

# **JACKSONVILLE TRANSPORTATION AUTHORITY**

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

*As of and for the Year Ended September 30, 2023*

*And Report 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, 2023, 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, 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, 2023, 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.

#### **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. In our opinion, 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 March 26, 2024, 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  
March 26, 2024

# JACKSONVILLE TRANSPORTATION AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

YEAR ENDED SEPTEMBER 30, 2023

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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, 2023 as compared to September 30, 2022.

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 \$364 million, which consisted of net investment in capital assets of \$323.8 million, and a restricted net position of \$50.5 million.
- The Authority's spending in federal and state expenditures in FY23 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 \$503.8 million in 2022 to \$530 million in 2023, an increase of 5.2%. The increase in 2023 was primarily due to an increase in construction in progress for the Authority's previously mentioned major project initiatives and new GASB 96 subscription reporting requirements.

### 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)

YEAR ENDED SEPTEMBER 30, 2023

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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)**

YEAR ENDED SEPTEMBER 30, 2023

**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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$108,040,221	\$134,678,280	\$ 62,482,372	\$ 42,058,632	\$170,522,593	\$176,736,912
Noncurrent assets	51,672,241	59,425,095	4,999,764	13,305,206	56,672,005	72,730,301
Capital assets	214,885,527	197,092,625	315,122,550	306,735,551	530,008,077	503,828,176
<b>Total Assets</b>	<b>374,597,989</b>	<b>391,196,000</b>	<b>382,604,686</b>	<b>362,099,389</b>	<b>757,202,675</b>	<b>753,295,389</b>
Deferred outflows - deferred amounts for pensions	7,115,419	7,695,901	13,967,464	5,268,554	21,082,883	12,964,455
Deferred outflows of resources - OPEB	573	10,549	-	-	573	10,549
<b>Total Deferred Outflows</b>	<b>7,115,992</b>	<b>7,706,450</b>	<b>13,967,464</b>	<b>5,268,554</b>	<b>21,083,456</b>	<b>12,975,004</b>
Current liabilities	20,726,800	19,387,076	23,574,668	18,634,603	44,301,468	38,021,679
Long-term liabilities	355,050,459	341,358,677	4,760,167	5,084,754	359,810,626	346,443,431
<b>Total Liabilities</b>	<b>375,777,259</b>	<b>360,745,753</b>	<b>28,334,835</b>	<b>23,719,357</b>	<b>404,112,094</b>	<b>384,465,110</b>
Deferred inflows of resources - pensions	1,846,613	2,226,253	5,098,861	-	6,945,474	2,226,253
Deferred amounts for OPEB	41,173	53,989	-	6,798,491	41,173	6,852,480
Deferred amounts for leases	2,277,722	2,400,410	-	-	2,277,722	2,400,410
Deferred inflows of resources - hedging activities	-	-	883,395	1,872,924	883,395	1,872,924
<b>Total Deferred Inflows</b>	<b>4,165,508</b>	<b>4,680,652</b>	<b>5,982,256</b>	<b>8,671,415</b>	<b>10,147,764</b>	<b>13,352,067</b>
Net Position:						
Net investment in capital assets	9,272,889	9,273,014	314,495,031	302,102,343	323,767,920	311,375,357
Restricted	45,528,246	22,555,513	4,999,764	-	50,528,010	22,555,513
Unrestricted	(53,029,921)	1,647,518	42,760,264	32,874,828	(10,269,657)	34,522,346
<b>Total Net Position</b>	<b>\$ 1,771,214</b>	<b>\$ 33,476,045</b>	<b>\$362,255,059</b>	<b>\$334,977,171</b>	<b>\$364,026,273</b>	<b>\$368,453,216</b>

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

*YEAR ENDED SEPTEMBER 30, 2023*

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**Statement of Net Position 2023 vs. 2022**

The Authority's governmental activities show a decrease of \$16.6 million or (4.2%) in total assets from 2022. This was mainly due to a decrease in current assets of \$26.6 million and a decrease in noncurrent assets of \$7.8 million offset by an increase in capital assets of \$17.8 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.

Total liabilities for governmental activities increased by \$15.0 million or 4.2%. The increase is mainly due to an increase in net pension liability of \$4.9 million and \$16.8 million in custodial projects offset by a decrease in revenue bonds payable of (\$6.8) million.

Total assets for the Authority's business type activities increased by \$20.5 million or 5.7% compared to 2022. This is mainly due increases in the due from other governments of \$3.3 million and due from City of Jacksonville of \$17.9 million, respectively, offset by a decrease in net pension assets of (\$8.3) million.

Total liabilities for business type activities increased by \$4.6 million or 19.5% compared to 2022, primarily due to increases of \$2.6 million in accounts payable, \$0.9 million in current accrued expenses and \$0.7 million in net pension liability. Deferred outflows related to the Authority's pension and other post-employment benefits increased by \$8.7 million. Deferred inflows related to the Authority's pension and other post-employment benefits decreased by (\$1.7) million. These changes are mainly attributable to liability experiences of the pension and actual pension investment results being different from expected.

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.

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

YEAR ENDED SEPTEMBER 30, 2023

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program Revenue:						
Charges for services	\$ -	\$ -	\$ 15,454,106	\$ 15,917,503	\$ 15,454,106	\$ 15,917,503
Operating grants and contributions	-	-	11,004,037	24,708,256	11,004,037	24,708,256
Capital grants and contributions	23,304,887	18,591,801	17,000,394	26,581,158	40,305,281	45,172,959
General Revenue:						
Sales taxes	4,010,120	2,282,848	-	-	4,010,120	2,282,848
Intergovernmental	-	-	121,616,573	106,154,041	121,616,573	106,154,041
Investment earnings (loss)	4,614,909	(1,157,167)	121,579	119,237	4,736,488	(1,037,930)
Local assistance	-	253,366	-	-	-	253,366
Proceeds on sale of surplus property	-	195,928	239,720	-	239,720	195,928
Other revenues (expenses)	320,657	-	-	-	320,657	-
Gain (loss) - on acquisition or disposal of capital assets	-	10,336,989	-	27,826	-	10,364,815
<b>Total Revenue</b>	<b>32,250,573</b>	<b>30,503,765</b>	<b>165,436,409</b>	<b>173,508,021</b>	<b>197,686,982</b>	<b>204,011,786</b>
Expenses:						
General government	6,138,143	3,235,359	-	-	6,138,143	3,235,359
Transportation and infrastructure projects	16,157,870	23,296,164	-	-	16,157,870	23,296,164
Interest on long-term debt	5,567,030	6,227,665	-	-	5,567,030	6,227,665
Bus system	-	-	131,629,707	114,869,780	131,629,707	114,869,780
Automated skyway express	-	-	11,928,160	10,430,798	11,928,160	10,430,798
Community transportation	-	-	24,482,454	20,882,468	24,482,454	20,882,468
Ferry	-	-	6,210,561	3,949,723	6,210,561	3,949,723
<b>Total Expenses</b>	<b>27,863,043</b>	<b>32,759,188</b>	<b>174,250,882</b>	<b>150,132,769</b>	<b>202,113,925</b>	<b>182,891,957</b>
Change in Net Position Before Transfers	4,387,530	(2,255,423)	(8,814,473)	23,375,252	(4,426,943)	21,119,829
Transfers	(36,092,361)	(8,728,491)	36,092,361	8,728,491	-	-
Change in net position	(31,704,831)	(10,983,914)	27,277,888	32,103,743	(4,426,943)	21,119,829
Net position, beginning	33,476,045	44,459,959	334,977,171	302,873,428	368,453,216	347,333,387
<b>Net position, ending</b>	<b>\$ 1,771,214</b>	<b>\$ 33,476,045</b>	<b>\$ 362,255,059</b>	<b>\$ 334,977,171</b>	<b>\$ 364,026,273</b>	<b>\$ 368,453,216</b>

**Statement of Activities 2023 vs. 2022**

For the governmental activities, revenues increased by \$1.7 million or 5.7% from the prior year. The increase is mainly due to increases of \$4.7 million in capital grants and contributions, \$1.7 million in sales taxes and \$5.7 million in investment earnings, respectively, offset by a decrease of (\$10.3) million in gain on disposal of capital assets.

Expenses for governmental activities decreased by (\$4.9) million or 14.9% compared to the previous year from \$32.8 million in 2022 to \$27.9 million in 2022. The decrease in 2023 expenses was primarily due to less spending on Transportation and Infrastructure projects and lower interest on long-term debt.

Total revenues for business-type activities decreased by (\$8) million or 4.7%. The decrease is mainly due to decreases in operating grant contributions of (\$13.7) million, capital grants and contributions of (\$9.6) million, respectively, offset by intergovernmental of \$15.4 million and hedging activities of \$1.6 million.

Expenses for business-type activities increased by \$24.1 million or 16.1%. The increase in expenses is attributable to increases in operating expenses for the Authority's Bus operations system of \$16.8 million, Automated Skyway express of \$1.5 million, Community Transportation of \$3.6 million and Ferry of \$2.3 million, respectively.

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

YEAR ENDED SEPTEMBER 30, 2023

**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 \$351 thousand. Total sales tax revenue for the general fund was budgeted at \$3.5 million. Governmental funds revenue was favorable by \$3.1 million at the end of FY23, primarily due to interest income of approximately \$3.8 million.

General Government Expenditures for the general fund were budgeted at \$4 million; the actual expenditures were \$3.5 million. The General Fund expenditures were favorable by \$496 thousand compared to the final budget. This is primarily due to favorable expense in Services and Operating at the end of FY23.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of Fiscal Year 2023, the Authority showed \$529 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 \$16.8 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; in addition to new GASB 96 subscription reporting requirements. Business type activities increased by \$8.4 million due to increases of \$5.6 million in vehicle acquisitions resulting from FY2023 orders coupled with delivery of procurements placed in FY2021 and FY2022 previously delayed due to COVID supply chain issues.

