

Annual Report to City Council.

Mark VanLoh, A.A.E.
Chief Executive Officer
Jacksonville Aviation Authority

May 30, 2019
City Hall, Jacksonville



JAA
Jacksonville
Aviation
Authority

Report Summary



Air Service



Financial Performance



Capital Projects



Mark VanLoh, A.A.E.
Chief Executive Officer
Jacksonville Aviation Authority

May 30, 2019
City Hall, Jacksonville

Our Airlines
—
Jacksonville
International
Airport





JAX

Jacksonville
International
Airport

Air Service to Jacksonville Market Area

—
Jacksonville International Airport



Service Activity	April 2019	April 2018	Increase	% Increase
Number Flights	2,844	2,448	396	16.18%
Available Seats	355,592	283,584	72,008	25.39%

Total Enplaned and Deplaned Rolling 12 months



Month	Current Year	Prior Year	+/- Passengers	+/- %
April 2018	545,386	480,297	65,089	13.55%
May 2018	578,630	503,602	75,028	14.90%
June 2018	572,698	492,396	80,302	16.31%
July 2018	590,821	489,113	101,708	20.79%
August 2018	569,415	466,450	102,965	22.07%
September 2018	517,445	367,057	150,388	40.97%
October 2018	572,803	494,705	78,098	15.79%
November 2018	560,360	486,122	74,238	15.27%
December 2018	564,848	479,066	85,782	17.91%
January 2019	494,810	425,161	69,649	16.38%
February 2019	508,292	427,007	81,285	19.04%
March 2019	664,479	535,371	129,108	24.12%
Total	6,739,987	5,646,347	1,093,640	19.37%

Average Monthly Passenger Change Last 12 Months

91,137

Enplaned and Deplaned Passengers



Jacksonville International Airport

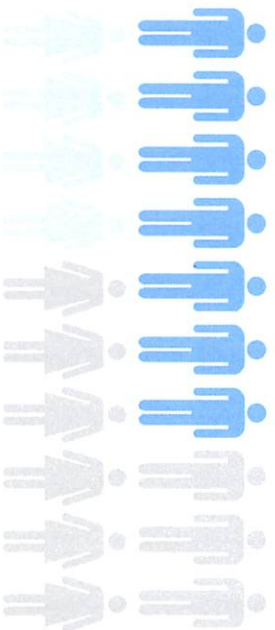


664,479 Passengers in March

18 consecutive months

2019-highest monthly total in history

of passenger growth



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Jacksonville
International
Airport



New Concourse "B" will add 6 gates initially then 6 more as needed.



