

**JACKSONVILLE
TRANSPORTATION
AUTHORITY**

**Basic
Financial Statements and
Supplemental
Information**

September 30, 2020

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Governmental Funds	
Balance Sheet	13
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances - Governmental Funds to the Statement of Activities	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenses and Changes in Fund Net Position	18
Statement of Cash Flows	19
Fiduciary Fund	
Statement of Fiduciary Net Position - Pension Trust Fund	21
Statement of Changes in Net Position - Pension Trust Fund	22
Notes to Financial Statements	23

TABLE OF CONTENTS (continued)

	Page
REQUIRED SUPPLEMENTAL INFORMATION (Unaudited)	
Budget	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Unaudited)	77
Note to Budgetary Comparison Schedule	78
Other Post-Employment Benefits Plan	
Schedule of Changes in the Total Liability and Related Ratios - Other Post-Employment Benefits Plan (Unaudited)	79
Note to Schedule of Changes in the Total Liability - Other Post-Employment Benefits (Unaudited)	80
Pensions (Unaudited)	
Schedule of Changes in Net Pension - Liabilities and Related Ratios - Drivers and Salaried Pension Plan	81
Schedule of Contributions - Drivers and Salaried Pension Plan	82
Notes to Schedule of Contributions - Drivers and Salaried Pension Plan	83
Schedule of Investment Returns - Drivers and Salaried Pension Plan	84
Schedule of Authority's Proportionate Share of the Net Pension Liability - Florida Retirement System (FRS) Pension Plan	85
Schedule of Authority's Proportionate Share of the Net Pension Liability - Health Insurance Subsidy Pension (HIS) Plan	86
Schedule of Authority's Contributions - Florida Retirement System Pension Plan	87
Schedule of Authority's Contributions - Health Insurance Subsidy Pension Plan	88
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards and State Financial Assistance	90
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	93
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	94

TABLE OF CONTENTS (continued)

	Page
COMPLIANCE SECTION (continued)	
Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General	96
Schedule of Findings and Questioned Costs	98
Management Letter Required by Chapter 10.550 of the Rules of the Auditor General of the State of Florida	100
Independent Accountant's Report on Compliance with Section 218.415	102



INDEPENDENT AUDITOR'S REPORT

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information 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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, each major fund and the aggregate remaining fund information of the Authority, as of September 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and the other post-employment benefits and pension schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other 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, is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Rules of the Auditor General*, 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. Such 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. 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 April 29, 2021 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 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 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.

April 29, 2021
Melbourne, Florida

Berman Hopkins Wright & Latham
CPAs and Associates, LLP

Jacksonville Transportation Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

September 30, 2020

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, 2020 as compared to September 30, 2019.

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 of 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 \$300.9 million, which consisted of net investment in capital assets of \$288.1 million and an unrestricted net position of \$12.8 million.
- The Authority's spending in federal and state expenditures in FY20 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:
 - Investments in various Bus Rapid Transit (BRT) corridors, including CNG Buses, with technology to support real-time bus arrival information, related construction and infrastructure including transit signal priority and branded (First Coast Flyer) stations.
 - Support of the Authority's fleet replacement plan with new bus purchases.
 - Continual landside and marine infrastructure improvements for the St. Johns River Ferry including vessel haul out.
 - The Authority's administrative offices and Northeast Florida's new regional mobility hub, the Jacksonville. Regional Transportation Center (JRTC).
- Total capital assets net of accumulated depreciation, including custodial projects, increased from \$377.0 million in 2019 to \$420.9 million in 2020, an increase of 12%. The increase in capital assets was primarily due to an increase in construction in progress for the Authority's previously mentioned major project initiatives.

Overview of the Financial Statements

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

Overview of the Financial Statements (continued)

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.

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 of 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 of 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, and the Capital Projects 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.

Fund Financial Statements (continued)

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.

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

Our analysis of the Authority's financial statements begins below. The statement of net position and the statement of activities, in summary format, follow. These two statements report the net position, the difference between assets and liabilities, as one way 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 111,045,815	\$ 99,124,133	\$ 52,513,602	\$ 31,030,141	\$ 163,559,417	\$ 130,154,274
Noncurrent assets	56,242,692	77,457,955	5,004,531	-	61,247,223	77,457,955
Capital assets	145,422,394	122,241,235	275,458,687	254,698,774	420,881,081	376,940,009
Total assets	312,710,901	298,823,323	332,976,820	285,728,915	645,687,721	584,552,238
Deferred outflows - deferred amounts for pensions	7,201,796	6,063,031	6,322,974	8,881,308	13,524,770	14,944,339
Deferred outflows of resources - hedging activities	-	-	-	48,994	-	48,994
Total deferred outflows	7,201,796	6,063,031	6,322,974	8,930,302	13,524,770	14,993,333
Current liabilities	11,299,892	12,771,480	75,120,384	52,642,685	86,420,276	65,414,165
Long-term liabilities	256,540,598	258,167,893	5,442,037	5,491,335	261,982,635	263,659,228
Total liabilities	267,840,490	270,939,373	80,562,421	58,134,020	348,402,911	329,073,393
Deferred inflows of resources - pension and other post-employment benefits	383,123	1,155,774	5,901,903	2,748,366	6,285,026	3,904,140
Deferred amounts for unavailable revenue	3,154,250	6,539,383	-	-	3,154,250	6,539,383
Deferred inflows of resources - hedging activities	-	-	464,486	-	464,486	-
Total deferred inflows	3,537,373	7,695,157	6,366,389	2,748,366	9,903,762	10,443,523
Net position:						
Net investment in capital assets	12,681,934	(80,973,433)	275,458,687	254,698,774	288,140,621	173,725,341
Unrestricted	35,852,900	107,225,257	(23,087,703)	(20,921,943)	12,765,197	86,303,314
Total net position	\$ 48,534,834	\$ 26,251,824	\$ 252,370,984	\$ 233,776,831	\$ 300,905,818	\$ 260,028,655

Statement of Net Position 2020 vs. 2019

The Authority's governmental activities show an increase of \$13.9 million or (4.65%) in total assets from 2019. Included in governmental activities are custodial projects which represent the sum total of planning, design and construction of assets that are built for others. In FY 2020, the change in total assets is attributable to an increase in project activity including the First Coast Flyer (Bus Rapid Transit) and JTA MobilityWorks programs.

Total liabilities for governmental activities decreased by \$3.1 million or 1.1%. The decrease was mainly due to a reduction in the Authority's revenue bonds payable of \$4.1 million for the current year debt payment in addition to a decrease accounts payable of \$2.1 million due mainly to a reduction in capital project activity which was offset by an increase of \$4.7 million in the Authority's pension liability.

Total assets for the Authority's business type activities increased by \$47.2 million or 16.5% compared to 2019. This is due mainly to an increase in receivables related to Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") funding received after year end, additional construction and set up of the Jacksonville Regional Transportation Center, and the International Bus Terminal as well as bus purchases during the year.

Total liabilities for business type activities increased by \$22.4 million or 38.6% compared to 2019, primarily due to an increase in intercompany balances.