**Table A-3**  
**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 9,271,649	\$ 9,271,649	\$ 25,321,871	\$ 25,321,871	\$ 34,593,520	\$ 34,593,520
Land improvements	-	-	19,841,836	18,167,976	19,841,836	18,167,976
Building and improvements	1,240	1,364	42,942,948	45,380,155	42,944,188	45,381,519
Vehicles	-	-	67,462,651	61,835,130	67,462,651	61,835,130
Furniture and office equipment	-	-	230,621	191,895	230,621	191,895
Other equipment	-	-	14,490,353	10,913,898	14,490,353	10,913,898
Construction in progress	-	-	144,832,270	144,924,626	144,832,270	144,924,626
Construction in progress - custodial projects	204,662,558	187,819,612	-	-	204,662,558	187,819,612
Subscription-based information technology arrangements	950,080	-	-	-	950,080	-
<b>Total</b>	<b>\$214,885,527</b>	<b>\$197,092,625</b>	<b>\$315,122,550</b>	<b>\$306,735,551</b>	<b>\$530,008,077</b>	<b>\$503,828,176</b>

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

YEAR ENDED SEPTEMBER 30, 2023

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## *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, 2023, was \$73,325,000. 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 \$101,477,000. During 2023, \$15,664,679 of local option gas tax revenue was recognized and \$7,813,500 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 Authority paid off the Acosta Bridge loan in July 2023, using the collateral held at Regions Bank. The excess collateral of \$1,243,118 was returned to the Authority on July 10, 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, 2023, was \$32,000,000. 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 \$44,285,250. During 2023, \$3,408,750 was paid for debt service and fees.

During fiscal year 2023, the Authority adopted GASB 96, *Subscription-based Information Technology Arrangements*. As of fiscal year end, the Authority had a \$691,520 liability related to this new standard.

## **Next Year's Budget**

The Jacksonville Transportation Authority's FY24 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 FY24 operating budget was increased by 6% overall versus the FY23 budget. This is primarily a result of an 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 are also expected to have a positive impact. The capital budget of \$69 million reflects an increase from the prior year of \$35.5 million primarily due to anticipated increase in formula funding grants based on the following: forecasting, additional discretionary grants awarded and additional local reserves in capital.

## **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, 2023

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 65,459,814	\$ 14,761,500	\$ 80,221,314
Investments	38,802,268	-	38,802,268
Due from other governments	1,278,034	22,656,000	23,934,034
Accounts receivable, net	33,373	2,416,322	2,449,695
Due from City of Jacksonville	-	17,874,626	17,874,626
Lease receivable	2,466,732	-	2,466,732
Right-to-use subscription-based information technology arrangements, net	950,080	-	950,080
Inventory	-	3,433,808	3,433,808
Prepaid items	-	1,340,116	1,340,116
Noncurrent Assets:			
Restricted cash and cash equivalents	21,298,001	-	21,298,001
Restricted investments	30,374,240	-	30,374,240
Net pension asset	-	4,999,764	4,999,764
Capital assets (net of accumulated depreciation)	213,935,447	315,122,550	529,057,997
<b>Total Assets</b>	<b>374,597,989</b>	<b>382,604,686</b>	<b>757,202,675</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pensions	7,115,419	13,967,464	21,082,883
Other postemployment benefits	573	-	573
<b>Total Deferred Outflows</b>	<b>7,115,992</b>	<b>13,967,464</b>	<b>21,083,456</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,699,117	16,118,295	20,817,412
Accrued expenses	7,175,404	3,127,723	10,303,127
Claims payable	-	2,466,109	2,466,109
Subscription-based information technology arrangements	241,260	-	241,260
Accrued compensated absences	420,480	1,862,541	2,283,021
Accrued interest	877,709	-	877,709
Revenue bonds payable	7,312,830	-	7,312,830
Noncurrent Liabilities:			
Claims payable	-	4,054,914	4,054,914
Subscription-based information technology arrangements	450,260	-	450,260
Accrued compensated absences	346,268	-	346,268
Net pension liability	26,232,994	705,253	26,938,247
Revenue bonds payable	123,252,486	-	123,252,486
Other postemployment benefits	105,893	-	105,893
Custodial projects - due to other governments	204,662,558	-	204,662,558
<b>Total Liabilities</b>	<b>375,777,259</b>	<b>28,334,835</b>	<b>404,112,094</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pensions	1,846,613	5,098,861	6,945,474
Other postemployment benefits	41,173	-	41,173
Hedging activities	-	883,395	883,395
Lease related	2,277,722	-	2,277,722
<b>Total Deferred Inflows</b>	<b>4,165,508</b>	<b>5,982,256</b>	<b>10,147,764</b>
<b>NET POSITION</b>			
Net investment in capital assets	9,272,889	314,495,031	323,767,920
Restricted	45,528,246	4,999,764	50,528,010
Unrestricted	(53,029,921)	42,760,264	(10,269,657)
<b>Total Net Position</b>	<b>\$ 1,771,214</b>	<b>\$ 362,255,059</b>	<b>\$ 364,026,273</b>

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

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**STATEMENT OF ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Transportation Authority:							
Governmental Activities:							
General government	\$ 6,138,143	\$ -	\$ -	\$ -	\$ (6,138,143)	\$ -	\$ (6,138,143)
Transportation and infrastructure projects	16,157,870	-	-	23,304,887	7,147,017	-	7,147,017
Interest on long-term debt	5,567,030	-	-	-	(5,567,030)	-	(5,567,030)
<b>Total Governmental Activities</b>	<b>27,863,043</b>	<b>-</b>	<b>-</b>	<b>23,304,887</b>	<b>(4,558,156)</b>	<b>-</b>	<b>(4,558,156)</b>
Business-Type Activities:							
Bus system	131,629,707	7,343,226	10,582,427	13,073,634	-	(100,630,420)	(100,630,420)
Automated Skyway Express	11,928,160	-	-	1,198,616	-	(10,729,544)	(10,729,544)
Community Transportation Coordinator	24,482,454	7,098,257	415,251	1,181,526	-	(15,787,420)	(15,787,420)
Ferry	6,210,561	1,012,623	6,359	1,546,618	-	(3,644,961)	(3,644,961)
<b>Total Business-type Activities</b>	<b>174,250,882</b>	<b>15,454,106</b>	<b>11,004,037</b>	<b>17,000,394</b>	<b>-</b>	<b>(130,792,345)</b>	<b>(130,792,345)</b>
<b>Total Transportation Authority</b>	<b>\$ 202,113,925</b>	<b>\$ 15,454,106</b>	<b>\$ 11,004,037</b>	<b>\$ 40,305,281</b>	<b>(4,558,156)</b>	<b>(130,792,345)</b>	<b>(135,350,501)</b>
		General Revenues:					
					4,010,120	-	4,010,120
					-	121,616,573	121,616,573
					4,614,909	121,579	4,736,488
					-	239,720	239,720
					320,657	-	320,657
					(36,092,361)	36,092,361	-
					<b>(27,146,675)</b>	<b>158,070,233</b>	<b>130,923,558</b>
					<b>(31,704,831)</b>	<b>27,277,888</b>	<b>(4,426,943)</b>
					<b>33,476,045</b>	<b>334,977,171</b>	<b>368,453,216</b>
					<b>\$ 1,771,214</b>	<b>\$ 362,255,059</b>	<b>\$ 364,026,273</b>

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

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

SEPTEMBER 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 65,459,814	\$ -	\$ -	\$ -	\$ 65,459,814
Investments	38,802,268	-	-	-	38,802,268
Due from other governments	544,038	83,475	-	650,521	1,278,034
Accounts receivable, net	12,923	-	20,450	-	33,373
Lease receivable	2,466,732	-	-	-	2,466,732
Restricted Assets:					
Cash and cash equivalents	-	18,615,280	2,682,721	-	21,298,001
Investments	-	1,845,483	13,746,061	14,782,696	30,374,240
<b>Total Assets</b>	<b>\$ 107,285,775</b>	<b>\$ 20,544,238</b>	<b>\$ 16,449,232</b>	<b>\$ 15,433,217</b>	<b>\$ 159,712,462</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 985,095	\$ 3,000	\$ 369,373	3,341,649	\$ 4,699,117
Accrued expenses	3,990,985	338,407	2,846,012	-	7,175,404
<b>Total Liabilities</b>	<b>4,976,080</b>	<b>341,407</b>	<b>3,215,385</b>	<b>3,341,649</b>	<b>11,874,521</b>
Deferred Inflows of Resources:					
Lease related	2,277,722	-	-	-	2,277,722
<b>Total Deferred Inflows of Resources</b>	<b>2,277,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,277,722</b>
Fund Balances:					
Spendable:					
Restricted	-	20,202,831	13,233,847	12,091,568	45,528,246
Assigned	76,985,000	-	-	-	76,985,000
Unassigned	23,046,973	-	-	-	23,046,973
<b>Total Fund Balances</b>	<b>100,031,973</b>	<b>20,202,831</b>	<b>13,233,847</b>	<b>12,091,568</b>	<b>145,560,219</b>
<b>Total Resources and Fund Balances</b>	<b>\$ 107,285,775</b>	<b>\$ 20,544,238</b>	<b>\$ 16,449,232</b>	<b>\$ 15,433,217</b>	<b>\$ 159,712,462</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, 2023

Fund balances - total governmental funds	\$ 145,560,219
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	9,272,889
Capital assets, custodial in nature	204,662,558
Right-to-use subscription-based information technology arrangements used in governmental activities are not financial resources and, therefore, are not reported in the funds.	(258,560)
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.	(105,893)
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.	(26,232,994)
Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the funds:	
Deferred outflows - pensions and OPEB	7,115,992
Deferred inflows - pensions and OPEB	(1,887,786)
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.	(204,662,558)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Revenue bonds payable	(105,325,000)
Bond premium	(24,723,196)
Accrued interest	(877,709)
Accrued compensated absences	(766,748)
<b>Net position of governmental activities</b>	<u><u>\$ 1,771,214</u></u>

