

# **JACKSONVILLE TRANSPORTATION AUTHORITY**

## **BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION**

*As of and for the Year Ended September 30, 2022*

*And Reports of Independent Auditor*

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
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## Report of Independent Auditor

To the Board Members  
Jacksonville Transportation Authority  
Jacksonville, Florida

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Jacksonville Transportation Authority (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Authority as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 16 to the financial statements, the financial statements have been restated for prior period errors. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, is presented for additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Orlando, Florida  
August 23, 2023

# JACKSONVILLE TRANSPORTATION AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SEPTEMBER 30, 2022

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This discussion and analysis is designed to provide insight into the Jacksonville Transportation Authority's (the "JTA" or the "Authority") annual financial report by discussing significant financial issues and changes in financial position based on currently known facts in order to better explain material changes in the Authority's financial position and performance during the Fiscal Year ended September 30, 2022 as compared to September 30, 2021.

The information contained herein is designed to assist the reader in assessing the Authority's financial position. We encourage readers to consider the information contained in this discussion in conjunction with all the other sections of the Authority's financial statements.

### Financial Highlights

The financial highlights section will serve as background in understanding the more detailed explanations that follow:

- The Authority's total net position of combined governmental and business type activities on the Statement of Net Position was \$368.4 million, which consisted of net investment in capital assets of \$316.0 million, a restricted net position of \$22.6 million and an unrestricted net position of \$34.5 million.
- The Authority's spending in federal and state expenditures in FY22 supports the Authority's mission to improve Northeast Florida's economy, environment, and quality of life by providing safe, reliable, efficient, and sustainable multimodal transportation services and facilities. The spending was primarily attributable to the following initiatives:
  - Support of the Authority's Fixed Route services including
    - The continuation of the Fleet replacement plan with new bus purchases
    - Construction of a New Bus Wash Facility
    - Bus Paint Booth Replacement
  - Installation of LOGT Passenger Shelters.
  - Continual landside and marine infrastructure improvements for the St. Johns River Ferry including vessel haul out.
  - IT infrastructure Improvements
- Total capital assets, net of accumulated depreciation, increased from \$464.7 million in 2021 to \$503.8 million in 2022, an increase of 8.4%. The increase in 2022 was primarily due to an increase in construction in progress of \$33.0 million for the Authority's previously mentioned major project initiatives.

### Overview of the Financial Statements

This discussion is to introduce the Authority's basic financial statements. The basic financial statements are comprised of three components: government-wide statements, fund financial statements, and notes to the financial statements.

The government-wide financial statements are the first two statements that focus on the Authority as a whole and provide both long-term and short-term information about the Authority's overall financial condition. These statements provide readers with a broad view of the Authority's finances, similar to a private sector business.

The fund financial statements are the remaining statements. They are similar to traditional governmental financial statements. These statements report on individual parts of the Authority's operations and include more detail than the government-wide statements.

# JACKSONVILLE TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SEPTEMBER 30, 2022

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## Government-wide Financial Statements

The government-wide statements report on the Authority as a whole using accounting rules very similar to those used by private companies. There are two government-wide statements. The first is the statement of net position, which combines and reports all the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The second is the statement of activities. It combines and reports all the Authority's revenues and expenses regardless of when cash is paid or received. These two financial statements demonstrate how the Authority's net position has changed. Net position is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources and is one way of assessing the Authority's current financial condition. Increases or decreases in net position are good indicators of whether the Authority's financial health is improving or deteriorating over time. Other non-financial factors, such as changes in local economic conditions, regulations, and government legislation, are important in evaluating the Authority's overall financial condition. The government-wide financial statements are grouped into two categories:

**Governmental activities:** Include Road construction and general engineering administration.

**Business-type activities:** The Authority's Bus, Automated Skyway Express (the "ASE"), Community Transportation Coordinator (the "CTC"), and Ferry (the "Ferry") operations are classified here. In these activities, the Authority charges customers fees to cover a portion of the cost of providing these goods and services.

## Fund Financial Statements

The Authority's fund statements report in greater detail than the government-wide statements on the Authority's most significant funds. A fund is a group of related accounts used to exercise control over specific resources set apart for specific activities. The Authority, like other state and local governments, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. The Authority maintains several individual governmental funds. The General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund are presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances. In addition, the Authority maintains several individual proprietary funds. The Bus, Skyway (the "ASE"), Connexion (the "CTC"), and Ferry (the "Ferry") are presented separately in the proprietary fund statement of net position and in the statement of revenues, expenses, and changes in fund net position.

All of the Authority's funds are classified in one of the following categories.

Governmental funds tell how basic governmental services were paid for in the short-term as well as what remains for near future spending. These funds account for essentially the same services as those reported as governmental activities in the government-wide statements.

Because the governmental fund view does not include the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances that explains the differences between the two views.

Proprietary funds report on business type operations such as Bus, ASE, CTC, and Ferry, where the fees typically cover a portion of the costs of operations. These statements offer both long and short-term financial information. The Authority's enterprise funds, one type of proprietary fund, are a more detailed reporting of the amounts classified as business-type activities in the government-wide statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority's fiduciary fund is the pension trust fund for the Jacksonville Transit Management, Inc. Salaried Employees, which is not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for the fiduciary fund is much like that used for proprietary funds.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

SEPTEMBER 30, 2022

**Notes to the Financial Statements**

The notes provide additional information and explanation that is necessary for a full understanding of both the government-wide and fund statements.

**Government-wide Financial Analysis**

The statement of net position and the statement of activities, in condensed format, are provided to report net position, and the changes in net position to measure financial health. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, regulation, and new government legislation.

To begin our analysis, a summary of the Authority's statement of net position is presented in Table A-1.

**Table A-1**  
**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Current and other assets	\$ 134,678,280	\$ 132,164,601	\$ 42,058,632	\$ 35,288,192	\$ 176,736,912	\$ 167,452,793
Noncurrent assets	59,425,095	75,823,211	13,305,206	7,205,066	72,730,301	83,028,277
Capital assets	197,092,625	181,478,941	306,735,551	283,226,736	503,828,176	464,705,677
<b>Total Assets</b>	<b>391,196,000</b>	<b>389,466,753</b>	<b>362,099,389</b>	<b>325,719,994</b>	<b>753,295,389</b>	<b>715,186,747</b>
Deferred outflows - deferred amounts for pensions	7,695,901	8,078,701	5,268,554	5,979,445	12,964,455	14,058,146
Deferred outflows of resources - OPEB	10,549	20,524	-	2,975,374	10,549	2,995,898
<b>Total deferred outflows</b>	<b>7,706,450</b>	<b>8,099,225</b>	<b>5,268,554</b>	<b>8,954,819</b>	<b>12,975,004</b>	<b>17,054,044</b>
Current liabilities	19,387,076	18,144,593	18,634,603	17,914,619	38,021,679	36,059,212
Long-term liabilities	341,358,677	322,710,285	5,084,754	5,180,100	346,443,431	327,890,385
<b>Total liabilities</b>	<b>360,745,753</b>	<b>340,854,878</b>	<b>23,719,357</b>	<b>23,094,719</b>	<b>384,465,110</b>	<b>363,949,597</b>
Deferred inflows of resources - Other post-employment benefits	53,989	2,765	6,798,491	5,666,573	6,852,480	5,669,338
Deferred inflows related to leases	2,400,410	-	-	-	2,400,410	-
Deferred amounts for Pensions	2,226,253	12,248,382	-	-	2,226,253	12,248,382
Deferred inflows of resources - hedging activities	-	-	1,872,924	3,040,453	1,872,924	3,040,453
<b>Total deferred inflows</b>	<b>4,680,652</b>	<b>12,251,147</b>	<b>8,671,415</b>	<b>8,707,026</b>	<b>13,352,067</b>	<b>20,958,173</b>
Net position:						
Net investment in capital assets	9,273,014	20,090,608	302,102,343	283,226,736	311,375,357	303,317,344
Restricted	22,555,513	-	-	-	22,555,513	-
Unrestricted	1,647,518	24,369,351	32,874,828	19,646,692	34,522,346	44,016,043
<b>Total net position</b>	<b>\$ 33,476,045</b>	<b>\$ 44,459,959</b>	<b>\$ 334,977,171</b>	<b>\$ 302,873,428</b>	<b>\$ 368,453,216</b>	<b>\$ 347,333,387</b>

**Statement of Net Position 2022 vs. 2021**

The Authority's governmental activities show an increase of \$1.7 million or (0.4%) in total assets from 2021. This was mainly due to an increase in current assets of \$2.5 million and an increase in capital assets of \$15.5 million, offset by a decrease in restricted cash and investments of (\$16.4) million. Included in governmental capital assets are custodial projects which represent the sum total of planning, design, and construction of assets that are built for others. In FY 2022, the change in assets is attributable to an increase in project activity for those aforementioned items, in addition to Cybersecurity and Cloud Storage Software licenses. The current assets for FY2021 also include a restated receivable from Bus Fund for expenditures incorrectly recorded. See Note 16.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

SEPTEMBER 30, 2022

Total liabilities for governmental activities increased by \$19.9 million or 5.8%. The increase is mainly due to an increase in net pension liability of \$10.5 million and \$16.3 million in custodial projects.

Total assets for the Authority's business type activities increased by \$36.4 million or 11.2% compared to 2021. This is mainly due to an increase in the construction in progress of \$33.8 million, and an increase in cash of \$7.2 million.

Total liabilities for business type activities increased by \$0.6 million or 2.7% compared to 2021, primarily due to an increase in \$1.4 million in accounts payable, offset by a decrease (\$0.8) million in accrued expenses.

Deferred outflows related to the Authority's pension and other post-employment benefits decreased by (\$0.4) million. Deferred inflows related to the Authority's pension and other post-employment benefits decreased also, by (\$10.0) million. These decreases are mainly attributable to liability experiences of the pension, and actual pension investment results being different from expected. Deferred inflows for leases increased by \$2.4 million due to adoption of GASB 87, *Leases*, related to recent lease calculation guidelines.

A condensed summary of the Authority's revenues and expenses follows in Table A-2. While the Statement of Net Position shows the change in financial position, the Statement of Activities provides answers as to the nature and source of these changes.

**Table A-2**  
**Condensed Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2022	Restated 2021	2022	2021	2022	Restated 2021
Revenue:						
Program revenue:						
Charges for services	\$ -	\$ -	\$ 15,917,503	\$ 16,043,570	\$ 15,917,503	\$ 16,043,570
Operating grants and contributions	-	-	24,708,256	77,192,289	24,708,256	77,192,289
Capital grants and contributions	18,591,801	19,987,642	26,581,158	18,171,377	45,172,959	38,159,019
General revenue:						
Sales taxes	2,282,848	2,032,848	-	-	2,282,848	2,032,848
Intergovernmental	-	-	106,154,041	90,944,184	106,154,041	90,944,184
Investment earnings	(1,157,167)	334,106	119,237	63,866	(1,037,930)	397,972
Local assistance	253,366	240,000	-	-	253,366	240,000
Proceeds on sale of surplus property	195,928	150,123	-	-	195,928	150,123
Gain/(Loss) - on acquisition or disposal of capital assets	10,336,989	2,683,839	27,826	(55,381)	10,364,815	2,628,458
Gain - hedging activities	-	-	-	415,555	-	415,555
Total Revenue	30,503,765	25,428,558	173,508,021	202,775,460	204,011,786	228,204,018
Expenses:						
General government	3,235,359	4,964,028	-	-	3,235,359	4,964,028
Transportation and infrastructure projects	23,296,164	31,820,816	-	-	23,296,164	31,820,816
Interest on long-term debt	6,227,665	7,642,519	-	-	6,227,665	7,642,519
Bus system	-	-	114,869,780	107,977,111	114,869,780	107,977,111
Automated skyway express	-	-	10,430,798	11,463,334	10,430,798	11,463,334
Community transportation	-	-	20,882,468	17,383,268	20,882,468	17,383,268
Ferry	-	-	3,949,723	3,982,540	3,949,723	3,982,540
Total expenses:	32,759,188	44,427,363	150,132,769	140,806,253	182,891,957	185,233,616
Change in net position before transfers	(2,255,423)	(18,998,805)	23,375,252	61,969,207	21,119,829	42,970,402
Transfers	(8,728,491)	11,466,763	8,728,491	(11,466,763)	-	-
Change in net position	(10,983,914)	(7,532,042)	32,103,743	50,502,444	21,119,829	42,970,402
Net position, beginning (restated)	44,459,959	51,992,001	302,873,428	252,370,984	347,333,387	304,362,985
Net position, ending	\$ 33,476,045	\$ 44,459,959	\$ 334,977,171	\$ 302,873,428	\$ 368,453,216	\$ 347,333,387

**JACKSONVILLE TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

SEPTEMBER 30, 2022

**Statement of Activities 2022 vs. 2021**

For the Governmental activities, revenues increased by \$5.1 million or 20% from the prior year. The increase is mainly due to \$7.7M more in land sales, offset by less Capital grants and Contributions of (\$1.4) million, and less Investment Earnings of (\$1.5) million.

Expenses for Governmental activities decreased by (\$11.7) million or 26.3% compared to the previous year from \$44.4 million in 2021 (restated) to \$32.8 million in 2022. The decrease in 2022 expenses was primarily due to less spending on Transportation and Infrastructure projects and lower interest on long-term debt.

**Statement of Activities 2022 vs. 2021 (continued)**

Total revenues for Business-type activities decreased by (\$29.3) million or 14.4%. The decrease is mainly due to a decrease in Operating Grant Contributions of (\$52.5) million, and partially offset by Capital grants and contributions of \$8.4 million, Intergovernmental Revenue of \$13.0 million and Hedging Activities of \$3.0 million.

Expenses for Business-type activities increased by \$9.3 million or 6.6%. The increase in expenses is attributable to increased operating expenses for the Authority's Bus operations system of \$6.9 million and Community Transportation of \$3.5 million.

**Financial Analysis of the Authority's Funds**

**General Fund Budgetary Highlights**

Of the Jacksonville Transportation Authority's Government Funds, the General Fund is the primary fund. Investment earnings final budget was budgeted at \$351K. Total sales tax revenue for the general fund was budgeted at \$2.03 million and there was a \$1.3 million increase in intergovernmental revenue as compared to the final budget to account to include amounts to cover higher costs related to project management software, and construction and legal consulting services.

General Government Expenditures for the general fund were budgeted (final) at \$3.9 million; the actual expenditures were \$4.0 million. The General Fund expenditures were slightly unfavorable by \$78K compared to the final budget, primarily due to higher expenditures in general government.

**Table A-3  
Capital Assets**

**Capital Assets and Debt Administration**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 9,271,649	9,910,660	\$ 25,321,871	\$ 25,321,871	\$ 34,593,520	\$ 35,232,531
Land improvements			18,167,976	17,005,290	18,167,976	17,005,290
Buildings and improvements	1,364	2,009	45,380,155	49,163,211	45,381,519	49,165,220
Vehicles	-	-	61,835,130	56,101,086	61,835,130	56,101,086
Furniture and office equipment	-	-	191,895	162,463	191,895	162,463
Other Equipment	-	-	10,913,898	8,090,072	10,913,898	8,090,072
Construction in Progress	-	-	144,924,626	127,382,743	144,924,626	127,382,743
Construction in progress - custodial projects	187,819,612	171,566,272	-	-	187,819,612	171,566,272
Total	<u>\$ 197,092,625</u>	<u>\$ 181,478,941</u>	<u>\$ 306,735,551</u>	<u>\$ 283,226,736</u>	<u>\$ 503,828,176</u>	<u>\$ 464,705,677</u>

# JACKSONVILLE TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

SEPTEMBER 30, 2022

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## Capital Assets

At the end of Fiscal Year 2022, the Authority showed \$503.8 million in total for the governmental and business-type activities in Land, Buildings, Vehicles, Equipment and construction in progress as shown in Table A-3. Government activities increase by \$15.6 million primarily due to increases in custodial asset construction in process, stemming primarily from our transportation infrastructure design of streets for all users and not just cars, which allows mobility for bikes and pedestrians. Business type activities increased by \$23.5 million due to increases of \$17.5 million in construction in process for the completion of project renovations started in FY2021 such as building new bus washing stations, facility renovations, and a system overhaul to upgrade routers for Skyway and the Myrtle Avenue Operations Campus.

## Debt Administration

In January 2015, the Authority issued \$97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2022, was \$71,720,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$109,285,500. During 2022, \$14,597,779.19 of local option gas tax revenue was recognized and \$7,631,250 was paid for debt service and fees.

In July 2019, the Authority entered into a note agreement with Regions Bank for \$2,600,000 at an interest rate of 2.18%. The loan was used to finance the expenditures relating to costs for designing, engineering, financing, acquiring, equipping, and constructing upgrades to the Acosta Bridge lighting system. The first payment on the note was June 1, 2020 and its outstanding balance as of September 30, 2022 is \$1,551,100. The Authority paid the loan in full during June 2023.

In October 2020, the Authority issued \$35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of \$44,724,353 includes the Original Issue Premium of \$9,491,880 less an Underwriters Discount of \$127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2022, was \$43,076,826. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$47,691,250. During 2022, \$3,408,000 was paid for debt service and fees.

## Next Year's Budget

The Jacksonville Transportation Authority's FY23 operating and capital budgets are balanced and support the goals and objectives of the JTA's new 5-year strategic plan, MOVE2027 (Mobility Optimization for Vision and Excellence).

The FY23 operating budget was increased by 14.9% overall versus the FY22 budget. This is primarily a result of a sharp increase in sales tax revenues, as a new state law to charge sales taxes on all internet transactions that took effect in July 2021 has fully materialized. Inflation levels also are expected to have a positive impact. The capital budget of \$35.5 million reflects a decrease from the prior year of \$33.3 million, as the FY22 budget included federal relief funds as well as two large discretionary grants. Additionally, the new local option gas tax takes effect on January 1, 2022. This tax was passed by City Council in May, 2021.

## Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to, Finance Department, Jacksonville Transportation Authority, 100 LaVilla Center Drive, Jacksonville, FL 32204.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 92,258,167	\$ 14,884,324	\$ 107,142,491
Investments	37,677,928	-	37,677,928
Due from other governments	2,230,480	19,402,540	21,633,020
Accounts receivable, net	51,155	3,099,487	3,150,642
Lease receivable	2,460,550	-	2,460,550
Inventory	-	3,307,310	3,307,310
Prepays	-	1,364,971	1,364,971
Noncurrent Assets:			
Restricted cash and cash equivalents	17,841,514	-	17,841,514
Restricted investments	41,583,581	-	41,583,581
Net pension asset	-	13,305,206	13,305,206
Capital assets (net of accumulated depreciation)	197,092,625	306,735,551	503,828,176
<b>Total Assets</b>	<b>391,196,000</b>	<b>362,099,389</b>	<b>753,295,389</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pensions	7,695,901	5,268,554	12,964,455
Other postemployment benefits	10,549	-	10,549
<b>Total Deferred Outflows</b>	<b>7,706,450</b>	<b>5,268,554</b>	<b>12,975,004</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	6,070,616	13,517,093	19,587,709
Accrued expenses	4,778,796	2,267,944	7,046,740
Claims payable	-	2,457,430	2,457,430
Accrued compensated absences - current	381,524	392,136	773,660
Accrued interest	936,188	-	936,188
Revenue bonds payable	6,844,629	-	6,844,629
Note payable	375,323	-	375,323
Noncurrent Liabilities:			
Claims payable	-	3,764,896	3,764,896
Accrued compensated absences - noncurrent	299,740	1,319,858	1,619,598
Net pension liability	21,378,881	-	21,378,881
Revenue bonds payable	130,565,316	-	130,565,316
Note payable	1,175,777	-	1,175,777
Other postemployment benefits	119,352	-	119,352
Custodial projects - due to other governments	187,819,611	-	187,819,611
<b>Total Liabilities</b>	<b>360,745,753</b>	<b>23,719,357</b>	<b>384,465,110</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pensions	2,226,253	6,798,491	9,024,744
Other postemployment benefits	53,989	-	53,989
Hedging activities	-	1,872,924	1,872,924
Lease related	2,400,410	-	2,400,410
<b>Total Deferred Inflows</b>	<b>4,680,652</b>	<b>8,671,415</b>	<b>13,352,067</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,273,014	302,102,343	311,375,357
Restricted	22,555,513	-	22,555,513
Unrestricted	1,647,518	32,874,828	34,522,346
<b>Total Net Position</b>	<b>\$ 33,476,045</b>	<b>\$ 334,977,171</b>	<b>\$ 368,453,216</b>

The accompanying notes to the financial statements are an integral part of these statements.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**GOVERNMENTAL FUNDS –**  
**BALANCE SHEET**

SEPTEMBER 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 90,173,597	\$ 2,084,570	\$ -	\$ -	\$ 92,258,167
Investments	37,677,928	-	-	-	37,677,928
Due from other funds	-	-	9,204,477	-	9,204,477
Due from other governments	445,404	870,118	258,029	656,929	2,230,480
Accounts receivable	7,205	-	43,950	-	51,155
Lease receivable	2,460,550	-	-	-	2,460,550
Restricted Assets:					
Cash and cash equivalents	-	3,051,494	14,790,020	-	17,841,514
Investments	-	1,827,078	26,154,321	13,602,182	41,583,581
<b>Total Assets</b>	<b>\$ 130,764,684</b>	<b>\$ 7,833,260</b>	<b>\$ 50,450,797</b>	<b>\$ 14,259,111</b>	<b>\$ 203,307,852</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 989,076	\$ -	\$ 2,920,404	\$ 2,161,136	\$ 6,070,616
Accrued expenses	2,901,592	-	1,877,204	-	4,778,796
Due to other funds	9,204,477	-	-	-	9,204,477
<b>Total Liabilities</b>	<b>13,095,145</b>	<b>-</b>	<b>4,797,608</b>	<b>2,161,136</b>	<b>20,053,889</b>
Deferred Inflows of Resources:					
Lease related	2,400,410	-	-	-	2,400,410
<b>Total Deferred Inflows of Resources</b>	<b>2,400,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,400,410</b>
Fund Balances:					
Spendable:					
Restricted	-	5,748,690	45,653,189	12,097,975	63,499,854
Assigned	118,067,000	-	-	-	118,067,000
Unassigned	(2,797,871)	2,084,570	-	-	(713,301)
<b>Total Fund Balances</b>	<b>115,269,129</b>	<b>7,833,260</b>	<b>45,653,189</b>	<b>12,097,975</b>	<b>180,853,553</b>
<b>Total Resources and Fund Balances</b>	<b>\$ 130,764,684</b>	<b>\$ 7,833,260</b>	<b>\$ 50,450,797</b>	<b>\$ 14,259,111</b>	<b>\$ 203,307,852</b>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS – BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

Fund balances - total governmental funds	\$ 180,853,553
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets, net	9,273,014
Capital assets, custodial in nature	187,819,611
Net liabilities for other postemployment benefits resulting from underfunding are not due and payable in the current period and, therefore, are not reported in the funds.	(119,352)
Net pension liability pertaining to FRS and HIS that is not due and payable in the current period and, therefore, is not reported in the funds.	(21,378,881)
Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the funds:	
Deferred outflows - pensions and OPEB	7,706,450
Deferred inflows - pensions and OPEB	(2,280,242)
Long-term obligations related to custodial construction projects are not due and payable in the current period and, therefore, are not reported in the funds.	(187,819,611)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Revenue bonds payable	(110,990,000)
Bond premium	(26,419,945)
Note payable	(1,551,100)
Accrued interest	(936,188)
Accrued compensated absences	(681,264)
<b>Net position of governmental activities</b>	<b>\$ 33,476,045</b>

The accompanying notes to the financial statements are an integral part of these statements.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2022

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
Revenue:					
Intergovernmental:					
Sales taxes	\$ 2,282,848	\$ -	\$ -	\$ -	\$ 2,282,848
Federal and state grants	-	-	1,856,382	-	1,856,382
City of Jacksonville	-	6,010,095	-	10,725,324	16,735,419
Local assistance	-	-	253,366	-	253,366
Miscellaneous	195,928	-	-	-	195,928
Investment (loss) earnings	(1,298,964)	14,604	127,193	-	(1,157,167)
<b>Total Revenue</b>	<b>1,179,812</b>	<b>6,024,699</b>	<b>2,236,941</b>	<b>10,725,324</b>	<b>20,166,776</b>
Expenditures:					
Current:					
General government	4,034,236	-	-	-	4,034,236
Transportation and infrastructure	-	8,532	23,287,632	-	23,296,164
Debt Service:					
Principal payment	-	-	-	5,762,315	5,762,315
Interest and other	-	-	-	6,227,665	6,227,665
Other fiscal charges	-	-	70,521	7,750	78,271
<b>Total Expenditures</b>	<b>4,034,236</b>	<b>8,532</b>	<b>23,358,153</b>	<b>11,997,730</b>	<b>39,398,651</b>
(Deficiency) excess of revenue (under) over expenditures	(2,854,424)	6,016,167	(21,121,212)	(1,272,406)	(19,231,875)
Other Financing Sources (Uses):					
Proceeds on sale of surplus property	10,976,000	-	-	-	10,976,000
Transfers in	-	-	5,761,301	-	5,761,301
Transfers out	(9,959,267)	(267,477)	-	(4,263,048)	(14,489,792)
<b>Total Other Financing Sources (Uses)</b>	<b>1,016,733</b>	<b>(267,477)</b>	<b>5,761,301</b>	<b>(4,263,048)</b>	<b>2,247,509</b>
Net Change in Fund Balances	(1,837,691)	5,748,690	(15,359,911)	(5,535,454)	(16,984,366)
Fund balances, beginning of year	117,106,820	2,084,570	54,008,107	14,460,483	187,659,980
Restatement	-	-	7,004,993	3,172,946	10,177,939
Fund balances as restated, beginning of year	117,106,820	2,084,570	61,013,100	17,633,429	197,837,919
<b>Fund balances, end of year</b>	<b>\$ 115,269,129</b>	<b>\$ 7,833,260</b>	<b>\$ 45,653,189</b>	<b>\$ 12,097,975</b>	<b>\$ 180,853,553</b>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES –**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

*YEAR ENDED SEPTEMBER 30, 2022*

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Net change in fund balances, total governmental funds	\$ (16,984,366)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures.	
However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:	
Current year depreciation expense	(644)
Proceeds from sale of capital assets in excess of the gain on sale of surplus property for government activities	(639,011)
Changes in the net pension liability and other postemployment benefits ("OPEB") are not reported in the governmental funds because it does not require the use of current financial resources. These balances are reported in the government wide financial statements with the associated deferred inflows and outflows:	
Pension - benefit	949,929
OPEB - expense	(79,390)
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Debt service principal payment	5,762,315
Compensated absences	7,253
<b>Change in net position of governmental activities</b>	<u><u>\$ (10,983,914)</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**PROPRIETARY FUNDS –**  
**STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 14,867,316	\$ 16,821	\$ 187	\$ -	\$ 14,884,324
Accounts receivable, net	2,636,578	93,053	118,451	251,405	3,099,487
Due from other governments	17,648,615	151,765	1,547,839	54,321	19,402,540
Inventories	1,896,571	1,410,739	-	-	3,307,310
Prepaid expenses	946,345	366,268	3,640	48,718	1,364,971
Total Current Assets	<u>37,995,425</u>	<u>2,038,646</u>	<u>1,670,117</u>	<u>354,444</u>	<u>42,058,632</u>
Noncurrent Assets:					
Net pension asset	13,305,206	-	-	-	13,305,206
Capital assets, net of accumulated depreciation	215,973,974	64,572,091	2,107,433	24,082,053	306,735,551
Total Noncurrent Assets	<u>229,279,180</u>	<u>64,572,091</u>	<u>2,107,433</u>	<u>24,082,053</u>	<u>320,040,757</u>
<b>Total Assets</b>	<u>267,274,605</u>	<u>66,610,737</u>	<u>3,777,550</u>	<u>24,436,497</u>	<u>362,099,389</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred amounts for pension	5,268,554	-	-	-	5,268,554
<b>Total Deferred Outflows</b>	<u>5,268,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,268,554</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	9,651,806	934,061	2,883,793	47,433	13,517,093
Accrued expenses	1,352,936	84,774	45,523	784,711	2,267,944
Claims payable	2,457,430	-	-	-	2,457,430
Accrued compensated absences	350,770	26,181	15,184	-	392,136
Total Current Liabilities	<u>13,812,942</u>	<u>1,045,016</u>	<u>2,944,500</u>	<u>832,144</u>	<u>18,634,603</u>
Noncurrent Liabilities:					
Claims payable	3,681,342	83,554	-	-	3,764,896
Accrued compensated absences	1,180,631	88,119	51,109	-	1,319,858
Total Noncurrent Liabilities	<u>4,861,973</u>	<u>171,673</u>	<u>51,109</u>	<u>-</u>	<u>5,084,754</u>
<b>Total Liabilities</b>	<u>18,674,915</u>	<u>1,216,689</u>	<u>2,995,609</u>	<u>832,144</u>	<u>23,719,357</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred amounts for pension	6,798,491	-	-	-	6,798,491
Deferred amounts for hedging activities	1,872,924	-	-	-	1,872,924
<b>Total Deferred Inflows</b>	<u>8,671,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,671,415</u>
<b>NET POSITION</b>					
Net investment in capital assets	212,776,413	63,665,584	2,107,433	23,552,913	302,102,343
Unrestricted	32,420,416	1,728,464	(1,325,492)	51,440	32,874,828
<b>Total Net Position</b>	<u>\$ 245,196,829</u>	<u>\$ 65,394,048</u>	<u>\$ 781,941</u>	<u>\$ 23,604,353</u>	<u>\$ 334,977,171</u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**PROPRIETARY FUNDS –**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

*YEAR ENDED SEPTEMBER 30, 2022*

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
Operating Revenue:					
Passenger	\$ 6,405,956	\$ -	\$ 658,367	\$ 1,432,580	\$ 8,496,903
Agency	5,091	-	6,612,268	-	6,617,359
Auxiliary transportation	436,519	-	-	-	436,519
Non-transportation	366,572	-	150	-	366,722
Total Operating Revenue	<u>7,214,138</u>	<u>-</u>	<u>7,270,785</u>	<u>1,432,580</u>	<u>15,917,503</u>
Operating Expenses:					
Labor	37,952,150	2,806,408	2,546,559	211,908	43,517,025
Fringe benefits	18,850,093	1,428,167	1,316,968	107,415	21,702,643
Materials and supplies	9,398,671	1,285,377	1,936,136	525,216	13,145,400
Services	28,648,390	1,119,233	13,293,877	2,109,992	45,171,492
Casualty and insurance	2,529,130	80,061	3,337	86,279	2,698,807
Taxes and licenses	45,145	-	6,959	7,173	59,277
Other	4,856,696	711,910	1,247,218	202,689	7,018,513
Depreciation expense	12,589,505	2,999,642	531,414	699,051	16,819,612
Total Operating Expenses	<u>114,869,780</u>	<u>10,430,798</u>	<u>20,882,468</u>	<u>3,949,723</u>	<u>150,132,769</u>
Operating Loss	<u>(107,655,642)</u>	<u>(10,430,798)</u>	<u>(13,611,683)</u>	<u>(2,517,143)</u>	<u>(134,215,266)</u>
Nonoperating Revenue (Expenses):					
Public Funding:					
United States government	17,770,504	62,967	328,949	119,940	18,282,360
State of Florida	6,425,896	-	-	-	6,425,896
City of Jacksonville	104,740,188	-	1,413,853	-	106,154,041
Investment earnings	118,319	918	-	-	119,237
Gain on disposal of capital assets	27,826	-	-	-	27,826
Total Nonoperating Revenue	<u>129,082,733</u>	<u>63,885</u>	<u>1,742,802</u>	<u>119,940</u>	<u>131,009,360</u>
Gain (Loss) Before Capital Contributions and Transfers	<u>21,427,091</u>	<u>(10,366,913)</u>	<u>(11,868,881)</u>	<u>(2,397,203)</u>	<u>(3,205,906)</u>
Capital contributions	23,810,181	513,642	964,552	1,292,783	26,581,158
Transfers in	-	9,073,515	10,466,246	1,478,744	21,018,505
Transfers out	(12,290,014)	-	-	-	(12,290,014)
Change in Net Position	<u>32,947,258</u>	<u>(779,756)</u>	<u>(438,083)</u>	<u>374,324</u>	<u>32,103,743</u>
Net position, beginning of year	<u>212,249,571</u>	<u>66,173,804</u>	<u>1,220,024</u>	<u>23,230,029</u>	<u>302,873,428</u>
Net position, end of year	<u>\$ 245,196,829</u>	<u>\$ 65,394,048</u>	<u>\$ 781,941</u>	<u>\$ 23,604,353</u>	<u>\$ 334,977,171</u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**PROPRIETARY FUNDS –**  
**STATEMENT OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>					
Receipts from customers	\$ 8,619,866	\$ 64,413	\$ 7,946,234	\$ 1,602,077	\$ 18,232,590
Payments to suppliers	(39,411,134)	(2,735,733)	(13,607,247)	(2,662,139)	(58,416,253)
Payments to employees	(54,784,094)	(4,250,633)	(3,893,622)	(319,323)	(63,247,672)
Other payments	(13,525,897)	(1,166,023)	(1,260,780)	(340,285)	(16,292,985)
Net cash flows from operating activities	<u>(99,101,259)</u>	<u>(8,087,976)</u>	<u>(10,815,415)</u>	<u>(1,719,670)</u>	<u>(119,724,320)</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental revenue	111,739,934	(80,073)	601,927	679,826	112,941,614
Operating grants received	24,196,400	62,967	328,949	119,940	24,708,256
Transfers from other funds	-	9,073,515	10,466,246	1,478,744	21,018,505
Transfers to other funds	(12,290,014)	-	-	-	(12,290,014)
Net cash flows from noncapital financing activities	<u>123,646,320</u>	<u>9,056,409</u>	<u>11,397,122</u>	<u>2,278,510</u>	<u>146,378,361</u>
<b>Cash flows from capital and related financing activities:</b>					
Capital contributions	23,810,181	513,642	964,552	1,292,783	26,581,158
Acquisition and construction of capital assets	(33,634,071)	(1,488,456)	(1,546,072)	(1,851,623)	(38,520,222)
Proceeds on disposal of capital assets	27,826	-	-	-	27,826
Net cash flows from capital and related financing activities	<u>(9,796,064)</u>	<u>(974,814)</u>	<u>(581,520)</u>	<u>(558,840)</u>	<u>(11,911,238)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	118,319	918	-	-	119,237
Net change in cash and cash equivalents	14,867,316	(5,463)	187	-	14,862,040
Cash and cash equivalents, beginning of year	-	22,284	-	-	22,284
Cash and cash equivalents, end of year	<u>\$ 14,867,316</u>	<u>\$ 16,821</u>	<u>\$ 187</u>	<u>\$ -</u>	<u>\$ 14,884,324</u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**PROPRIETARY FUNDS –**  
**STATEMENT OF CASH FLOWS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>					
Operating loss	\$ (107,655,642)	\$ (10,430,798)	\$ (13,611,683)	\$ (2,517,143)	\$ (134,215,266)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Depreciation	12,589,505	2,999,642	531,414	699,051	16,819,612
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	1,405,761	64,413	675,449	169,497	2,315,120
Inventories	(450,219)	135,851	-	-	(314,368)
Prepaid expenses	(238,556)	30,160	(3,266)	(44,144)	(255,806)
Net pension asset	(6,100,140)	-	-	-	(6,100,140)
Deferred outflows for pension	710,891	-	-	-	710,891
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	393,436	(365,298)	1,670,937	(270,303)	1,428,772
Accrued expenses	(1,022,172)	22,963	(21,202)	247,532	(772,879)
Due to other funds	(285,151)	(124,639)	(26,969)	(4,160)	(440,919)
Claims payable	525,336	(404,212)	-	-	121,124
Accrued compensated absences	175,340	(16,058)	(30,095)	-	129,187
Net pension obligation	(281,566)	-	-	-	(281,566)
Deferred inflows for pension	1,131,918	-	-	-	1,131,918
Net cash flows from operating activities	<u>\$ (99,101,259)</u>	<u>\$ (8,087,976)</u>	<u>\$ (10,815,415)</u>	<u>\$ (1,719,670)</u>	<u>\$ (119,724,320)</u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**STATEMENT OF FIDUCIARY NET POSITION –**  
**PENSION TRUST FUND**

SEPTEMBER 30, 2022

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	<u><b>JTM Salaried Employees</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 897,899
Mutual fund investments	<u>1,558,944</u>
<b>Total Assets</b>	<u><u>\$ 2,456,843</u></u>
 Net position	
Restricted for pensions	<u><u>\$ 2,456,843</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –**  
**PENSION TRUST FUND**

*YEAR ENDED SEPTEMBER 30, 2022*

	<b><u>JTM Salaried Employees</u></b>
Additions:	
Employer contribution	\$ 1,090,000
Employee contribution	<u>18,055</u>
Total Contributions	1,108,055
Investment income	<u>35,108</u>
Total Contributions and Net Investment Income	<u>1,143,163</u>
Deductions:	
Benefit payments	35,024
Administrative expenses	<u>69,461</u>
Total Deductions	<u>104,485</u>
Net change in plan net position	1,038,678
Net position restricted for pensions, beginning of year	<u>1,418,165</u>
Net position restricted for pensions, end of year	<u><u>\$ 2,456,843</u></u>

The accompanying notes to the financial statements are an integral part of these statements.



# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 1—Reporting entity

Established by the Florida Legislature in 1955, the Jacksonville Transportation Authority (the “JTA” or the “Authority”) is a public body and corporate agency of the State of Florida under Chapter 349, Florida Statutes. The Authority is empowered to acquire, construct, operate, and lease a mass transit system; it may plan, coordinate, and recommend methods and facilities for the parking of vehicles and the movement of pedestrians and vehicular traffic; and it may issue evidences of indebtedness and secure payment thereof by pledge of its revenues.

It is also empowered to construct, improve, operate, and lease the Jacksonville Expressway System and improvements thereto, to fix and collect rates, rentals and other charges for the services and facilities of such system; and to secure bonds by a pledge of such revenues and all or part of Duval County gasoline tax and sales tax funds pursuant to a lease-purchase agreement between the Authority and the State of Florida Department of Transportation (the “FDOT”). The FDOT maintains responsibility for the operation of the Expressway System with the exception of certain contract maintenance functions.

In fiscal year 2000, the Authority entered into an Interlocal Agreement (“ILA”) with the City of Jacksonville (the “City”) for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the “Plan” or “BJP”), as defined in the ILA. Pursuant to this agreement, the Authority pledged its sales tax and the City pledged its Constitutional Gas Tax to the payment of bonds issued by the City to implement the Program (the “Bonds”). The Bonds are an obligation of the City and there is no guarantee by the Authority nor are any of the other Authority’s revenues or assets pledged for such bonds except the sales tax. The ILA commenced on October 1, 2000 and continues in effect until all of the Bonds have been duly paid in full or defeased in accordance with their terms (see Note 8). The terms of the ILA also requires that the City make available its Local Option Gas Tax to the Authority for the Authority’s operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to the Authority. The Authority may use these funds for any lawful purpose within its operating mission.

The Authority is fiscally dependent on the City under Section 14 of the City Charter through approval of its budget and there is a financial benefit/burden relationship between the two entities. Accordingly, the Authority has been determined to be a component unit of the City under Governmental Accounting Standards Board’s (“GASB”) applicable guidance. The Authority’s governing body has seven members. Three members are appointed by the Governor and confirmed by the Senate; three members are appointed by the City’s Mayor and confirmed by the City Council; and the seventh member is the District Two Secretary of the Florida Department of Transportation.

As required by generally accepted accounting principles (“U.S. GAAP”), these financial statements present the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Authority’s operation and so data from these units are combined with data of the primary government.

*Blended Component Unit* – Jacksonville Transit Management, Inc. (the “JTM”) is a not-for-profit corporate entity responsible for the management of payroll and related benefits for drivers, mechanics, and certain other employees who support the enterprise activities of the Authority. The Authority owns all of the stock of JTM, members of JTM’s Board of Directors are appointed by the Authority, services are exclusively provided to JTA, and management of the Authority has operational responsibility for the component unit. The activities of JTM are blended with the primary government, the Authority, and are included in the Authority’s enterprise funds.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 2—Summary of significant accounting policies

The basic financial statements include both government-wide and fund level statements. The government-wide statements report on all of the non-fiduciary activities of the Authority. Both the government-wide and fund level statements classify primary activities of the Authority as either governmental activities, which are primarily supported by taxes and intergovernmental revenues, or business-type activities, which are partially supported by user fees and charges.

The government-wide statement of net position reports all assets and liabilities of the Authority, including both long-term assets and long-term debt and other obligations. Net position, the difference between assets, liabilities, and deferred inflows/outflows of resources, are subdivided into three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation.

The statement of activities reports the degree to which direct expenses of Authority functions are offset by program revenues. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Direct expenses are those that are clearly identifiable with a specific function or program. The net cost of these programs is funded from general revenues such as taxes, unrestricted intergovernmental revenue, and investment earnings.

The fund level statements report on governmental, proprietary, and fiduciary activities, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund level financial statements. Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column (as discussed subsequently in this note under *Basis of Accounting* in this summary of significant accounting policies), a reconciliation is presented on the page following each fund level statement which briefly explains the adjustments necessary to convert the fund level statements into the government-wide governmental column presentations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this is the Bus Fund's payments to the Community Transportation Coordinator (the "CTC") Fund in the amount of \$4,745,098 for services provided to the transportation disadvantaged. Elimination of these charges would distort the direct costs and program revenues reported for these funds.

The Authority's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### **Note 2—Summary of significant accounting policies (continued)**

*Fund Structure* – The Authority’s accounts are maintained in accordance with the principles of fund accounting to enable compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets, liabilities, revenues and expenditures/expenses, and fund equity. For financial statement presentation, funds with similar characteristics are grouped into generic classifications as required by U.S. GAAP. A brief description of the Major Funds follows:

*Governmental Funds* – These funds report transactions related to resources received and used for those services traditionally provided by governmental agencies. The following are major governmental funds used by the Authority:

*General Fund* – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Fund* – The Special Revenue Fund receives money from other governmental agencies, primarily the State of Florida (the “State”) and the City of Jacksonville, to fund major capital improvement projects for those respective governments. Upon completion, ownership of the assets constructed (the accumulated costs of such assets) is transferred to the State or City.

*Capital Projects Fund* – The Capital Projects Fund accounts for and reports resources to be used for the construction of various transportation projects that are not accounted for in the proprietary funds.

*Debt Service Fund* – The Debt Service Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

*Proprietary Funds* – These funds are used to account for the financing of services to the public on a continuing basis with funding provided by federal and State grants, local sales and fuel taxes, and costs recovered partially through user charges. Major proprietary funds include:

*Bus* – The Bus Fund is used to account for the operation of the Authority’s bus services. Operating revenue is provided through federal and State grants, local sales and fuel taxes, and passenger fares.

*ASE* – The Automated Skyway Express (“ASE”) Fund is used to account for the Authority’s local train service. Operating revenue is generally provided through passenger fares. During fiscal 2012, the Authority temporarily suspended the passenger fares to study the effect on ridership and the cost to operate the system. This suspension was in effect for all of fiscal 2022. Presently the Authority has not made a determination as to whether the user fees will be reinstated or if the suspension will become permanent.

*CTC* – The Community Transportation Coordinator (“CTC”) Fund is used to account for paratransit service – Connexion; which provides transportation for disabled and for disadvantaged riders. Operating revenue is provided through governmental grants and other sources.

*Ferry* – The Ferry Fund is used to account for the St. Johns River Ferry which is the Authority’s car and passenger ferry service. The Ferry connects Mayport Village and Fort George Island in Northeast Florida.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 2—Summary of significant accounting policies (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' principal ongoing operation.

The principal operating revenues for the Authority's proprietary funds are charges to customers for sales and services. Since the rate structure of these funds is not sufficient to generate revenues to fully fund operating expenses or to fund acquisition, replacement, and future expansion of property and equipment, the Authority is compelled to seek contributions-in-aid from local, State, and federal sources, which are reported as nonoperating revenues. Operating expenses include direct expenses of providing the goods or services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The Pension Trust Fund accounts for the activities related to the JTM salaried employees pension plan. See Note 12 for further plan details.

The following is a summary of the significant accounting policies applicable to the Authority:

*Basis of Accounting* – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Intergovernmental revenues, grants, and similar items are recognized as revenue when all eligibility requirements imposed by the provider are met. Taxes such as sales and gas taxes are recognized based on the date of the underlying sales transactions.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable is the amount of the transaction that can be determined, available, and collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, the Authority considers a 90 day availability period for revenue recognition.

Major revenues that are determined to be susceptible to accrual include taxes, intergovernmental revenue when eligibility requirements are met, charges for services, and investment return. Taxes such as sales and gas taxes are recognized based on the date of the underlying sales transactions and if received within the Authority's period of availability for governmental funds.

Expenditures of governmental funds are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Expenditures related to pensions and other postemployment benefits ("OPEB") are recognized when the Authority has made a decision to fund those obligations with current available resources.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 2—Summary of significant accounting policies (continued)

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, cash and cash equivalents includes bank demand accounts, money market funds, and investments with an original maturity of three months or less when purchased.

*Investments* – Investments with a maturity date greater than one year from the purchase date are reported at fair value as determined by quoted market prices, and investments with a maturity date less than one year from the purchase date are reported at amortized cost, which approximates fair value.

In accordance with GASB Codification Section 150 *Investments*, the statement requires additional analysis of fair value if the volume or level of activity for an asset or liability has significantly decreased. Section 150 also requires identification of transactions that are not orderly. The statement establishes a hierarchy of inputs to valuation techniques used to measure fair value with three levels.

- *Level 1* – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- *Level 2* – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- *Level 3* – Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

*Accounts Receivable and Due from Other Governments* – Customer accounts receivable consist of amounts owed from private individuals, organizations, or agencies of the government for services. The allowance method is used to account for bad debt expense. All accounts receivable balances are shown net of the allowance for uncollectibles. The allowance is based on management's estimates using historical experience and current economic conditions. The allowance for doubtful accounts was approximately \$829,305 at September 30, 2022. In addition, the Authority has recorded a due from other governments of \$21,633,020, which is considered fully collectible.

*Inventory and Prepaid Items* – Inventory consists of materials and supplies and is reported using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and proprietary fund statements of net position. In the governmental funds' statement of revenues, expenditures, and changes in fund balances, prepaid items are included in expenditures for the current period when purchased.

*Custodial Assets/Custodial Liabilities* – Custodial assets generally consist of cash, cash equivalents, investments, certain amounts due from the City, and costs of infrastructure assets currently under construction for the benefit of the State and the City. After completion, the City or State, as appropriate, is responsible for maintaining the assets. Therefore, the Authority transfers such assets upon completion of the related construction project.

These assets are reported as custodial projects on the government-wide statement of net position because title of such assets does not transfer until the project is completed and accepted by the State or the City, as appropriate.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

### Note 2—Summary of significant accounting policies (continued)

As these assets are being held in an agency-like capacity by the Authority, the revenues associated with the funding of these projects are reported as custodial projects and represent amounts due to other governments (liabilities) on the government-wide statement of net position, reflecting the Authority's obligation to the State or City.

*Capital Assets* – Capital assets are stated at historical cost and are defined as assets with an initial individual cost of more than \$1,000 and an estimated useful life exceeding one year.

The cost of improvements and replacements, which extend the useful lives of assets, are capitalized. Repairs and maintenance costs, which do not improve or extend the useful life of the respective assets, are charged to expense. Depreciation commences when the assets are placed in service. Property and equipment are depreciated by the straight-line method over the estimated useful lives of the assets as follows:

	<u>Years</u>
Land improvements	5 to 10
Buildings and improvements	5 to 40
Vehicles	4 to 25
Furniture and office equipment	3 to 12
Other equipment	3 to 15

As of September 30, 2022, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties mentioned in Note 6.

*Compensated Absences* – Employees accrue personal leave or compensated absences by prescribed formula based on length of service. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The value of accumulated benefits earned by employees that may be used in subsequent years or paid upon termination or retirement, is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

*Claims Liability* – Provision for injury and damage losses are charged to operations based on the estimated ultimate cost of settling incurred claims and incurred but not reported claims using past experience adjusted for current trends.

*Restricted Assets* – Certain assets of the Authority's governmental and proprietary funds are classified as restricted assets on the financial statements because their use is limited to the construction of capital assets or custodial projects through bond or loan covenants and other legal restrictions.

*Deferred Outflows/Inflows of Resources* – Deferred outflows of resources represent a consumption of net assets that applies to a future period and, as such, will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below the assets on the statement of net position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and, as such, will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below the liabilities on the statement of net position.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 2—Summary of significant accounting policies (continued)

The Authority reports deferred outflows and deferred inflows of resources that result from the activity in its defined benefit pension plans and other postemployment benefits. These activities include differences between expected and actual experience, and changes in actuarial assumptions, or other inputs. In addition, the Authority records deferred inflows for resources related to hedging activities and leases.

*Hedging Activities* – The Authority engages in agreements for the pre-purchase of gasoline, diesel fuel, and compressed natural gas in order to secure a hedge against price fluctuations. This current position is reflected as a deferred inflow in the amount of \$1,872,924 as of September 30, 2022; see Note 9.

*Pensions and Other Postemployment Benefits (“OPEB”)* – For purposes of measuring the net pension/OPEB liability, net pension asset, deferred outflows and inflows of resources related to pension/OPEB, and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value; see Notes 12 and 13.

*Net Position and Fund Balances* – In the government-wide financial statements and in the proprietary fund statements, net position is classified in the following categories:

*Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that is attributable to the acquisition, construction, or improvement of these assets, if any, reduce this category.

*Restricted Net Position* – This category represents the net position of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

*Unrestricted Net Position* – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

Governmental funds report fund balance either as nonspendable or spendable. Nonspendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact. The spendable balances are classified as restricted, committed, assigned, or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances, are as follows:

*Restricted Fund Balance* – This category represents the fund balance of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

*Committed Fund Balance* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board of Directors through passage of a resolution. Committed amounts cannot be used for any other purpose unless the Authority removes those constraints by taking the same type of action.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### **Note 2—Summary of significant accounting policies (continued)**

*Assigned Fund Balance* – Assigned fund balances are amounts that are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Directors or (b) the Chief Executive Officer.

*Unassigned Fund Balance* – Unassigned fund balance is the residual classification for the General Fund. Unassigned fund balance also includes any residual deficit fund balance of other governmental funds.

The Authority’s policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, such as the provisions for uninsured losses and pension costs, that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

*Change in Accounting Principle* – GASB issued Statement No. 87, *Leases* (“GASB 87”), retroactively effective for the Authority as of October 1, 2021. This pronouncement increases the usefulness of governments’ financial statements by requiring recognition of lessor leases of lease receivables and deferred inflows of resources, based on the present value of future receipts provided in the lease contracts. For lessees, the standard requires recognition of leased assets and liabilities based on the present value of future lease payments. The Authority does not have significant leases as lessee.

### **Note 3—Deposits and investments**

*Deposits* – As of September 30, 2022 the Authority’s cash and cash equivalents balance was \$124,984,005 of which \$14,608,824 is presented as noncurrent. In addition, the pension trust fund reported \$897,899 for cash and cash equivalents for the bank and account balances.

In accordance with GASB Codification Sections C20, *Cash Deposits with Financial Institutions*, and 150, *Investments*, the Authority’s exposure to risk is disclosed as follows:

*Custodial Credit Risk* – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority’s policy to address custodial credit risk requires the Authority to maintain all deposits in qualified public depositories as defined in Chapter 280.02, Florida Statutes. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, (the “Act”). Under this Act, the financial institutions which are qualified as public depositories, place with the State Board of Administration securities which have a market value equal to 50% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 3—Deposits and investments (continued)**

*Restricted Cash and Cash Equivalents* – As of September 30, 2022, restricted cash and cash equivalents consists of:

Bond reserves	\$ 8,805,097
Fair share transfer projects	5,803,727
	<u>\$ 14,608,824</u>

*Investments* – The Authority’s Board approved its written investment policy on August 26, 2018. The policy complies with Florida Statute 218. The investment policy authorizes the following investments: Money market mutual funds, Florida Local Government Surplus Funds Trust Funds, United States Government Securities, United States Government Agencies, interest-bearing time deposits or savings accounts, repurchase agreements, commercial paper of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, Standard & Poor’s Corporation (“S & P”) or Moody’s, fixed income mutual funds, and intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperative Act. The policy also provides limits on individual issuers and rating requirement standards.

Outside portfolio managers must review the portfolios they manage to ensure compliance with the Authority’s diversification guidelines on an ongoing basis.

Investments are recorded at fair value (quoted market price or the best available estimate thereof), with the exception of the investments held by the Florida Treasury Investment Pool. The investments held by the Florida Treasury Investment Pool are recorded at amortized cost, which is consistent with the treatment of “2a-7 like” pool securities. Market values vary on the individual security and pricing source.

As of September 30, 2022, the Authority has reported restricted and unrestricted investments related to government-wide of \$159,208,814, with \$94,206,216 related to cash equivalents for money markets and \$1,558,944 related to the same for the pension fund. The following is a schedule of investments by type:

<u>Investment Type</u>	<u>Government- Wide</u>	<u>Pension Trust Fund</u>
U.S. treasury bills/notes	\$ 25,552,572	\$ -
Mortgage-backed securities	7,475,285	-
Commercial paper	4,343,742	-
Corporate note	12,475,345	-
Asset-backed securities	6,115,834	-
Local government investment pool	21,472,025	-
Cash and equivalents	2,867,842	897,899
Money market funds	78,906,169	1,558,944
Total investments	<u>\$ 159,208,814</u>	<u>\$ 2,456,843</u>

*Interest Rate Risk and Price Level* – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of an investment’s fair value is to change in market interest rates. The Authority’s investment policy limits the investing of current operating funds to investments with maturities of not more than 12 months. Investment maturities for bond reserves, construction funds, and other non-operating funds are limited to 5.5 years with the weighted average maturity not to exceed 3 years. This policy limits investment maturities as a means of managing the Authority’s exposure to fair value losses arising from increasing interest rates.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 3—Deposits and investments (continued)**

The following table presents the investments as of September 30, 2022. The Authority had the following debt-type investments and maturities measured at fair value. Investments are recorded at fair value quoted market price or the best available estimate thereof. The pricing for investments is shared between levels in the fair value hierarchy.