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

Table A-2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue:						
Program revenue:						
Charges for services	\$ -	\$ -	\$ 20,519,486	\$ 26,062,639	\$ 20,519,486	\$ 26,062,639
Operating grants and contributions	-	-	50,304,038	13,184,973	50,304,038	13,184,973
Capital grants and contributions	15,283,537	15,814,483	15,518,951	20,744,099	30,802,488	36,558,582
General revenue:						
Sales taxes	2,032,848	2,032,848	-	-	2,032,848	2,032,848
Intergovernmental	-	-	81,405,335	84,370,391	81,405,335	84,370,391
Investment earnings	2,242,043	4,279,342	154,639	53,377	2,396,682	4,332,719
Local assistance	1,437,535	6,197,166	-	-	1,437,535	6,197,166
Proceeds on sale of surplus property	9,524,755	6,929,998	-	-	9,524,755	6,929,998
Other revenues (expenses)	157,651	123,502	(1,413,895)	-	(1,256,244)	123,502
Gain/(Loss) - on acquisition or disposal of capital assets	-	(260,871)	(746,507)	412,792	(746,507)	151,921
Loss - hedging activities	-	-	-	(3,683)	-	(3,683)
Gain/(Loss) on disposal of capital assets	-	-	-	-	-	-
Total revenue	30,678,369	35,116,468	165,742,047	144,824,588	196,420,416	179,941,056
Expenses:						
General government	4,567,202	4,708,268	-	-	4,567,202	4,708,268
Transportation and infrastructure projects	-	40,642,527	-	-	-	40,642,527
Interest on long-term debt	3,828,157	4,538,493	-	-	3,828,157	4,538,493
Bus	-	-	114,987,745	109,374,937	114,987,745	109,374,937
Automated skyway express	-	-	10,879,168	10,797,890	10,879,168	10,797,890
Community transportation	-	-	17,712,213	20,582,930	17,712,213	20,582,930
Ferry	-	-	3,568,768	3,984,689	3,568,768	3,984,689
Total expenses	8,395,359	49,889,288	147,147,894	144,740,446	155,543,253	194,629,734
Change in net position before transfers	22,283,010	(14,772,820)	18,594,153	84,142	40,877,163	(14,688,678)
Change in net position	22,283,010	(14,772,820)	18,594,153	84,142	40,877,163	(14,688,678)
Net position, beginning	26,251,824	41,024,644	233,776,831	233,692,689	260,028,655	274,717,333
Net position, ending	\$ 48,534,834	\$ 26,251,824	\$ 252,370,984	\$ 233,776,831	\$ 300,905,818	\$ 260,028,655

Statement of Activities 2020 vs. 2019

For the Governmental activities, revenues decreased by \$4.44 million or 12.6% from the prior year. The decrease is primarily attributable to reduced local assistance of \$4.76 million for the JTA MobilityWorks program.

Expenses for Governmental activities decreased by \$41.49 million or 83.2% compared to the previous year from \$49.9 million in 2019 to \$8.5 million in 2020. The decreased expenditures for transportation and infrastructure project was the primary contributor to the decrease in 2020 as compared to 2019. This decrease was due to the treatment of additional construction in progress related to the custodial assets.

Deferred items for the Governmental activities increased for deferred outflows by \$1.14 million due to the Authority's pension and Other post-employment benefits and decreased in deferred inflows by \$4.16 million primarily from a reduction in unavailable revenues from the City of Jacksonville Fare Share program.

Statement of Activities 2020 vs. 2019 (continued)

Total revenues for Business-type activities increased by \$20.91 million or 14.44%. The increased revenue is primarily due to an increase in CARES act funding of \$26.5 million and intergovernmental revenue offset by a decrease of \$5.5 million in program revenues due to ridership decline from COVID-19.

Expenses for Business-type activities increased by \$2.41 million or 1.66%. The increased expenses is attributable to increased operating expenses for the Authority’s Bus operations.

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 revenues were higher by \$712K or 125% as compared to the original budget. Total sales tax revenue for the general fund was budgeted at \$2.03 million and there was no variance between intergovernmental revenue as compared to the final budget.

General Government Expenditures for the general fund were budgeted (final) at \$3.42 million; the actual amount of expenditures was \$3.38 million. The General Fund expenditures were favorable by \$48K or 1% compared to the final budget, primarily due to decreased expenditures in general government.

Capital Assets and Debt Administration

Capital Assets

At the end of Fiscal Year 2020, the Authority showed \$420.9 million in total for the governmental and business-type activities Land, Buildings, Vehicles, Equipment and construction in progress as shown in Table A-3. Government activities increase be \$23.18 million primarily due to increases in custodial asset construction in process. Business type activities increased by \$20.76 million due to increases of \$30.55 million in construction in process for the Regional Transportation Center.

**Table A-3
Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 12,676,821	\$ 13,251,566	\$ 25,321,871	\$ 25,314,619	\$ 37,998,692	\$ 38,566,185
Land improvements	-	-	13,981,472	15,338,869	13,981,472	15,338,869
Building and improvements	5,090	9,121	51,326,384	54,465,541	51,331,474	54,474,662
Vehicles	-	-	54,827,071	59,238,597	54,827,071	59,238,597
Furniture and office equipment	23	292	192,224	309,432	192,247	309,724
Other equipment	-	-	5,247,062	6,017,261	5,247,062	6,017,261
Construction in progress	-	-	124,562,603	94,014,455	124,562,603	94,014,455
Construction in progress - custodial projects	132,740,460	108,980,256	-	-	132,740,460	108,980,256
Total	\$ 145,422,394	\$ 122,241,235	\$ 275,458,687	\$ 254,698,774	\$ 420,881,081	\$ 376,940,009

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, 2019 was \$84,600,000. 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 \$124,896,750. During 2020, \$17,355,248 of local option gas tax revenue was recognized and \$8,184,155 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 first payment on the note is on June 1, 2020 and the note is due June 1, 2026. The outstanding balance of the note as of September 30, 2020 is \$2,277,894 which includes the current portion of \$359,479.

Next Year's Budget

The Jacksonville Transportation Authority's FY21 operating and capital budgets are balanced and support the goals and objectives of the JTA's strategic plan, the Blueprint for Transportation Excellence. This was evident as we focused on the safety and security of our passengers and employees through the COVID-19 pandemic.

The FY21 operating budget was reduced by 2.0% overall versus the FY20 budget. To ensure the operating efficiency and focus on safety, the JTA restricted employee travel and reduced bus operating schedules and routes, offset by increased cleaning/sanitizing on buses, stations and bus stops. With the economic aid from the Coronavirus Aid, Relief, and Economic Security Act or, CARES Act we were able to balance our expenses due to the decrease in anticipated sales tax and passenger fare revenues.

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, 2020

	Governmental Activities	Business -Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,293,554	\$ 12,041,395	\$ 20,334,949
Investments	39,032,082	-	39,032,082
Internal balances	62,227,574	(62,227,574)	-
Due from other governments	1,475,566	35,095,526	36,571,092
Accounts receivable, net	13,033	1,753,033	1,766,066
Inventory	-	2,929,529	2,929,529
Prepays	4,006	694,119	698,125
Noncurrent assets:			
Restricted cash and cash equivalents	20,857,062	-	20,857,062
Restricted investments	35,385,630	-	35,385,630
Net pension asset	-	5,004,531	5,004,531
Capital assets (net of accumulated depreciation)	145,422,394	275,458,687	420,881,081
Total assets	312,710,901	270,749,246	583,460,147
DEFERRED OUTFLOW OF RESOURCES			
Pensions	7,173,586	6,322,974	13,496,560
Other post-employment benefits	28,210	-	28,210
Total deferred inflows	7,201,796	6,322,974	13,524,770
LIABILITIES			
Current liabilities:			
Accounts payable	2,804,739	7,873,713	10,678,452
Accrued expenses	2,732,410	2,496,515	5,228,925
Claims payable	-	2,377,105	2,377,105
Accrued compensated absences - current	348,740	145,477	494,217
Accrued interest	721,553	-	721,553
Revenue bonds payable	4,332,971	-	4,332,971
Note payable	359,478	-	359,478
Noncurrent liabilities:			
Claims payable	-	3,773,368	3,773,368
Accrued compensated absences - noncurrent	259,204	1,651,880	1,911,084
Net pension liability	22,493,109	16,789	22,509,898
Revenue bonds payable	98,937,050	-	98,937,050
Note payable	1,918,416	-	1,918,416
Other post-employment benefits	192,360	-	192,360
Custodial projects - due to other governments	132,740,460	-	132,740,460
Total liabilities	267,840,490	18,334,847	286,175,337
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue	3,154,250	-	3,154,250
Pensions	378,251	5,901,903	6,280,154
Other post-employment benefits	4,872	-	4,872
Hedging activities	-	464,486	464,486
Total deferred inflows	3,537,373	6,366,389	9,903,762
NET POSITION			
Net investment in capital assets	12,681,934	275,458,687	288,140,621
Unrestricted	35,852,900	(23,087,703)	12,765,197
Total net position	\$ 48,534,834	\$ 252,370,984	\$ 300,905,818