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, 2023

	<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	\$ 3,000,000	\$ 1,010,120	\$ -	\$ -	\$ 4,010,120
Federal and state grants	-	172	101,964	-	102,136
City of Jacksonville	-	12,015,410	-	11,187,341	23,202,751
Miscellaneous	320,657	-	-	-	320,657
Investment earnings	3,814,628	131,874.00	668,407	-	4,614,909
<b>Total Revenue</b>	<b>7,135,285</b>	<b>13,157,576</b>	<b>770,371</b>	<b>11,187,341</b>	<b>32,250,573</b>
Expenditures:					
Current:					
General government	3,460,626	-	-	-	3,460,626
Transportation and infrastructure	-	3,000	16,566,927	-	16,569,927
Debt Service:					
Principal payment	-	-	-	7,216,100	7,216,100
Interest and other	-	-	-	5,567,030	5,567,030
<b>Total Expenditures</b>	<b>3,460,626</b>	<b>3,000</b>	<b>16,566,927</b>	<b>12,783,130</b>	<b>32,813,683</b>
(Deficiency) excess of revenue (under) over expenditures	3,674,659	13,154,576	(15,796,556)	(1,595,789)	(563,110)
Other Financing Sources (Uses):					
Subscription-based information technology arrangements liability	1,362,137	-	-	-	1,362,137
Transfers in	-	-	-	1,589,382	1,589,382
Transfers out	(20,273,952)	(785,005)	(16,622,786)	-	(37,681,743)
<b>Total Other Financing Sources (Uses)</b>	<b>(18,911,815)</b>	<b>(785,005)</b>	<b>(16,622,786)</b>	<b>1,589,382</b>	<b>(34,730,224)</b>
Net Change in Fund Balances	(15,237,156)	12,369,571	(32,419,342)	(6,407)	(35,293,334)
Fund balances, beginning of year	115,269,129	7,833,260	45,653,189	12,097,975	180,853,553
<b>Fund balances, end of year</b>	<b>\$ 100,031,973</b>	<b>\$ 20,202,831</b>	<b>\$ 13,233,847</b>	<b>\$ 12,091,568</b>	<b>\$ 145,560,219</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, 2023*

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Net change in fund balances, total governmental funds	\$ (35,293,334)
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	(125)
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 - expense	(3,528,529)
OPEB - expense	(13,459)
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	7,216,100
Compensated absences	(85,484)
<b>Change in net position of governmental activities</b>	<u><u>\$ (31,704,831)</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, 2023

	Bus	ASE	CTC	Ferry	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 14,761,500	\$ -	\$ -	\$ -	\$ 14,761,500
Accounts receivable, net	2,256,044	93,058	94,565	(27,345)	2,416,322
Due from other governments	19,422,146	137,826	1,742,824	1,353,204	22,656,000
Due from City of Jacksonville	17,874,626	-	-	-	17,874,626
Due from other funds	-	-	4,587,055	-	4,587,055
Inventories	2,095,020	1,328,519	10,269	-	3,433,808
Prepaid expenses	821,818	442,250	11,921	64,127	1,340,116
<b>Total Current Assets</b>	<b>57,231,154</b>	<b>2,001,653</b>	<b>6,446,634</b>	<b>1,389,986</b>	<b>67,069,427</b>
Noncurrent Assets:					
Net pension asset	4,999,764	-	-	-	4,999,764
Capital assets, net of accumulated depreciation	221,915,621	64,539,527	2,750,464	25,916,938	315,122,550
<b>Total Noncurrent Assets</b>	<b>226,915,385</b>	<b>64,539,527</b>	<b>2,750,464</b>	<b>25,916,938</b>	<b>320,122,314</b>
<b>Total Assets</b>	<b>284,146,539</b>	<b>66,541,180</b>	<b>9,197,098</b>	<b>27,306,924</b>	<b>387,191,741</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred amounts for pension	13,967,464	-	-	-	13,967,464
<b>Total Deferred Outflows</b>	<b>13,967,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,967,464</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	11,227,188	1,227,953	3,629,432	33,722	16,118,295
Accrued expenses	1,976,182	98,475	117,613	935,453	3,127,723
Due to other funds	3,442,903	145,825	926,636	71,691	4,587,055
Claims payable	2,466,109	-	-	-	2,466,109
Accrued compensated absences	343,993	30,528	19,308	-	393,829
<b>Total Current Liabilities</b>	<b>19,456,375</b>	<b>1,502,781</b>	<b>4,692,989</b>	<b>1,040,866</b>	<b>26,693,011</b>
Noncurrent Liabilities:					
Net pension obligation	705,253	-	-	-	705,253
Claims payable	4,020,879	34,035	-	-	4,054,914
Accrued compensated absences	1,282,858	113,849	72,005	-	1,468,712
<b>Total Noncurrent Liabilities</b>	<b>6,008,990</b>	<b>147,884</b>	<b>72,005</b>	<b>-</b>	<b>6,228,879</b>
<b>Total Liabilities</b>	<b>25,465,365</b>	<b>1,650,665</b>	<b>4,764,994</b>	<b>1,040,866</b>	<b>32,921,890</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred amounts for pension	5,098,861	-	-	-	5,098,861
Deferred amounts for hedging activities	883,395	-	-	-	883,395
<b>Total Deferred Inflows</b>	<b>5,982,256</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,982,256</b>
<b>NET POSITION</b>					
Net investment in capital assets	221,473,626	64,487,044	2,640,629	25,893,732	314,495,031
Unrestricted	45,192,756	403,471	1,791,475	372,326	47,760,028
<b>Total Net Position</b>	<b>\$ 266,666,382</b>	<b>\$ 64,890,515</b>	<b>\$ 4,432,104</b>	<b>\$ 26,266,058</b>	<b>\$ 362,255,059</b>

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, 2023

	<u>Bus</u>	<u>ASE</u>	<u>CTC</u>	<u>Ferry</u>	<u>Totals</u>
Operating Revenue:					
Passenger	\$ 6,766,490	\$ -	\$ 626,678	\$ 1,012,623	\$ 8,405,791
Agency	25,023	-	6,470,094	-	6,495,117
Auxiliary transportation	358,276	-	-	-	358,276
Non-transportation	193,437	-	1,485	-	194,922
Total Operating Revenue	<u>7,343,226</u>	<u>-</u>	<u>7,098,257</u>	<u>1,012,623</u>	<u>15,454,106</u>
Operating Expenses:					
Labor	41,941,902	3,093,950	3,167,470	290,888	48,494,210
Fringe benefits	23,231,015	1,593,180	1,587,448	148,488	26,560,131
Materials and supplies	8,638,326	1,338,909	2,053,404	342,951	12,373,590
Services	35,040,536	1,192,022	16,218,026	2,864,228	55,314,812
Casualty and insurance	2,645,642	609,387	19,550	148,096	3,422,675
Taxes and licenses	37,914	-	2,242	5,000	45,156
Other	4,896,247	534,811	709,450	421,874	6,562,382
Depreciation expense	15,198,125	3,565,901	724,864	1,989,036	21,477,926
Total Operating Expenses	<u>131,629,707</u>	<u>11,928,160</u>	<u>24,482,454</u>	<u>6,210,561</u>	<u>174,250,882</u>
Operating Loss	<u>(124,286,481)</u>	<u>(11,928,160)</u>	<u>(17,384,197)</u>	<u>(5,197,938)</u>	<u>(158,796,776)</u>
Nonoperating Revenue (Expenses):					
Public Funding:					
United States government	2,486,755	-	415,251	6,359	2,908,365
State of Florida	8,095,672	-	-	-	8,095,672
City of Jacksonville	120,067,359	-	1,549,214	-	121,616,573
Investment earnings	120,491	1,088	-	-	121,579
Gain on disposal of capital assets	-	-	239,720	-	239,720
Total Nonoperating Revenue	<u>130,770,277</u>	<u>1,088</u>	<u>2,204,185</u>	<u>6,359</u>	<u>132,981,909</u>
Increase (Loss) Before Capital Contributions and Transfers	<u>6,483,796</u>	<u>(11,927,072)</u>	<u>(15,180,012)</u>	<u>(5,191,579)</u>	<u>(25,814,867)</u>
Capital contributions	13,073,634	1,198,616	1,181,526	1,546,618	17,000,394
Transfers in	1,912,123	10,224,923	17,648,649	6,306,666	36,092,361
Change in Net Position	<u>21,469,553</u>	<u>(503,533)</u>	<u>3,650,163</u>	<u>2,661,705</u>	<u>27,277,888</u>
Net position, beginning 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>
Net position, end of year	<u>\$ 266,666,382</u>	<u>\$ 64,890,515</u>	<u>\$ 4,432,104</u>	<u>\$ 26,266,058</u>	<u>\$ 362,255,059</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, 2023

	<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	\$ 7,723,760	\$ -	\$ 7,122,143	\$ 1,291,373	\$ 16,137,276
Payments to suppliers	(38,235,780)	(1,995,298)	(21,124,389)	(2,998,457)	(64,353,924)
Payments to employees	(75,476,007)	(4,657,053)	(4,729,898)	(439,376)	(85,302,334)
Other payments	1,903,635	(1,269,699)	(739,523)	(590,379)	(695,966)
Net cash flows from operating activities	<u>(104,084,392)</u>	<u>(7,922,050)</u>	<u>(19,471,667)</u>	<u>(2,736,839)</u>	<u>(134,214,948)</u>
<b>Cash flows from noncapital financing activities:</b>					
Intergovernmental revenue	100,419,202	13,939	1,354,229	(1,298,883)	100,488,487
Operating grants received	10,582,427	-	415,251	6,359	11,004,037
Transfers from other funds	1,912,123	10,224,923	17,648,649	6,306,666	36,092,361
Transfers to other funds	-	-	-	-	-
Net cash flows from noncapital financing activities	<u>112,913,752</u>	<u>10,238,862</u>	<u>19,418,129</u>	<u>5,014,142</u>	<u>147,584,885</u>
<b>Cash flows from capital and related financing activities:</b>					
Capital contributions	13,073,634	1,198,616	1,181,526	1,546,618	17,000,394
Acquisition and construction of capital assets	(19,331,567)	(3,533,337)	(1,367,895)	(3,823,921)	(28,056,720)
Proceeds on disposal of capital assets	-	-	239,720	-	239,720
Net cash flows from capital and related financing activities	<u>(9,055,667)</u>	<u>(2,334,721)</u>	<u>53,351</u>	<u>(2,277,303)</u>	<u>(13,614,340)</u>
<b>Cash flows from investing activities:</b>					
Interest on investments	120,491	1,088	-	-	121,579
Net change in cash and cash equivalents	(105,816)	(16,821)	(187)	-	(122,824)
Cash and cash equivalents, beginning of year	14,867,316	16,821	187	-	14,884,324
Cash and cash equivalents, end of year	<u>\$ 14,761,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,761,500</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, 2023

