



Office of Mayor-Elect Lenny Curry

Transition Task Force (Budget)

June 16, 2015

City Hall, Mayor's Conference Room, 117 West Duval Street, Jacksonville FL 32202

IN ATTENDANCE:

Transition Team

Sam Mousa

Mike Weinstein

Shari Shuman

Kirk Wendland

Ashton Hudson

Kevin Stork

Beth Mangold

Council Auditor's Office

Trista Straits

Budget Office

Angela Moyer

Deborah Lecount

Catherine Skanes

Department: Jacksonville Aviation Authority – Richard Rossi, CFO; Tony Cugno, COO

Mr. Mousa thanks the JAA for coming and presenting before the Budget Team. He states that they are an independent authority, that their presentation is purely for information, and that the City has no budgetary authority over them. He asks them to please share with the Budget Team their vision, goals, and anticipated plans.

Mr. Rossi shares that Mr. Grossman sends his regrets and that he is currently out of the county. Mr. Grossman has asked him to inform the Budget Team that he would be pleased to return after the budget process is over and give a presentation on the Jacksonville Aviation Authority to the City.

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Mr. Rossi then gives an overview of the JAA and their regulatory requirements. They have a board of seven (7) members, three of which are appointed by the Mayor and confirmed by City Council. The JAA, though independent, does interact with the City. They use the Office of General Counsel for legal matters, submit their budget for Counsel's approval, and contract with the Fire and Rescue Department for services at the various airports.


The Jacksonville International Airport is classified as a medium airport. Revenues come from concessions at the airport, parking, and retail operations. They are largely self-sustaining and do not receive money from the City but they do receive federal and state funds.

The JAA is heavily regulated as the federal grants they receive contain "assurances" that govern how they spend funds. There are some 39 such assurances.

Mr. Rossi then presents the budget for 2015-16. Last year the JAA took a conservative approach. This year they are cautiously optimistic that passenger traffic will increase. They are expecting an increase in revenues of 5% and a 3% increase in expenses.

Operating and capital reserves and capital projects were discussed.

They discussed their commercial developments - increasing non-aviation revenues to help pay for operating maintenance.



**Mayor Elect Curry's
Transition Team
Presentation
Tuesday, June 16, 2015**

**Richard Rossi, CFO
Tony Cugno, COO**



JACKSONVILLE AVIATION AUTHORITY

I. HISTORY AND ENACTING LEGISLATION

Authority History

Prior to October 1, 2001, the Jacksonville Airport Authority and the Jacksonville Seaport Authority were separate divisions within the Jacksonville Port Authority, a part of the City of Jacksonville ("City").

On October 1, 2001, Chapter 2001-319, Laws of Florida was enacted by the Florida Legislature. It established the Authority as "a separate body politic and corporate to be known as the Jacksonville Airport Authority." It further stated that the Authority was created as an agency and political subdivision of the State of Florida in the nature of counties and not municipalities. The enabling legislation of the Authority is known as its Charter. The Charter can be found at Part B, Article 4 of the Charter of the City.

On June 10, 2005, pursuant to Chapter 2005-328, Laws of Florida, the Jacksonville Airport Authority changed its name to the Jacksonville Aviation Authority.

Authority Board of Directors

The Authority's Charter provides that the Authority shall be governed by a seven (7) member Board of Directors, four of which shall be appointed by the Governor of the State of Florida with confirmation by the Florida Senate and three of which shall be appointed by the Mayor of the City with confirmation by the City council. A member of the Board of Directors may serve two (2) full four (4) year terms.

The Current Board of Directors of the Jacksonville Aviation Authority are:

<u>Board Member</u>	<u>Appointment</u>	<u>Current Term Expires</u>
Mr. Ray Alfred	Mayor	September 2019
Mr. Edward Booth, Jr.	Mayor	September 2015
Mrs. Giselle Carson	Governor	September 2017
Mrs. Terri Davlantes	Governor	September 2015
Mr. Ernie Isaac	Mayor	September 2017
Mr. Patrick Kilbane	Governor	September 2017
Mr. Frank Mackesy	Governor	September 2015

Authority – City of Jacksonville Relationship

While the Authority is an independent agency it has several connections with the City. In addition to the City appointing three members of the Authority's Board of Directors, the Authority is required to (i) use the City's Office of General Counsel for legal matters; (ii) submit its annual budget to the City for approval and (iii) contract with the City's fire and rescue department ("AARF") to render fire and rescue services at Authority airports.