Additional concessions, bathroom updates underway

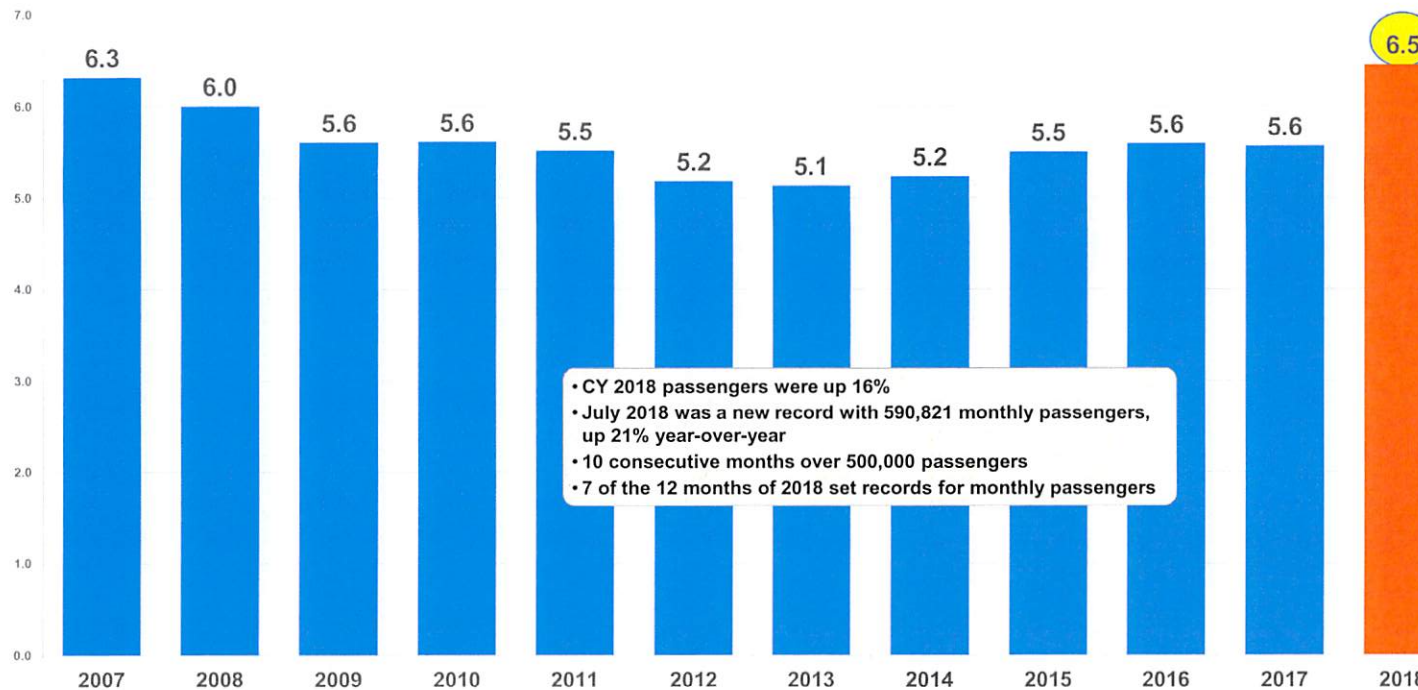


JAX Has Achieved New Passenger Traffic Record



JAX
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International
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Annual
Passenger
Traffic (Millions)

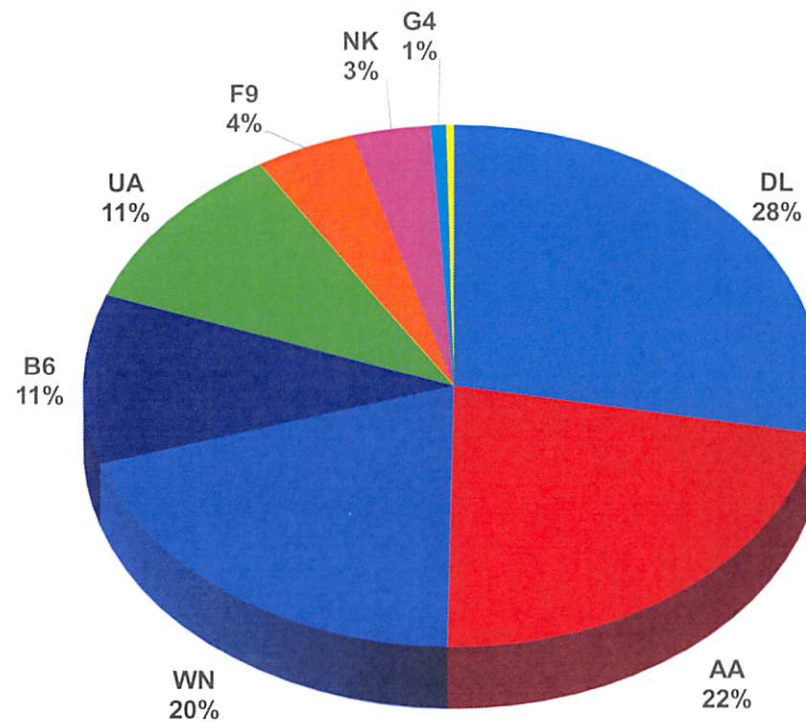


No Single Carrier Dominates JAX



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Rank	Airline	Jan. 2019 Seat Departures
1	DL (Delta)	20,945
2	AA (American)	16,745
3	WN (Southwest)	14,908
4	B6 (jetBlue)	7,900
5	UA (United)	7,863
6	F9 (Frontier)	3,300
7	NK (Spirit)	2,548
8	G4 (Allegiant)	510



Source: Innovata schedules, January 2019 sample week.