	<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	\$ (124,286,481)	\$ (11,928,160)	\$ (17,384,197)	\$ (5,197,938)	\$ (158,796,776)
Adjustments to reconcile operating loss to net cash used in operating activities:					
Depreciation	15,198,125	3,565,901	724,864	1,989,036	21,477,926
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	380,534	(5)	23,886	278,750	683,165
Inventories	(200,411)	82,220	(10,269)	-	(128,460)
Prepaid expenses	124,527	(75,982)	(8,281)	(15,409)	24,855
Net pension asset	8,305,442	-	-	-	8,305,442
Deferred outflows for pension	(8,698,910)	-	-	-	(8,698,910)
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	1,575,382	293,892	745,639	(13,711)	2,601,202
Accrued expenses	623,246	13,701	72,090	150,742	859,779
Due to other funds	3,444,865	145,825	926,636	71,691	4,589,017
Claims payable	348,216	(49,519)	-	-	298,697
Accrued compensated absences	95,450	30,077	25,020	-	150,547
Deferred inflows for pension	(1,699,630)	-	-	-	(1,699,630)
Net cash flows from operating activities	<u>\$ (104,084,392)</u>	<u>\$ (7,922,050)</u>	<u>\$ (19,471,667)</u>	<u>\$ (2,736,839)</u>	<u>\$ (134,214,948)</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, 2023

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	<u><b>JTM Salaried Employees</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 199,597
Mutual fund investments	<u>1,359,107</u>
<b>Total Assets</b>	<u><u>\$ 1,558,704</u></u>
 Net position	
Restricted for pensions	<u><u>\$ 1,558,704</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, 2023*

	<u><b>JTM Salaried Employees</b></u>
Additions:	
Employer contribution	\$ 191,046
Employee contribution	<u>14,191</u>
Total Contributions	205,237
Investment income	<u>(207,168)</u>
Total Contributions and Net Investment Income	<u>(1,931)</u>
Deductions:	
Benefit payments	101,827
Administrative expenses	42,394
Other	<u>751,987</u>
Total Deductions	<u>896,208</u>
Net change in plan net position	(898,139)
Net position restricted for pensions, beginning of year	<u>2,456,843</u>
Net position restricted for pensions, end of year	<u><u>\$ 1,558,704</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, 2023

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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.

The Authority is fiscally dependent on the City of Jacksonville (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.

### 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.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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### Note 2—Summary of significant accounting policies

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 \$4,587,055 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.

*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.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

*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. Under the Ultimate Urban Circulator project currently in progress, there are plans for the Skyway structure to be repurposed to accommodate autonomous vehicles. Operating revenue is generally provided through passenger fares which have been temporarily suspended to study the effect on ridership and the cost to operate the system. This suspension was in effect for all of fiscal year 2023. 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.

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 13 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.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

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.

*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.

The 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 \$1,092,917 at September 30, 2023. In addition, the Authority has recorded a lease receivable and due from other governments of \$2,466,732 and \$23,934,034, respectively, which is considered fully collectible.

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

SEPTEMBER 30, 2023

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

*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.

As these assets are being held in an agency-like capacity by the Authority, the receipts 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. Subscription-based information technology arrangements of \$5,000 or more are subject to capitalization if all other criteria is met.

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
Subscription-based information technology arrangements	3 to 5
Other equipment	3 to 15

As of September 30, 2023, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties mentioned in Note 7.

*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.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

*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.

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 \$883,395 as of September 30, 2023; see Note 10.

*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 13 and 14.

*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:

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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

*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.

*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. 96, *Subscription-Based Information Technology Arrangements* (“GASB 96”), effective for the Authority as of October 1, 2022. This pronouncement provides guidance and addresses how costs associated with subscription-based information technology arrangements are accounted for and disclosed. In accordance with this standard, a subscriber is required to recognize a liability and an intangible right-to-use asset.

### Note 3—Deposits and investments

*Deposits* – As of September 30, 2023 the Authority’s cash and cash equivalents balance was \$101,519,315, of which \$21,298,001 is presented as noncurrent. In addition, the pension trust fund reported \$199,597 for cash and cash equivalents for the bank and account balances.

*Cash and Investment Sweeps* – Bank of America (“BOA”) performs a nightly sweep of amounts out of the operational JTA accounts into JTA’s sweep account located in the governmental fund. When funds are required in the operational accounts, amounts are swept back in from the governmental sweep account (i.e. when outstanding checks are processed for payment). BOA also performs an overnight investment sweep of three non-operational investment accounts. The funds are moved out overnight, invested in U.S. Treasuries, and returned the next morning with interest earned, less an associated service fee of 1%.

*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.



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

SEPTEMBER 30, 2023

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

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.

*Restricted Cash and Cash Equivalents* – As of September 30, 2023, restricted cash and cash equivalents consists of:

Fair share transfer projects	\$ 18,615,280
Bond reserves	2,682,721
	<u>\$ 21,298,001</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, 2023, the Authority has reported restricted and unrestricted investments related to government-wide of \$132,531,708, with \$67,245,106 related to cash equivalents for money markets and \$1,359,107 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	\$ 25,025,457	\$ -
Mortgage-backed securities	5,774,581	-
Commercial paper	11,077,838	-
Asset-backed securities	9,470,730	-
Local government investment pool	13,937,996	-
Cash and equivalents	-	199,597
Money market funds	67,245,106	1,359,107
Total investments	<u>\$ 132,531,708</u>	<u>\$ 1,558,704</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, 2023

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

The following table presents the investments as of September 30, 2023. 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>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury bills/notes	\$ 25,225,054	\$ -	\$ -	\$ 25,225,054
Mortgage-backed securities	5,774,581	-	-	5,774,581
Commercial paper	11,077,838	-	-	11,077,838
Asset-backed securities	9,470,730	-	-	9,470,730
Local government investment pool	-	13,937,996	-	13,937,996
Money market funds	68,604,213	-	-	68,604,213
Total investments	<u>\$ 120,152,416</u>	<u>\$ 13,937,996</u>	<u>\$ -</u>	<u>\$ 134,090,412</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+	\$ 25,025,457
Mortgage-backed securities	AA/Aa3	5,774,581
Commercial paper	A-1+	11,077,838
Asset backed securities	AAA	9,470,730
Local government investment pool	AAAm	13,937,996
Money market funds	AAAm	68,604,213
		<u>\$ 133,890,815</u>

*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, 2023, 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.

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

SEPTEMBER 30, 2023

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

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	\$ 67,245,106	50.22%
U.S. Treasury	25,025,457	18.69%
Local government investment pool	13,937,996	10.41%
Commercial paper	11,077,838	8.27%
Asset backed securities	9,470,730	7.07%
	<u>\$ 126,757,127</u>	<u>94.67%</u>

*Restricted Investments* – As of September 30, 2023, restricted investments consist of:

Capital projects	\$ 15,591,544
Debt service	<u>14,782,696</u>
	<u>\$ 30,374,240</u>

**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 \$272,733 of lease principal revenue and \$77,357 of interest revenue related to leases for the year ended September 30, 2023. The principal includes \$100,000 for the due diligence and approval period of the Montana Ground lease that will begin after receiving certificate of occupancy.

The principal and interest requirements to maturity for the lease receivables at September 30, 2023 are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	48,577	65,666	114,243
2029-2033	159,969	312,945	472,914
2034-2038	227,088	284,034	511,122
2039-2043	310,097	243,881	553,978
2044-2048	412,128	189,955	602,083
2049-2053	537,325	118,794	656,119
2054-2058	423,745	37,025	460,770
2059-2061	159,242	2,888	162,130
	<u>\$ 2,466,732</u>	<u>\$ 1,532,945</u>	<u>\$ 3,999,677</u>

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

SEPTEMBER 30, 2023

**Note 5—Subscription-based information technology arrangements**

On October 5, 2022, the Authority entered into a 3-year subscription-based information technology arrangement with CDW Government for Citrix N-Factor for MFA. The contract will expire on October 4, 2025. For the year end September 30, 2023, the total payments made were approximately \$59,851, with two additional annual payments due in the amount of \$32,260.

On June 3, 2022, the Authority entered into a 5-year subscription-based information technology arrangement with Moovit for the MyJTA App. The contract will expire on June 2, 2027. For the year end September 30, 2023, the total payments made were \$209,000, with three additional annual payments due in the amount of \$209,000.

The future minimum payments for these contracts are as follows:

<u>Years Ending September 30,</u>	<u>Principal</u>
2024	\$ 241,260
2025	241,260
2026	209,000
	<u>\$ 691,520</u>

**Note 6—Capital assets**

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Depreciated:				
Land	\$ 9,271,649	\$ -	\$ -	\$ 9,271,649
Custodial projects	187,819,611	16,842,947	-	204,662,558
Total capital assets, not being depreciated	<u>197,091,260</u>	<u>16,842,947</u>	<u>-</u>	<u>213,934,207</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	289,883	125	-	290,008
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,537	-	-	28,537
Total accumulated depreciation	<u>412,380</u>	<u>125</u>	<u>-</u>	<u>412,505</u>
Total capital assets, being depreciated,	<u>1,365</u>	<u>(125)</u>	<u>-</u>	<u>1,240</u>
Governmental activities capital assets, net	<u>\$ 197,092,625</u>	<u>\$ 16,842,822</u>	<u>\$ -</u>	<u>\$ 213,935,447</u>

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

SEPTEMBER 30, 2023

**Note 6—Capital assets (continued)**

Depreciation expense was \$125 for the year ended September 30, 2023 related to the buildings and improvements for the governmental funds.