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

Jacksonville Transportation Authority

STATEMENT OF ACTIVITIES

For the year ended September 30, 2020

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	\$ 4,567,202	\$ -	\$ -	\$ -	\$ (4,567,202)	\$ -	\$ (4,567,202)
Transportation and infrastructure projects	-	-	-	15,283,537	15,283,537	-	15,283,537
Interest on long-term debt	3,828,157	-	-	-	(3,828,157)	-	(3,828,157)
Total governmental activities	8,395,359	-	-	15,283,537	6,888,178	-	6,888,178
Business-type activities:							
Bus system	114,987,745	9,692,741	49,560,708	12,731,210	-	(43,003,086)	(43,003,086)
Automated Skyway Express	10,879,168	-	308,985	2,497,015	-	(8,073,168)	(8,073,168)
Community Transportation Coordinator	17,712,213	9,383,842	431,121	273,726	-	(7,623,524)	(7,623,524)
Ferry	3,568,768	1,442,903	3,224	17,000	-	(2,105,641)	(2,105,641)
Total business-type activities	147,147,894	20,519,486	50,304,038	15,518,951	-	(60,805,419)	(60,805,419)
Total Transportation Authority	\$ 155,543,253	\$ 20,519,486	\$ 50,304,038	\$ 30,802,488	6,888,178	(60,805,419)	(53,917,241)
General revenues:							
Sales taxes					2,032,848	-	2,032,848
Intergovernmental revenues					-	81,405,335	81,405,335
Investment earnings					2,242,043	154,639	2,396,682
Local assistance					1,437,535	-	1,437,535
Proceeds on sale of surplus property					-	-	-
Other					157,651	-	157,651
Gain/(Loss) - hedging activities					-	(1,413,895)	(1,413,895)
Gain/(Loss) on sale or disposal of capital assets					9,524,755	(746,507)	8,778,248
Total general revenues					15,394,832	79,399,572	94,794,404
Change in net position					22,283,010	18,594,153	40,877,163
Net position - beginning of year					26,251,824	233,776,831	260,028,655
Net position - end of year					\$ 48,534,834	\$ 252,370,984	\$ 300,905,818

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

Jacksonville Transportation Authority
GOVERNMENTAL FUNDS - BALANCE SHEET

September 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,860,713	\$ -	\$ 432,841	\$ -	\$ 8,293,554
Investments	39,032,082	-	-	-	39,032,082
Due from other funds	73,841,240	-	-	-	73,841,240
Due from other governments	167,573	219,260	438,212	650,521	1,475,566
Accounts receivable	13,033	-	-	-	13,033
Prepaid expenses	4,006	-	-	-	4,006
Restricted assets:					
Cash and cash equivalents	475,880	1,872,954	12,704,531	5,803,697	20,857,062
Investments	-	1,810,925	23,376,950	10,197,755	35,385,630
Total assets	<u>\$ 121,394,527</u>	<u>\$ 3,903,139</u>	<u>\$ 36,952,534</u>	<u>\$ 16,651,973</u>	<u>\$ 178,902,173</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 70,602	\$ 356,822	\$ 765,284	\$ 1,612,031	\$ 2,804,739
Accrued expenses	2,437,003	-	295,407	-	2,732,410
Due to other funds	-	3,546,273	6,233,146	1,834,247	11,613,666
Total liabilities	<u>2,507,605</u>	<u>3,903,095</u>	<u>7,293,837</u>	<u>3,446,278</u>	<u>17,150,815</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	3,154,250	3,154,250
Fund balances:					
Spendable:					
Restricted	-	44	29,658,697	10,051,445	39,710,186
Assigned	43,639,000	-	-	-	43,639,000
Unassigned	75,247,922	-	-	-	75,247,922
Total fund balances resources and fund balances	<u>118,886,922</u>	<u>44</u>	<u>29,658,697</u>	<u>10,051,445</u>	<u>158,597,108</u>
	<u>\$ 121,394,527</u>	<u>\$ 3,903,139</u>	<u>\$ 36,952,534</u>	<u>\$ 16,651,973</u>	<u>\$ 178,902,173</u>

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

Jacksonville Transportation Authority

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

September 30, 2020

Fund balances - total governmental funds	\$ 158,597,108
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	12,681,934
Capital assets custodial in nature	132,740,460
Net liabilities for other post-employment benefits resulting from underfunding are not due and payable in the current period and, therefore, are not reported in the funds.	(192,360)
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.	(22,493,109)
Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the governmental funds:	
Deferred outflows - pensions and OPEB	7,201,796
Deferred inflows - pensions and OPEB	(383,123)
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.	(132,740,460)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Revenue bonds payable	(84,600,000)
Bond premium	(18,670,021)
Note payable	(2,277,894)
Accrued interest	(721,553)
Accrued compensated absences	(607,944)
Net position of governmental activities	<u><u>\$ 48,534,834</u></u>

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

Jacksonville Transportation Authority

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended September 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUE:					
Intergovernmental:					
Sales taxes	\$ 2,032,848	\$ -	\$ -	\$ -	\$ 2,032,848
Federal and state grants	-	816,781	3,276,373	-	4,093,154
City of Jacksonville	-	-	-	11,190,383	11,190,383
Local assistance	-	30,000	1,407,535	-	1,437,535
Miscellaneous	157,651	-	-	-	157,651
Investment earnings	1,525,202	59,533	541,809	115,499	2,242,043
Total revenues	<u>3,715,701</u>	<u>906,314</u>	<u>5,225,717</u>	<u>11,305,882</u>	<u>21,153,614</u>
EXPENDITURES					
Current:					
General government	3,271,796	-	-	-	3,271,796
Transportation and infrastructure	-	821,117	20,769,102	2,162,885	23,753,104
Debt service:					
Principal payment	-	-	-	3,727,106	3,727,106
Interest and other	-	-	-	4,457,049	4,457,049
Total expenditures	<u>3,271,796</u>	<u>821,117</u>	<u>20,769,102</u>	<u>10,347,040</u>	<u>35,209,055</u>
Excess (deficiency) of revenue over (under) expenditures	443,905	85,197	(15,543,385)	958,842	(14,055,441)
Other financing sources (uses):					
Proceeds on sale of surplus property	10,099,500	-	-	-	10,099,500
Transfers in	7,265,200	-	-	350,446	7,615,646
Transfers out	(350,446)	(7,265,200)	-	-	(7,615,646)
Total other financing sources (uses)	<u>17,014,254</u>	<u>(7,265,200)</u>	<u>-</u>	<u>350,446</u>	<u>10,099,500</u>
Net change in fund balances	17,458,159	(7,180,003)	(15,543,385)	1,309,288	(3,955,941)
Fund balances, beginning of year	101,428,763	7,180,047	45,202,082	8,742,157	162,553,049
Fund balances, end of year	<u>\$ 118,886,922</u>	<u>\$ 44</u>	<u>\$ 29,658,697</u>	<u>\$ 10,051,445</u>	<u>\$ 158,597,108</u>

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

Jacksonville Transportation Authority

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the year ended September 30, 2020

Net change in fund balances, total governmental funds \$ (3,955,941)

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 capital outlay	23,760,204
Current year depreciation expense	(4,299)
Proceeds on sale of land	(10,099,500)
Gain on sale of land	9,524,755

Changes in the net pension liability and other post employment 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	(2,772,150)
OPEB - expense	(25,797)
Pension and OPEB required contractual contributions made	1,603,461

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	3,727,106
Accrued interest	25,898
Amortization of premium on revenue bonds	657,267
Compensated absences	(157,994)

Change in net position of governmental activities	<u>\$ 22,283,010</u>
---	----------------------