<u>Investment Type</u>	<u>Government- Wide</u>	<u>Pension Trust Fund</u>
U.S. treasury bills/notes	\$ 25,552,572	\$ -
Mortgage-backed securities	7,475,285	-
Commercial paper	4,343,742	-
Corporate note	12,475,345	-
Asset-backed securities	6,115,834	-
Local government investment pool	21,472,025	-
Cash and equivalents	2,867,842	897,899
Money market funds	78,906,169	1,558,944
Total investments	<u>\$ 159,208,814</u>	<u>\$ 2,456,843</u>

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means of limiting its exposure to credit risk, the Authority’s policy is to strictly limit its investments in permitted investment vehicles authorized by the policy, which are generally recognized as elements of a conservative investment portfolio that carries minimal credit risk exposure. U.S. government securities are backed by the full faith and credit of the U.S. government; therefore, a credit rating is not assigned.

The Authority’s investments are rated as follows:

<u>Investment Type</u>	<u>S&amp;P's Credit Rating</u>	<u>Fair Value</u>
U.S. treasury bills/notes	AA+	\$ 25,552,572
Mortgage-backed securities	AA/Aa3	7,475,285
Commercial paper	A-1+	4,343,742
Corporate notes	AA+	12,475,345
Asset backed securities	AAA	6,115,834
Local government investment pool	AAAm	21,472,025
Cash and equivalents	N/A	2,867,842
Money market funds	AAAm	78,906,169
		<u>\$ 159,208,814</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 3—Deposits and investments (continued)**

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority’s investment policy requires securities to be held by a third party custodian and be properly designated as an asset of the Authority and held in the Authority’s name. As of September 30, 2022, the Authority’s investments were held with a third party custodian as required by the Authority’s investment policy.

The investment policy authorizes the following maximum permissible concentrations based on book values: United States government securities (100%); United States government agencies (80%); supranational securities (25%); federal agency mortgage-backed securities (20%); asset-backed securities (25%); interest-bearing time deposits or savings accounts (25%); repurchase agreements (25%); commercial paper (35%) of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, S & P or Moody’s; corporate notes (50%); municipal debt (20%); money market mutual funds (75%); fixed income mutual funds (75%); and intergovernmental investment pools (50%) that are authorized pursuant to the Florida Interlocal Cooperative Act.

The policy further allows that 100% of the portfolio can be comprised of any of the following instruments: money market funds, Florida local government surplus funds trust funds, United States government securities and federal instrumentalities.

Investments that represent more than 5% of the Authority’s investments are listed below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Portfolio</u>
Money market funds	\$ 78,906,169	49.56%
U.S. Treasury	25,552,572	16.05%
Local government investment pool	21,472,025	13.49%
Corporate note	12,475,345	7.84%
	<u>\$ 138,406,111</u>	<u>86.93%</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 4—Lease receivable**

The Authority leases various commercial spaces that are located on Authority-owned property as well as land owned by the Authority. These leases are generally for a term of 5 to 40 years.

The Authority recognized \$29,662 of lease principal revenue and \$73,148 of interest revenue related to leases for the year ended September 30, 2022.

The principal and interest requirements to maturity for the lease receivables at September 30, 2022 are as follows:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 31,902	\$ 55,670	\$ 87,572
2024	43,536	72,389	115,925
2025	53,275	70,070	123,345
2026	44,201	68,339	112,540
2027	47,549	66,959	114,508
2028-2032	171,596	318,051	489,647
2033-2037	212,489	290,638	503,127
2038-2042	292,080	252,927	545,007
2043-2047	390,096	201,914	592,010
2048-2052	510,183	134,619	644,802
2053-2057	501,450	50,817	552,267
2058-2061	162,193	6,221	168,414
	<u>\$ 2,460,550</u>	<u>\$ 1,588,614</u>	<u>\$ 4,049,164</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 5—Capital assets**

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2022:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Depreciated:				
Land	\$ 9,910,660	\$ -	\$ 639,011	\$ 9,271,649
Custodial projects	171,566,272	16,253,339	-	187,819,611
Total capital assets, not being depreciated	<u>181,476,932</u>	<u>16,253,339</u>	<u>639,011</u>	<u>197,091,260</u>
Capital assets, being depreciated:				
Buildings and improvements	291,247	-	-	291,247
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,538	-	-	28,538
Total capital assets, being depreciated	<u>413,745</u>	<u>-</u>	<u>-</u>	<u>413,745</u>
Less accumulated depreciation for:				
Buildings and improvements	289,239	644	-	289,883
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,537	-	-	28,537
Total accumulated depreciation	<u>411,736</u>	<u>644</u>	<u>-</u>	<u>412,380</u>
Total capital assets, being depreciated,	<u>2,009</u>	<u>(644)</u>	<u>-</u>	<u>1,365</u>
Governmental activities capital assets, net	<u><u>\$ 181,478,941</u></u>	<u><u>\$ 16,252,695</u></u>	<u><u>\$ 639,011</u></u>	<u><u>\$ 197,092,625</u></u>

Depreciation expense was \$644 for the year ended September 30, 2022 related to the buildings and improvements for the governmental funds.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 5—Capital assets (continued)**

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 25,321,871	\$ -	\$ -	\$ 25,321,871
Construction in progress	127,382,743	17,589,381	47,498	144,924,626
Total capital assets, not being depreciated	<u>152,704,614</u>	<u>17,589,381</u>	<u>47,498</u>	<u>170,246,497</u>
Capital assets, being depreciated:				
Land improvements	39,597,891	6,663,547	4,319,335	41,942,103
Buildings and improvements	139,312,550	165,621	976,105	138,502,066
Vehicles	152,715,151	20,511,644	14,225,730	159,001,065
Furniture and office equipment	2,788,700	154,429	53,330	2,889,799
Other equipment	99,668,002	9,711,359	3,722,927	105,656,434
Total capital assets, being depreciated	<u>434,082,294</u>	<u>37,206,600</u>	<u>23,297,427</u>	<u>447,991,467</u>
Less accumulated depreciation for:				
Land improvements	22,592,601	1,292,624	111,098	23,774,127
Buildings and improvements	90,149,339	3,010,074	37,502	93,121,911
Vehicles	96,614,065	8,922,645	8,370,775	97,165,935
Furniture and office equipment	2,626,237	74,941	3,274	2,697,904
Other equipment	91,577,930	3,519,328	354,722	94,742,536
Total accumulated depreciation	<u>303,560,172</u>	<u>16,819,612</u>	<u>8,877,371</u>	<u>311,502,413</u>
Total capital assets, being depreciated,	<u>130,522,122</u>	<u>20,386,988</u>	<u>14,420,056</u>	<u>136,489,054</u>
Business-type activities capital assets, net	<u>\$ 283,226,736</u>	<u>\$ 37,976,369</u>	<u>\$ 14,467,554</u>	<u>\$ 306,735,551</u>

Depreciation expense for the year ended September 30, 2022 related to enterprise funds amounted to:

Bus services	\$ 12,589,505
ASE	2,999,642
CTC	531,414
Ferry	699,051
Total depreciation expense	<u>\$ 16,819,612</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 6—Custodial projects**

Custodial projects are reported in the governmental activities on the statement of net position. The following is a schedule of changes in custodial construction projects until completion, acceptance, and transfer of title. The balances for the year ended September 30, 2022 are as follows:

	<b>Beginning Balance</b>	<b>Current Year Project Costs/ Increase</b>	<b>Current Year Projects/ Decreases</b>	<b>Ending Balance</b>
Grant capital plan	\$ 59,637,442	\$ 2,108,163	\$ -	\$ 61,745,605
JTA mobility works	111,928,830	14,145,176	-	126,074,006
	<u>\$ 171,566,272</u>	<u>\$ 16,253,339</u>	<u>\$ -</u>	<u>\$ 187,819,611</u>

**Note 7—Interfund balances and transfers**

During the normal course of operations, numerous transactions occur between funds. The following is a schedule of interfund balances at September 30, 2022:

<b><u>Payable Fund:</u></b>	<b><u>Receivable Fund</u></b>
General	<b><u>Capital Projects</u></b>
	\$ 9,204,477
	<u>\$ 9,204,477</u>

Transfers of net resources from a fund receiving revenue to a fund in which the resources are to be expended are recorded as operating transfers.

	<b>Transfer to</b>					<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>CTC Fund</b>	<b>Ferry Fund</b>	<b>ASE Fund</b>	
Transfer from:						
General Fund	\$ -	\$ 1,498,253	\$ -	\$ -	\$ 8,728,491	\$ 10,226,744
Special Revenue Fund	267,477	-	-	-	-	267,477
Debt Service Fund	-	4,263,048	-	-	-	4,263,048
Bus Fund	-	-	10,466,246	1,478,744	345,024	12,290,014
	<u>\$ 267,477</u>	<u>\$ 5,761,301</u>	<u>\$ 10,466,246</u>	<u>\$ 1,478,744</u>	<u>\$ 9,073,515</u>	<u>\$ 27,047,283</u>

Interfund transfers were made from the Bus Fund to support the operating activities of CTC, Ferry, and ASE Funds. Transfers were also made from the General Fund to support capital and operating activities of the ASE Fund.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 8—Long term liabilities**

Long term debt and other liability activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Revenue bonds (Series 2015)	\$ 81,025,000	\$ -	\$ 3,755,000	\$ 77,270,000	\$ 3,945,000
Unamortized original issue premium (Series 2015)	18,770,725	-	1,707,606	17,063,119	959,779
Accrued interest (Series 2015)	675,208	643,917	675,208	643,917	643,917
Revenue bonds (Series 2020)	35,360,000	-	1,640,000	33,720,000	1,720,000
Unamortized original issue premium (Series 2020)	9,364,353	-	7,527	9,356,826	219,850
Accrued interest (Series 2020)	294,667	281,000	294,667	281,000	281,000
Note payable	1,918,415	-	367,315	1,551,100	375,323
Accrued interest - notes payable	13,940	11,271	13,940	11,271	11,271
Total long-term debt subtotal	147,422,308	936,188	8,461,263	139,897,233	8,156,140
Accrued compensated absences	688,517	530,907	538,160	681,264	381,524
Net pension liability	10,829,138	10,549,743	-	21,378,881	-
OPEB liability	198,744	25,261	104,653	119,352	-
Custodial projects - due to other governments	171,566,272	16,253,339	-	187,819,611	-
Governmental activities long-term liabilities	<u>\$ 330,704,979</u>	<u>\$ 28,295,438</u>	<u>\$ 9,104,076</u>	<u>\$ 349,896,341</u>	<u>\$ 8,537,664</u>
<b>Business-type activities:</b>					
Accrued compensated absences	\$ 1,582,807	\$ 1,711,966	\$ 1,582,779	\$ 1,711,994	\$ 392,136
Claims payable	6,101,202	1,391,030	1,269,906	6,222,326	2,457,430
Net pension liability (asset)	(6,923,500)	(6,381,706)	-	(13,305,206)	-
Business activities long-term liabilities	<u>\$ 760,509</u>	<u>\$ (3,278,710)</u>	<u>\$ 2,852,685</u>	<u>\$ (5,370,886)</u>	<u>\$ 2,849,566</u>

The Authority's net position pension balance for its business activities is shown as a negative balance to indicate an overall net pension asset. This amount consists of a salaried pension liability of \$573,585 and a drivers pension asset of \$12,731,621.

*Local Option Gas Tax Revenue Bonds – Series 2015* – In January 2015, the Authority issued \$97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2022 was \$77,270,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$109,285,500. During 2022, \$17,385,940 of local option gas tax revenue was recognized and \$7,814,000 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$643,917 for an interest payment due on February 1, 2023. The next principal payment in the amount of \$3,945,000 is due on August 1, 2023. The current portion of the revenue bonds payable including the current amortization of the bond premium due within one year is \$4,904,779 as presented in the statement of net position for governmental activities.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 8—Long term liabilities (continued)**

**Debt Maturities**

**Series 2015**

**Years Ending September 30:**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 3,945,000	\$ 3,863,500	\$ 7,808,500
2024	4,140,000	3,666,250	7,806,250
2025	4,345,000	3,459,250	7,804,250
2026	4,565,000	3,242,000	7,807,000
2027	4,790,000	3,013,750	7,803,750
2028-2032	27,805,000	11,226,250	39,031,250
2033-2036	27,680,000	3,544,500	31,224,500
	<u>\$ 77,270,000</u>	<u>\$ 32,015,500</u>	<u>\$ 109,285,500</u>

*Regions Notes Payable* – In July 2019, the Authority issued a new general obligation debt in the form of a loan recognized in the governmental funds. The loan is used to finance the expenditures relating to costs for designing, engineering, financing, acquiring, equipping, and constructing upgrades to the Acosta Bridge lighting system. The Series 2019 issue has a final maturity of 2026. The outstanding loan balance as of September 30, 2022 was \$1,551,100. The interest rate is 2.18%. Upon the occurrence of an event of default, the principal and interest payments due on the note shall be accelerated and become immediately due. Any amounts due under the note or this agreement not paid when due shall bear interest at a default rate equal to the interest rate on the note plus 6% per annum from and after the date due until paid.

Under the loan documents, \$2,656,680 of the Authority’s reserve funds (including earnings) were deposited into a separately designated collateral account with the secured party Regions Capital Advantage Bank as pledged revenue for the loan. At all times during the term of the loan, JTA has been required to maintain on deposit in the collateral account an amount equal to no less than the sum of the outstanding principal of the note, plus the highest annual amount of one year’s interest on the note (minimum account balance). The Authority has been permitted to withdraw amounts from the collateral account as long as the minimum account balance remained on deposit in the account following such withdrawal. No proceeds of the loan was permitted to be deposited at any time into the collateral account. The balance of the reserve funds is \$2,345,661 as of September 30, 2022.

The Authority recognized four months of accrued interest in the amount of \$11,271 for an interest payment due on December 1, 2022. The next principal payment in the amount of \$375,323 is due on June 1, 2023, representing the current portion of the note payable due within one year as presented in the statement of net position for governmental activities.

The Authority elected to pay off the Regions note payable in full during June 2023.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 8—Long term liabilities (continued)**

*Local Option Gas Tax Revenue Bonds – Series 2020* – In October 2020, the Authority issued \$35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of \$44,724,353 includes the original issue premium of \$9,491,880 less an underwriters discount of \$127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority’s mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2022 was \$43,076,826, which includes a premium of \$9,356,826. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of \$47,691,250. During 2022, \$3,408,000 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$281,000 for an interest payment due on February 1, 2023. The next principal payment in the amount of \$1,720,000 is due on August 1, 2023. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is \$1,939,850, as presented in the statement of net position for governmental activities.

**Debt Maturities**

**Series 2020**

**Years Ending September 30:**

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2023	\$ 1,720,000	\$ 1,686,000	\$ 3,406,000
2024	1,805,000	1,600,000	3,405,000
2025	1,900,000	1,509,750	3,409,750
2026	1,990,000	1,414,750	3,404,750
2027	2,095,000	1,315,250	3,410,250
2028-2032	12,130,000	4,898,750	17,028,750
2033-2036	12,080,000	1,546,750	13,626,750
	<b><u>\$ 33,720,000</u></b>	<b><u>\$ 13,971,250</u></b>	<b><u>\$ 47,691,250</u></b>

**Note 9—Hedging activities**

JTA enters into hedges for gasoline, diesel, and natural gas in order to mitigate the risk of rising costs for its bus operations. The petroleum futures contracts are individually sold evenly through time so as to correspond with JTA’s consumption and pricing of petroleum fuels from its supplier, where fuel is priced on a daily basis. The diesel and gasoline futures contracts are based on New York Harbor pricing and are determined by the New York Mercantile Exchange. The natural gas futures contracts are exited on the last day of trading for each month. The last day of trading is near the end of the month prior to the hedged month. JTA’s natural gas for the hedged month is priced from its supplier as the futures contracts for that month are sold. The natural gas pricing index used for the futures contracts is the Henry Hub.

If the price at which the futures contracts are sold is higher than the price at which they were bought, a realized gain is generated. If the price at which the future contracts are sold is lower than the price at which they were bought, a realized loss is generated. These gains or losses are netted with the cost of fuel on the financial statements. The net gain from hedging activities of \$3,877,814 is presented as a reduction of fuel expense within the services expense caption of the bus fund for the year ending September 30, 2022.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 9—Hedging activities (continued)**

For petroleum, JTA is exposed to basis risk since the hedging index is not identical to the price paid to their supplier. For natural gas, the supplier's price is based on Henry Hub pricing and there is little to no basis risk. JTA is also exposed to timing risk in so far as the futures contracts are not sold at precisely the same time and in the same volumes as the fuel is purchased from the supplier. Since there are hundreds of sales of futures contracts and hundreds of purchases of petroleum fuels from the supplier on an annual basis, this timing risk averages out over the course of a year and does not present JTA with any significant risk.

For hedging to be effective under GASB 53 rules, certain criteria must be met. Using the statistical method of determining effectiveness, the monthly fuel price experienced by JTA (observed as monthly JTA cost divided by monthly JTA volume on a monthly basis) is compared with the arithmetic mean of the daily settlement prices for the nearest gasoline futures month for the corresponding month. This comparison includes an examination of their correlation, regression analysis slope, and F-statistic. GASB requires that the relationship must have an R-squared (the square of correlation) of greater than 80%, a regression slope of between -.80 and -1.25, and F-statistic of less than 5%. When these criteria are met, the hedge is effective. Generally, this means when JTA's fuel cost increases, the value of the hedge increases at the same time and in the same amount so as to offset increases in fuel cost.