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2023:

	<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	144,924,626	16,482,704	16,575,060	144,832,270
Total capital assets, not being depreciated	<u>170,246,497</u>	<u>16,482,704</u>	<u>16,575,060</u>	<u>170,154,141</u>
Capital assets, being depreciated:				
Land improvements	41,942,103	3,633,758	122,896	45,452,965
Buildings and improvements	138,502,066	1,023,977	-	139,526,043
Vehicles	159,001,065	17,324,569	2,047,271	174,278,363
Furniture and office equipment	2,889,799	95,693	8,629	2,976,863
Other equipment	105,656,434	7,879,284	49,998	113,485,720
Total capital assets, being depreciated	<u>447,991,467</u>	<u>29,957,281</u>	<u>2,228,794</u>	<u>475,719,954</u>
Less accumulated depreciation for:				
Land improvements	23,774,127	1,959,898	122,896	25,611,129
Buildings and improvements	93,121,911	3,461,184	-	96,583,095
Vehicles	97,165,935	11,697,048	2,047,271	106,815,712
Furniture and office equipment	2,697,904	56,967	8,629	2,746,242
Other equipment	94,742,536	4,302,829	49,998	98,995,367
Total accumulated depreciation	<u>311,502,413</u>	<u>21,477,926</u>	<u>2,228,794</u>	<u>330,751,545</u>
Total capital assets, being depreciated,	<u>136,489,054</u>	<u>8,479,355</u>	<u>-</u>	<u>144,968,409</u>
Business-type activities capital assets, net	<u>\$ 306,735,551</u>	<u>\$ 24,962,059</u>	<u>\$ 16,575,060</u>	<u>\$ 315,122,550</u>

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

SEPTEMBER 30, 2023

**Note 7—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, 2023 are as follows:

	Beginning Balance	Current Year Project Costs/ Increase	Current Year Projects/ Decreases	Ending Balance
Grant capital plan	\$ 53,111,950	\$ 249,415	\$ -	\$ 53,361,365
JTA mobility works	134,707,661	18,093,876	1,500,344	151,301,193
	<u>\$ 187,819,611</u>	<u>\$ 18,343,291</u>	<u>\$ 1,500,344</u>	<u>\$ 204,662,558</u>

**Note 8—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, 2023:

	Receivable Fund			
	Bus	CTC	General	Total
<b>Payable Fund:</b>				
Bus	\$ -	\$ 3,442,903	\$ -	\$ 3,442,903
ASE	145,825	-	-	145,825
CTC	926,636	-	-	926,636
Ferry	71,691	-	-	71,691
	<u>\$ 1,144,152</u>	<u>\$ 3,442,903</u>	<u>\$ -</u>	<u>\$ 4,587,055</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.

	Transfer to					Total
	Debt Service Fund	Bus Fund	CTC Fund	Ferry Fund	ASE Fund	
Transfer from:						
General Fund	\$ -	\$ 1,912,123	\$ 1,830,240	\$ 6,306,666	\$ 10,224,923	\$ 20,273,952
Capital Projects Fund	804,377	-	15,818,409	-	-	16,622,786
Special Revenue Fund	785,005	-	-	-	-	785,005
	<u>\$ 1,589,382</u>	<u>\$ 1,912,123</u>	<u>\$ 17,648,649</u>	<u>\$ 6,306,666</u>	<u>\$ 10,224,923</u>	<u>\$ 37,681,743</u>

Interfund transfers were made from the General Fund to support the operating activities of CTC, Ferry, and ASE Funds. Transfers were also made from the Capital Projects Fund to the Debt Service Fund to provide for debt service activities and CTC Fund for capital activities.

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

SEPTEMBER 30, 2023

**Note 9—Long term liabilities**

Long term debt and other liability activity for the year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Revenue bonds (Series 2015) Unamortized original issue premium (Series 2015)	\$ 77,270,000	\$ -	\$ 3,945,000	\$ 73,325,000	\$ 4,140,000
Accrued interest (Series 2015)	17,063,119	-	959,779	16,103,340	1,062,117
Revenue bonds (Series 2020) Unamortized original issue premium (Series 2020)	33,720,000	-	1,720,000	32,000,000	1,805,000
Accrued interest (Series 2020)	9,356,826	-	219,850	9,136,976	305,713
Note payable	281,000	266,667	281,000	266,667	266,667
Accrued interest - notes payable	1,551,100	-	1,551,100	-	-
	11,271	-	11,271	-	-
Total long-term debt subtotal	139,897,233	877,709	9,331,917	131,443,025	8,190,539
Accrued compensated absences	681,264	634,993	549,509	766,748	420,480
Net pension liability	21,378,881	4,854,113	-	26,232,994	-
OPEB liability	119,352	17,277	30,736	105,893	-
Custodial projects - due to other governments	187,819,611	16,842,947	-	204,662,558	-
Governmental activities long-term liabilities	<u>\$ 349,896,341</u>	<u>\$ 23,227,039</u>	<u>\$ 9,912,162</u>	<u>\$ 363,211,218</u>	<u>\$ 8,611,019</u>
<b>Business-type activities:</b>					
Accrued compensated absences	\$ 1,711,994	\$ 1,780,059	\$ 1,629,512	\$ 1,862,541	\$ 393,829
Claims payable	6,222,326	1,867,585	1,568,888	6,521,023	2,466,109
Net pension liability (asset)	(13,305,206)	9,010,696	-	(4,294,510)	-
Business activities long-term liabilities	<u>\$ (5,370,886)</u>	<u>\$ 12,658,340</u>	<u>\$ 3,198,400</u>	<u>\$ 4,089,054</u>	<u>\$ 2,859,938</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 negative balance includes a salaried pension liability of \$705,253 and a drivers pension asset of \$4,999,764.

*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, 2023 was \$73,325,000. 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 \$101,477,000. During 2023, \$15,664,679 of local option gas tax revenue was recognized and \$7,813,500 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$611,042 for an interest payment due on February 1, 2024. The next principal payment in the amount of \$4,140,000 is due on August 1, 2024. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year, is \$5,202,117, as presented in the statement of net position for governmental activities.

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

SEPTEMBER 30, 2023

**Note 9—Long term liabilities (continued)**

**Debt Maturities**

**Series 2015**

**Years Ending September 30,**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	5,030,000	2,774,250	7,804,250
2029-2033	29,195,000	9,836,000	39,031,000
2034-2036	21,260,000	2,160,500	23,420,500
	<u>\$ 73,325,000</u>	<u>\$ 28,152,000</u>	<u>\$ 101,477,000</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 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 Series 2019 issue had a final maturity of 2026. However, the Authority elected to pay off this note payable in full during June 2023, which included \$1,551,100 in principal and \$11,271 in accrued interest.

*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, 2023 was \$32,000,000. 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 \$44,285,250. During 2023, \$3,408,750 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$266,667 for an interest payment due on February 1, 2024. The next principal payment in the amount of \$1,805,000 is due on August 1, 2024. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is \$2,110,713, as presented in the statement of net position for governmental activities.

**Debt Maturities**

**Series 2020**

**Years Ending September 30,**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	2,195,000	1,210,500	3,405,500
2029-2033	12,740,000	4,292,250	17,032,250
2034-2037	9,275,000	942,750	10,217,750
	<u>\$ 32,000,000</u>	<u>\$ 12,285,250</u>	<u>\$ 44,285,250</u>



# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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### **Note 10—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 \$1,589,548 is presented as a reduction of fuel expense within the services expense caption of the bus fund for the year ending September 30, 2023.

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, 2023, the notional amount of the hedge contracts was 966,000 gallons of diesel fuel, 546,000 gallons of gasoline, and 75,000 MMBTU of natural gas; the unrealized deferred inflow was \$883,395 for gasoline, diesel fuel, and natural gas in aggregate.

### **Note 11—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.

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

SEPTEMBER 30, 2023

**Note 11—Risk management (continued)**

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 2023, 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
2022	\$ 6,101,202	\$ 1,391,030	\$ 1,269,906	\$ 6,222,326
2023	6,222,326	1,867,585	1,568,888	6,521,023

**Note 12—Interlocal government with and advances to the City of Jacksonville**

In fiscal year 2000, the Authority entered into an Interlocal Agreement (“ILA”) with 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 9). The terms of the ILA also require 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.

During the fiscal year 2022, the City issued debt on JTA’s behalf for the purpose of funding certain transportation projects, pursuant to the Interlocal Agreement between the City and JTA, dated October 1, 2000. The City’s Debt (Taxable Transportation Revenue Bonds) was issued as legally non-recourse to JTA and therefore, the City’s Debt is not a part of JTA’s debt portfolio. The interlocal agreement stated that JTA pledged its sales tax to the payment of the bonds issued by the City. As a result, an amount equal to the debt service is withheld from the Sales Tax Receipts and the balance is sent to JTA each month from the City.

In fiscal year 2023, JTA facilitated the City’s defeasance of a portion of the City’s Taxable Transportation Revenue Bonds by advancing \$10,874,697 for an October 2022 defeasance and \$6,999,929 for an August 2023 defeasance. The total of these advances, \$17,874,626, which will be paid back to JTA as the City experiences debt service savings from the defeasances, is presented as amounts due from the City at September 30, 2023.

**Note 13—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.

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

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, 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>	<b>July 1, 2023 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.	8.47%	10.00%	10.82%	11.91%	13.57%
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 creditable service.	25.41%	27.29%	29.01%	31.57%	34.52%
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.	14.60%	16.98%	18.34%	18.60%	21.13%

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 \$2,923,808 for the year ended September 30, 2023, which was equal to the required contributions for each year.

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.

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

**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, 2023, the Authority reported a net pension liability of \$16,998,269 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 fiscal year contributions relative to the 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was .0427% of the net pension liability which was .00929% decrease from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Authority recognized the FRS plan pension expense of \$1,797,730. 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	\$ 1,595,991	\$ -
Change of assumptions	1,108,088	-
Net difference between projected and actual earnings on FRS pension plan investments	709,894	-
Employer-specific amount due to changes in employer proportion	1,584,978	622,624
Authority FRS contributions subsequent to the measurement date	635,079	-
	<u>\$ 5,634,030</u>	<u>\$ 622,624</u>

The deferred outflows of resources related to pensions, totaling \$635,079, 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, 2024. 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/ Inflow, Net</u>
2024	\$ 1,098,822
2025	1,070,804
2026	865,272
2027	643,685
2028	697,744

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

*Actuarial Assumptions.* The total pension liability as of measurement date June 30, 2023 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%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate (property)	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100%</u>			

*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:

	<u>1% Decrease</u> <u>5.70%</u>	<u>Current Rate</u> <u>6.70%</u>	<u>1% Increase</u> <u>7.70%</u>
Net pension liability - FRS	\$ 29,036,505	\$ 16,998,269	\$ 6,926,845

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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### Note 13—Employee benefits (continued)

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, 2023, 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 \$45 and the maximum payment is \$225 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, 2023, 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 \$395,732 for the fiscal year ended September 30, 2023, which was equal to the required contributions.