JAX Airport Nonstop Routes Map



	2018	2017
Operating revenues:		
Concessions	\$ 18,257	\$ 16,072
Fees & charges	17,807	16,028
Space & facility rentals	24,481	28,946
Parking	21,535	19,291
Other revenue	1,803	1,539
Total operating revenues	83,883	81,876
Operating expenses:		
Wages & benefits	29,273	27,945
Services & supplies	15,646	15,368
Repairs & maintenance	4,071	2,733
Promotions, advertising & dues	1,879	1,033
Registration & travel	505	345
Utilities & taxes	4,339	4,629
Other operating expenses	1,781	1,796
Operating expenses before depreciation and amortization	57,494	53,849
Operating income before depreciation and amortization	26,389	28,027
Depreciation & amortization	34,649	33,717
Operating loss	(8,260)	(5,690)
Nonoperating revenues:		
Passenger facility charges	12,538	10,881
Investment income	1,422	817
Payments from federal & state agencies	374	383
Other revenues	-	980
Total nonoperating revenues	14,334	13,061
Nonoperating expenses:		
Interest expense	1,660	2,228
Other expenses	274	414
Total nonoperating expenses	1,934	2,642
Income before capital contributions	4,140	4,729
Capital contributions	12,594	5,917
Change in net position	16,734	10,646
Net position, beginning of year	516,993	506,347
Net position, end of year	\$ 533,727	\$ 516,993



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Statements of Revenues, Expenses, and Changes in Net Position

For the year ended September
30, 2017 & 2018
(dollar amounts in thousands)

September 30,

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,538	\$ 32,592
Investments	46,814	49,769
Accounts receivable, net of allowance of \$112 in 2018 and \$430 in 2017	7,240	7,196
Grants receivable	2,342	1,187
Interest receivable	332	211
Notes receivable	173	214
Inventory and other assets	1,670	1,475
Total current assets	116,109	92,644
Noncurrent assets:		
Restricted cash and cash equivalents	12,058	12,981
Notes receivable	2,961	3,134
Total noncurrent assets	15,019	16,115
Capital assets:		
Land	71,143	71,143
Construction in progress	25,984	21,824
Property, plant and equipment	933,552	941,517
Less: accumulated depreciation	(507,651)	(499,645)
Other capital assets, net of amortization	381	794
Total capital assets	523,409	535,633
Total noncurrent and capital assets	538,428	551,748
Total assets	654,537	644,392
Deferred Outflows of Resources		
Derivative instrument - swap	574	1,321
Loss on refunding	2,118	2,471
Pension	10,108	10,875
Total deferred outflow of resources	12,800	14,667
Total assets and deferred outflows of resources	\$ 667,337	\$ 659,059



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Statements of Net Position

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(dollar amounts in thousands)



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Statements of Net Position

(Continued)

	<i>(dollar amounts in thousands)</i>	
	September 30,	
	2018	2017
Liabilities		
Current liabilities:		
Accounts payable	\$ 5,701	\$ 10,020
Accrued expenses	18,722	14,306
Notes payable - current portion	11,835	7,090
Accrued interest payable	432	438
Construction contracts and retainage payable	1,491	420
Total current liabilities	38,181	32,274
Long-term liabilities:		
OPEB liability	2,460	2,191
Notes payable	65,165	80,000
Derivative instrument - swap	574	1,321
Net pension liability	24,130	24,328
Total long-term liabilities	92,329	107,840
Total liabilities	130,510	140,114
Deferred Inflow of Resources		
Gain on refunding	732	839
Pension	2,369	1,113
Total deferred inflow of resources	3,101	1,952
Net Position		
Net investment in capital assets	446,304	449,755
Restricted for capital acquisition and construction	7,144	2,559
Restricted for O & M	4,856	9,302
Restricted for R & R and other	58	1,119
Unrestricted	75,365	54,258
Total net position	533,727	516,993
Total liabilities, deferred inflows, and net position	\$ 667,337	\$ 659,059