In 2011, the General Counsel of the City in a written opinion advised the Authority that it could hire its own internal legal counsel. Today the Authority has an in house legal counsel (Chief Legal Officer ("CLO")). The Authority continues to consult with the Office of the General Counsel of the City regarding legal services not performed in house (e.g. bankruptcy, tax matters, labor issues). The Authority is represented in bond matters by Foley & Lardner, Jacksonville.

Authority Powers

The Charter provides that the Authority has the following powers: (i) to sue and be sued; (ii) exercise power of eminent domain; (iii) accept grants, gifts and donations; (iv) enter into contracts and agreements; (v) issue revenue bonds; (vi) fix and collect rates and charges for airports and related facilities; (vii) pledge revenues for payment of principal and interest on bonds; (viii) adopt rules and regulations and (ix) construct, maintain and operate projects. A full listing of all powers is available in the Charter.

Airport System

The Authority airport system consists of Jacksonville International Airport ("JAX"), an airport that provides regularly scheduled flights to the public and three general aviation airports, Jax Executive at Craig Airport, Herlong Recreational Airport and Cecil Airport ("Airports").

II. BUDGETING

Budget Requirement

Section 5 of the Authority's Charter states the Authority shall operate on a fiscal year beginning October 1st and ending September 30th. The Authority is required to prepare and submit a budget to the City Council on or before July 1st for the ensuing fiscal year. The budget includes the number of authorized positions, the capital improvement program ("CIP") and the estimated annual revenues and expenditures.

Budget Process

The Authority annually prepares a budget which is submitted to the Authority Board of Directors for approval. Once approved by the Authority Board of Directors, the budget is submitted to the City council. Once the budget is adopted by the City council, it can only be increased through action of the City Council.

III. AIR TRANSPORTATION COMPANIES

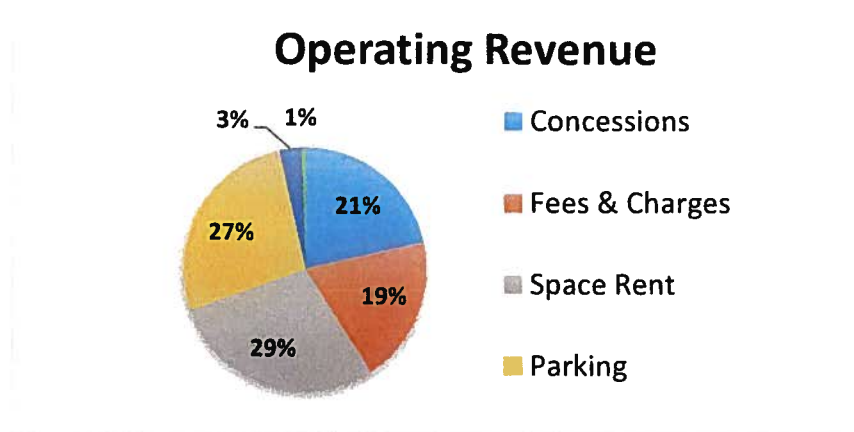
The Authority's primary business relationship at JAX is with companies engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property and/or mail ("Air Transportation Companies").

The transportation of persons at JAX is provided by commercial airlines (e.g. American, Delta, JetBlue, Southwest/AirTran, United/Continental and US Airways). The transportation of property, cargo and mail at the Airport is provided by commercial freight-cargo carriers (e.g. FedEx, UPS).