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

Jacksonville Transportation Authority

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

September 30, 2020

	Bus	ASE	CTC	Ferry	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,490,362	\$ 3,788,626	\$ 2,297,111	\$ 465,296	\$ 12,041,395
Accounts receivable, net	1,003,234	168,175	159,623	422,001	1,753,033
Due from other governments	33,089,265	62,836	1,637,573	305,852	35,095,526
Inventories	1,396,225	1,533,304	-	-	2,929,529
Prepaid expenses	578,653	114,457	467	542	694,119
Total current assets	41,557,739	5,667,398	4,094,774	1,193,691	52,513,602
Noncurrent assets:					
Net pension asset	5,004,531	-	-	-	5,004,531
Capital assets, net of accumulated depreciation	190,139,687	67,820,482	1,559,695	15,938,824	275,458,688
Total noncurrent assets	195,144,218	67,820,482	1,559,695	15,938,824	280,463,219
Total assets	236,701,957	73,487,880	5,654,469	17,132,515	332,976,821
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts for pension	6,322,974	-	-	-	6,322,974
LIABILITIES					
Current liabilities:					
Accounts payable	6,165,547	305,278	1,393,001	9,888	7,873,714
Accrued expenses	1,925,764	108,939	93,735	368,077	2,496,515
Due to other funds	44,451,209	9,840,975	5,145,547	2,789,843	62,227,574
Claims payable	2,377,105	-	-	-	2,377,105
Accrued compensated absences	124,524	12,215	8,738	-	145,477
Total current liabilities	55,044,149	10,267,407	6,641,021	3,167,808	75,120,385
Noncurrent liabilities:					
Net pension obligation	16,789	-	-	-	16,789
Claims payable	3,411,432	361,936	-	-	3,773,368
Accrued compensated absences	1,409,298	139,763	102,819	-	1,651,880
Total noncurrent liabilities	4,837,519	501,699	102,819	-	5,442,037
Total liabilities	59,881,668	10,769,106	6,743,840	3,167,808	80,562,422
DEFERRED INFLOW OF RESOURCES					
Deferred amounts for pension	5,901,903	-	-	-	5,901,903
Deferred amounts for hedging activities	464,486	-	-	-	464,486
Total deferred outflow	6,366,389	-	-	-	6,366,389
NET POSITION					
Net investment in capital assets	190,139,687	67,820,482	1,559,695	15,938,824	275,458,688
Unrestricted (deficit)	(13,362,813)	(5,101,708)	(2,649,066)	(1,974,117)	(23,087,704)
TOTAL NET POSITION	\$ 176,776,874	\$ 62,718,774	\$ (1,089,371)	\$ 13,964,707	\$ 252,370,984

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

Jacksonville Transportation Authority

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

For the year ended September 30, 2020

	Bus	ASE	CTC	Ferry	Totals
Operating revenues:					
Passenger	\$ 8,656,813	\$ -	\$ 900,701	\$ 1,442,888	\$ 11,000,402
Agency	-	-	8,483,141	-	8,483,141
Charter	3,920	-	-	-	3,920
Auxiliary transportation	562,000	-	-	-	562,000
Non-transportation	470,008	-	-	15	470,023
Total operating revenues	9,692,741	-	9,383,842	1,442,903	20,519,486
Operating expenses:					
Labor	40,728,404	2,820,454	2,931,351	243,667	46,723,876
Fringe benefits	17,090,101	1,304,936	1,227,957	74,352	19,697,346
Materials and supplies	8,390,770	1,055,384	1,572,312	288,938	11,307,404
Services	28,301,039	1,508,724	10,420,322	1,967,371	42,197,456
Casualty and insurance	1,899,862	482,794	7,028	972	2,390,656
Taxes and licenses	62,242	203	6,445	7,468	76,358
Other	4,943,640	637,135	751,823	112,371	6,444,969
Depreciation expense	13,571,687	3,069,538	794,975	873,629	18,309,829
Total operating expenses	114,987,745	10,879,168	17,712,213	3,568,768	147,147,894
Operating loss	(105,295,004)	(10,879,168)	(8,328,371)	(2,125,865)	(126,628,408)
Nonoperating revenues (expenses):					
Public funding					
United States government	45,092,500	308,985	431,121	3,224	45,835,830
State of Florida	4,468,208	-	-	-	4,468,208
City of Jacksonville	80,055,890	-	1,349,445	-	81,405,335
Investment earnings	162,362	-	(7,723)	-	154,639
Loss on disposal of capital assets	(277,429)	-	(469,078)	-	(746,507)
Loss - hedging activities	(1,413,895)	-	-	-	(1,413,895)
Total nonoperating revenues	128,087,636	308,985	1,303,765	3,224	129,703,610
Gain (loss) before capital contributions and transfers	22,792,632	(10,570,183)	(7,024,606)	(2,122,641)	3,075,202
Capital contributions	12,731,210	2,497,015	273,726	17,000	15,518,951
Transfers in	-	7,245,385	4,051,648	1,386,402	12,683,435
Transfers out	(12,683,435)	-	-	-	(12,683,435)
Change in net position	22,840,407	(827,783)	(2,699,232)	(719,239)	18,594,153
Net position, beginning of year	153,936,467	63,546,557	1,609,861	14,683,946	233,776,831
Net position, end of year	\$ 176,776,874	\$ 62,718,774	\$ (1,089,371)	\$ 13,964,707	\$ 252,370,984

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

Jacksonville Transportation Authority

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

For the year ended September 30, 2020

	Bus	ASE	CTC	Ferry	Totals
Cash flows from operating activities:					
Receipts from customers	\$ 9,594,397	\$ (63,887)	\$ 9,344,499	\$ 1,413,744	\$ 20,288,753
Payments to suppliers	(35,579,796)	(2,862,625)	(13,068,891)	(2,255,869)	(53,767,181)
Payments to employees	(60,372,091)	(4,185,224)	(4,136,589)	(279,056)	(68,972,960)
Other receipts (payments)	(2,712,264)	4,405,619	3,340,182	59,474	5,093,011
Net cash used in operating activities	<u>(89,069,754)</u>	<u>(2,706,117)</u>	<u>(4,520,799)</u>	<u>(1,061,707)</u>	<u>(97,358,377)</u>
Cash flows from noncapital financing activities:					
Intergovernmental revenue	80,055,892	-	1,349,445	-	81,405,337
Operating grants received	49,560,708	308,985	431,121	3,224	50,304,038
Transfers from other funds	-	7,245,385	4,051,648	1,386,402	12,683,435
Transfers (to) other funds	(12,683,435)	-	-	-	(12,683,435)
Net cash provided by noncapital financing activities	<u>116,933,165</u>	<u>7,554,370</u>	<u>5,832,214</u>	<u>1,389,626</u>	<u>131,709,375</u>
Cash flows from capital and related financing activities:					
Capital contributions	12,731,210	2,497,014	273,726	17,000	15,518,950
Acquisition/disposal and construction of capital assets	(35,388,294)	(4,179,565)	(245,164)	(3,224)	(39,816,247)
Purchase agreements for hedging activities	(900,415)	-	-	-	(900,415)
Net cash provided by (used in) capital and related	<u>(23,557,499)</u>	<u>(1,682,551)</u>	<u>28,562</u>	<u>13,776</u>	<u>(25,197,712)</u>
Cash flows from investing activities:					
Interest on investments	162,362	-	(7,723)	-	154,639
Net change in cash and cash equivalents	4,468,274	3,165,702	1,332,254	341,695	9,307,925
Cash and cash equivalents, beginning of year	1,022,088	622,924	964,857	123,601	2,733,470
Cash and cash equivalents, end of year	<u>\$ 5,490,362</u>	<u>\$ 3,788,626</u>	<u>\$ 2,297,111</u>	<u>\$ 465,296</u>	<u>\$ 12,041,395</u>

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

Jacksonville Transportation Authority
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (continued)
For the year ended September 30, 2020

	Bus	ASE	CTC	Ferry	Totals
Reconciliation of operating loss to net cash used in operating activities:					
Operating loss	\$ (105,295,004)	\$ (10,879,168)	\$ (8,328,371)	\$ (2,125,865)	\$ (126,628,408)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	13,571,685	3,069,538	794,975	873,629	18,309,827
(Increase) decrease in assets and deferred outflows:					
Accounts receivable	(83,844,326)	(5,360,195)	(4,950,120)	(662,665)	(94,817,306)
Inventory	(19,306)	(342,403)	-	-	(361,709)
Prepaid expenses	(64,507)	9,694	(416)	938	(54,291)
Net pension asset	(5,004,531)	-	-	-	(5,004,531)
Deferred outflows for pension	2,607,346	-	-	-	2,607,346
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable	86,034,974	10,808,631	7,924,177	813,293	105,581,075
Accrued expenses	(286,237)	(67,224)	22,747	38,963	(291,751)
Accrued compensated absences	271,762	13,844	16,209	-	301,815
Net pension obligation	(688,114)	-	-	-	(688,114)
Claims payable	541,961	41,166	-	-	583,127
Deferred inflows for pension	3,104,543	-	-	-	3,104,543
Net cash used in operating activities	<u>\$ (89,069,754)</u>	<u>\$ (2,706,117)</u>	<u>\$ (4,520,799)</u>	<u>\$ (1,061,707)</u>	<u>\$ (97,358,377)</u>