The fair value of the futures contracts is determined based on the futures contract settlement prices from the New York Mercantile Exchange. The unrealized gain/loss on the futures contracts is presented as a portion of investment assets and as a deferred inflow on the balance sheet/statement of net position. As of September 30, 2022, the notional amount of the hedge contracts was 1,596,000 gallons of diesel fuel, 924,000 gallons of gasoline, and 30,000 MMBTU of natural gas; the unrealized deferred inflow was \$1,872,924 for gasoline, diesel fuel, and natural gas in aggregate.

**Note 10—Risk management**

The Authority is exposed to various risks of loss related to injury and damage claims arising from operations. The Authority is self-insured for general liability and automobile liability and purchases stop loss insurance which caps the Authority's liability at \$300,000 per claim. Stop loss insurance is limited to \$2 million for product liability (automobile) and \$1 million for personal injury. The Authority purchases commercial insurance for group health insurance, workers' compensation, and destruction of property.

Claim liabilities include an amount for known claims and claims that have been incurred but not reported for which a loss is probable. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. The liability is reported in the Enterprise Funds. During fiscal year 2022, individual injury and damage claims in excess of \$200,000 and \$300,000 per occurrence were subject to the Florida Sovereign Immunity Law.

Changes in the estimated liability for the self-insurance program consisted of the following:

Fiscal Years Ended September 30,	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Paid	Ending Balance
2020	\$ 5,567,346	\$ 1,637,524	\$ 1,054,397	\$ 6,150,473
2021	6,150,473	1,138,594	1,187,865	6,101,202
2022	6,101,202	1,391,030	1,269,906	6,222,326

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

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### Note 11—Commitments and contingencies

*Grant Funding* – Federal and State grant awards are audited in accordance with the requirements of the Uniform Guidance and the Florida Single Audit Act. These grant awards are subject to audit by the respective grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable Federal and State regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a Federal or State audit may become a liability of the Authority. It is management’s opinion that no material liabilities will result from any such grantor audits.

*Purchase Commitments* – On November 25, 2014 the Authority originally entered into a Phase 2 Lease and Concession Contract with Clean Energy d/b/a Clean Energy CA Corp for the lease of certain real property for the development, operations and maintenance of a compressed natural gas (CNG) Fueling Station. The agreement Contract has been subsequently amended on April 30, 2015 and September 30, 2016, respectively. The Fuel Cost for the Annual Minimum Volume of DGEs at 843,750 is \$70,312.50 per month for fiscal year 2022 through 2030.

On March 18, 2019, the Authority entered into a five-year agreement with a third party vendor for U<sup>2</sup>C Technology Integration Consulting Services. This agreement is intended to advance the Authority’s goal of Transformative Mobility Solutions by conceptualizing, implementing and developing the autonomous vehicle technology system known as the Ultimate Urban Circulator (U<sup>2</sup>C). The U<sup>2</sup>C will be an integrated autonomous vehicle system in downtown Jacksonville, serving as an autonomous circulator and people mover. Consulting services will include developing the U<sup>2</sup>C framework as it pertains to Data, Communications, Cybersecurity and Vehicle Location Systems. Total compensation under this agreement is \$10,000,000 and continues to be active through March 17, 2024.

On January 27, 2022, the Authority entered into a Progressive Project Delivery Agreement (PPDA) with Balfour Beatty Construction, LLC. for the first phase, known as the Bay Street Innovation Corridor Project of the U<sup>2</sup>C multi-phased program valued at \$51,100,000. This project is undertaken along the Bay Street corridor, a major thoroughfare cutting east-west through the downtown Jacksonville area, and includes an integrated, progressive AV procurement and project design, build, operation, and maintenance (AV-DBOM) model. The project has completed the initial first phase, delivering a 60% project design valued at \$8,614,154.

On behalf of the State of Florida with guidance from the Florida Department of Transportation, the Authority entered into agreements with third party vendors for the manufacture of heavy-duty buses on May 24, 2019 with Gillig LLC, on December 18, 2019 with NOVA Bus, a division of Prevost Car (US) Inc. and on February 3, 2020 with New Flyer of America, Inc., respectively, for a period of performance of a Two (2) Year Base with Three (3) One Year Options for a total term of Five (5) years. These agreements operate as a contractual vehicle available to all transit agencies in the State of Florida for their sourcing of the buses. These are requirements contracts with an indefinite delivery and indefinite quantity element that has negotiated a fixed price for the base bus and related optional features. The Authority is currently collaborating with the State of Florida and the Florida Department of Transportation to initiate a new solicitation in this regard for award in 2024. The Authority purchased from the Gillig LLC contract in 2021 ordering 8 buses valued at \$4,994,800 and in 2022 ordered 6 buses valued at \$3,965,600.

*Litigation* – The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. In the opinion of management, any adjustments that would result from the settlement of lawsuits and other claims would not be significant.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits**

*Pension Plan of the Primary Government* – The administrative employees of the Authority participate in the Florida Retirement System (the “FRS”) defined benefit pension plan, a cost-sharing, multiple-employer public employee retirement system administered by the State of Florida Department of Administration, Division of Retirement, to provide retirement and survivor benefits to participating public employees. Chapter 121, Florida Statutes, establishes the Authority for participant eligibility, contribution requirements, vesting eligibility and benefit provisions.

Benefits are determined by category and length of service and the applicable contribution rates are as follows:

<b>Benefit</b>	<b>Vesting</b>	<b>July 1, 2018 Employer Contribution Rate</b>	<b>July 1, 2019 Employer Contribution Rate</b>	<b>July 1, 2020 Employer Contribution Rate</b>	<b>July 1, 2021 Employer Contribution Rate</b>	<b>July 1, 2022 Employer Contribution Rate</b>
1.6% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of creditable service.	8.26%	8.47%	10.00%	10.82%	11.91%
2.0% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of reditable service.	24.06%	25.41%	27.29%	29.01%	31.57%
Accumulated FRS benefits earn 1.3% effective annual interest compounded monthly for a period up to 60 months after becoming vested, having reached normal retirement date, and remaining employed.	Subject to normal system vesting provision for membership category.	14.03%	14.60%	16.98%	18.34%	18.60%

All of the above employer contribution rates include 1.66% for a postretirement health insurance subsidy as part of the Health Insurance Subsidy (HIS) Plan. The regular and senior management rates also include .06% for an administrative and educational fee.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Employee contribution rates are 3% for regular employees and senior management. There is no employee contribution for employees enrolled in DROP.

Contributions to the FRS were \$2,325,942 for the year ended September 30, 2022, which was equal to the required contributions for each year.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

**Governmental Accounting Standards Board Statement No. 68**

As a participating employer, the Authority applies GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing, multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and associated employee pension expenses, deferred outflows of resources and deferred inflows of resources.

**The Florida Retirement System Pension Plan (Pension Plan)**

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

At September 30, 2022, the Authority reported a net pension liability of \$15,526,552 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was .04173% of the net pension liability which was .00356% decrease from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2022, the Authority recognized the FRS plan pension expense of \$733,388. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 737,422	\$ -
Change of assumptions	1,912,160	-
Net difference between projected and actual earnings on FRS pension plan investments	1,025,216	-
Employer-specific amount due to changes in employer proportion	1,933,577	800,517
Authority FRS contributions subsequent to the measurement date	529,561	-
	<u>\$ 6,137,936</u>	<u>\$ 800,517</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

The deferred outflows of resources related to pensions, totaling \$529,561, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Deferred Outflow/ Inflows, Net</u>
2023	\$ 1,031,643
2024	1,012,830
2025	984,812
2026	779,280
2027	557,695
Thereafter	441,598

*Actuarial Assumptions.* The total pension liability as of measurement date June 30, 2022 was determined using the following actuarial assumptions which were based on certain results of the most recent actuarial experience study completed in 2019, for the period July 1, 2013 through June 30, 2018:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Details are provided in the funding actuarial report.

The long-term expected rate of return assumption of 6.70% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2022 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.38% real return from the capital market outlook model developed by Aon for 2022. The table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The Milliman assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>	<u>Standard Deviation</u>
Cash equivalents	1.0%	2.6%	2.6%	1.1%
Fixed income	19.8%	4.4%	4.4%	3.2%
Global equity	54.0%	8.8%	7.3%	17.8%
Real estate (property)	10.3%	7.4%	6.3%	15.7%
Private equity	11.1%	12.0%	8.9%	26.3%
Strategic investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100%</u>			

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The FRS Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	<b>1% Decrease</b> <b>5.70%</b>	<b>Current Rate</b> <b>6.70%</b>	<b>1% Increase</b> <b>7.70%</b>
Net pension liability - FRS	\$ 26,852,104	\$ 15,526,552	\$ 6,057,043

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

The Retiree Health Insurance Subsidy Program (“HIS”)

Plan Description. The HIS Pension Plan (“HIS Plan”) is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the Authority’s fiscal year ended September 30, 2022, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by \$5. The minimum payment is \$30 and the maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended September 30, 2022, the contribution rate was 1.66% of payroll pursuant to Section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS payments.

The Authority’s contributions to the HIS Plan were \$346,085 for the fiscal year ended September 30, 2022, which was equal to the required contributions.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

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

At September 30, 2022, the Authority reported a net pension liability of \$5,852,329 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 fiscal year contributions relative to the total 2021-22 fiscal year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was .05525%, which was an decrease of .00513% from its proportionate share measured as of June 30, 2021.

For the Authority's fiscal year ended September 30, 2022, the Authority recognized the HIS Plan pension expense of \$178,390. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 177,632	\$ 25,751
Change of assumptions	335,459	905,352
Net difference between projected and actual earnings on FRS pension plan investments	8,473	-
Employer-specific amount due to changes in employer proportion Authority FRS contributions subsequent to the measurement date	940,583	494,633
	<u>95,818</u>	<u>-</u>
	<u>\$ 1,557,965</u>	<u>\$ 1,425,736</u>

The deferred outflows of resources related to pensions, totaling \$95,818 for 2022, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30.</u>	<u>Deferred Outflows/ (inflows), net</u>
2023	\$ 89,783
2024	76,260
2025	53,295
2026	19,671
2027	(96,376)
Thereafter	(106,222)

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

Actuarial Assumptions. The total pension liability as of July 1, 2022 was determined using the following actuarial assumptions which were based on certain results of the most recent experience study of the FRS Pension Plan completed in 2019 for the period July 1, 2013 through June 30, 2018:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.54%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2018. Details are provided in funding actuarial valuation report.

Discount Rate: The municipal bond rate used to measure the total pension liability relating to the HIS Plan was 3.54% for 2022. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. In October 2022, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

Sensitivity of the Authority’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the Authority’s proportionate share of the net pension liability, for the HIS Plan, calculated using the discount rate of 3.54%, as well as what the Authority’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate:

	1% Decrease 2.54%	Current Rate 3.54%	1% Increase 4.54%
Net pension liability - HIS	\$ 6,695,545	\$ 5,852,329	\$ 5,154,586

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

**Pension plans of Jax Transit Management Corp. (“JTM”)**

JTM (a component unit) makes contributions to a multi-employer defined benefit pension plan for the JTM employees (mechanics) represented by the International Association of Machinists union. JTM also maintains two single-employer, defined benefit pension plans, which cover general (salaried) employees and bus operators for the Authority’s proprietary activities.

**International Association of Machinists (IAM) Pension Plan**

Mechanics and other technicians whose job classification is within the bargaining unit represented by the International Association of Machinists (“IAM”) union participate in the IAM defined benefit pension plan, a cost-sharing, multiple-employer retirement plan administered by the union to provide retirement and survivor benefits to participating employees. As of September 30, 2022, 142 of the Authority’s employees were covered under this plan. The plan documents for the IAM National Pension Fund establish the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The plan does not issue a publicly available financial report.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

This plan is used to provide defined benefit pensions both to employees of State and local governmental employers and to employees of employers that are not State and local governmental employers and has no predominant State or local government employer. Accordingly, the plan is subject to the provisions of GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, for accounting and financial statement disclosures.

Benefits are determined by category and length of service as follows:

<b>Membership Category</b>	<b>Retirement Benefit</b>	<b>Vesting</b>	<b>January 1 , 2022 Employer Contribution Rate</b>	<b>January 1, 2021 Employer Contribution Rate</b>	<b>January 1 , 2020 Employer Contribution Rate</b>	<b>January 1, 2019 Employer Contribution Rate</b>
Standard	Benefit calculated based upon the participants age of retirement, the participants amount of credited service, the contribution rates paid by contributing employer on the participants behalf, and the form of payment chosen by the participant at retirement.	After 5 years of vesting service or five years of future service credit	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour

Participating employer contributions are based upon the collective bargaining agreement for mechanics and utility employees expiring November 2, 2023, that, expressed as an hourly rate, are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required.

The payments made to the IAM plan in the fiscal years ended September 30, 2022, 2021, 2020, 2019, and 2018 were \$1,239,845, \$1,170,722, \$1,143,954, \$1,148,965, and \$1,156,396, respectively, which were equal to the required contributions for each year.

**Defined benefit pension plans sponsored by Jax Transit Management Corp.**

Salaried Plan Description: The Authority contributes to the Jax Transit Management Corp. (“JTM”) Retirement Plan for salaried employees, a single-employer, defined benefit plan which covers all salaried employees on JTM’s payroll whose job classifications are not represented by unions. The salaried employees plan was established by JTM on January 1, 1963. A committee comprised of three employees of the Authority administer the salaried employees plan.

Drivers Plan Description: The Authority also contributes to the Amalgamated Jax Transit Management Corp. Pension Plan for Drivers, a single-employer, defined benefit plan which covers all full and part-time bus operators on JTM’s payroll whose job classification is within the bargaining unit represented by the Amalgamated Transit Union Local 1197. The driver’s Plan was established on May 1, 1964 by JTM. The plan is administered by a six-member Board of Control. The Authority has no fiduciary responsibility for the plan assets of the drivers plan; thus the net position of this plan is not reported as a pension trust fund. The plan issues an available financial report which may be obtained by writing or calling the plan administrator, Reliance Trust at 1000 Abernathy Road NE, Suite 400, Atlanta GA 30328-5634 or (800) 749-0752.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

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**Note 12—Employee benefits (continued)**

As of December 31, 2021, employee membership data related to both of these plans was as follows:

	<b>Salaried Employees</b>	<b>Drivers Plan</b>
Active employees:		
Nonvested	-	72
Partially vested	-	38
Fully vested	7	201
Retirees and beneficiaries currently receiving benefits	5	266
Terminated plan members entitled to but not yet receiving benefits	12	186
	<u>24</u>	<u>763</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

The following is a summary of funding policies, contribution methods and benefit provisions:

*Funding Policies:* The following table provides information concerning funding policies:

	Salaried Employees	Drivers Plan
Determination of contribution requirements	Actuarially determined	The Minimum Required Contribution is determined by ERISA funding requirements in any one year to pay off the plan's unfunded liability which is funded by the Jax Transit Management Corp on yearly basis
Employer	Paid quarterly	\$4.82 per hour
Funding of administrative costs	Paid by JTM	Paid by plan assets
Period required to vest	6 Year Graduated Vesting Schedule After 2 Years of Service - 20% After 3 Years of Service - 40% After 4 Years of Service - 60% After 5 Years of Service - 80% After 6 Years of Service - 100%	Employees Hired prior to 2/1/2017 - Less than 5 years 0% -5 years or more 100% Employees Hired on or after 2/1/2017 - Less than 3 years 0% -3 years 20% -4 years 40% -5 years 60% -6 years 80% -7 years 100%
Postretirement benefit increases	Not applicable	Not applicable
Eligibility for distribution	Normal retirement: The first day of the calendar month coincident with or next following the attainment of age 65 or the 5th year of plan participation, if later. Early retirement: attainment of age 55 and completed 5 years of plan participation as well as 5 years of service	The Vested portion of a Participant's Accrued Benefit who was employed by the Employer on or after June 9, 2022 shall be a percentage of the Participant's Accrued Benefit determined on the basis of the Participant's number of Years of Service according to the following schedule: -Less than 5 years 0% -5 years 100%
Benefit provisions	The yearly amount of pension a participant will receive is equal to 1.5% of the average monthly compensation per year of service, limited to 60 year(s). Employees hired after January 1, 2006 will not receive past service credit.	\$65 per month, for each plan year of service limited to 30 years for participants who perform at least one hour of service after December 31, 2021.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

	Salaried employees	Drivers Plan
Valuation date	December 31, 2021	December 31, 2021
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level dollar
Amortization period	5 years	5 years
Actuarial asset valuation method	Market value	Market value
Actuarial assumptions:		
Assumed rate of return on investments	6% compounded annually	7% compounded annually
Projected salary increases	Assumed 3% per year	None
Mortality rates	The static unisex mortality table designated to compute "Minimum Present Values" under section 417-(e)(3) of Internal Revenue code for distributions in 2021	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale
Postretirement benefit increases (maximum)	None	None
Inflation	2.0%	2.5%

The salaried plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the Internal Revenue Code ("IRC"). Specifically, an actuarial valuation is done under Employee Retirement Income Security Act of 1974 ("ERISA") to measure the unfunded liability (or surplus) at the end of the plan year and the Minimum Required Contribution ("MRC") is determined. This MRC is the minimum amount the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year. Employees contribute 3% to the salaried plan as well.

The Driver plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the IRC. Specifically, an actuarial valuation is done under ERISA to measure the unfunded liability (or surplus) at the beginning of the plan year and the MRC is determined. This MRC is the minimum amount that the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

Net Pension Liability – Salaried Employee Plan

The components of the net pension liability (asset) of the Authority’s Jax Transit Management, Corp. (Salaried Employee) plan at September 30, 2022, based on the December 31, 2021 valuation results, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2020	\$ 1,699,731	\$ 1,418,165	\$ 281,566
Changes for the year:			
Service cost	57,808	-	57,808
Interest	100,933	-	100,933
Difference between expected and actual experience	106,121	-	106,121
Changes of assumption	(46,311)	-	(46,311)
Employer contributions	-	1,090,000	(1,090,000)
Employee contributions	-	18,055	(18,055)
Net investment income	-	35,108	(35,108)
Benefit payments	(35,024)	(35,024)	-
Administrative expense	-	(69,461)	69,461
Net changes	183,527	1,038,678	(855,151)
Balance at December 31, 2021	\$ 1,883,258	\$ 2,456,843	\$ (573,585)

The contribution above of \$1,090,000 consists of a regular contribution of \$160,000 plus a special contribution of \$930,000.