IV. OPERATING REVENUE

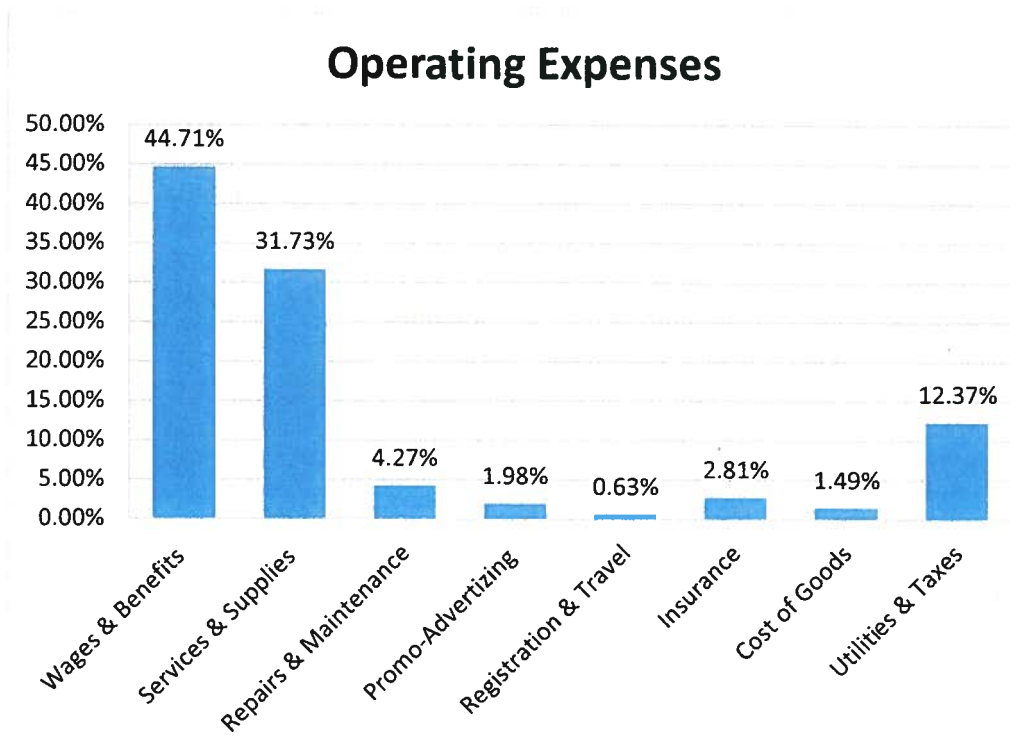
The Authority is a self-supporting business organization. It receives no tax revenue. All Authority revenues are generated by airport activities and operations. These revenues are designated as "Operating Revenues" on the Authority's financial statements.

Operating Revenue is generated from six revenue centers. The centers with their historical average percentage of annual revenue in parenthesis are: Concessions (21.49%), Fees and Charges (19.46%), Space Rent (28.57%), Parking (26.97%), Sale of Utilities (2.96%) and Other Miscellaneous Operating Revenue (.55%). The following pie chart indicates each revenue centers percentage of total revenue.



V. OPERATING EXPENSES

Operating expenses are charged to eight major categories. The eight major categories with their historical percentage of total operating expenses in parenthesis are: Wages & Benefits (44.71%), Service & Supplies (31.73%), Repairs & Maintenance (4.27%), Promo-Advertising (1.98%), Registrations & Travel (.63%), Insurance (2.81%), Cost of Goods (1.49%) and Utilities & Taxes (12.37%). The following graph indicates each major expense categories' percentage of total operating expenses.



VI. CAPITAL IMPROVEMENT PLAN

The Authority maintains a Capital Improvement Plan ("CIP"). The annual budget includes a CIP for the current budget year. Capital improvement projects are funded through (i) Authority cash, (ii) PFCs (Passenger Facility Charges); (iii) issuing bonds; (iv) government grants; (v) third party financing (banks or other financial institutions) and/or (vi) a combination of items (i) through (v).

The Authority's enabling legislation section 3 (6) authorizes the Authority to issue revenue bonds payable from Authority revenues. Authority revenues are pledged to secure the payment of all bonds. Bonds may be issued for the acquisition, construction, extension, enlargement, improvement or modernization of any project.

The Airport Improvement Program ("AIP") is a grant program administered by the FAA. Under this program, grants are awarded to airports for eligible projects concerning aviation planning,

aviation development and noise compatibility programs. Its funds come from user taxes paid by airline passengers and aviation fuel taxes. In the event of default by the Authority, the City is not obligated or liable to pay off grant funds received by the Authority. AIP grant funds can be used for projects that (i) preserve or enhance capacity, safety, or security; (ii) reduce noise or mitigate noise impacts or (iii) enhance airline competition. Upon accepting funds from FAA-administered airport financial assistance programs, the Authority must agree to abide by certain obligations ("Grant Assurances"). The Grant Assurances are incorporated in and become a part of the grant. Funds so received must be used for Airport projects. Failure to comply with Grant Restrictions can lead to the loss of grants, requirement to return grant funds to the granting source and/or civil penalties.

The State of Florida also provides grants for eligible aviation related projects. These grants are usually awarded through the Florida Department of Transportation and are frequently issued on a dollar matching basis. Funds so received must be used for Airport projects.

If you have questions or need additional information, please contact:

Richard Rossi, CFO
Jacksonville Aviation Authority
14201 Pecan Park Road
Jacksonville, Florida
904.741.2003
Richard.rossi@flyjacksonville.com

REGULATORY

Airports are heavily regulated by the Federal Government. As stated in the overview section, the Jacksonville Aviation Authority receives federal grants for capital projects. All federal grants contain assurances "Grant Assurances" that govern use of grant funds and part of the grant contract. Federal regulations also mandate the inclusion of certain clauses in all leases and other contracts.