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

Jacksonville Transportation Authority

STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUND

September 30, 2020

	<u>JTM Salaried Employees</u>
Assets	
Cash and cash equivalents	\$ 866,755
Mutual fund investments	<u>776,695</u>
Total assets	<u>\$ 1,643,450</u>
Net position	
Restricted for pensions	<u>\$ 1,643,450</u>

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

Jacksonville Transportation Authority

STATEMENT OF CHANGES IN NET POSITION - PENSION TRUST FUND

For the year ended September 30, 2020

	<u>JTM Salaried Employees</u>
Additions:	
Employer contribution	\$ 178,029
Employee contribution	18,045
Total contributions	<u>196,074</u>
Investment income	135,844
Total contributions and net investment income	<u>331,918</u>
Deductions:	
Benefit payments	14,236
Administrative expenses	21,818
Total deductions	<u>36,054</u>
Net change in plan net position	295,864
Net position restricted for pensions, beginning of year	<u>1,347,586</u>
Net position restricted for pensions, end of year	<u><u>\$ 1,643,450</u></u>

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

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE A - REPORTING ENTITY

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

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

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

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

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE A - REPORTING ENTITY (continued)

As required by generally accepted accounting principles, 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 B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 in Note B-1, 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 \$6,660,090 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 accounting principles generally accepted in the United States of America. 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

In addition to the major governments funds presented above, the Authority has other governmental funds consisting of the remaining non-major funds which is primarily comprised of the Authority's bond activity and restricted funds for specific roadway projects.

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 Fund is used to account for the Authority's local train service. Operating revenue is generally provided through passenger fares. During fiscal 2012, the Authority temporarily suspended the passenger fares to study the effect on ridership and the cost to operate the system. This suspension was in effect for all of fiscal 2020. 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 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 revenue 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of accounting

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

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

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

Major revenues that are determined to be susceptible to accrual include taxes, intergovernmental revenue when eligibility requirements are met, charges for services and investment income. 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 post-employment benefits (OPEB) are recognized when the Authority has made a decision to fund those obligations with current available resources.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 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.

3. Investments

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs-other than quoted prices-included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. The implementation of this standard does not have a material effect on the Authority's reporting as the fair value measurement is already maintained by the Authority.

The Authority's pricing for investments is within various levels in the fair value hierarchy.

4. Accounts receivable and due from other governments

Customer accounts receivable consist of amounts owed from private individuals, organizations or agencies of the government for services. The allowance method is used to account for bad debt expense. All accounts receivable balances are shown net of the allowance for uncollectibles. The allowance is based on management's estimates using historical experience and current economic conditions. The allowance for doubtful accounts was approximately \$534,950 for the Bus fund at September 30, 2020, and all other receivables are considered fully collectible in the other funds. In addition, the Authority has recorded a due from other governments of \$20,844,330, which is considered fully collectible.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. 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 statement 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.

6. 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 revenues associated with the funding of these projects are reported as custodial projects and represent amounts due to other governments (liabilities) on the government-wide statement of net position, reflecting the Authority's obligation to the State or City.

7. Capital assets

Capital assets are stated at historical cost and are defined as assets with an initial individual cost of more than \$3,000 and an estimated useful life exceeding one year.

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

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

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Capital assets (continued)

As of September 30, 2020, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties mentioned in Note E.

8. 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.

9. Unearned/unavailable revenues

Payments are recorded as unearned revenue in the government-wide and fund financial statements which have been received but which have not met revenue recognition requirements (not earned). In addition, amounts related to governmental fund receivables that are measurable, but not received within the Authority's period of availability, are recorded as a deferred inflow of resources entitled unavailable revenue in the governmental fund financial statements.

10. 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.

11. 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

12. Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position 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 position 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 post-employment benefits. These activities include differences between expected and actual experience, and changes in actuarial assumptions, or other inputs. In addition, the Authority records a deferred inflow in its governmental funds for resources that are not available.

13. Hedging activities

The Authority engages in agreements for the pre-purchase of 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 \$464,486 as of September 30, 2020, see Note J.

14. 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 plan. 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 Note K.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. 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, grantors 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 non-spendable or spendable. The spendable balance is further 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:

Nonspendable fund balance: 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.

Restricted fund balance: This category represents the fund balance of the Authority, which is restricted by creditors, grantors 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

15. Net position and fund balances (continued)

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.

16. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE C - DEPOSITS AND INVESTMENTS

1. Deposits

As of September 30, 2020 the Authority's cash balance was \$41,192,011 of which \$20,857,062 is presented as noncurrent. In addition, the pension trust fund reported \$866,755 for cash and cash equivalents for the bank and account balances.

In accordance with GASB Codification Sections C20, Cash Deposits with Financial Institutions, and I50, Investments, the Authority's exposure to risk is disclosed as follows:

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

Restricted Cash

As of September 30, 2020, restricted cash consists of:

Bond reserves	\$ 10,135,252
Fair share transfer projects	5,803,697
Capital project reserves	3,045,159
Cash restricted for Acosta bridge repair	1,872,954
	<hr/>
	\$ 20,857,062
	<hr/>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE C - DEPOSITS AND INVESTMENTS (continued)

2. Investments

The Authority's Board approved its written investment policy on August 28, 2014. The policy complies with Florida Statute 218.415. 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.

As of September 30, 2020, the Authority has restricted and unrestricted investments of \$74,417,712, money markets and bank accounts of \$41,192,011, and \$776,695 related to investments for the pension trust. 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	\$ 30,617,203	\$ -
Supranational commercial paper	4,390,225	-
Corporate note	13,902,434	315,780
Asset-backed securities	10,264,991	-
Local government investment pool	1,676,125	-
Cash and equivalents	-	866,755
Money market funds	<u>16,807,534</u>	<u>460,915</u>
Total investments	<u>\$ 77,658,512</u>	<u>\$ 1,643,450</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE C - DEPOSITS AND INVESTMENTS (continued)

3. 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 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.

GASB Codification Section 150 *Investments*, establishes a hierarchy of inputs to valuation techniques used to measure fair value:

- Level 1 - quoted market prices in active markets
- Level 2 - inputs other than quoted market prices that are observable either directly or indirectly
- Level 3 - unobservable inputs

The following table presents the investments as of September 30, 2020. 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.

Investment type	Remaining maturity (in years)				Fair value
	Less than 1 year	1-5 years	6-10 years	More than 10 years	
U.S. Treasury bills/notes	\$ 16,189,783	\$ 14,427,420	\$ -	\$ -	\$ 30,617,203
Supranational commercial paper	4,390,225	-	-	-	4,390,225
Corporate note	-	13,902,434	-	-	13,902,434
Asset-backed securities	-	10,264,991	-	-	10,264,991
Local government investment pool	1,676,125	-	-	-	1,676,125
	<u>\$ 22,256,133</u>	<u>\$ 38,594,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,850,978</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE C - DEPOSITS AND INVESTMENTS (continued)

4. 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&P's Credit Rating</u>	<u>Fair Value</u>
U.S. treasury notes	AA+	\$ 30,617,203
Commercial paper	A-1+	18,292,659
Asset backed securities	AA+	10,264,991
Local government investment pool	AA+	1,676,125
Money market funds	AA+	16,807,534
		<u>\$ 77,658,512</u>

5. 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, 2020, 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%), interest bearing time deposits or savings accounts (25%), repurchase agreements (25%), commercial paper (25%) 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 (25%), and intergovernmental investment pools (25%) that are authorized pursuant to the Florida Interlocal Cooperative Act.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE C - DEPOSITS AND INVESTMENTS (continued)