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

At September 30, 2023, the Authority reported a net pension liability of \$9,234,725 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2023. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 fiscal year contributions relative to the total 2022-23 fiscal year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was .05814%, which was an increase of .00289% from its proportionate share measured as of June 30, 2022.

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

For the Authority’s fiscal year ended September 30, 2023, the Authority recognized the HIS Plan pension expense of \$3,257,425. 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	\$ 135,190	\$ 21,675
Change of assumptions	242,778	800,020
Net difference between projected and actual earnings on FRS pension plan investments	4,769	-
Employer-specific amount due to changes in employer proportion	966,383	402,294
Authority FRS contributions subsequent to the measurement date	132,269	-
	<u>\$ 1,481,389</u>	<u>\$ 1,223,989</u>

The deferred outflows of resources related to pensions, totaling \$132,269 for 2023, 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, 2024. 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/ (Inflow), Net</u>
2024	\$ 123,254
2025	100,293
2026	66,667
2027	(49,378)
2028	(57,534)
Thereafter	(58,171)

Actuarial Assumptions. The total pension liability as of July 1, 2023 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	3.65%

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 3.65% for 2023. 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 2023, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

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 3.65%, 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 (2.65%) or one percentage point higher (4.65%) than the current rate:

	<b>1% Decrease 2.65%</b>	<b>Current Rate 3.65%</b>	<b>1% Increase 4.65%</b>
Net pension liability - HIS	\$ 10,535,380	\$ 9,234,725	\$ 8,156,569

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, 2023, 138 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.

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 , 2023 Employer Contributio n Rate</b>	<b>January 1 , 2022 Employer Contributio n Rate</b>	<b>January 1 , 2021 Employer Contributio n Rate</b>	<b>January 1 , 2020 Employer Contributio n Rate</b>	<b>January 1 , 2019 Employer Contributio n 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	\$3.90 per hour



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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

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, 2023, 2022, 2021, 2020, and 2019 were \$1,240,467, \$1,239,845, \$1,170,722, \$1,143,954, and \$1,148,965, 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.

As of December 31, 2022, employee membership data related to both of these plans was as follows:

	<b>Salaried Employees</b>	<b>Drivers Plan</b>
Active employees:		
Nonvested	-	74
Partially vested	-	38
Fully vested	7	223
Retirees and beneficiaries currently receiving benefits	5	275
Terminated plan members entitled to but not yet receiving benefits	12	193
	<u>24</u>	<u>803</u>

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

SEPTEMBER 30, 2023

**Note 13—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, 2023

**Note 13—Employee benefits (continued)**

	Salaried employees	Drivers Plan
Valuation date	December 31, 2022	December 31, 2022
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.

Investments – Drivers Plan

A committee comprised of three Authority employees administers the Jax Transit Management, Corp. Salaried Employee Plan. The committee has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the committee 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 committee's adopted asset allocation policy as of September 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	35%
Equities	65%
Total	100%

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

The expected return on investments is determined from a building block approach that includes components for inflation, real risk-free return, and risk premium. It is calculated by summing the weighted average of the total return for each asset class.

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, 2023, based on the December 31, 2022 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, 2021	\$ 1,883,258	\$ 2,456,843	\$ (573,585)
Changes for the year:			
Service cost	49,948	-	49,948
Interest	109,941	-	109,941
Difference between expected and actual experience	322,638	-	322,638
Transfers to ATU Plan	-	(751,987)	751,987
Employer contributions	-	191,046	(191,046)
Employee contributions	-	14,191	(14,191)
Net investment income	-	(207,168)	207,168
Benefit payments	(101,827)	(101,827)	-
Administrative expense	-	(42,394)	42,394
Net changes	<u>380,700</u>	<u>(898,139)</u>	<u>1,278,839</u>
Balance at December 31, 2022	<u>\$ 2,263,958</u>	<u>\$ 1,558,704</u>	<u>\$ 705,254</u>

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, 2022. 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, 2022 to changes in the discount rate:

	1% Decrease 5%	Current Rate 6%	1% Increase 7%
Net pension liability - salaried	\$ 1,020,064	\$ 705,254	\$ 440,123

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

SEPTEMBER 30, 2023

**Note 13—Employee benefits (continued)**

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

<b>Description</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Experience (gains) losses	\$ 246,771	\$ -
Change of assumption	3,164	16,619
Net difference between projected and actual earnings on pension plan investments	315,133	17,390
Authority contributions subsequent to the measurement date	176,483	-
	<u>\$ 741,551</u>	<u>\$ 34,009</u>

The deferred outflows of resources related to pensions, totaling \$176,483 for 2023, 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:

<b><u>Years Ending September 30,</u></b>	<b>Deferred Outflow/ Inflow, Net</b>
2023	\$ 258,114
2024	123,391
2025	82,787
2026	66,767

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, 2023

**Note 13—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, 2023:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>
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, 2023, are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Domestic equities	8.1%
International equities	8.7%
Fixed income	4.2%
Hedged strategies	6.1%
Real estate	8.0%

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

SEPTEMBER 30, 2023

**Note 13—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, 2023, based on the December 31, 2022 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, 2021	\$ 49,059,918	\$ 61,791,539	\$ (12,731,621)
Changes for the year:			
Service cost	999,458	-	999,458
Interest	3,331,906	-	3,331,906
Differences between expected actual experience	473,385	-	473,385
Assumption changes	-	-	-
Employer contributions	-	3,868,641	(3,868,641)
Employee contributions	-	169,798	(169,798)
Net investment income	-	(6,463,574)	6,463,574
Changes in benefit terms	-	-	-
Benefit payments	(2,922,517)	(2,922,517)	-
Administrative expense	-	(501,973)	501,973
Net changes	1,882,232	(5,849,625)	7,731,857
Balance at December 31, 2022	\$ 50,942,150	\$ 55,941,914	\$ (4,999,764)

Discount Rate – Jax Transit Management Corp. Drivers Plan

The discount rate used to measure the total pension liability was 7% as of December 31, 2022. 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, 2022, to changes in the discount rate:

	1% Decrease 6%	Current rate 7%	1% Increase 8%
Net pension liability (asset) - Drivers	\$ 17,757	\$ (4,999,764)	\$ (9,326,429)

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

SEPTEMBER 30, 2023

**Note 13—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	\$ 54,414	\$ 998,246
Net difference between projected and actual earnings on drivers pension plan investments	8,648,376	3,908,202
Experience (gains) losses	1,439,144	158,404
Authority contributions subsequent to the measurement date	3,083,979	-
	<u>\$ 13,225,913</u>	<u>\$ 5,064,852</u>

The deferred outflows of resources related to Jax Transit Management Corp. Drivers pension plan, totaling \$3,083,979 for 2023, 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, 2023. 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/ (Inflow), Net</u>
2024	\$ 268,535
2025	1,101,781
2026	1,503,604
2027	2,203,162

**Note 14—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, 2023

**Note 14—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	2
Active employees fully eligible for benefits	209
Active employees not yet fully eligible for benefits	-
Total active employees	209
Total number of participants	211

The total OPEB liability of \$105,893 as of September 30, 2023 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, 2023

**Note 14—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, 2023

**Note 14—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, 2023

**Note 14—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 for FYE 2022	\$ 119,352	\$ -	\$ 119,352
Changes for the year:			
Service cost	14,757	-	14,757
Interest	2,520	-	2,520
Trust contribution - Employer	-	8,587	(8,587)
Changes in assumptions	(22,149)	-	(22,149)
Benefit payments (net of retiree contributions)	(8,587)	(8,587)	-
Net changes	(13,459)	-	(13,459)
Balance as of September 30, 2022 for FYE 2023	\$ 105,893	\$ -	\$ 105,893

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

SEPTEMBER 30, 2023

**Note 14—Other postemployment benefits (continued)**

**OPEB Expense**

Service cost	\$	14,757
Interest		2,520
Differences between expected and actual experience		
From past years recognized in current year		(15,538)
Changes in assumptions:		
In current fiscal year recognized in current year		(7,383)
From past years recognized in current year		(2,068)
		<u>(9,451)</u>
Total OPEB expense	\$	<u>(7,712)</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>3.40%</u>	<u>Discount Rate</u> <u>4.40%</u>	<u>1% Increase</u> <u>5.40%</u>
Total and net OPEB liability	\$ 108,647	\$ 105,893	\$ 102,766

*Sensitivity of the Total OPEB Liability to Changes in the Medical Trend:*

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	\$ 96,795	\$ 105,893	\$ 116,316

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

SEPTEMBER 30, 2023

**Note 14—Other postemployment benefits (continued)**

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

For the fiscal year ended September 30, 2023, the Authority recognized an OPEB benefit of (\$7,712). At September 30, 2023, 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	\$ -	\$ 24,942
Changes of assumptions	573	16,231
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ 573</u>	<u>\$ 41,173</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,**

2024	\$ (33,217)
2025	(7,383)

**Note 15—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	\$ -	\$ 20,202,831	\$ -	\$ -	\$ 20,202,831
Restricted for capital projects	-	-	13,233,847	-	13,233,847
Restricted for debt service	-	-	-	12,091,568	12,091,568
Assigned to:					
Construction projects	24,827,000	-	-	-	24,827,000
General fund reserves	4,298,000	-	-	-	4,298,000
General fund legal reserves	6,000,000	-	-	-	6,000,000
Right-of-way acquisitions	3,000,000	-	-	-	3,000,000
Transit operations reserve	37,039,000	-	-	-	37,039,000
Transit operations CIP initiatives	1,821,000	-	-	-	1,821,000
Unassigned	23,046,973	-	-	-	23,046,973
Total fund balance	<u>\$ 100,031,973</u>	<u>\$ 20,202,831</u>	<u>\$ 13,233,847</u>	<u>\$ 12,091,568</u>	<u>\$ 145,560,219</u>

**Note 16—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.

# JACKSONVILLE TRANSPORTATION AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

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### Note 17—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 includes minimum purchase commitments of natural gas over a specified period of time. The agreement had been subsequently amended on April 30, 2015 and September 30, 2016, respectively. As of September 30, 2023, and assuming natural gas futures prices, the average monthly natural gas fuel cost for the minimum required annual purchase volume of 843,750 DGEs is \$91,483 per month. This is \$1,097,795 annually and \$7,684,566 for the seven remaining years of the contract from fiscal year 2024 through fiscal year 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 initially valued at \$51,100,000; subsequently amended September 14, 2023, to an increased total budget of \$66,600,000. 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 phase two, delivering a 90% project design valued at \$16,605,728, with \$49,994,272 still committed.