A partial listing of Federal Laws governing airports:

15 U.S.C.

31 U.S.C.

42, United States Code (U.S.C.) §§40103

49 U.S.C.

14 Code Federal Regulations (C.F.R.)

15 U.S.C.

FAA Advisory Circular 150/5100-6 Airport Improvement Program ("AIP") labor requirements.

FAA Advisory Circular 150/5100-14 AIP Architectural Engineering Services for Grant projects.

FAA Advisory Circular 150/1500-15 AIP Civil Rights Requirement.

FAA Advisory Circular 150/1500-16 AIP General Federal Requirements.

FAA 150/150-5 Exclusive Rights at Federally-Obligated Airports

FAA Order 150/5190-1A Minimum Standards and Commercial Aeronautical Activities.

FAA Order 5190.1A Exclusive Rights at Airports.

FAA Order 5190.6A, Airports Compliance Requirements.

Airport Grant Assurances

Airports must assume and certify with respect to all grants that the airport will comply with the following grant assurances. Failure to comply can lead to the loss of grants, requirement to return grant funds to the granting source and/or civil penalties.

1. General Federal Requirements. Comply with all.
2. Responsibility and Authority of the Sponsor (Airport). Legal Authority to apply.
3. Sponsor (Airport) Fund Availability. Sufficient funds to complete project.
4. Good Title.
5. Preserving Rights and Powers.
6. Consistency with Local Laws.
7. Consideration of Local Interest.
8. Consultation with Users.
9. Public Hearings.
10. Air and Water Quality Standards.
11. Pavement Preventive Maintenance.
12. Terminal Development Prerequisites.

13. Accounting System, Audit and Record Keeping Requirements.
14. Minimum Wage Rates.
15. Veteran's Preference.
16. Conformity to Plans and Specifications.
17. Construction Inspection and Approval.
18. Planning Projects. Planning requirements.
19. Operation and Maintenance.
20. Hazard Removal and Mitigation.
21. Compatible Land Use.
22. Economic Nondiscrimination.
23. Exclusive Rights. Exclusive Rights are prohibited.
24. Fee and Rental Structure.
25. Airport Revenues. All revenues generated by airport operations must be spent for capital or operating costs of the airport. A single audit to confirm compliance is required in addition to regular yearly independent audit.
26. Reports and Inspections.
27. Use of Government Aircraft.
28. Land for Federal Facilities.
29. Airport Layout Plans. Must be updated at all times.
30. Civil Rights.
31. Disposal of Land. Requires governmental approval. Government mandates where sales proceeds can be spent.
32. Engineering and Design Services.
33. Foreign Market Restrictions.
34. Policies, Standards and Specifications.
35. Relocation of Real Property Acquisition.
36. Access by Intercity Buses.
37. Disadvantaged Business Enterprises.
38. Hangar Construction.
39. Competitive Access.