5. Custodial credit risk (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 types</u>	<u>Fair value</u>	<u>% of Portfolio</u>
Money market funds	\$ 16,807,534	22%
U.S. Treasury	30,617,203	39%
Corporate note	13,902,434	18%
Commercial paper	4,390,225	6%
	<u>\$ 65,717,396</u>	<u>85%</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE D - CAPITAL ASSETS

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2020:

	Beginning balance	Increases	Decreases	Ending balance
Governmental activities				
Capital assets, not being				
Land	\$ 13,251,566	\$ -	\$ 574,745	\$ 12,676,821
Construction in progress - custodial	108,980,256	23,760,204	-	132,740,460
Total capital assets, not being depreciated	122,231,822	23,760,204	574,745	145,417,281
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	413,745	-	-	413,745
Less accumulated depreciation for:				
Buildings and improvements	282,126	4,031	-	286,157
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,247	268	-	28,515
Total accumulated depreciation	404,333	4,299	-	408,632
Total capital assets, being depreciated, net	9,412	(4,299)	-	5,113
Governmental activities capital assets, net	<u>\$122,241,234</u>	<u>\$23,755,905</u>	<u>\$ 574,745</u>	<u>\$ 145,422,394</u>

Depreciation expense was \$4,299 for the year ended September 30, 2020 related to the buildings and improvements and furniture and office equipment for the governmental funds.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE D - CAPITAL ASSETS (continued)

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2020:

	Beginning balance	Increases	Decreases	Ending balance
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 25,314,619	\$ 7,252	\$ -	\$ 25,321,871
Construction in progress	94,014,455	30,548,148	-	124,562,603
Total capital assets, not being depreciated	<u>119,329,074</u>	<u>30,555,400</u>	<u>-</u>	<u>149,884,474</u>
Capital assets, being depreciated:				
Land improvements	35,278,556	-	-	35,278,556
Buildings and improvements	138,502,743	402,070	-	138,904,813
Vehicles	139,895,496	4,657,229	347,114	144,205,611
Furniture and office equipment	2,732,589	1,302	-	2,733,891
Other equipment	90,835,341	2,852,175	-	93,687,516
Total capital assets, being depreciated	<u>407,244,725</u>	<u>7,912,776</u>	<u>347,114</u>	<u>414,810,387</u>
Less accumulated depreciation for:				
Land improvements	19,939,687	1,357,397	-	21,297,084
Buildings and improvements	84,037,202	3,541,227	-	87,578,429
Vehicles	80,656,899	9,645,818	924,177	89,378,540
Furniture and office equipment	2,423,157	120,208	1,698	2,541,667
Other equipment	84,818,080	3,645,177	22,803	88,440,454
Total accumulated depreciation	<u>271,875,025</u>	<u>18,309,827</u>	<u>948,678</u>	<u>289,236,174</u>
Total capital assets, being depreciated, net	<u>135,369,700</u>	<u>(10,397,051)</u>	<u>601,564</u>	<u>125,574,213</u>
Business-type activities capital assets, net	<u>\$ 254,698,774</u>	<u>\$ 20,158,349</u>	<u>\$ 601,564</u>	<u>\$ 275,458,687</u>

Depreciation expense for the year ended September 30, 2020 related to enterprise funds amounted to:

Bus services	\$ 13,571,685
Automated skyway express	3,069,538
CTC	794,975
Ferry	<u>873,629</u>
Total depreciation expense	<u>\$ 18,309,827</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE E - 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, 2020 are as follows:

	Beginning balance	Current year project costs/ increases	Completed projects/ decreases	Ending balance
Grant capital plan	\$ 40,411,132	\$ 3,051,701	\$ -	\$ 43,462,833
JTA mobility works	68,569,125	20,708,502	-	89,277,627
	<u>\$ 108,980,257</u>	<u>\$ 23,760,203</u>	<u>\$ -</u>	<u>\$ 132,740,460</u>

NOTE F - 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, 2020:

	Receivable Fund:							Total
	General fund	Special Revenue fund	Capital Projects fund	Bus fund	ASE fund	CTC fund	Ferry fund	
Payable Fund:								
Special revenue fund	\$ 3,999,639	\$ -	\$ 76,718	\$ -	\$ -	\$ -	\$ -	\$ 4,076,357
Capital projects fund	664,541	-	-	7,773,847	27,551	-	29,018	8,494,957
Other government fund	239,988	23,459	1,565,130	5,670	-	-	-	1,834,247
Enterprise fund - Bus	42,751,845	506,625	-	-	683,516	8,939,759	-	52,881,745
Enterprise fund - ASE	9,963,614	-	-	-	-	589,698	-	10,553,312
Enterprise fund - CTC	14,066,297	-	619,963	-	-	-	-	14,686,260
Enterprise fund - Ferry	2,155,316	-	-	651,019	1,270	11,256	-	2,818,861
	<u>\$ 73,841,240</u>	<u>\$ 530,084</u>	<u>\$ 2,261,811</u>	<u>\$ 8,430,536</u>	<u>\$ 712,337</u>	<u>\$ 9,540,713</u>	<u>\$ 29,018</u>	<u>\$ 95,345,739</u>
As presented on the statement of net position:								
Due to (Due From) other funds	\$ 73,736,488	\$ (3,546,273)	\$ (6,233,146)	\$ (44,373,399)	\$ (9,834,078)	\$ (5,145,547)	\$ (2,789,843)	

The outstanding balances between funds result mainly from the time lag between the dates expenses are incurred and payments between funds are made, which are expected to be collected in subsequent years.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE F - INTERFUND BALANCES AND TRANSFERS (continued)

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.

	Transfers to					Total
	General Fund	CTC Fund	Ferry Fund	ASE Fund	Other Government Funds	
Transfer from						
General fund	\$ -	\$ -	\$ -	\$ -	\$ 350,446	\$ 350,446
Special revenue fund	7,265,200	-	-	-	-	7,265,200
Bus fund	-	4,051,648	1,386,402	7,245,385	-	12,683,435
	\$ 7,265,200	\$ 4,051,648	\$ 1,386,402	\$ 7,245,385	\$ 350,446	\$ 20,299,081

Interfund transfers were made from the Bus fund to support the operating activities of Skyway, Connexion and Ferry funds. Transfers were also made from the Service Revenue fund to support capital and operating activities of the Bus Fund and from the General fund to Other Governmental funds to provide for debt service activities.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE G - LONG TERM LIABILITIES

Long term debt and other liability activity for the year ended September 30, 2020 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
Revenue bonds	\$ 88,005,000	\$ -	\$ 3,405,000	\$ 84,600,000	\$ 3,575,000
Unamortized original issue premium	19,327,288	-	657,267	18,670,021	757,971
Accrued interest - revenue bonds	733,375	705,000	733,375	705,000	705,000
Note payable	2,600,000	-	322,106	2,277,894	359,478
Accrued interest - notes payable	14,076	16,553	14,076	16,553	16,553
Total long-term debt subtotal	110,679,739	721,553	5,131,824	106,269,468	5,414,002
Accrued compensated absences	449,950	529,855	371,861	607,944	348,740
Net pension liability	17,835,490	4,657,619	-	22,493,109	-
OPEB liability	157,595	56,113	21,348	192,360	-
Custodial projects - due to other governments*	108,980,256	23,760,204	-	132,740,460	-
Governmental activities long-term liabilities	<u>\$ 238,103,030</u>	<u>\$ 29,725,344</u>	<u>\$ 5,525,033</u>	<u>\$ 262,303,341</u>	<u>\$ 5,762,742</u>
Business-type activities:					
Accrued compensated absences	\$ 1,495,541	\$ 1,726,930	\$ 1,425,115	\$ 1,797,356	\$ 145,477
Claims payable	5,567,346	1,637,524	1,054,397	6,150,473	2,377,105
Net pension liability (asset)	704,903	2,113	5,694,758	(4,987,742)	-
Business activities long-term liabilities	<u>\$ 7,767,790</u>	<u>\$ 3,366,567</u>	<u>\$ 8,174,270</u>	<u>\$ 2,960,087</u>	<u>\$ 2,522,582</u>

*The beginning balance presented above for custodial projects has been restated from the presentation in the prior year to more accurately reflect the nature of the restricted cash component.