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Statements of Cash Flows

Jacksonville Aviation Authority

Cash Flows from Operating Activities

Receipts from customers and tenants
Payments to suppliers for goods and services
Payments to employees for services
Other nonoperating (expense) revenue
Net cash provided by operating activities

Cash flows non-capital and related financing activities

Nonoperating grants received
Net cash provided by non-capital financing activities

Cash flows from capital and related financing activities

Acquisition and construction of capital assets
Principal paid on capital debt
Interest paid on capital debt
Proceeds from sale of equipment
Contributions-in-aid of construction
Passenger facility charges received
Net cash used in capital and related financing activities

Cash flows from investing activities

Collections on notes receivable
Interest on investments
Purchase of investment securities
Proceeds from sale and maturities of investment securities
Net cash provided by (used in) investing activities

Net change in cash and cash equivalents
Cash and cash equivalents, beginning of year
Cash and cash equivalents, end of year

For the Year Ended September 30,
(dollar amounts in thousands)

	2018	2017
Cash Flows from Operating Activities		
Receipts from customers and tenants	\$ 83,839	\$ 81,279
Payments to suppliers for goods and services	(28,360)	(22,226)
Payments to employees for services	(27,141)	(25,610)
Other nonoperating (expense) revenue	382	734
Net cash provided by operating activities	<u>28,720</u>	<u>34,177</u>
Cash flows non-capital and related financing activities		
Nonoperating grants received	<u>135</u>	<u>269</u>
Net cash provided by non-capital financing activities	<u>135</u>	<u>269</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(22,200)	(27,588)
Principal paid on capital debt	(10,090)	(15,650)
Interest paid on capital debt	(1,421)	(1,876)
Proceeds from sale of equipment	431	297
Contributions-in-aid of construction	11,439	8,930
Passenger facility charges received	12,538	10,881
Net cash used in capital and related financing activities	<u>(9,303)</u>	<u>(25,006)</u>
Cash flows from investing activities		
Collections on notes receivable	214	225
Interest on investments	1,982	1,014
Purchase of investment securities	(21,614)	(35,264)
Proceeds from sale and maturities of investment securities	23,889	21,729
Net cash provided by (used in) investing activities	<u>4,471</u>	<u>(12,296)</u>
Net change in cash and cash equivalents	24,023	(2,856)
Cash and cash equivalents, beginning of year	45,573	48,429
Cash and cash equivalents, end of year	<u>\$ 69,596</u>	<u>\$ 45,573</u>

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Statements of Cash Flows

Jacksonville Aviation Authority

(continued)

For the Year Ended September 30,
(dollar amounts in thousands)

	2018	2017
Reconciliation of operating (loss) to net cash provided by operating activities		
Operating loss	\$ (8,260)	\$ (5,690)
Adjustment to reconcile operating loss to net cash provided by operating activities		
Depreciation and amortization expense	34,649	33,717
Increase (decrease) in accounts receivable	(44)	(598)
Increase (decrease) in inventory and other assets	(195)	83
Increase (decrease) in accounts payable	(4,319)	5,989
Decrease in pension deferred outflow	767	232
Increase in accrued expenses	4,484	1,592
Increase (decrease) in pension deferred inflow	1,256	(1,882)
Other nonoperating revenue	382	734
Net cash provided by operating activities	<u>\$ 28,720</u>	<u>\$ 34,177</u>
Non-cash investing, capital and financing activities:		
Change in fair value of investments	<u>\$ (680)</u>	<u>\$ (282)</u>
Capital assets acquired through contracts payable and accruals	<u>\$ 1,491</u>	<u>\$ 420</u>
Capital Contributions Receivable	<u>\$ 2,342</u>	<u>\$ 1,187</u>

