,944	743,320	38,624
Repairs & Maintenance	2,077,416	2,077,416	2,235,352	-157,936
Crane Maintenance Pass Thru	-450,000	-450,000	-508,905	58,905
Berth Maintenance Dredging	5,335,165	5,335,165	4,920,421	414,744
Miscellaneous	163,115	163,115	155,123	7,992
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$38,602,885</b>	<b>\$38,602,885</b>	<b>\$37,689,855</b>	<b>\$913,031</b>
<b>OPERATING INCOME</b>	<b>\$19,177,870</b>	<b>\$19,177,870</b>	<b>\$23,726,911</b>	<b>\$4,549,042</b>
<b>NON-OPERATING REVENUES</b>				
Investment Income	\$8,688	\$8,688	\$183,693	\$175,005
Operating Grants	73,440	73,440	29,461	-43,979
Shared Revenue from Primary Govt	9,642,191	9,642,191	9,768,892	126,701
Other Revenue	8,500	8,500	20,712	12,212
	<b>\$9,732,819</b>	<b>\$9,732,819</b>	<b>\$10,002,758</b>	<b>\$269,939</b>
<b>NON-OPERATING EXPENSES</b>				
Debt Service	\$16,827,725	\$16,827,725	\$18,970,291	-\$2,142,566
Crane Relocation	0	0	504	-504
Other Expenditures	3,360	3,360	19,562	-16,202
	<b>\$ 16,831,085</b>	<b>\$16,831,085</b>	<b>\$18,990,357</b>	<b>-\$2,159,272</b>
<b>NET INCOME BEFORE CAPITAL OUTLAY AND CONTINGENCY</b>	<b>\$12,079,604</b>	<b>\$12,079,604</b>	<b>\$14,739,312</b>	<b>\$2,659,709</b>
Transfer (to)/from Operating Capital Outlay	-\$12,079,604	-\$12,079,604	-\$9,483,495	\$2,596,109
<b>SURPLUS (DEFICIT)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,255,817</b>	<b>\$5,255,817</b>
<b>TOTAL REVENUES</b>	<b>\$67,513,574</b>	<b>\$67,513,574</b>	<b>\$71,419,524</b>	
<b>TOTAL APPROPRIATIONS</b>	<b>\$67,513,574</b>	<b>\$67,513,574</b>	<b>\$66,163,707</b>	



November 30, 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 twelve months ended September 30, 2022.

FY22 Operating Revenues, prior to remaining year-end adjustments, were \$99.83 million leading to a positive budget variance of \$15.50 million at year end. FY22 Operating Expenditures, prior to remaining year-end adjustments, were \$63.71 million leading to a positive budget variance of \$1.21 million at year end. The quarter closes with a positive budget Operating Income variance of \$16.72 million. The Jacksonville Aviation Authority business has been on an improving trend line since the beginning of the year. Passenger activity was only 10% less than pre-pandemic activity. We continue to monitor spending for the purposes of maintaining a stable financial position.

If you have any questions or need additional information, please call Jose Lopez, at 904-741-3861.

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 twelve months ended September 30, 2022**  
**UNAUDITED**