Statement of Revenues, Expenses and Changes in Net Assets



JAA
Jacksonville
Aviation
Authority

	FEB-2015				Budget 2016 to Forecast 2015	
	ACTUAL	BUDGET	FORECAST	BUDGET	Increase (Decrease)	%
	SEP-2014	SEP-2015	SEP-2015	SEP-2016		
OPERATING REVENUES						
Concessions	15,504,127	14,455,914	16,229,356	17,143,854	914,498	5.6%
Fees & Charges	12,189,047	13,106,556	13,087,018	13,608,628	521,610	4.0%
Space & Facility Rentals	21,750,627	24,444,927	24,897,314	26,446,757	1,549,443	6.2%
Parking	17,256,677	17,167,976	18,037,582	18,813,281	775,699	4.3%
Sale of Utilities/Fuel	1,604,629	1,762,968	1,601,904	1,534,640	(67,264)	-4.2%
Other Operating Revenue	178,762	131,662	148,480	169,191	20,710	13.9%
TOTAL OPERATING REVENUES	68,483,870	71,070,003	74,001,654	77,716,351	3,714,697	5.0%
OPERATING EXPENSES						
Wages & Benefits	20,264,905	22,940,072	22,585,206	24,467,191	1,881,985	8.3%
Services & Supplies	14,207,677	14,400,983	14,146,725	14,922,064	775,339	5.5%
Repairs & Maintenance	2,208,949	2,074,514	2,065,486	2,163,546	98,060	4.7%
Promotion, Advertising and Dues	1,672,497	1,250,828	2,484,057	888,706	(1,595,351)	-64.2%
Registrations & Travel	288,687	307,507	288,885	350,421	61,536	21.3%
Insurance Expense	1,120,805	1,304,173	1,304,871	1,369,752	64,881	5.0%
Cost of Goods for Sale	535,856	701,389	588,762	583,624	(5,138)	-0.9%
Utilities, Taxes & Govt Fees	5,248,482	5,387,553	5,128,202	5,303,361	175,159	3.4%
TOTAL OPERATING EXPENSES	45,547,858	48,367,020	48,592,194	50,048,664	1,456,470	3.0%
Contingency	-	1,500,000	-	2,000,000	2,000,000	n/a
TOTAL OPERATING EXPENSES with CONTINGENCY	45,547,858	49,867,020	48,592,194	52,048,664	3,456,470	7.1%
OPERATING INCOME BEFORE DEPR	22,936,012	21,202,983	25,409,460	25,667,686	258,226	1.0%
Operating Margin	33.5%	29.8%	34.3%	33.0%		
NON-OPERATING REVENUES (EXPENSES)						
Investment Income	667,312	925,392	1,170,909	905,478	(265,431)	-22.7%
Interest Expense	(5,071,234)	(4,638,400)	(4,676,331)	(4,455,290)	221,041	4.7%
Other Revenue (Expense)	(999,116)	454,549	339,834	259,018	(80,816)	-23.8%
PFC Revenue	10,554,227	10,372,004	11,811,194	11,988,366	177,172	1.5%
TOTAL NON-OPERATING REVENUES (EXPENSES)	5,151,189	7,113,545	8,645,606	8,697,572	51,966	0.6%
INCOME BEFORE DEPRECIATION & CAPITAL	28,087,201	28,316,529	34,055,066	34,365,258	310,192	0.9%
Depreciation Expense	(28,950,764)	(27,433,955)	(28,284,042)	(29,293,057)	(1,009,015)	-3.6%
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(863,563)	882,574	5,771,024	5,072,201	(698,823)	-12.1%
Capital Contributions	14,047,105	13,900,000	15,001,926	11,194,933	(3,806,993)	-25.4%
INCREASE IN NET ASSETS	13,183,542	14,782,574	20,772,951	16,267,134	(4,505,817)	-21.7%

Schedule of Positions



JAA
 Jacksonville
 Aviation
 Authority

Dept Code	Department	Positions Filled at	Original	Position Change	Budget
		5/8/2016	Budget FY 2014/2015	Requested	Request FY 2015/2016
11001	Executive Director	3	3	0	3
11105	Marketing	3	3	0	3
24001	Information Technology	9	11	2	13
25001	External Affairs	4	4	0	4
26101	Human Resources	6	8	0	8
26201	Procurement	12	13	1	14
31001	Accounting & Finance	9	11	0	11
42001	Planning & Engineering	12	11	0	11
43101	Business Development	7	7	0	7
44202	Cecil Airport	11	14	1	15
44302	JaxEx at Craig Airport	3	4	0	4
44402	Herlong Recreational Airport	7	9	0	9
45123	Building Maintenance	26	27	0	27
45133	Field Maintenance	27	27	0	27
45143	HBS	10	10	0	10
45523	Custodial	32	34	1	35
46104	Security	51	52	0	52
46204	AOCC	24	26	0	26
	Total	256	274	5	279