Capital Budget for Fiscal Year Ending September 30, 2020



FUNDING SOURCES

Airport	Proj No	Description	Budget 2020		JAA	PFC	FAA GRANTS	FDOT GRANTS	OTHER
			Total Capital Commitments						
Jacksonville International	J2020-01	Concourse B Terminal Design and CMAR Pre-Construction Services	20,000,000		1,500,000			1,500,000	
	J2020-02	Employee Parking Relocation (Economy 3)	7,000,000						
	J2019-12	GA FIS	4,000,000		4,000,000				
	J2020-03	Carpo Apren Expansion	2,810,000		1,305,000			1,305,000	
	J2020-04	Surface Lot Rehabilitation Phase I	2,000,000		2,000,000				
	J2020-05	Concourse B Bypass Taxiway	1,000,000			250,000		750,000	
	J2019-17	Toy H&R Rehabilitation	1,000,000		250,000				
	J2018-10	Bag Claim Coiling Rehabilitation	1,000,000		1,000,000				
	J2020-06	Parking Canopies	500,000						
	J2020-07	Landside Air Handler Replacement	500,000						
Cecil Airport	J2019-18	Air Cargo 4 Access Road Rehab	400,000		100,000				
	J2020-08	Elevator Replacement	400,000		400,000				
	J2020-09	IT Infrastructure Upgrade	250,000		250,000				
	J2020-10	FIDS Upgrade	200,000		200,000				
		Capital below \$100,000	559,000		559,000				
			41,419,000		19,504,000	17,250,000		1,800,000	2,805,000
Cecil Airport	F2020-01	Airport Denoage Rehabilitation	756,000		378,000			378,000	
		Capital below \$100,000	211,000		211,000				
			967,000		589,000	0		378,000	0
Cecil Spaceport	S2020-01	Rocket Motor Test Facility	1,000,000		500,000			500,000	
		Capital below \$100,000	145,000		100,000			45,000	
			1,145,000		600,000	0		545,000	0
Jacksonville Executive	C2020-01	Design and Construct Wallto Fence	1,400,000		140,000			1,360,000	
	C2017-02	South Access Roadway (additional funding)	736,974		368,487			368,487	
	C2020-02	Communication Fiber and Cameras	500,000		500,000				
		Capital below \$100,000	68,000		68,000				
			2,804,974		1,086,487	0		1,718,487	0
Herlong Recreational	H2021-01	Airfield Ramp Security Lighting (East/West (FBO))	250,000		250,000				
		Capital below \$100,000	60,000		60,000				
			310,000		310,000	0		0	0
Total Capital			46,645,974		22,149,487	17,250,000		3,518,487	3,728,000
Total Large Cap			45,602,974		21,151,487	17,250,000		3,518,487	3,683,000
Total Small Cap			1,043,000		998,000	0		45,000	0
Total Cap			46,645,974		22,149,487	17,250,000		3,518,487	3,728,000