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 2022, ordering 6 buses for delivery in 2023 valued at \$3,965,600, and in 2023 ordered 30 buses valued at \$22,680,708 for delivery in 2024 and 2025.

*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.

**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, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
City of Jacksonville - net 1/2 cent surtax	\$ 3,478,106	\$ 3,478,106	\$ 3,000,000	\$ (478,106)
Investment earnings	318,432	350,615	3,814,628	3,464,013
Other miscellaneous	159,674	159,674	320,657	160,983
Total Revenues	<u>3,956,212</u>	<u>3,988,395</u>	<u>7,135,285</u>	<u>3,146,890</u>
Expenditures:				
General government	3,956,212	3,956,212	3,460,626	495,586
Total Expenditures	<u>3,956,212</u>	<u>3,956,212</u>	<u>3,460,626</u>	<u>(495,586)</u>
Excess of Revenues Over Expenditures	-	-	3,674,659	3,674,659
Other Financing Uses (Sources):				
Subscription-based information technology arrangements liabilities issued	-	-	1,362,137	1,362,137
Transfer out	-	-	(20,273,952)	(20,273,952)
Net change in fund balance	-	-	(16,599,293)	(16,599,293)
Fund balances, beginning of year	<u>115,269,129</u>	<u>115,269,129</u>	<u>115,269,129</u>	<u>-</u>
Fund balances, end of year	<u>\$ 115,269,129</u>	<u>\$ 115,269,129</u>	<u>\$ 100,031,973</u>	<u>\$ (15,237,156)</u>

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

*SEPTEMBER 30, 2023*

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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.

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

YEAR ENDED SEPTEMBER 30, 2023

<b>As of September 30 Fiscal Year</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB Liability:						
Service cost	\$ 14,757	\$ 20,773	\$ 19,362	\$ 12,828	\$ 12,750	\$ 12,737
Interest cost	2,520	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	(22,149)	(4,395)	2,289	(4,703)	(1,662)	(2,057)
Benefit payments	(8,587)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net Changes in Total OPEB Liability	(13,459)	(79,392)	6,384	34,765	(11,874)	(9,634)
Total OPEB liability - beginning of year	119,352	198,744	192,360	157,595	169,469	179,103
Total OPEB Liability - End of Year	\$ 105,893	\$ 119,352	\$ 198,744	\$ 192,360	\$ 157,595	\$ 169,469
Plan Fiduciary Net Position:						
Contributions - employer net investment income	\$ 25,432	\$ 25,432	\$ 20,278	\$ 16,645	\$ 28,396	\$ 25,471
Benefit payments (net of retiree contributions)	(25,432)	(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability	105,893	119,352	198,744	192,360	157,595	169,469
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll <sup>1</sup>						
Net OPEB Liability as a % Payroll <sup>1</sup>						
Expected average remaining service years of all participants	3	3	4	4	4	4
Notes to Schedule: Benefit Changes	None	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%	3.50%
9/30/2019	3.83%	3.83%	3.83%	3.83%	3.83%	
9/30/2020	2.75%	2.75%	2.75%	2.75%		
9/30/2021	2.41%	2.41%	2.41%			
9/30/2022	2.19%	2.19%				
9/30/2023	4.40%					

<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**  
**NOTE TO SCHEDULE OF CHANGES IN THE TOTAL LIABILITY –**  
**OTHER POSTEMPLOYMENT BENEFITS (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2023

	Other Postemployment Medical Benefits					
	2023	2022	2021	2020	2019	2018
Valuation Date: Measurement Date:	October 1, 2022 October 1, 2022	October 1, 2021 October 1, 2021	October 1, 2020 October 1, 2020	October 1, 2019 October 1, 2019	October 1, 2018 October 1, 2018	October 1, 2017 October 1, 2017
Actuarial cost method Amortization method Remaining amortization period	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value
Medical Trend Assumptions;						
Rate of inflation	2.50%	2.50%	2.50%	2.50%	2.20%	2.20%
Rate of Growth in Real income/GDP per capita	1.40%	1.40%	1.50%	1.50%	1.60%	1.60%
Extra Trend Due To Technology And Other Factors	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%
Health Share of GDP Resistance Point	20%	20%	25%	25%	25%	25%
Year for Limiting Cost Growth to GDP Growth	2075	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	Not Funded
Discount Rate	4.40%	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 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 CHANGES IN NET PENSION – LIABILITIES AND RELATED RATIOS –**  
**DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)**

YEAR ENDED SEPTEMBER 30, 2023

** Plan Year Ended December 31:	Salaried Employees Pension Plan 2023		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	
Total Pension Liability:																
Service cost	\$ 49,948	\$ 999,458	\$ 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	109,941	3,331,906	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	-	-	-
Transfers to ATU Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	322,638	473,385	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	(101,827)	(2,922,517)	(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	380,700	1,882,232	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)	1,883,258	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	1,951,281	34,523,141	34,523,141	34,523,141
Total Pension Liability-Ending (a)	\$ 2,263,958	\$ 50,942,150	\$ 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	\$ 191,046	\$ 3,868,641	\$ 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	14,191	169,798	18,055	105,460	8,800	98,184	18,045	89,602	44,110	20,769	-	-	-	-	-	-
Net investment income	(207,168)	(6,463,574)	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	(101,827)	(2,922,517)	(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	(42,394)	(501,973)	(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	(751,987)	-	-	-	-	-	-	-	-	-	4,153	(42,261)	-	-	-	-
Net change in Plan Fiduciary Net Position	(898,139)	(5,849,625)	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	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	1,174,281	36,453,908	36,453,908	36,453,908
Plan Fiduciary Net Position-Ending (b)	1,558,704	55,941,914	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)	\$ 705,254	\$ (4,999,764)	\$ (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	69%	110%	130%	126%	83%	115%	99%	111%	99%	98%	70%	110%	58%	106%	106%	106%
Covered payroll	528,919	15,048,876	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	133%	-33%	-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, 2023*

<b>Salaried Employees Pension Plan</b>										
<b>** Plan Year Ended December 31:</b>	<b>2023</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	\$ 185,059	\$ 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	191,046	97,504	80,000	178,028	401,110	397,716	229,190	414,692	291,591	293,733
Contribution Deficiency (Excess)	\$ (5,987)	\$ 62,496	\$ 18,065	\$ (86,622)	\$ (241,596)	\$ (232,701)	\$ (53,555)	\$ (246,786)	\$ 88,808	\$ 97,682
Covered payroll	528,919**	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	36.12%	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>2023</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	\$ 2,539,645	\$ 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	2,539,645	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	15,048,876**	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	16.88%	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.

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

YEAR ENDED SEPTEMBER 30, 2023

	Salaried Employees Pension Plan 2023	Drivers Pension Plan 2023	Salaried Employees Pension Plan 2022	Drivers Pension Plan 2022	Salaried Employees Pension Plan 2021	Drivers Pension Plan 2021	Salaried Employees Pension Plan 2020	Drivers Pension Plan 2020	Salaried Employees Pension Plan 2019
Notes to Schedule:									
Valuation Date:	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	December 31, 2018
Measurement Date:	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2019	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	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	Level % of payroll
Remaining amortization period	7 years*	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	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	6% compounded annually
Assumed annual salary increases	Assumed 3 % per year	None	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
Inflation	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%
Cost of living adjustments	None	None	None	None	None	None	None	None	None
Mortality rates	Pre-Retirement: RP-2014 Employee total dataset (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 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; Post-Retirement: RP-2014 Blue Collar Employee (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; Post-Retirement: RP-2014 Blue Collar Employee (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 Blue Collar Employee (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 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
	Drivers Pension Plan 2019	Salaried Employees Pension Plan 2018	Drivers Pension Plan 2018	Salaried Employees Pension Plan 2017	Drivers Pension Plan 2017	Salaried Employees Pension Plan 2016	Drivers Pension Plan 2016	Salaried Employees Pension Plan 2015	Drivers Pension Plan 2015
Valuation Date:	December 31, 2018	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, 2018	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	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	7 years *	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	Market value
Actuarial Assumptions:									
Investment rate of return	7% compounded annually	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 2.5% per year	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	2.5%	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	None
Mortality rates	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 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.

Notes to Schedule:

This schedule is presented to illustrate the requirement of GASB 68.

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

*YEAR ENDED SEPTEMBER 30, 2023*

<b>* Plan Year Ended June 30:</b>	<b>2023</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	\$ 2,923,808	\$ 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	\$ 2,923,808	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	\$ 23,043,317	\$ 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	12.69%	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

Notes to Schedule

This schedule is presented to illustrate the requirements of GASB 68.

See Report of Independent Auditor



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

*YEAR ENDED SEPTEMBER 30, 2023*

<b>Salaried Employees Pension Plan</b>										
<b>* Plan Year Ended December 31:</b>	<b>2023</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	5.47%	-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>2023</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	5.66%	-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.

**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, 2023*

<b>* Plan Year Ended June 30:</b>	<b>2023</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	0.047%	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	\$ 16,998,269	\$ 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	\$ 23,043,317	\$ 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	73.77%	74.47%	15.22%	87.25%	68.33%	65.88%	64.91%	61.68%	31.24%	15.56%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.83%	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.