Capital Fiscal Year Ending September 30, 2016

										FUNDING SOURCES				
Airport	Proj No.	PFL	FIN#	Description	JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER	Budget 2016 Total Capital Commitments				
Jacksonville International Airport	J2013-12	10111	434750-1	Maint and Warehouse Facility (Final Phase of Funding)	2,700,300			2,700,000		5,400,300				
	J2012-07	9209		Main Parking Plaza	2,500,000					2,500,000				
	J2014-01			CCTV JIA (Phase 2 of 2)	238,000	1,482,000				1,700,000				
	J2016-01			(2) Terminal Air Handler Unit Replacements (PH 1 of 5)	800,000					800,000				
	J2016-13			Purchase ARFF Vehicle (Crash 18)		800,000				800,000				
	J2015-10			Taxiway and G1 Reconstruction	187,500		562,500			750,000				
	J2015-11			Garage Signage	750,000					750,000				
	J2016-02			JAX Imaginary Surface Survey	125,000		375,000			500,000				
	J2016-14			Access Control Doors and Door Hardware		350,000				350,000				
	J2016-03			Teleconferencing and AV Equipment (ICR, AOCC, Cecil Bd)	250,000					250,000				
	J2013-02			JIA Roadway Signage	200,000					200,000				
	J2016-04			Finance Budget Software	200,000					200,000				
	J2016-05			Blue Phone IP	200,000					200,000				
	J2016-06			GIS Program Implementation	200,000					200,000				
	J2016-12			Admin Office Suites	200,000					200,000				
	J2016-07			Advertisement Boards	100,000					100,000				
	J2016-08			Police Booth in Ticketing Area	100,000					100,000				
	J2016-09			Remote Access (Replace VPN)	100,000					100,000				
	J2016-10			Point of Sale Software-JAX Badging	75,000					75,000				
	J2016-11			Police Call Recording	40,000					40,000				
			Small Capital Under \$100,000	772,800						772,800				
					9,738,600	2,612,000	937,500	2,700,000	0	15,988,100				
Cecil Airport	F2016-01			Space Florida Hangar	2,800,000				2,800,000	5,600,000				
	F2011-04 PH 4	10144	434747-1	Airfield Drainage Rehab (Ph 4 of 7)	1,097,784			1,515,558		2,613,342				
	F2016-02			Rehab North Apron and Taxiway D- Concrete (A1-A2)	175,000		1,575,000			1,750,000				
	F2016-03	9500		Rehab Taxiway B Spall Repair	100,000		900,000			1,000,000				
	F2016-04	9503		Rehab Taxiway C-Joint Seal and Pavement Rehab	50,000		450,000			500,000				
	F2016-05			USCG Hangar 13, Bus Duct, Doors, Lighting & Panels	495,000					495,000				
	F2014-02 PH2			Rehab Utilities (Fire Main) Phase 2	225,000			225,000		450,000				
	F2016-06			Landside Drainage (Ph 1 of 2)	200,000					200,000				
	F2016-07			Duct Bank Assessment	100,000					100,000				
				Small Capital Under \$100,000	136,000						136,000			
					5,378,784	0	2,925,000	1,740,558	2,800,000	12,844,342				
Jacksonville Executive at Craig Airport	C2016-01	7138	427526-1	Runway 14/32 Rehab- Crack Seal & Paint Markings	91,875			91,875		183,750				
				Small Capital Under \$100,000	92,325					92,325				
					184,200	0	0	91,875	0	276,075				
Herlong Recreational Airport	H2016-01			Hangar H-4 and FBO Roof Rehab	250,000					250,000				
				Small Capital Under \$100,000	130,000					130,000				
					380,000	0	0	0	0	380,000				
Total Capital					15,681,684	2,612,000	3,862,500	4,532,433	2,800,000	29,488,517				
Total Large Cap					14,550,459	2,612,000	3,862,500	4,532,433	2,800,000	28,357,392				
Total Small Cap					1,131,125	0	0	0	0	1,131,125				
Total Cap					15,681,684	2,612,000	3,862,500	4,532,433	2,800,000	29,488,517				

Small Capital Fiscal Year Ending September 30, 2016



JAA
Jacksonville
Aviation
Authority

Dept #	Department Name	Description	Amount	JAA	Other Funding
43605	Parking & Ground Transp	Shuttle Bus (2)	\$130,000	\$130,000	\$0
		Gas Carts (2)	\$25,000	\$25,000	\$0
43605 TOTAL			\$155,000	\$155,000	\$0
45123	Building Maintenance	Airside Cooling Tower Comb	\$97,500	\$97,500	\$0
		A/C Units, Admin Building (2 of 6)	\$72,400	\$72,400	\$0
		Surface Lot Sign Replacement	\$30,000	\$30,000	\$0
45123 TOTAL			\$199,900	\$199,900	\$0
45133	Field Maintenance	4-Wheel Drive Tractor	\$64,000	\$64,000	\$0
		IT Vehicle, Van (2)	\$60,000	\$60,000	\$0
		Facilities Vehicle, 250 Cab Truck (4x4)	\$31,000	\$31,000	\$0
		Operations Vehicle, Cab Truck (4x4)	\$28,000	\$28,000	\$0
		50 Ton Iron Worker w/Puncher/Dyes	\$18,000	\$18,000	\$0
		Airfield 15' Mower Unit	\$15,000	\$15,000	\$0
		Tire Changer and Balancer	\$12,000	\$12,000	\$0
		Ride-on Flat Deck Mower (1)	\$10,000	\$10,000	\$0
		Milling Machine and Heated Cabinet	\$9,000	\$9,000	\$0
		Standard and Mitring Band Saw	\$6,000	\$6,000	\$0
45133 TOTAL			\$253,000	\$253,000	\$0
45143	HBS	Toro Cart	\$9,000	\$9,000	\$0
45143 TOTAL			\$9,000	\$9,000	\$0
45523	Facilities	Floor Scrubber	\$17,000	\$17,000	\$0
45523 TOTAL			\$17,000	\$17,000	\$0
46104	Police-Public Safety Sec.	Police Vehicle (3)	\$120,000	\$120,000	\$0
		Kubota Utility Vehicle	\$18,900	\$18,900	\$0
46104 TOTAL			\$138,900	\$138,900	\$0
TOTAL JIA CAP <100K			\$772,800	\$772,800	\$0