Discount Rate – Salaried Employee Plan

The discount used to measure the Jax Transit Management Corp. (Salaried Employee) plan total pension liability was 6% as of December 31, 2021. The pension plan’s fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – Salaried Employee Plan

The following table illustrates the sensitivity of the Jax Transit Management, Corp. (Salaried Employee) plan net pension liability (asset) as of December 31, 2021 to changes in the discount rate:

	1% Decrease 5%	Current Rate 6%	1% Increase 7%
Total pension liability - salaried	\$ 2,150,175	\$ 1,883,258	\$ 1,658,425
Fiduciary net position	\$ 2,456,843	\$ 2,456,843	\$ 2,456,843
Net pension liability (asset)	\$ (306,668)	\$ (573,585)	\$ (798,418)

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

Pension expense and deferred outflows (inflows) of resources related to Jax Transit Management, Corp. (Salaried Employee) plan Pensions are as follows:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience (gains) losses	\$ 207,988	\$ 71,816
Change of assumption	21,744	34,303
Net difference between projected and actual earnings on pension plan investments	56,157	-
Authority contributions subsequent to the measurement date	131,833	-
	\$ 417,722	\$ 106,119

The deferred outflows of resources related to pensions, totaling \$131,833 for 2022, resulting from Authority contributions to the Jax Transit Management, Corp. (Salaried Employee) plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ Inflow, Net
2023	\$ 98,785
2024	51,673
2025	13,325
2026	15,987

Drivers Plan

The Jax Transit Management Corp. Drivers plan's funding policy provides for periodic employer contributions at contractually negotiated rates that, expressed as an hourly rate, are sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation described above.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

*Investments – Drivers Plan*

The Jax Transit Management Corp. Drivers plan is administered by a six-member Board of Control. The Board has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the board's adopted asset allocation policy as of September 30, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equities	43%
International	7%
Fixed income	30%
Hedged strategies	15%
Real estate	5%
	<u>100%</u>

The long-term expected rate of return on plan investments is developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equities	6.3%
International equities	6.2%
Fixed income	3.6%
Hedged strategies	5.5%
Real estate	6.2%

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

Net Pension (Asset) – Jax Transit Management Corp. Drivers Plan

The components of the net pension (asset) of the Authority's Jax Transit Management, Corp. (Drivers) plan at September 30, 2022, based on the December 31, 2021 valuation results, were as follows:

	(Increase) Decrease		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balance at December 31, 2020	\$ 47,397,923	\$ 54,602,989	\$ (7,205,066)
Changes for the year:			
Service cost	960,974	-	960,974
Interest	3,220,334	-	3,220,334
Differences between expected actual experience	1,182,545	-	1,182,545
Assumption changes	(1,799,687)	-	(1,799,687)
Employer contributions	-	2,870,223	(2,870,223)
Employee contributions	-	105,460	(105,460)
Net investment income	-	7,450,753	(7,450,753)
Changes in benefit terms	884,133	-	884,133
Benefit payments	(2,786,304)	(2,786,304)	-
Administrative expense	-	(451,582)	451,582
Net changes	1,661,995	7,188,550	(5,526,555)
Balance at December 31, 2021	<u>\$ 49,059,918</u>	<u>\$ 61,791,539</u>	<u>\$ (12,731,621)</u>

Discount Rate – Jax Transit Management Corp. Drivers Plan

The discount rate used to measure the total pension liability was 7% as of December 31, 2021. The pension plan's fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

Sensitivity of the Net Pension (Asset) to Changes in the Discount Rate – Jax Transit Management Corp. Drivers Plan

The following table illustrates the sensitivity of the Jax Transit Management Corp. Drivers plan net pension liability as of December 31, 2021, to changes in the discount rate:

	1% Decrease 6%	Current rate 7%	1% Increase 8%
Net pension (asset) - Drivers	\$ (7,835,522)	\$ (12,731,621)	\$ (16,956,138)

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 12—Employee benefits (continued)**

*Pension Expense and Deferred Outflows (Inflows) of Resources Related to Pensions – Jax Transit Management Corp. Drivers Plan*

<u>Description</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Change of assumptions	\$ 86,236	\$ 1,446,845
Net difference between projected and actual earnings on drivers pension plan investments	-	4,974,780
Experience (gains) losses	1,733,606	270,747
Authority contributions subsequent to the measurement date	3,030,990	-
	<u>\$ 4,850,832</u>	<u>\$ 6,692,372</u>

The deferred outflows of resources related to Jax Transit Management Corp. Drivers pension plan, totaling \$3,030,990 for 2022, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending September 30,</u>	<u>Deferred Outflows/ (Inflows), net</u>
2023	\$ (935,934)
2024	(2,001,638)
2025	(1,168,392)
2026	(766,566)

**Note 13—Other postemployment benefits**

Pursuant to Section 112.0801, Florida Statutes, the Authority is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. This results in an implicit subsidy to retirees.

*Plan Description* – The Authority’s other postemployment benefits (“OPEB”) plan is a single-employer, defined benefit healthcare (medical only) plan which offers health insurance for retired employees. The published insurance rates are based primarily on the healthcare usage of active employees. Retirees pay 100% of the published rates. Since retirees use healthcare at a rate much higher than active employees, using these blended rates creates a subsidy for the retiree group. Employees who terminate their employment prior to retirement eligibility are not eligible to participate in the plan. Dependents, including surviving spouses, are permitted access to the plan.

*Funding Policy* – The board is authorized to establish benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The board establishes the contribution requirements of plan members and the Authority. These contributions are neither mandated nor guaranteed. The retiree pays the full cost of the premium each month for themselves, spouses, and other dependents who are also eligible for coverage. The Authority does not subsidize any member premiums. The Authority has not set up a trust to prefund benefits. Benefits are funded on a pay-as-you-go basis.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

Benefits for employees of JTM subject to union negotiations do not currently include any health benefits after retirement and are not considered by this Plan.

**Employees covered by benefit term:**

Current retirees:	
Under age 65	-
Over age 65	2
Total current retirees	<u>2</u>
Active employees fully eligible for benefits	209
Active employees not yet fully eligible for benefits	-
Total active employees	<u>209</u>
Total number of participants	<u><u>211</u></u>

The total OPEB liability of \$119,352 is based on September 30, 2022 valuation data.

**Actuarial assumptions, methods, and valuation**

The actuarial valuation is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

Future medical care cost increase rates and are unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems, and emerging technologies. The trend rate selected is based on an economic model developed by a healthcare economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at that time. Small changes in the model inputs can result in actuarial losses or gains of 5% to 15% of liabilities.

If necessary, liabilities are rolled forward from actuarial valuation date to measurement through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.

Actual coverage status is used; females assumed three years younger than male spouse.

All employees not participating in coverage currently are assumed to not elect to participate in the future.

35% of employees with coverage are assumed to elect to continue coverage upon retirement.

35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

Additional actuarial assumptions used:

Cost Method:	Entry Age Normal Cost Method
Asset Valuation Method:	Market value of assets
Actuarial Valuation Date:	September 30, 2022
Measurement Date:	September 30, 2021
Discount Rate as of September 30, 2021:	2.19%

Medical Trend Assumptions

These assumptions were developed using the SOA long-term medical trend model. The following baseline assumptions were used as input variables into the model:

Rate of inflation	2.5%
Rate of growth in real income/GDP per capita	1.4%
Extra trend due to technology and other factors	1.0%
Expected health share of GDP in 2031	19.0%
Health share of GDP resistance point	20.0%
Year for limiting cost growth to GDP growth	2075

Decrement Assumptions

Below is a summary of decrements used in this valuation:

<u>Mortality Decrements</u>	<u>Description</u>
(1) Healthy active	Regular, male and female: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(2) Healthy inactive	Generational MP-2021 Mortality Improvement Scale regular, male and female: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(3) Disabled	Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(4) Survivors and beneficiaries	Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

Salary Scale

The salary scale depends upon sex, service, and FRS type (these are the general employee rates). This includes a 2.4% inflation rate:

Service	Male	Female
0	7.8%	7.8%
1	5.8%	5.8%
2	5.4%	5.4%
3	5.1%	5.1%
4	4.7%	4.7%
5	4.6%	4.6%
6	4.6%	4.6%
7	4.5%	4.5%
8	4.4%	4.4%
9	4.4%	4.4%
10	4.4%	4.4%
11	4.3%	4.3%
12	4.2%	4.2%
13	4.2%	4.2%
14	4.2%	4.2%
15	4.2%	4.2%
16	4.2%	4.2%
17	4.2%	4.2%
18	4.1%	4.1%
19	4.1%	4.1%
20	4.1%	4.1%
21	4.0%	4.0%
22	4.0%	4.0%
23	3.9%	3.9%
24	3.9%	3.9%
25	3.8%	3.8%
26	3.7%	3.7%
27	3.6%	3.6%
28	3.5%	3.5%
29	3.4%	3.4%
30 and more	3.4%	3.4%

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

Claims Assumption

The plan is fully insured. To determine the assumed cost and the retiree contributions, the current premium rates were weighted by the current enrollment.

Gross claims are equal to the age adjusted assumed cost. The resulting average pre age 65 claims were age adjusted.

The following chart shows the total costs including both medical and prescription drug as well as the assumed costs. Family costs are assumed to be 2.00 times the cost of single coverage.

**Per Capita Rates**

<b>Total Costs</b>	<b>Single</b>
1. Explicit costs	
a. Pre-Medicare	\$ 9,257
2. Total medical and drug costs	
a. Under 50	7,435
b. Age 50-54	9,212
c. Age 55-59	11,243
d. Age 60-64	13,808

**Change in Net OPEB Liability**

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a)-(b)</b>
Balance as of September 30, 2021	\$ 198,744	\$ -	\$ 198,744
Changes for the year:			
Service cost	20,773	-	20,773
Interest	4,488	-	4,488
Changes of benefit terms	-	-	-
Experience losses (gains)	(74,826)	-	(74,826)
Net Investment Income	-	25,432	(25,432)
Changes in assumptions	(4,395)	-	(4,395)
Benefit payments (net of retiree contributions)	(25,432)	(25,432)	-
Administrative expense	-	-	-
Net changes	(79,392)	-	(79,392)
Balance as of September 30, 2022	<u>\$ 119,352</u>	<u>\$ -</u>	<u>\$ 119,352</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

**OPEB Expense**

Service cost	\$	20,773
Interest		4,488
Differences between expected and actual experience		-
In current fiscal year recognized in current year		(24,942)
From past years recognized in current year		9,403
		<u>(15,539)</u>
Changes in assumptions:		
In current fiscal year recognized in current year		(1,465)
From past years recognized in current year		(1,018)
		<u>(2,483)</u>
Total OPEB expense	<u>\$</u>	<u>7,239</u>

**Sensitivity Analysis**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:*

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a discount rate that is one percentage point lower or one percentage point higher:

<u>Discount Rate</u>	<u>1% Decrease</u> <u>1.19%</u>	<u>Discount Rate</u> <u>2.19%</u>	<u>1% Increase</u> <u>3.19%</u>
Total and net OPEB liability	\$ 120,436	\$ 119,352	\$ 117,554

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:*

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a *health care cost trend rate* that is one percentage point lower or one percentage point higher.

<u>Ultimate Trend</u>	<u>1% Decrease</u> <u>2.94%</u>	<u>Medical Trend</u> <u>3.94%</u>	<u>1% Increase</u> <u>4.94%</u>
Total and net OPEB liability	\$ 110,724	\$ 119,352	\$ 129,239



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 13—Other postemployment benefits (continued)**

**Deferred Inflows/Outflows of Resources Related to OPEB**

For the fiscal year ended September 30, 2022, the Authority recognized an OPEB expense of \$7,239. At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 9,404	\$ 49,884
Changes of assumptions	1,145	4,105
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ 10,549</u>	<u>\$ 53,989</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized as follows:

**Fiscal Years Ending September 30,**

2023	\$ (17,606)
2024	(25,834)

**Note 14—Fund balance**

A schedule of Authority governmental fund balances is provided below:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Fund</b>
Spendable:					
Restricted for government funded construction projects	\$ -	\$ 5,748,690	\$ -	\$ -	\$ 5,748,690
Restricted for capital projects	-	-	45,653,189	-	45,653,189
Restricted for debt service	-	-	-	12,097,975	12,097,975
Assigned to:					
Construction projects	76,330,000	-	-	-	76,330,000
General fund reserves	10,320,000	-	-	-	10,320,000
Right-of-way acquisitions	3,000,000	-	-	-	3,000,000
Transit operations reserve	25,000,000	-	-	-	25,000,000
Transit operations CIP initiatives	3,417,000	-	-	-	3,417,000
Unassigned	(2,797,871)	2,084,570	-	-	(713,301)
Total fund balance	<u>\$ 115,269,129</u>	<u>\$ 7,833,260</u>	<u>\$ 45,653,189</u>	<u>\$ 12,097,975</u>	<u>\$ 180,853,553</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**

SEPTEMBER 30, 2022

**Note 15—Pollution remediation**

The Authority has a pollution remediation event for the required regulatory assessments and monitoring for a site. Based on the uncertainty of the amount of the remediation and any offsetting insurance or City reimbursement, the associated costs have not been accrued for and reflected in the accompanying financial statements.

**Note 16—Restatements**

The Authority determined that \$7,004,993 in grant expenditures for Bus Fund additions was incorrectly recorded in the Capital Projects Fund on the prior year financial statements. In addition, \$3,172,946 was erroneously recorded as a deferred inflow in the Debt Service Fund at September 30, 2021. Accordingly, beginning fund balance of the Capital Projects Fund and Debt Service Fund, as well as the net position of governmental activities have been restated. The following table has the balances previously reported, amount restated and balance as restated:

	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Governmental Activities</b>
Net position at September 30, 2021	\$ 909,636	\$ 14,460,483	\$ 34,282,020
Restatement	7,004,993	3,172,946	10,177,939
Net position at September 30, 2021, as restated	<u>\$ 7,914,629</u>	<u>\$ 17,633,429</u>	<u>\$ 44,459,959</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –**  
**BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Revenues:				
City of Jacksonville - net 1/2 cent surtax	\$ 2,032,848	\$ 2,032,848	\$ 2,282,848	\$ 250,000
Investment earnings	350,615	350,615	(1,298,964)	(1,649,579)
Other miscellaneous	124,098	1,572,522	195,928	(1,376,594)
Total Revenues	<u>2,507,561</u>	<u>3,955,985</u>	<u>1,179,812</u>	<u>(2,776,173)</u>
Expenditures:				
General government	2,507,561	3,955,985	4,034,236	(78,251)
Total Expenditures	<u>2,507,561</u>	<u>3,955,985</u>	<u>4,034,236</u>	<u>78,251</u>
Excess of Revenues Over Expenditures	-	-	(2,854,424)	(2,854,424)
Other Financing Uses (Sources):				
Proceeds from sale of surplus property	-	-	10,976,000	10,976,000
Transfer out	-	-	(9,959,267)	(9,959,267)
Net change in fund balance	-	-	(1,837,691)	(1,837,691)
Fund balances, beginning of year	117,106,820	117,106,820	117,106,820	-
Fund balances, end of year	<u>\$ 117,106,820</u>	<u>\$ 117,106,820</u>	<u>\$ 115,269,129</u>	<u>\$ (1,837,691)</u>

See Note to Budgetary Comparison Schedule

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)**

*SEPTEMBER 30, 2022*

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**Note 1—Budget and budgetary accounting**

The Authority prepares an annual budget for its General Fund. The Custodial project Special Revenue Fund adopts project-length budgets rather than annual budgets. Accordingly, a budget and actual schedule is not presented for this fund. The Authority is authorized to transfer appropriated funds, from one of the purposes for which funds are appropriated, to another, if, in the discretion of the Authority, such transfer is necessary to carry out all of the purposes for which funds are appropriated, subject to applicable law. Thus, the legal level of budgetary control is at the fund level. All budgets are adopted in accordance with accounting principles generally accepted in the United States. Encumbrances outstanding at year-end for unfilled obligations are canceled and re-appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to the financial statements under "Commitments and contingencies." In addition, the Authority is not legally required to establish a budget for proprietary funds.

The General Fund reported actual revenues below budgeted revenues in the amount of \$2,776,173. The difference is attributable to unfavorable returns as compared to budget in investment earnings of \$1,649,579, due to the Authority's investments in the fixed income sector. The Authority took losses as interest rates rose. Other miscellaneous revenues were under budget by \$1,376,594.

The Authority was in noncompliance with the General Fund's budgeted expenditures. The General Fund reported higher expenditures than budget appropriations in the amount of \$78,251. This was mainly due to professional fees, Cares program management support, St. Johns River Ferry improvements, and other project management and consulting services.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF CHANGES IN THE TOTAL LIABILITY AND RELATED RATIOS –**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2022

<b>As of September 30 Fiscal Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB Liability:					
Service cost	\$ 20,773	\$ 19,362	\$ 12,828	\$ 12,750	\$ 12,737
Interest cost	4,488	5,011	5,672	5,434	5,157
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(74,826)	-	37,613	-	-
Changes of assumptions	(4,395)	2,289	(4,703)	(1,662)	(2,057)
Benefit payments	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net Changes in Total OPEB Liability	(79,392)	6,384	34,765	(11,874)	(9,634)
Total OPEB liability - beginning of year	198,744	192,360	157,595	169,469	179,103
Total OPEB Liability - End of Year	<u>\$ 119,352</u>	<u>\$ 198,744</u>	<u>\$ 192,360</u>	<u>\$ 157,595</u>	<u>\$ 169,469</u>
Plan Fiduciary Net Position:					
Contributions - employer net investment income	\$ 25,432	\$ 20,278	\$ 16,645	\$ 28,396	\$ 25,471
Benefit payments (net of retiree contributions)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net change in fiduciary net position	-	-	-	-	-
Fiduciary net position - beginning of year	-	-	-	-	-
Fiduciary Net Position - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>119,352</u>	<u>198,744</u>	<u>192,360</u>	<u>157,595</u>	<u>169,469</u>
Fiduciary Net Position as a % of Total OPEB Liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-Employee Payroll <sup>1</sup>					
Net OPEB Liability as a % Payroll <sup>1</sup>					
Expected average remaining service years of all participants	4	4	4	4	4
Notes to Schedule: Benefit Changes	None	None	None	None	None
Changes of assumptions The discount rate was changed as follows:					
<u>Discount Rate</u>					
9/30/2018	3.50%	3.50%	3.50%	3.50%	3.50%
9/30/2019	3.83%	3.83%	3.83%	3.83%	
9/30/2020	2.75%	2.75%	2.75%		
9/30/2021	2.41%	2.41%			
9/30/2022	2.19%				

<sup>1</sup>Because this OPEB plan does not depend on salary, there is no salary information.