JAX Terminal Expansion –Concourse B



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International
Airport



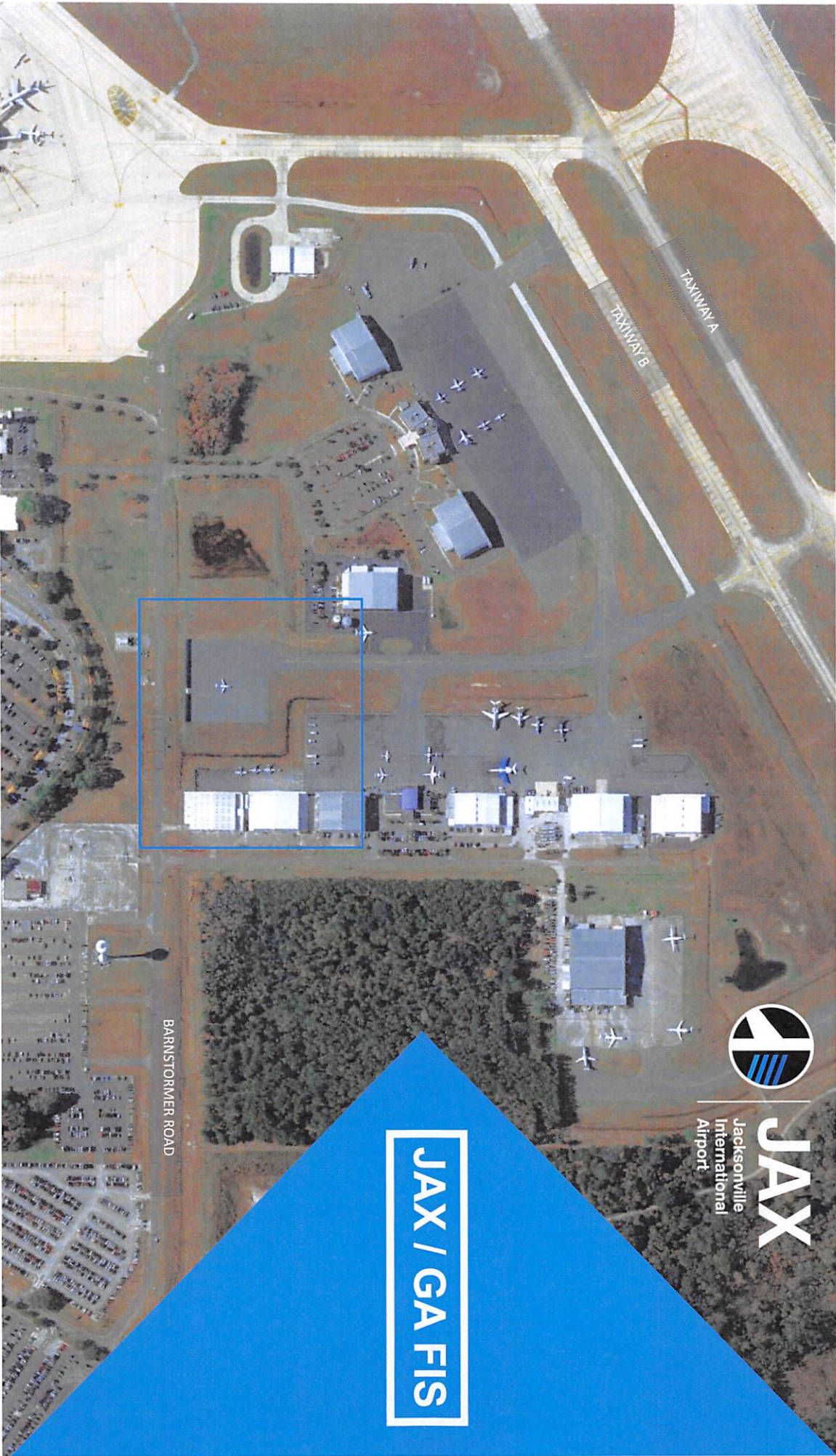


Newly Renovated Restrooms at Jacksonville International Airport

We listened to our customers comments and suggestions and renovated our facilities to better serve the travelling public.



We are listening. Your opinion is important to us.