The Authority's net pension balance for its business type activities is shown as a negative balance to indicate a overall net pension asset. This amounts consists of an Salaried pension liability of \$16,789 and a Drivers pension asset of \$5,004,531.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE G - LONG TERM LIABILITIES (continued)

Local option gas tax revenue bonds

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, 2020 was \$84,600,000. 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 \$124,896,750. During 2020, \$17,355,248 of local option gas tax revenue was recognized and \$7,810,250 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of \$705,000 for an interest payment due on February 1, 2021. The next principal payment in the amount of \$3,575,000 is due on August 1, 2021. The current portion of the revenue bonds payable including the current amortization of the bond premium due within one year is \$4,332,971 as presented in the Statement of Net Position for governmental activities.

Debt Maturities

<u>Years ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,575,000	\$ 4,230,000	\$ 7,805,000
2022	3,755,000	4,051,250	7,806,250
2023	3,945,000	3,863,500	7,808,500
2024	4,140,000	3,666,250	7,806,250
2025	4,345,000	3,459,250	7,804,250
2026-2030	25,220,000	13,811,250	39,031,250
2031-2035	32,185,000	6,843,500	39,028,500
2036	7,435,000	371,750	7,806,750
	<u>\$ 84,600,000</u>	<u>\$ 40,296,750</u>	<u>\$ 124,896,750</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE G - LONG TERM LIABILITIES (continued)

Regions note payable

In July 2019, the Authority issued a new general obligation debt in the form of a loan recognized in the governmental funds. The loan is used to finance the expenditures relating to costs for designing, engineering, financing, acquiring, equipping and constructing upgrades to the Acosta Bridge lighting system. The Series 2019 issue has a final maturity of 2026. The outstanding loan balance as of September 30, 2020 was \$2,454,820. During 2020 \$373,905 was paid for debt service and fees. The interest rate is 2.18%. Upon the occurrence of an Event of Default, the principal and interest payments due on the Note shall be accelerated and become immediately due. Any amounts due under the Note or this agreement not paid when due shall bear interest at a default rate equal to the interest rate on the Note plus 6% per annum from and after the date due until paid.

Under the loan documents, \$2,656,680 of the Authority's reserve funds (including earnings) were deposited into a separately designated collateral account with the secured party Regions Capital Advantage Bank as pledged revenue for the loan. At all times during the term of the loan, JTA will maintain on deposit in the collateral account an amount equal to no less than the sum of the outstanding principal of the note, plus the highest annual amount of one year's interest on the note (minimum account balance). The Authority may withdraw amounts from the collateral account as long as the minimum account balance remains on deposit in the account following such withdrawal. No proceeds of the loan shall be permitted to be deposited at any time into the collateral account. As of September 30, 2020 the Authority had a balance of \$2,691,048 in reserve funding.

The Authority recognized three months of accrued interest in the amount of \$16,553 for an interest payment due on December 1, 2020. The first principal payment in the amount of \$359,478 is due on June 1, 2021, representing the current portion of the note payable due within one year as presented in the Statement of Net Position for governmental activities.

Debt Maturities

<u>Years ending September 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 359,478	\$ 49,658	\$ 409,136
2022	367,315	41,821	409,136
2023	375,323	33,814	409,137
2024	383,505	25,632	409,137
2025	391,865	17,272	409,137
2026	400,408	8,729	409,137
	<u>\$ 2,277,894</u>	<u>\$ 176,926</u>	<u>\$ 2,454,820</u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE H - OPERATING LEASE

On July 28, 2015, the Authority entered into an operating lease for the Church Street premises, an 18-month period expiring on January 31, 2017. On December 20, 2017, a second amendment was executed to further extend the terms of the lease to expire on January 31, 2020. In February 2020, the Authority signed a new lease agreement for the period of March 1, 2020 to February 28, 2021. For the year end September 30, 2020, total rental expense was \$ 58,534.

On July 1, 2014, the Authority entered into a 60 month operating lease for the 121 Atlantic Place expiring on November 30, 2019, with a three-year renewal option. The lease also included a Hold Over provision that dictated the rent rate and increases. The Authority provided a notice of termination with a last date of occupancy in Feb 2020. For the year end September 30, 2020, total rental expenditure was \$326,652.

On October 31, 2018, the Authority entered into 25 year operating lease for premises located on FSCJ's Kent Campus at 3939 Roosevelt Boulevard for transit stop operations with no consideration given. The lease will expire on October 31, 2043. There was no rent expense for the year ended September 30, 2020.

On October 3, 2018, the Authority entered into a 25 year operating lease for premises located at 96076 Lofton Square Court for transit stop operations with no consideration given. The lease will expire on October 2, 2043, with a one period renewal option for a period of up to 25 additional years. There was no rent expense for the year ended September 30, 2020

The future minimum lease payments for these leases are as follows:

Year Ending September 30:	Church Street	121 Atlantic Place	FSCJ (Kent) Campus 3939 Roosevelt Boulevard	96076 Lofton Square Court
2021	\$ 32,381	\$ -	\$ -	\$ -
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE I - RISK MANAGEMENT

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

Claim liabilities include an amount for known claims and claims that have been incurred but not reported (IBNRs) 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 2020, 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 year ended September 30,	Beginning balance	Current year claims and changes in estimates	Claims paid	Ending balance
2018	\$ 4,238,439	\$ 1,556,892	\$ 785,326	\$ 5,010,005
2019	\$ 5,010,005	\$ 2,119,007	\$ 1,561,666	\$ 5,567,346
2020	\$ 5,567,346	\$ 1,637,524	\$ 1,054,397	\$ 6,150,473

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE J - COMMITMENTS AND CONTINGENCIES

Construction commitments: The Authority as a whole had construction and construction-related commitments related to the Custodial Projects discussed at Note E amounting to approximately \$132,740,460 at September 30, 2020.

JTA MobilityWorks Program: As of July 29, 2014, the Authority and the City of Jacksonville entered into an interlocal agreement (ILA) for the purpose of constructing roadway projects as defined in the JTA MobilityWorks Program CIP plan. As of the effective date of the ILA, the City of Jacksonville pledged its Duval Authority local option gas tax revenues to pay the debt service on transportation revenue bonds issued by the Authority to fund such roadway projects under the JTA MobilityWorks Program. All such bonds are revenue obligations, secured solely by the Local Option Gas Taxes collected in Duval County, and there is no guarantee by the City or any other Authority revenues or assets pledged for such bonds, see Note G.

Better Jacksonville Plan: As of October 1, 2000, the Authority and the City of Jacksonville entered into an ILA for the purpose of constructing roadway projects as defined in the Better Jacksonville Plan. As of the effective date of the ILA, the Authority pledged its Duval County sales tax revenues to pay the debt service on transportation revenue bonds issued by the City of Jacksonville to fund such roadway projects under the Better Jacksonville Plan. All such bonds are revenue obligations, secured solely by the Transportation Discretionary Sales Surtax and Constitutional Gas Taxes collected in Duval County, and there is no guarantee by the Authority nor are any other of the Authority revenues or assets pledged for such bonds, see Note G.

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 regulations, including the expenditure resources for allowable purposes. Any disallowance resulting for a federal audit may become a liability of the Authority. It is management's opinion that no material liabilities will result from any such grantor audits.

Union contracts: At September 30, 2020, the Authority employed a total of 746 employees. The employees covered under union contracts represents 68% or 505 of the Authority's total employees. The Amalgamated Transit Local Union No. 1197 covers bus operators. The three year contract, representing 331 employees, expires December 1, 2022.

The American Federation of State, County and Municipal Employees Florida Council 79, (AFSCME), covers 25 dispatchers and operations supervisors. This three year contract expires May 20, 2022.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE J - COMMITMENTS AND CONTINGENCIES (continued)

There are 149 mechanics and utility employees who operate under a contract with the International Association of Machinists and Aerospace Workers Union No. 759. The three year contract expired on November 2, 2020 and was renewed on December 2, 2019 through December 1, 2022. Additionally, under the same Union, there are 10 customer service employees that are covered under a separate three year contract which expires December 1, 2022.