Cash and investments	\$298,516,313	Current liabilities	48,782,647	
Other current assets	38,259,374	Other liabilities	233,686,182	
Fixed and other assets	570,468,891	Total equity	624,775,749	
Total assets	<u>\$907,244,578</u>	Total liabilities and equity	<u>907,244,578</u>	
			<b>Budget</b>	
			<b>Variance</b>	
	<b>2021/2022</b>	<b>2021/2022</b>	<b>YTD</b>	
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Actual</b>	
			<b>Favorable</b>	
			<b>(Unfavorable)</b>	
<b>OPERATING REVENUES</b>				
Concessions	\$15,626,166	\$15,626,166	\$21,355,634	\$5,729,468
Fees & Charges	18,052,320	\$18,052,320	20,740,035	2,687,715
Space & Facility Rentals	30,065,211	\$30,065,211	29,865,640	-199,571
Parking	18,967,224	\$18,967,224	25,870,697	6,903,473
Sale of Utilities	1,368,347	\$1,368,347	1,823,961	455,614
Other Miscellaneous Operating Revenue	247,606	\$247,606	179,542	-68,064
<b>TOTAL OPERATING REVENUES</b>	<u>\$84,326,874</u>	<u>\$84,326,874</u>	<u>\$99,835,509</u>	<u>\$15,508,635</u>
<b>OPERATING EXPENDITURES</b>				
Salaries	\$20,299,924	\$20,536,992	\$20,757,395	-\$220,403
Benefits	8,938,446	\$9,008,591	8,750,834	257,757
Services and Supplies	16,780,051	\$17,323,371	17,048,643	274,728
Repairs & Maintenance	8,585,605	\$9,573,550	8,751,208	822,342
Promotion, Advertising and Dues	761,751	\$734,662	710,278	24,384
Registration & Travel	436,446	\$411,716	364,062	47,654
Insurance Expense	1,829,000	\$1,766,820	1,766,713	107
Cost of Goods for Sale	695,000	\$769,500	768,606	894
Utilities, Taxes & Gov't Fees	4,671,853	\$4,797,936	4,793,249	4,687
Operating Contingency	1,925,061	\$0	0	0
<b>TOTAL OPERATING EXPENDITURES</b>	<u>\$64,923,137</u>	<u>\$64,923,137</u>	<u>\$63,710,988</u>	<u>\$1,212,150</u>
<b>OPERATING INCOME</b>	<u>\$19,403,737</u>	<u>\$19,403,737</u>	<u>\$36,124,521</u>	<u>\$16,720,785</u>
<b>NON-OPERATING REVENUES</b>				
Passenger Facility Charges	\$8,066,219	\$8,066,219	\$12,789,922	\$4,723,703
Investment income	1,470,343	\$1,470,343	3,608,117	2,137,774
Other Revenues	432,660	\$432,660	27,824,895	27,392,235
<b>TOTAL NON-OPERATING REVENUES</b>	<u>\$9,969,222</u>	<u>\$9,969,222</u>	<u>\$44,222,934</u>	<u>\$34,253,712</u>
<b>NON-OPERATING EXPENDITURES</b>				
Debt Service	\$6,297,072	\$6,297,072	\$21,204,698	-\$14,907,626
Other Expenditures	985,600	\$985,600	166,580	819,020
<b>TOTAL NON-OPERATING EXPENDITURES</b>	<u>\$7,282,672</u>	<u>\$7,282,672</u>	<u>\$21,371,278</u>	<u>-\$14,088,606</u>
<b>NET INCOME BEFORE OPERATING CAPITAL OUTLAY, PFC RESERVE AND RETAINED EARNINGS</b>	<u>\$22,090,287</u>	<u>\$22,090,287</u>	<u>\$58,976,177</u>	<u>\$36,885,891</u>
Transfer (to) Operating Capital Outlay	-\$30,472,500	-\$30,472,500	-\$2,097,757	\$28,374,743
Transfer (to)/from Passenger Facility Charge Reserve	-5,036,751	-\$5,036,751	-8,297,603	-3,260,852
Transfer (to)/from Retained Earnings	13,418,964	\$13,418,964	0	-13,418,964
<b>SURPLUS/(DEFICIT)</b>	<u>\$0</u>	<u>\$0</u>	<u>\$48,580,817</u>	<u>\$48,580,817</u>
<b>TOTAL REVENUES</b>	<u>\$94,296,096</u>	<u>\$94,296,096</u>	<u>\$144,058,443</u>	<u>\$49,762,347</u>
<b>TOTAL OTHER SOURCES - RETAINED EARNINGS</b>	<u>\$13,418,964</u>	<u>\$13,418,964</u>	<u>\$0</u>	<u>-\$13,418,964</u>
<b>TOTAL REVENUES &amp; OTHER SOURCES OF REVENUE</b>	<u>\$107,715,060</u>	<u>\$107,715,060</u>	<u>\$144,058,443</u>	<u>\$36,343,383</u>
<b>TOTAL APPROPRIATIONS</b>	<u>\$107,715,060</u>	<u>\$107,715,060</u>	<u>\$95,477,626</u>	<u>\$12,237,434</u>
<b>FULLTIME POSITIONS</b>	<u>271</u>	<u>271</u>	<u>266</u>	<u>5</u>
<b>TEMPORARY EMPLOYEE HOURS</b>	<u>5,220</u>	<u>465</u>	<u>465</u>	<u>4,755</u>

<b>Bond Ratings for Independent Agencies</b>				
<b>As of September 30, 2022</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+	A1	
Electric Subordinated Bonds	AA	A	A2	
<b>Uninsured Short Term</b>				
Electric Senior Bonds	F1+	A-1	VMIG-1	
Electric Subordinated Bonds	F1+	A-1	VMIG-1	
<b>Uninsured Long Term</b>				
SJRPP Bonds	AA	A+	A1	
<b>Uninsured Long Term</b>				
Water and Sewer Senior Bonds	AA	AA+	Aa2	
Water and Sewer Subordinated Bonds	AA	AA	Aa2	
<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+	A1	
District Energy System Bonds	AA	AA	Aa3	
<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	
<b>Source:</b> JEA- Joe Orfano, VP, Financial Services				
JTA- Greg Hayes, VP, Chief Financial Officer				
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-2		A-
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