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4.  
This is a 10-year schedule; however, the information in the schedule is not required to be presented retroactively.  
Years will be added to this schedule in future fiscal years until 10 years of information is available.

See accompanying note to required supplementary information

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO SCHEDULE OF CHANGES IN THE TOTAL LIABILITY –**  
**OTHER POSTEMPLOYMENT BENEFITS (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2022

	<b>Other Postemployment Medical Benefits</b>				
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Valuation Date: Measurement Date:	October 1, 2021	October 1, 2020	October 1, 2019	October 1, 2018	October 1, 2017
Actuarial cost method Amortization method Remaining amortization period	October 1, 2021	October 1, 2020	October 1, 2019	October 1, 2018	October 1, 2017
	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
	level dollar	level dollar	level dollar	level dollar	level dollar
	10 years	10 years	10 years	10 years	10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Medical Trend Assumptions;					
Rate of inflation	2.50%	2.50%	2.50%	2.20%	2.20%
Rate of Growth in Real income/GDP per capita	1.40%	1.50%	1.50%	1.60%	1.60%
Extra Trend Due To Technology And Other Factors	1.00%	1.10%	1.10%	1.30%	1.30%
Health Share of GDP Resistance Point	20%	25%	25%	25%	25%
Year for Limiting Cost Growth to GDP Growth	2075	2075	2075	2075	2075
Roll Forward Method	If necessary, liabilities are rolled forward from actuarial valuation date to measurement through use of a roll forward method.				
	Actual coverage status is used; females assumed 3 years younger than male spouse. All employees not participating in coverage currently are assumed to not elect to participate in the future. 35% of employees with coverage are assumed to elect to continue coverage upon retirement. 35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement				
Coverage Status and Age of Spouse					
<b>Interest Assumptions</b>	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded
Discount Rate	2.19%	2.41%	2.75%	3.83%	3.50%

This schedule is presented to illustrate the requirements of GASB 75.  
 Data for fiscal years prior to September 30, 2017, is not available.

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 75. Information is required to presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF CHANGES IN NET PENSION – LIABILITIES AND RELATED RATIOS –**  
**DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2022

	Salaried Employees Pension Plan 2022		Salaried Employees Pension Plan 2021		Salaried Employees Pension Plan 2020		Salaried Employees Pension Plan 2019		Salaried Employees Pension Plan 2018		Salaried Employees Pension Plan 2017		Salaried Employees Pension Plan 2016	
** Plan Year Ended December 31:	Drivers Pension Plan 2022	Drivers Pension Plan 2021	Drivers Pension Plan 2021	Drivers Pension Plan 2021	Drivers Pension Plan 2020	Drivers Pension Plan 2020	Drivers Pension Plan 2019	Drivers Pension Plan 2018	Drivers Pension Plan 2018	Drivers Pension Plan 2017	Drivers Pension Plan 2017	Drivers Pension Plan 2016	Drivers Pension Plan 2016	Drivers Pension Plan 2016
Total Pension Liability:														
Service cost	\$ 57,808	\$ 960,974	\$ 57,659	\$ 985,411	\$ 58,728	\$ 1,125,198	\$ 61,710	\$ 1,002,220	\$ 96,408	\$ 1,517,160	\$ 110,356	\$ 790,363	\$ 790,363	\$ 790,363
Interest	100,933	3,220,334	88,163	3,046,936	81,309	2,956,089	88,184	2,772,157	81,184	2,752,364	102,990	2,400,761	2,400,761	2,400,761
Changes of benefit terms	-	-	-	-	-	-	-	688,965	-	-	-	-	-	-
Participant contributions	-	884,133	-	-	-	-	-	6,716	-	25,190	-	-	-	-
Difference between expected and actual experience	106,121	1,182,545	283,556	1,188,884	94,575	(607,775)	(250,252)	300,306	145,185	1,396,801	(203,992)	384,557	384,557	384,557
Changes of assumptions	(46,311)	(1,799,687)	(8,180)	(122,883)	77,601	181,699	-	-	-	-	-	819,121	819,121	819,121
Benefit payments, including refunds of member contributions	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)	(2,068,840)
Other	-	-	-	-	-	-	-	-	(1)	-	-	-	-	-
Net Change in Total Pension Liability	183,527	1,661,995	39,492	2,642,185	297,977	1,396,567	(114,594)	2,750,197	110,905	3,759,871	(585,330)	2,325,962	2,325,962	2,325,962
Total pension liability-beginning (a)	1,699,731	47,397,923	1,660,239	44,755,738	1,362,262	43,359,171	1,476,856	40,608,974	1,365,951	36,849,103	1,951,281	34,523,141	34,523,141	34,523,141
Total Pension Liability-Ending (a)	\$ 1,883,258	\$ 49,059,918	\$ 1,699,731	\$ 47,397,923	\$ 1,660,239	\$ 44,755,738	\$ 1,362,262	\$ 43,359,171	\$ 1,476,856	\$ 40,608,974	\$ 1,365,951	\$ 36,849,103	\$ 36,849,103	\$ 36,849,103
Plan fiduciary net position														
Contributions-Authority	\$ 1,090,000	\$ 2,870,223	\$ 80,000	\$ 2,122,120	\$ 178,029	\$ 2,587,332	\$ 357,000	\$ 2,512,210	\$ 397,716	\$ 2,447,847	\$ 229,190	\$ 2,180,892	\$ 2,180,892	\$ 2,180,892
Contributions-Employees	18,055	105,460	8,800	98,184	18,045	89,602	44,110	20,769	-	-	-	-	-	-
Net investment income	35,108	7,450,753	107,011	5,449,816	135,844	7,532,533	(43,243)	(1,820,327)	86,821	5,846,761	38,217	2,743,015	2,743,015	2,743,015
Benefit payments, including refunds of member contributions	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)	(2,068,840)
Administrative expenses	(69,461)	(451,582)	(39,390)	(371,237)	(21,818)	(859,498)	(28,013)	(810,152)	(20,966)	(497,299)	(31,647)	(377,674)	(377,674)	(377,674)
Investment expenses	-	-	-	-	-	-	-	-	(3,803)	-	(3,533)	-	-	-
Other	-	-	-	-	-	-	-	-	4,153	(42,261)	-	-	-	-
Net change in Plan Fiduciary Net Position	1,038,678	7,188,550	(225,285)	4,842,720	295,864	7,091,325	315,618	(2,110,951)	245,334	5,848,594	(387,647)	2,477,393	2,477,393	2,477,393
Plan fiduciary net position-beginning	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	1,174,281	36,453,908	36,453,908	36,453,908
Plan Fiduciary Net Position-Ending (b)	2,456,843	61,791,539	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	38,931,301	38,931,301
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (573,585)	\$ (12,731,621)	\$ 281,566	\$ (7,205,066)	\$ 16,789	\$ (5,004,531)	\$ 14,676	\$ 690,227	\$ 444,888	\$ (4,170,921)	\$ 579,317	\$ (2,082,198)	\$ (2,082,198)	\$ (2,082,198)
Plan fiduciary net position as a percentage of the total pension liability	130%	126%	83%	115%	99%	111%	99%	98%	70%	110%	58%	106%	106%	106%
Covered payroll	603,674	19,387,559	626,060	19,928,007	937,244	20,469,072***	867,280	19,558,507***	865,309	N/A*	782,112	N/A*	N/A*	N/A*
Net pension liability as a percentage of covered payroll	-95%	-66%	45%	-36%	2%	-24.45%***	2%	3.53%***	51%	N/A*	74%	N/A*	N/A*	N/A*

\*As the contribution formula is not pay related, earnings information has not been collected.

\*\*The amounts presented for each year were determined as of December 31 of the prior year.

\*\*\*Covered payroll information included to newly hired employee contributions eligible in July 2018

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 68. Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.



**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF CONTRIBUTIONS –**  
**DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>Salaried Employees Pension Plan</b>									
<b>** Plan Year Ended December 31:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 160,000	\$ 98,065	\$ 91,406	\$ 159,514	\$ 165,015	\$ 175,635	\$ 167,906	\$ 380,399	\$ 391,415
Contribution made in relation to the actuarially determined contribution	97,504	80,000	178,028	401,110	397,716	229,190	414,692	291,591	293,733
Contribution Deficiency (Excess)	\$ 62,496	\$ 18,065	\$ (86,622)	\$ (241,596)	\$ (232,701)	\$ (53,555)	\$ (246,786)	\$ 88,808	\$ 97,682
Covered payroll	603,674**	576,904**	568,666	764,894	865,309	782,112	751,943	962,567	1,135,662
Contributions as a percentage of covered payroll	16.15%	13.86%	19.00%	52.43%	45.96%	29.30%	55.15%	30.29%	25.90%

  

<b>Drivers Pension Plan</b>									
<b>** Plan Year Ended December 31:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 2,870,223	\$ 2,319,560	\$ 2,636,042	\$ 2,532,979	\$ 2,447,847	\$ 2,180,892	\$ 2,429,423	\$ 2,289,802	\$ 210,659
Contribution made in relation to actuarially determined contribution	2,870,223	2,319,560	2,676,934	2,532,979	2,447,847	2,180,892	2,429,423	2,332,063	2,111,750
Contribution (Excess)	\$ -	\$ -	\$ (40,892)	\$ -	\$ -	\$ -	\$ -	\$ (42,261)	\$ (1,901,091)
Covered payroll	19,387,559**	21,421,999**	21,257,336**	20,221,919	N/A*	N/A*	N/A*	N/A*	N/A*
Contributions as a percentage of covered payroll	14.80%	12.53%	12.59%	12.53%	N/A*	N/A*	N/A*	N/A*	N/A*

\*As the contribution formula is not pay related, earnings information has not been collected.

\*\*The amounts presented for each year were determined as of December 31 of the prior year.

\*\*\*Covered payroll information included to newly hired employee contributions eligible in July 2018

Notes to Schedule:

This schedule is presented to illustrate the requirements of GASB 68. Information is required to be presented for 10 years. However, until a full 10-years trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO SCHEDULE OF CONTRIBUTIONS –**  
**DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)**

**YEAR ENDED SEPTEMBER 30, 2022**

<b>Notes to Schedule:</b>	<b>Salaried Employees Pension Plan 2022</b>	<b>Drivers Pension Plan 2022</b>	<b>Salaried Employees Pension Plan 2021</b>	<b>Drivers Pension Plan 2021</b>	<b>Salaried Employees Pension Plan 2020</b>	<b>Drivers Pension Plan 2020</b>	<b>Salaried Employees Pension Plan 2019</b>	<b>Drivers Pension Plan 2019</b>
Valuation Date:	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2018
Measurement Date:	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2018
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*
asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:								
Investment rate of return	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually
Assumed annual salary increases	Assumed 3 % per year	None	Assumed 3 % per year	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year
Inflation	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%
Cost of living adjustments	None	None	None	None	None	None	None	None
Mortality rates	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale;  Pre-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale  Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale;  Pre-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale  Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2019 scale;  Post-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2019 scale	Pre-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale  Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP 2017
	<b>Salaried Employees Pension Plan 2018</b>	<b>Drivers Pension Plan 2018</b>	<b>Salaried Employees Pension Plan 2017</b>	<b>Drivers Pension Plan 2017</b>	<b>Salaried Employees Pension Plan 2016</b>	<b>Drivers Pension Plan 2016</b>	<b>Salaried Employees Pension Plan 2015</b>	<b>Drivers Pension Plan 2015</b>
Valuation Date:	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015	December 31, 2014	December 31, 2014
Measurement Date:	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015	December 31, 2014	December 31, 2014
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	10 years	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:								
Investment rate of return	6% compounded annually	7% compounded annually	6% per annum	7% per annum	6% per annum	7% per annum	4% per annum	7% per annum
Assumed annual salary increases	Assumed 3% per year	Assumed 2.5% per year	Assumed 4 % per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year
Inflation	2.0%	2.5%	2.0%	2.5%	4.0%	2.5%	4.0%	2.5%
Cost of living adjustments	None	None	None	None	None	None	None	None
Mortality rates	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP 2017	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP - 2017	IRC 403(h) combined table for 2015	SOA RP-20-14 Blue Collar Mortality with Scale SSA	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale SSA

\*As determined under Sections 412 and 430 of the Internal Revenue Code.  
This schedule is presented to illustrate the requirements of GASB 68.  
Data for fiscal years prior to September 30, 2014 is not available.

**Notes to Schedule:**

This schedule is presented to illustrate the requirement of GASB 68. Information is required to [resented for 10 years. However, until a full 10-years trend is compiled, the Authority will present information for only those years for which information is available.

See Report of Independent Auditor

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –**  
**FLORIDA RETIREMENT SYSTEMS PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>* Plan Year Ended June 30:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required pension contribution	\$ 2,325,942	\$ 2,201,156	\$ 1,608,743	\$ 1,382,829	\$ 1,224,172	\$ 1,114,730	\$ 977,735	\$ 1,257,792	\$ 1,159,359
Pension contributions in relation to the contractually required pension contribution	2,325,942	2,201,156	1,608,743	1,382,829	1,224,172	1,114,730	977,735	1,257,792	1,159,359
Pension Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	11.16%	9.79%	8.71%	7.73%	7.64%	7.21%	7.06%	9.40%	10.03%

\*As determined under Section 412 and 430 of the Internal Revenue Code  
 This schedule is presented to illustrate the requirements of GASB 68.  
 Data for fiscal years prior to September 30, 2014, is not available.

Notes to Schedule

This schedule is presented to illustrate the requirements of GASB 68. Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF INVESTMENT RETURNS –**  
**DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>Salaried Employees Pension Plan</b>									
<b>* Plan Year Ended December 31:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return	-6.15%	9.41%	4.91%	-6.71%	15.16%	4.90%	-2.95%	1.46%	14.18%
Net of investment expenses									
<b>Drivers Pension Plan</b>									
<b>* Plan Year Ended December 31:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return	-5.09%	10.11%	4.10%	-4.03%	14.02%	6.70%	-0.98%	4.13%	16.97%
Net of investment expenses									

\* The amount presented for each fiscal year were determined as of December 31 of the prior year.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>* Plan Year Ended June 30:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's proportion of the FRS net pension liability	0.042%	0.045%	0.037%	0.035%	0.035%	0.034%	0.034%	0.032%	0.030%
Authority's proportionate share of the FRS net pension liability	\$ 15,526,552	\$ 3,421,458	\$ 16,124,803	\$ 12,219,934	\$ 10,554,467	\$ 10,040,222	\$ 8,558,525	\$ 4,178,293	\$ 1,798,478
Authority's covered payroll	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,875,348	\$ 13,375,131	\$ 11,555,666
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll									
FRS Plan fiduciary net position as a percentage of the total pension liability	74.47%	15.22%	87.25%	68.33%	65.88%	64.91%	61.68%	31.24%	15.56%
	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	85.00%	92.00%	96.09%

\* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**HEALTH INSURANCE SUBSIDY PENSION (HIS) PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

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<b>* Plan Year Ended June 30:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Authority's proportion of the HIS net pension liability	0.0550%	0.0603%	0.0522%	0.0478%	0.0457%	0.0458%	0.0458%	0.040%	0.038%
Authority's proportionate share of the HIS net pension liability	\$ 5,852,329	\$ 7,407,680	\$ 6,368,306	\$ 5,615,556	\$ 5,056,416	\$ 4,888,242	\$ 5,336,207	\$ 4,110,889	\$ 3,542,705
Authority's covered payroll	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,983,538	\$ 13,375,131	\$ 11,555,666
Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll	28.07%	32.95%	34.46%	31.40%	31.56%	31.60%	38.16%	30.74%	30.66%
HIS Plan fiduciary net position as a percentage of the total pension liability	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

\* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-years trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –**  
**FLORIDA RETIREMENT SYSTEMS PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>* Plan Year Ended June 30:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required pension contribution	\$ 2,325,942	\$ 2,201,156	\$ 1,608,743	\$ 1,382,829	\$ 1,224,172	\$ 1,114,730	\$ 977,735	\$ 1,257,792	\$ 1,159,359
Pension contributions in relation to the contractually required pension contribution	2,325,942	2,201,156	1,608,743	1,382,829	1,224,172	1,114,730	977,735	1,257,792	1,159,359
Pension Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	11.16%	9.79%	8.71%	7.73%	7.64%	7.21%	7.06%	9.40%	10.03%

\* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –**  
**HEALTH INSURANCE SUBSIDY PENSION PLAN (UNAUDITED)**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>* Plan Year Ended June 30:</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required pension contribution	\$ 346,085	\$ 373,174	\$ 320,763	\$ 284,140	\$ 264,140	\$ 246,472	\$ 230,032	\$ 208,514	\$ 192,196
HIS contributions in relation to the contractually required pension contribution	346,085	373,174	320,763	284,140	264,140	246,472	230,032	208,514	192,196
Pension contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 20,848,521	\$ 22,481,329	\$ 18,480,670	\$ 17,883,444	\$ 16,021,950	\$ 15,469,007	\$ 13,857,348	\$ 13,375,131	\$ 11,555,666
Pension contributions as a percentage of covered payroll	1.66%	1.66%	1.74%	1.59%	1.65%	1.59%	1.66%	1.56%	1.66%

\* The amount presented for each year were determined as of June 30.

Notes to Schedule:

Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.