Small Capital Fiscal Year Ending September 30, 2016



JAA
Jacksonville
Aviation
Authority

Dept #	Department Name	Description	Amount	JAA	Other Funding
44202	Cecil Airport	Fire Hydrants, Area 2 and 3, (12 Units)	\$70,000	\$70,000	
		Replace AWOS System	\$27,000	\$27,000	\$0
		Facilities Truck	\$25,000	\$25,000	\$0
		Windsock, Runway 18L	\$7,500	\$7,500	\$0
		Jockey Pump, Building 1826, Fire Protection	\$6,500	\$6,500	\$0
44202 TOTAL			\$136,000	\$136,000	\$0
TOTAL CECIL CAP <100K			\$136,000	\$136,000	\$0
44302	JaxEx at Craig Airport	Kubota Backhoe Loader	\$30,825	\$30,825	\$0
		SSI Training Module	\$30,000	\$30,000	\$0
		Security Fencing	\$25,000	\$25,000	\$0
		Low Profile Dump Trailer	\$6,500	\$6,500	\$0
44302 TOTAL			\$92,325	\$92,325	\$0
TOTAL JAXEX CAP <100K			\$92,325	\$92,325	\$0
44402	Herlong Recreational Airport	Monument Sign for New FBO Branding	\$30,000	\$30,000	\$0
		Replace AWOS System	\$27,000	\$27,000	\$0
		Chemical Sprayer w/ Trailer	\$25,000	\$25,000	\$0
		Toro Z Master	\$14,000	\$14,000	\$0
		Enclosed Utility Vehicle	\$12,000	\$12,000	\$0
		Mobile Pressure Washing Unit	\$12,000	\$12,000	\$0
		Skid Steer Attachments	\$10,000	\$10,000	\$0
44402 TOTAL			\$130,000	\$130,000	\$0
TOTAL HERLONG CAP <100K			\$130,000	\$130,000	\$0
TOTAL CAPITAL <100K			\$1,131,125	\$1,131,125	\$0

Jacksonville Aviation Authority

Statements of Net Position

(dollar amounts in thousands)

	September 30,	
	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,458	\$ 21,903
Investments	26,593	31,751
Cash and cash equivalents - restricted	4,517	3,997
Accounts receivable, net of allowance of \$48 in 2014 and \$25 in 2013	5,483	5,015
Grants receivable	3,132	2,313
Interest receivable	89	157
Notes receivable	271	193
Inventory and other assets	1,412	1,351
Total current assets	<u>73,955</u>	<u>66,680</u>
Noncurrent assets:		
Restricted cash and cash equivalents	12,605	10,307
Restricted investments	15,201	15,024
Notes receivable	3,810	3,789
Other noncurrent assets	-	946
Total noncurrent assets	<u>31,616</u>	<u>30,066</u>
Capital assets:		
Land	71,120	71,120
Construction in progress	31,755	16,138
Property, plant and equipment	845,049	827,975
Less: accumulated depreciation	(408,832)	(380,737)
Other capital assets, net of amortization	1,781	1,982
Total capital assets	<u>540,873</u>	<u>536,478</u>
Total noncurrent and capital assets	572,489	566,544
Total assets	<u>646,444</u>	<u>633,224</u>
Deferred Outflows of Resources		
Derivative instrument - swap	2,268	2,617
Loss on refunding	4,035	4,556
Total deferred outflow of resources	<u>6,303</u>	<u>7,173</u>
Total assets and deferred outflows of resources	<u>\$ 652,747</u>	<u>\$ 640,397</u>

See accompanying notes.

Operating Revenues and Expenses

The following charts and tables show the major sources and the percentage of operating revenues and expenses for fiscal years 2014, 2013 and 2012.