See Report of Independent Auditor

**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, 2023*

<b>* Plan Year Ended June 30:</b>	<b>2023</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	0.0581%	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	\$ 9,234,725	\$ 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	\$ 23,043,317	\$ 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	40.08%	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	4.12%	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.

See Report of Independent Auditor

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

*YEAR ENDED SEPTEMBER 30, 2023*

<b>* Plan Year Ended June 30:</b>	<b>2023</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	\$ 2,923,808	\$ 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	\$ 2,923,808	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	\$ 23,043,317	\$ 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	12.69%	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, 2023*

<b>* Plan Year Ended June 30:</b>	<b>2023</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	\$ 395,732	\$ 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	395,732	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	\$ 23,043,317	\$ 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	1.72%	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, 2023

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
United States of Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
Federal Transit Capital Investment Grants	20.500	FL-03-0343	\$ 10,119	\$ -
	20.500	FL-03-0338	250	-
Total Capital Investment Grants			10,369	-
TOD Discretionary Grants	20.500	FL-2021-005	216,740	-
	20.500	FL-2021-035	202,747	-
Total TOD Discretionary Grants			419,487	-
New Start Program	20.500	FL-2017-119	11,309	-
	20.500	FL-2020-002	28,274	-
	20.500	FL-2022-014	22,984	-
	20.500	G1E81	14,136	-
Total New Starts Program Grants			76,703	-
Passenger Ferry Competitive Grants	20.507	FL-2021-020	199,779	-
Total Passenger Ferry Competitive Grants	20.507		199,779	-
Federal Transit Formula Grants	20.507	FL-2017-104	59,851	-
	20.507	FL-90-X742	12,176	-
	20.507	FL-90-X879	198,186	-
	20.507	FL-90-X683	14,789	-
	20.507	FL-90-X774	6,520	-
	20.507	FL-2020-007	4,274	-
	20.507	FL-2020.072	16,083	-
	20.507	FL-2018-097	6,359	-
Total Federal Transit Formula Grants			318,238	-
Urbanized Area Formula Grants (2013 and forward)	20.507	FL-2017-042	22,958	-
	20.507	FL-2017-104	60,426	-
	20.507	FL-2018-115	245,359	-
	20.507	FL-2019-018	45,008	-
	20.507	FL-2020-111	767,560	-
	20.507	FL-2020-007	181,742	-
	20.507	FL-2021-088	2,284,199	-
	20.507	FL-2022-XXX	5,471,324	-
	20.507	FL-2023-XXX	1,095,935	-
	20.507	FL-2023-072	116,771	-
Total Urbanized Area Formula Grants (2013 and forward)			10,291,282	-
Urbanized Area Formula Grants (CARES Act)	20.507	FL-2020-086	3,019,260	-
Total Urbanized Area Formula Grants (CARES Act)			3,019,260	-
Urbanized Area Formula Grants (ARP Plan)	20.507	FL-2022-029	990,000	-
Total Urbanized Area Formula Grants (ARP Plan)			990,000	-
State of Good Repairs Formula Grant	20.525	FL-2018-126	13,510	-
	20.525	FL-54-0001	7,045	-
	20.525	FL-2017-007	27,201	-
	20.525	FL-2019-078	143,260	-
	20.525	FL-2021-088	284,350	-
	20.525	FL-2018-099	121,965	-
Total State of Good Repairs Formula Grant			597,331	-
Bus and Bus Facility Discretionary Grants	20.526	FL-2021-016	613,562	-
			1,512,333	-
Total Bus and Bus Facilities Formula Grant			2,125,895	-
Total Federal Transit Cluster	20.500-CL		18,048,344	-

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, 2023

<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>
Federal Transit Programs Cluster:				
Enhanced Mobility-Seniors&Individuals w/disab.	20.513	G2660	169,792	-
	20.513	G2L04	245,459	-
Total Enhanced Mobility-Seniors&Individuals w/disab.			415,251	-
Total Federal Transit Programs Cluster	20.513-CL		415,251	-
Formula Grants for Rural Areas (CARES Act)				
Total Formula Grants for Rural Areas (CARES Act)	20.509	G1O55	75,887	-
			75,887	-
5324 - Emergency Relief	20.527	FL-2019-105	6,653	-
Total 5324 - Emergency Relief			6,653	-
National Infrastructure Investments				
79 - BUILD (OST)	20.933	FL-2020-055	1,122,398	-
Total 79 - BUILD (OST)			1,122,398	-
Total Direct Programs			19,668,533	-
Pass through:				
Indirect Programs				
Transit Services Programs Cluster				
Formula Grants for Rural Areas				
	20.509	G2C58	65,385	-
	20.509	G1A10	27,310	-
Total Formula Grants for Rural Areas			92,695	-
Total Indirect Programs			92,695	-
Total United States Department of Transportation			19,761,228	-
Total Federal Expenditures			\$ 19,761,228	\$ -
State of Florida Department of Transportation:				
Commission for the Transportation Disadvantaged (CTD)				
Trip and Equipment Grant Program				
	55.001	G1X58	\$ 1,085	\$ -
	55.001	CC CONTRACT #2021/2022-199	144,882	-
	55.001	G2998	376,429	-
	55.001	G2A03	548,902	-
	55.001	G2K39	283,421	-
Total Commission for the Transportation Disadvantaged CTD)			1,354,719	-
Aviation Grant Program				
	55.004	G2686	483,878	-
Total Aviation Grant Program			483,878	-
Public Transit Block Grant Program				
	55.010	G2C77	208,678	-
	55.010	G2C77	5,265,479	-
Total Public Transit Block Grant Program			5,474,157	-
Public Transit Service Development Program				
	55.012	G1218	6,253	-
	55.012	G1H04	78,610	-
	55.012	G2A65	285,559	-
	55.012	G2A74	129,616	-
Total Public Transit Service Development Program			500,038	-



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

YEAR ENDED SEPTEMBER 30, 2023

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
Transportation Systems Development Program	55.046	G2687	430,431	-
	55.046	G2687	229,731	-
	55.046	G2K31	43,785	-
Total Transportation Systems Development Program			703,947	-
Transportation Corridor Program	55.013	G1E23	23,213	-
	55.013	G2451	183,146	-
	55.013	G2450	243,775	-
	55.013	G2444	42,737	-
	55.013	G2445	171,137	-
	55.013	G2443	374,527	-
	55.013	G2H62	134,596	-
	55.013	G2H62	12,983	-
Total Transportation Corridor Program			1,186,114	-
New Starts Program	55.017	G0O33	(1,191)	-
Total New Starts Program			(1,191)	-
Total State Expenditures			\$ 9,701,662	\$ -

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

YEAR ENDED SEPTEMBER 30, 2023

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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# 55.017 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.

**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, 2023, and the related notes to the financial statements, which collectively comprise Authority’s basic financial statements, and have issued our report thereon dated March 26, 2024.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**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*.

**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  
March 26, 2024

**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, 2023. 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, 2023.

***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 or state project 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 or state project 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 or state project 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  
March 26, 2024

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

YEAR ENDED SEPTEMBER 30, 2023

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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>No</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> ALN Nos. 20.500, 20.507, 20.525, 20.526	
<i>National Infrastructure Investments</i> ALN No. 20.933	
The threshold for distinguishing types A and B programs was:	<b>\$750,000</b>
Did the auditee qualify as a low-risk auditee?	<b>No</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>Trip and Equipment Grant CSFA No. 55.001</i>	
<i>Public Transit Block Grant CSFA No. 55.010</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, 2023*

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**II. Financial Statement Findings**

None reported.

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

None reported.

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

None reported.

**V. Schedule of Prior Year Findings**

See attached Summary Schedule of Prior Audit Findings.

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

*YEAR ENDED SEPTEMBER 30, 2023*

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**FINANCIAL STATEMENTS**

*Finding 2022-001:* 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.

*Status:* Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report through improvements in financial recording of transactions. The finding is no longer considered a material weakness because of the extent of improvements made; however, corrective action is continuing and a management letter comment has been provided.

## 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, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 26, 2024.

### 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 March 26, 2024, 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report, however, although to a much lesser extent, conditions identified in prior year finding 2022-001 on the schedule of findings and questioned costs continue to exist and are addressed in our comment on Appendix A.

### 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 780.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority’s fiscal year as 61.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$59,637,365.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$5,577,702.
- 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	Total Expenditure as of 9/30/2023
Ferry Phase V	0.00
Timucuan Preserve Access/St. Johns River Ferry	0.00
Upgrade Transformer - Armsdale PNR and Test N Learn Facility	0.00
Acosta Bridge Railing Project	0.00
Bus Stop Amenities & Shelter Work	0.00
Escalator Modernization	0.00
HVAC Replacements	0.00
Building 9 Generator	0.00
Elevator Upgrades	0.00

- 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 an internal control deficiency described in the attached Appendix A as finding 2023-A.

**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  
March 26, 2024

**JACKSONVILLE TRANSPORTATION AUTHORITY**  
**APPENDIX A**  
**MANAGEMENT LETTER COMMENTS**

SEPTEMBER 30, 2023

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**Finding 2023-A**

**Financial Statement Closing Entries**

*Statement of Condition:* Certain amounts were recorded backwards, double-posted, or misclassified on the trial balance.

*Criteria:* The trial balance should accurately reflect underlying support.

*Cause of Condition:* There was key personnel turnover that occurred during the fiscal year and during the financial statement audit period, which led to different personnel reviewing the trial balance.

*Effect of Condition:* Certain amounts on the financial statements would have been misstated or misclassified.

*Recommendation:* We recommend analysis of the trial balance, including a year over year analysis of accounts, in order to identify errors. Significant year over year account variances and account balances that are contrary to the natural debit or credit balance should be investigated further by personnel. Although certain amounts on the trial balance were erroneous, we note that there have been considerable strides to improve the financial reporting and close process at the JTA during the current fiscal year.

*Views of Responsible Officials:* Management agrees that due to understaffed departments and key personnel turnover that occurred during the fiscal year and during the financial statement audit period, resulted in different personnel contributing to and reviewing the trial balance. Now that the staffing situation has stabilized, management will conduct a thorough review and analysis of the trial balance to identify any potential errors and correct them as appropriate.

**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, 2023. 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, 2023.

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  
March 26, 2024