JAX
Jacksonville
International
Airport

JAX / GA FIS

BARNSTORMER ROAD

JAX Cargo Apron Expansion

CARGO APRON EXPANSION AREA

AIR CARGO RAMP 1



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Airport

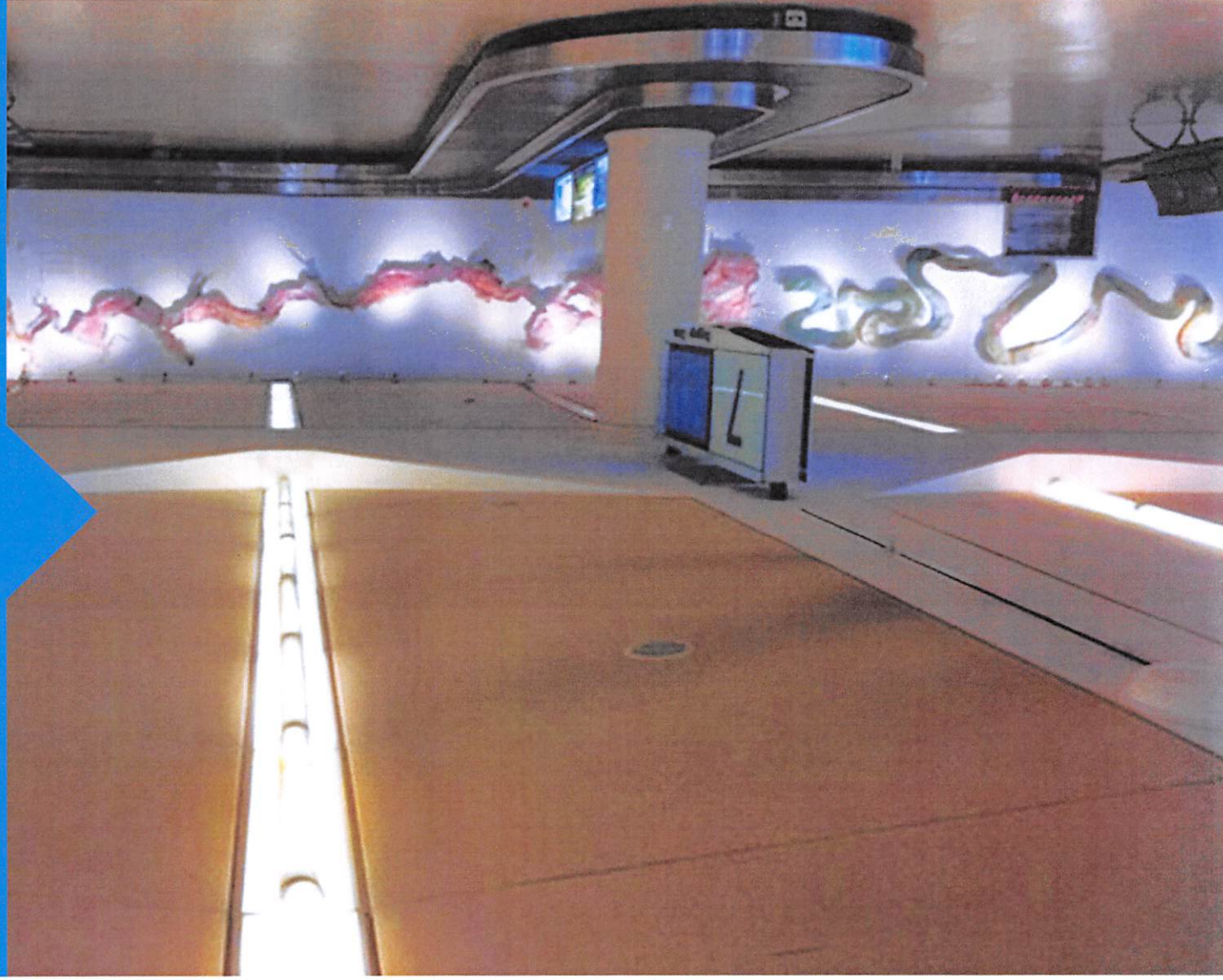


JAX
Jacksonville
International
Airport

JAX Taxiway
H&R Shoulder
& Air Cargo 4
Access Road
Rehabilitation

—

Baggage
Claim
Ceiling
and
Lighting
Rehab





Mark VanLoh, A.A.E.

Chief Executive Officer
Jacksonville Aviation Authority



Questions?
—
Thank You

// May, 2019



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