	<i>(dollar amounts in thousands)</i>		
	2014	2013	2012
Operating revenues:			
Concessions	\$ 15,504	\$ 14,361	\$ 14,482
Fees & charges	12,189	12,513	13,272
Space & facility rentals	21,751	21,478	14,179
Parking	17,257	16,601	16,171
Other revenue	1,783	1,919	2,313
Total operating revenues	68,484	66,872	60,417
Operating expenses:			
Wage & benefits	20,264	20,138	19,014
Services & supplies	14,208	14,054	13,755
Repairs & maintenance	2,209	1,811	1,978
Promotions, advertising & dues	1,672	1,409	881
Registration & travel	289	248	275
Utilities & taxes	5,223	5,256	5,425
Other operating expenses	1,682	1,661	1,797
Depreciation & amortization	28,951	27,812	27,525
Total operating expenses	74,498	72,389	70,650
Operating loss	(6,014)	(5,517)	(10,233)
Nonoperating revenues:			
Passenger facility charges	10,554	10,310	10,743
Investment income	667	659	1,037
Payments from primary government	-	31	-
Payments from federal & state agencies	483	392	243
Other revenues	100	1,400	1,180
Total nonoperating revenues	11,804	12,792	13,203
Nonoperating expenses:			
Interest expense	5,071	7,273	8,874
Other expenses	1,582	238	144
Total nonoperating expenses	6,653	7,511	9,018
Loss before capital contributions	(863)	(236)	(6,048)
Capital contributions	14,047	11,989	8,347
Change in net position	13,184	11,753	(3,749)
Net position, beginning of year	453,345	441,592	439,293
Net position, end of year	466,529	\$ 453,345	\$ 441,592

AIR CARRIERS PROVIDING PASSENGER SERVICE AT JIA

American Airlines

Delta Air Lines

JetBlue Airways

Silver Airways

Southwest Airlines

United Airlines

U.S. Airways

COMMERCIAL FREIGHT CARGO CARRIERS AT JIA

FedEx

UPS

PRIMARY ORINATION AND DESTINATION PASSENGER MARKETS

AT JIA FOR FY2014

ATLANTA

CHARLOTTE

DALLAS

NEW YORK JFK

BALTIMORE

NASHVILLE

CHICAGO O'HARE

MIAMI

WASHINGTON DULLES

FORT LAUDERDALE

PHILADELPHIA

NEW YORK, LA GUARDIA

BOSTON

NEW YORK, NEWARK

HOUSTON HOBBY

WASHINGTON NATIONAL

HOUSTON INTERNATIONAL

DENVER

CHICAGO INTERNATIONAL

MINNEAPOLIS – ST. PAUL

ENPLANEMENTS AT JIA

2014	2,602,821
2013	2,563,570
2012	2,644,059
2011	2,783,809
2010	2,777,807
2009	2,813,208
2008	3,058,006
2007	3,167,664
2006	2,924,527
2005	2,849,147

AIRCRAFT OPERATIONS AT JAA AIRPORTS

<u>Yr.</u>	<u>Air Carrier</u>	<u>Air Taxi</u>	<u>Gen. Aviation</u>	<u>Military</u>	<u>Total Operations</u>
2014	49,457	20,168	11,544	6,460	87,629
2013	51,358	18,301	13,755	7,145	90,559
2012	55,101	15,594	12,519	5,926	89,140
2011	58,105	19,956	13,536	7,275	98,872
2010	53,004	22,602	12,694	6,553	94,853
2009	57,467	22,325	11,925	5,908	97,625
2008	61,937	32,227	12,098	4,407	110,669
2007	61,997	37,163	15,447	5,908	120,515
2006	59,285	34,912	17,699	6,608	118,504
2005	81,866	10,121	21,293	9,180	122,460

FLIGHTS AND SEATS AT JIA CURRENT (PACING THROUGH APRIL 2015)

	<u>FLIGHTS</u>	<u>SEATS</u>
DAILY	94	9,928
WEEKLY	661	69,495
MONTHLY	2,644	277,980
YEAR	31,728	3,335,760

FINANCIAL BENCHMARKS (As of April 31, 2015)

AIRLINE REVENUE % TOTAL REVENUE	33.74%
COST PER ENPLANEMENT	\$ 7.66
OPERATING MARGIN	36.50%
ANNUAL DEBT PER ENPLANEMENT	\$ 6.38
DEBT SERVICE COVERAGE	2.19
ENPLANEMENTS (Oct. 2014 – April 2015)	
ENPLANEMENTS PACING FOR FY15	
DEPLANEMENTS (Oct. 2014 – April 2015)	
DEPLANEMENTS PACING FOR FY2015	
TOTAL ENPLANEMENTS & DEPLANEMENTS	
PACING FOR FY2015	5,325,884
INCREASE OVER FY2014	134,690
INCREASE OVER FY2014 %	2.594%