## **COMPLIANCE SECTION**

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE**

*YEAR ENDED SEPTEMBER 30, 2022*

<b>Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project</b>	<b>ALN/CSFA Number</b>	<b>Contract/Grant Number</b>	<b>Federal Expenditures</b>	<b>Paid to Subrecipients</b>
United States of Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
70FBD Ferry Boat Discretionary				
Ferry Boat Discretionary Grants (FHWA)	20.205	FL-2019-084	\$ 29,903	\$ -
Ferry Boat Discretionary Grants (FHWA)	20.205	FL-2020-022	119,940	-
Ferry Boat Discretionary Grants (FHWA)	20.205	FL-2018-097	114,387	-
Total 70FBD Ferry Boat Discretionary			<u>264,230</u>	<u>-</u>
Federal Transit Capital Investment Grants				
	20.500	FL-03-0343	30,405	-
	20.500	FL-04-0184	5,864	-
	20.500	FL-2016-029	3,072	-
Total Capital Investment Grants			<u>39,341</u>	<u>-</u>
TOD Discretionary Grants				
	20.500	FL-2019-031	133,441	-
	20.500	FL-2021-005	487,543	-
	20.500	FL-2021-035	438,169	-
Total TOD Discretionary Grants			<u>1,059,153</u>	<u>-</u>
Bus and Bus Facility Discretionary Grants				
	20.526	FL-2021-016	4,353,494	-
Total Bus and Bus Facility Discretionary Grants			<u>4,353,494</u>	<u>-</u>
New Start Program				
	20.500	FL-2017-119	973,215	-
	20.500	FL-2020-002	653,281	-
	20.500	FL-2022-014	2,337,560	-
	20.500	G1E81	326,635	-
Total New Starts Program Grants			<u>4,290,691</u>	<u>-</u>
Total ALN 20.500			<u>9,742,679</u>	<u>-</u>
Passenger Ferry Competitive Grants				
	20.507	FL-2018-116	308,419	-
	20.507	FL-2020-015	116,048	-
	20.507	FL-2021-020	724,026	-
Total Federal Transit Formula Grants			<u>1,148,493</u>	<u>-</u>
Federal Transit Formula Grants				
	20.507	FL-90-X643	(2,397)	-
	20.507	FL-90-X742	24,200	-
	20.507	FL-90-X802	(3,499)	-
	20.507	FL-90-X879	26,496	-
Total Federal Transit Formula Grants			<u>44,800</u>	<u>-</u>
5307 - Urbanized Area Formula Grants				
	20.507	FL-2017-042	246,957	-
	20.507	FL-2017-104	14,534	-
	20.507	FL-2018-019	1,009	-
	20.507	FL-2018-115	514,127	-
	20.507	FL-2019-033	11,442	-
	20.507	FL-2019-018	15,789	-
	20.507	FL-2020-111	1,488,397	-
	20.507	FL-2020-007	1,078,870	-
	20.507	FL-2021-088	6,849,938	-
	20.507	FL-2022-U01	713,014	-
Total Urbanized Area Formula Grants			<u>10,934,077</u>	<u>-</u>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2022

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
FHWA Transfer to 5307 Urbanized Area Formula Grants	20.507	FL-2020-049	\$ 21,000	\$ -
	20.507	FL-2021-031	990,000	-
Total FHWA Transfer to 5307 Urbanized Area Formula Grants			1,011,000	-
COVID-19 Urbanized Area Formula Grants (CARES Act)	20.507	FL-2020-086	6,087,248	-
Total Urbanized Area Formula Grants (CARES Act)			6,087,248	-
COVID-19 Urbanized Area Formula Grants (ARP Plan)	20.507	FL-2021-049	13,650,875	-
Total Urbanized Area Formula Grants (ARP Plan)			13,650,875	-
Total ALN 20.507			32,876,493	-
State of Good Repairs Formula Grant				
	20.525	FL-2018-126	49,888	-
	20.525	FL-54-0001	4,456	-
	20.525	FL-2017-007	34,817	-
	20.525	FL-2019-078	164,250	-
	20.525	FL-2021-088	112,158	-
	20.525	FL-2018-099	104,302	-
Total State of Good Repairs Formula Grant			469,871	-
Bus and Bus Facilities Formula Grant				
	20.526	FL-2018-107	69,388	-
	20.526	FL-2021-088	1,575,034	-
Total Bus and Bus Facilities Formula Grant			1,644,422	-
Total Federal Transit Cluster			44,733,465	-
COVID-19 5324 - Emergency Relief	20.527	FL-2019-105	62,881	-
Total Direct Programs			62,881	-
National Infrastructure Investments				
79 - BUILD (OST)	20.933	FL-2020-055	1,273,138	-
Total 79 - BUILD (OST)			1,273,138	-
Total Direct Programs			46,333,714	-
Pass through:				
Indirect Programs				
State of Florida Department of Transportation:				
North Florida Transportation Planning Organization	20.505	FY20/21 NFTPO	17,000	-
Total North Florida Transportation Planning Organization			17,000	-
COVID19 Formula Grants for Rural Areas Cares Act Funding				
	20.509	G1T33	23,301	-
	20.509	G1O55	92,940	-
	20.509	G1H19	38,540	-
	20.509	G1A10	25,309	-
Total Formula Grants for Rural Areas Cares Act Funding			180,090	-
Total ALN 20.509			197,090	-
Transit Services Programs Cluster				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G1U00	97,098	-
	20.513	435210-2-93-14	21,253	-
	20.513	435210-2-93-15	48,165	-
	20.513	G2660	183,686	-
Total Enhanced Mobility of Seniors and Individuals with Disabilities:	20.513-CL		350,202	-
Total Indirect Programs			547,292	-
Total United States Department of Transportation			46,881,006	-
Total Federal Expenditures			\$ 46,881,006	\$ -

See accompanying notes and Report of Independent Auditor

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND**  
**STATE FINANCIAL ASSISTANCE (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2022

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
State of Florida Department of Transportation:				
Commission for the Transportation Disadvantaged (CTD)				
Trip and Equipment Grant Program	55.001	G1X58	\$ 362,575	\$ -
	55.001	G1X65	894,304	-
	55.001	CC CONTRACT #2021/2022-199	67,580	67,580
	55.001	G2998	108,608	-
	55.001	G2A03	172,231	-
Total Commission for the Transportation Disadvantaged (CTD)			1,605,298	67,580
Public Transit Block Grant Program	55.010	G1Z59	5,121,256	-
Total Public Transit Block Grant Program			5,121,256	-
Public Transit Service Development Program	55.012	G1218	91,244	-
	55.012	G1H04	272,549	-
	55.012	G2A65	118,031	-
Total Public Transit Service Development Program			481,824	-
Transportation Corridor Program	55.013	G1688	848	-
	55.013	G1E23	86,279	-
	55.013	G1F05	50,214	-
	55.013	G1H02	91,018	-
	55.013	G2451	111,896	-
	55.013	G2450	169,800	-
	55.013	G2445	83,090	-
	55.013	G2443	207,219	-
Total Transportation Corridor Program			800,364	-
New Starts Program	55.017	G0033	(138,643)	-
Total New Starts Program			(138,643)	-
Total State Expenditures			\$ 7,870,099	\$ 67,580

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED SEPTEMBER 30, 2022

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**Note 1—Basis of presentation**

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the “Schedule”) includes the federal and state grant activity of the Jacksonville Transportation Authority (the “Authority”). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”) and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the basic financial statements. Because the schedule presents only a select portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net position or cash flows of the Authority.

**Note 2—Summary of significant accounting policies**

Expenditures recognized in this schedule are reported on the accrual basis of accounting for the proprietary funds and on the modified accrual basis of accounting for the governmental funds. Such expenditures are reported following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The credit amount presented for the State New Starts Program CSFA# G0033 is an offset to amounts over accrued in the prior year.

**Note 3—Indirect cost rate**

The Authority did not elect to use the 10% de minimis indirect cost rate.

**Note 4—Loan guarantees**

At September 30, 2022, the Authority is not the guarantor of any loans outstanding other than those disclosed in the basic financial statements.

## **Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board Members  
Jacksonville Transportation Authority  
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of Jacksonville Transportation Authority (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Authority's basic financial statements, and have issued our report thereon dated August 23, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Jacksonville Transportation Authority's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
August 23, 2023

**Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General**

To the Board Members  
Jacksonville Transportation Authority  
Jacksonville, Florida

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited Jacksonville Transportation Authority's (the "Authority"), a discrete component unit of the City of Jacksonville, Florida, compliance with the types of compliance requirements identified as subject to audit in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the State of Florida Department of Financial Services' State Projects Compliance Supplement, that could have a direct and material effect on each of Authority's major federal programs and state projects for the year ended September 30, 2022. The Authority's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and Chapter 10.550, Rules of the Auditor General ("Chapter 10.550"). Our responsibilities under those standards and the Uniform Guidance and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

***Responsibility of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Authority's federal programs and state projects.



### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
August 23, 2023

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED SEPTEMBER 30, 2022

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**I. Summary of Auditor's Results**

<i>Financial Statements</i> Type of auditor's report issued:	<b>Unmodified</b>
Internal control over financial reporting:	
Material weakness identified?	<b>Yes</b>
Significant deficiency identified?	<b>None reported</b>
Noncompliance material to financial statements noted?	<b>No</b>
<i>Federal Awards</i> Internal control over major programs:	
Material weakness identified?	<b>No</b>
Significant deficiencies identified?	<b>None reported</b>
Type of auditor's report issued on compliance for major programs:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	<b>No</b>
Identification of major programs:	
<i>Federal Transit Cluster</i>	
<i>ALN Nos. 20.500, 20.507, 20.525, 20.526</i>	
The threshold for distinguishing types A and B programs was:	<b>\$1,406,430</b>
Did the auditee qualify as a low-risk auditee?	<b>Yes</b>
State Financial Assistance Internal control over major projects:	
Material weakness identified?	<b>No</b>
Significant deficiency identified?	<b>None reported</b>
Type of auditor's report issued on compliance for major projects:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported with Chapter 10.550, Rules of the Florida Auditor General?	<b>No</b>
Identification of major projects:	
<i>Public Transit Block Grant CSFA No. 55.010</i>	
<i>Transit Corridor Development Program CSFA No. 55.013</i>	
The threshold for distinguishing types A and B programs was:	<b>\$750,000</b>

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

YEAR ENDED SEPTEMBER 30, 2022

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**II. Financial Statement Findings**

**Finding 2022-001**

**Financial Statement Closing Entries**

*Statement of Condition:* The Authority was not able to close its year-end books and records in a timely manner to meet financial statement filing deadlines. This inability was the result of extensive analysis and numerous closing entries necessary to adjust the Authority's general ledger to underlying support and to present the financial statements in a manner that reflected the substance of underlying transactions.

*Criteria:* Financial statement closing entries should be completed in a timely manner and should be accurately recorded to reflect underlying support.

*Cause of Condition:* There was a combination of inability to prioritize the financial statement close-out process, personnel turnover that inhibited knowledge of transaction activity and requirements, and considerable need to provide extensive analysis and adjustments subsequent to year-end.

*Effect of Condition:* Deadlines were not met for bond covenants and State and federal single audit requirements and further delays resulted due to the considerable time required to complete analysis of books and records.

*Recommendation:* Support for general ledger account balances should be maintained throughout the year, including appropriate reconciliations, to ensure accurate recording throughout the year and to reduce the need for extensive analysis after year-end. The support should be maintained in a manner that reconciles to the general ledger, clearly identifies the composition of amounts recorded, and reflects a clear understanding of the substance of transactions.

*Views of Appropriate Officials:* We concur with the finding and recommendation.

**III. Findings and Questioned Costs – Major Federal Programs**

None reported.

**IV. Findings and Questioned Costs – Major State Projects**

None reported.

**V. Summary Schedule of Prior Year Findings**

None reported.



**JACKSONVILLE  
TRANSPORTATION  
AUTHORITY**

**Administration**

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

**Operations**

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100 N. Myrtle Avenue  
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August 14, 2023

**Management's Corrective Action Plan  
For the Fiscal Year Ended September 30, 2022**

**Finding Number:** 2022-001

**Planned Corrective Action:** The Jacksonville Transportation Authority (JTA) acknowledges the weakness in the Controllership Department as a result of staff turnover and a transition of key leadership responsible for financial statement reporting and closing of its year-end books and records, thereby resulting in an operational inefficiency for year-end reporting. The JTA is taking immediate corrective action through general ledger assessment that will include ongoing detailed reconciliations, as well as updated documentation of procedures. The JTA will further assess the skillsets of the leadership and staff in the Controllership Department to ensure that the team is trained and adequate to perform required responsibilities, conduct analyses and efficiently complete accounting tasks required of an effective Controllership operation to avoid untimely financial statement filings.

**Anticipated Completion Date:** December 31, 2023

**Responsible Contact Person:** Gregory Hayes, CFO

## Independent Auditor's Management Letter

To the Board Members  
Jacksonville Transportation Authority  
Jacksonville, Florida

### Report of the Financial Statements

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Jacksonville Transportation Authority (the "Authority"), a discrete component unit of the City of Jacksonville, Florida as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 23, 2023.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, Schedule of Findings and Questioned Costs, and Independent Accountant's Report on Compliance with Local Government Investment Policies regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in the schedule and those reports, which are dated August 23, 2023, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No findings or recommendations were made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 in the notes to the financial statements.

## Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify of the specific conditions met. In connection with our audit of the financial statements of the Authority, the results of our tests did not indicate the Authority met any of the specified conditions of a financial emergency contained in Section 215.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6., Rules of the Auditor General, the Authority provided the following information (unaudited):

- a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as 747.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 67.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$43,518,375.89.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$8,657,876.
- e. Each construction project with a total cost of at least \$65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:

Project	Expenditures
FY22 FERRY PHASE IV IMPRV	\$ 134,814
FY22 JRTC FENCING	14,730
FY22 MRYTLE CAMPUS BUS WASH	76,228
FY22 Paint booth additional	184,973
FY23 JRTC Phase 2 Admin Bldg	466,233
FY22 5307 BUS STOP AMENITIES	99,775
16SPRD	4,521,487
U2C PROJECT	134,066
Total	<u>\$ 5,632,306</u>

- f. There is a \$1,448,424 budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported, due to higher costs related to project management software, and construction and legal consulting services.

**Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we noted instances of noncompliance described in the attached Appendix A as findings 2022-A and 2022-B.

**Purpose of this Letter**

The purpose of this management letter is to communicate certain matters prescribed by Chapter 10.550, Rules of the Auditor General. Accordingly, this management letter is not suitable for any other purpose.

*Cherry Bekaert LLP*

Orlando, Florida  
August 23, 2023



# Appendix A

## Management Letter Comments

### Finding 2022-A

#### Noncompliance with filing deadlines

*Statement of Condition:* The Authority has a June 30 deadline for financial statement issuance, which was not met in the current year for bond compliance and state and federal Single Audit purposes.

*Criteria:* Financial statements should be issued by the required due dates to avoid noncompliance.

*Cause of Condition:* There was a combination of inability to prioritize the financial statement close-out process, personnel turnover that inhibited knowledge of transaction activity and requirements, and considerable analysis and adjustments of books and records after year-end.

*Effect of Condition:* The Authority was provided a letter of noncompliance from the Bond Trustee, which was a notification letter requiring the financial statements to be issued within the 60-day period after the August 2, 2023 notification letter date. For purposes of Single Audit, the late filing prohibits the Authority from being treated as a low-risk auditee for federal grant audit testing purposes during fiscal years 2023 and 2024. Accordingly, a minimum of 40% of federal grant expenditures must be subject to testing during this period, rather than the lesser 20% threshold applicable to low-risk auditees.

*Recommendation:* We recommend timely close out of books and records to allow expeditious issuance of audited financial statements.

*Views of Appropriate Officials:* The JTA is investing in professional staff to assist with the re-training of current JTA accounting staff and to assist with the preparation of schedules and analysis of general ledger accounts in preparation for the end of fiscal year 2023 financial statements. This staff augmentation and re-training will allow for quicker analysis, effective adjusting entries that are timely, and deeper detailed reviews by management which will result in a more accurate trial balance as required for the audit. It is anticipated that the JTA will meet its audited financial statement filing goal of March 31<sup>st</sup>, which is 180 days post fiscal year end as required by statutory reporting requirements.

### Finding 2022-B

#### Federal micro-purchase threshold was not followed.

*Federal Program:* United States Department of Transportation, Federal Transit Cluster, ALN 20.500

*Criteria:* Only purchases made under federal grants that do not exceed \$10,000 are eligible to be made under the micro-purchase policy. For purchases over this amount, an open and competitive bid process must be used.

*Condition:* The Authority must follow federal regulations regarding the established threshold for purchases made under federal grants.

*Cause:* The Authority was under the impression that this purchase was for nonfederal spending, for which the federal threshold does not apply.

*Effect:* The contract was awarded to one vendor under the Authority's micro-purchase policy. The contract should have been subject to an open and competitive bid process.

*Context:* Of a sample of ten, we noted one instance where the Authority's procurement policy, which includes the established threshold for purchases made under federal grants, was not followed.

# Appendix A

## Management Letter Comments

*Recommendation:* We recommend the Authority enhance procedures to ensure it is clear as to whether federal requirements are applicable when procuring goods and services.

*Views of Responsible Officials:* This transaction was determined to be funded with Local Operating funds and no Federal dollars were anticipated to be used for this micro-purchase procurement pursuant to Florida Statutes. The JTA understands the requirements and the thresholds for Federal procurements and the Procurement staff have gone through a re-training as of May 17 (Cost/Price Analysis) and May 24, 2022 (Procurement Training) through the National Transit Institute. The error caused by the User Department resulted in an oversight in the approval process for the processing of the Requisition and resultant Purchase Order. A correcting journal entry with resulting amendments to the grantors is in process to correct this error.

## **Independent Accountant’s Report on Compliance with Local Government Investment Policies**

To the Board Members  
Jacksonville Transportation Authority  
Jacksonville, Florida

We have examined the Jacksonville Transportation Authority’s (the “Authority”) compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022. Management of the Authority is responsible for the Authority’s compliance with the specified requirements. Our responsibility is to express an opinion on the Authority’s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Authority’s compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2022.

The purpose of this report is to comply with the audit requirements of Section 218.415, Florida Statutes, and Rules of the Auditor General.

*Cherry Bekaert LLP*

Orlando, Florida  
August 23, 2023