Purchase commitment: On November 25, 2014 the Authority entered into a 15-year purchase agreement with a third party vendor for compressed natural gas. This agreement was amended on September 30, 2016. The amended agreement requires the purchase of compressed natural gas starting at a rate of \$1.257 per diesel gas equivalent (DGE) and increasing to \$1.346 per DGE. There is a minimum annual volume that must be purchased starting at 126,563 DGEs and increasing to a total of 843,750 DGEs at the end of the 15 year period. The Authority has estimated the 15 year cost of this agreement, based on the minimum purchase requirements, will be approximately \$23.5 million (including infrastructure costs), as compared to a cost of \$28.5 if diesel fuel continued to be used.

On November 16, 2017 the Authority entered into an agreement with a third party supplier for Design-Build services on Kernan Boulevard from Atlantic Boulevard to McCormick Road. This agreement is for the design and construction of the roadway widening project to reconstruct Kernan Boulevard from a four-lane to a six-lane urban roadway between Atlantic Boulevard and Matthew Unger Drive and four lanes from Matthew Unger Drive to McCormick Road. The road will have raised medians, curb and gutter, sidewalks, bike lanes, a 12-foot multi-use path on the eastside of the road and utility improvements. Total compensation under this agreement was \$25,331,205. The Authority has no open invoices but does anticipate close out work.

On March 18, 2019, the Authority entered into a five-year agreement with a third party vendor for U²C 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 Ultimate Urban Circulator (U²C). The U²C will be an integrated autonomous vehicle system in downtown Jacksonville, serving as a circulator and people mover. Consulting services will include developing the U²C framework as it pertains to Data, Communications, Cybersecurity and Vehicle Locations Systems. Total compensation under this agreement is \$10,000,000.

On May 24, 2019, the Authority entered into an agreement with a third party supplier for the manufacture of heavy duty buses. This agreement was conducted as a State Schedule for the State of Florida with the guidance of the Florida Department of Transportation. This agreement is instrumental as it gives the ability to any government entity within the State of Florida the opportunity to procure heavy-duty buses in an expeditious manner. This contract set a price for a base bus while including the ability for each entity to add additional options that will provide them a bus that fits their entities individual business model. This is an indefinite delivery, indefinite quantity contract that is effective for two years with three (3) one year options to renew.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS

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

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

Membership category	Benefit	Vesting	July 1, 2017 Employer contribution rate	July 1, 2018 Employer contribution rate	July 1, 2019 Employer contribution rate	July 1, 2020 Employer contribution rate
Regular	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.	7.92%	8.26%	8.47%	10.00%
Senior Management	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.	22.71%	24.06%	25.41%	27.29%
Deferred Retirement Option Program (DROP)	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	13.26%	14.03%	14.60%	16.98%

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

All of the above employer contribution rates include 1.66% for a post-retirement 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 \$1,608,743 for the year ended September 30, 2020, which was equal to the required contributions for each year.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the 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, as amended, *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 related pension amounts of the defined benefit pension plans.

The Florida Retirement System Pension Plan

Pension Liabilities, Expense, and Deferred Items Related to Pensions:

At September 30, 2020, the Authority reported a net pension liability of \$16,124,803 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was .03720% of the net pension liability which was .00172% increase from its proportionate share measured as of June 30, 2019.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Florida Retirement System Pension Plan (continued)

Pension Liabilities, Expense, and Deferred Items Related to Pensions (continued):

For the fiscal year ended September 30, 2020, the Authority recognized the FRS Plan pension expense of \$2,325,797. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 617,129	\$ -
Change of assumptions	2,919,102	-
Net difference between projected and actual earnings on FRS pension plan investments	960,086	-
Change in proportion and differences between Authority FRS contributions and proportional share of contributions	601,135	-
Authority FRS contributions subsequent to the measurement date	371,581	-
	<u>\$ 5,469,033</u>	<u>\$ -</u>

The deferred outflows of resources related to pensions, totaling \$371,581 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	Deferred Outflows/ (inflows), net
2021	\$ 966,729
2022	924,970
2023	910,657
2024	891,843
2025	863,826
Thereafter	539,427

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Florida Retirement System Pension Plan (continued)

Actuarial Assumptions. The total pension liability as of June 30, 2020 was determined using the following actuarial assumptions which were based on certain results of the most recent actuarial experience study completed for July 1, 2013 - June 30, 2018:

Inflation	2.40%
Salary Increases	3.25%, average, including inflation
Investment rate of return	6.80%

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

The long-term expected rate of return assumption of 6.80% used in GASB discount rate calculations consists of two building block components: 1) an inferred real return of 4.3%, which is consistent with the 4.27% real return capital market outlook model developed during 2020 by the outside investment consultant to the Florida State Board of Administration; 2) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2020 by the FRS Actuarial Assumption Conference. The table below contains a summary of Milliman's in-house assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the 2.40% inflation assumption adopted by the conference. These assumptions are not based on historical returns, but instead are based on a forward- looking capital market economic model.

Asset Class	Policy allocation	Annual arithmetic return	Compound annual (geometric) return	Standard deviation
Cash equivalents	1.0%	2.2%	2.2%	1.2%
Fixed income	19.0%	3.0%	2.9%	3.5%
Global equity	54.2%	8.0%	6.7%	17.1%
Real estate (property)	10.3%	6.4%	5.8%	11.7%
Private equity	11.1%	10.8%	8.1%	25.7%
Strategic investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed inflation - mean			2.4%	1.7%

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Florida Retirement System Pension Plan (continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. 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 (ADC) 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 Pension 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 6.80%, 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 1 percentage-point lower (5.80%) or 1 percentage-point higher (7.80%) than the current

	1% Decrease 5.80%	Current rate 6.80%	1% Increase 7.80%
Net Pension Liability - FRS	\$ 25,748,600	\$ 16,124,804	\$ 8,086,965

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 Annual Comprehensive 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 which was 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, 2020, 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 HIS payment is \$30 and the maximum HIS payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS Plan benefits, a retiree under a State administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Retiree Health Insurance Subsidy Program (HIS) (continued)

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, 2020, 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 \$302,763 for the year ended September 30, 2020 which was equal to the required contributions.

Pension Liabilities, Expense, and Deferred Items Related to Pensions:

At September 30, 2020, the Authority reported a net pension liability of \$6,368,306 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 fiscal year contributions relative to the total 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was .05216%, which was an increase of .00197% from its proportionate share measured as of June 30, 2019.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Retiree Health Insurance Subsidy Program (HIS) (continued)

Pension Liabilities, Expense, and Deferred Items Related to Pensions (continued):

For the Authority's fiscal year ended September 30, 2020, the Authority recognized the HIS Plan pension expense of \$446,353. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

Description	Deferred outflow of resources	Deferred inflow of resources
Difference between expected and actual experience	\$ 260,502	\$ 4,913
Change of assumptions	684,774	370,292
Net difference between projected and actual earnings on HIS pension plan investments	5,085	-
Change in proportion and differences between Authority HIS contributions and proportional share of contributions	683,456	3,046
Authority HIS contributions subsequent to the measurement date	70,736	-
	<u>\$ 1,704,553</u>	<u>\$ 378,251</u>

The deferred outflows of resources related to pensions, totaling \$70,736 for 2020 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	Deferred outflows/ (Inflows), net
2021	\$ 280,311
2022	249,677
2023	186,469
2024	172,943
2025	149,980
Thereafter	216,186

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

The Retiree Health Insurance Subsidy Program (HIS) (continued)

Actuarial Assumptions. The total pension liability as of June 30, 2020 measurement date was determined using the following actuarial assumptions which were based on the certain results of an actuarial experience study of the FRS Pension Plan completed in 2019 for the period July 1, 2013 - June 30, 2018:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

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

Discount Rate: The municipal bond rate used to measure the total pension liability relating to the HIS Plan was 2.21% for 2020. 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. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Pension 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 2.21%, 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 1 percentage-point lower (1.21%) or 1 percentage-point higher (3.21%) than the current rate:

	1% Decrease	Current rate	1% Increase
	1.21%	2.21%	3.21%
Net pension liability - HIS	\$ 7,361,477	\$ 6,368,306	\$ 5,555,398

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 Annual Comprehensive Financial Report.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

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 (drivers) 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, 2020, 149 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 issues an available financial report which may be obtained by writing to IAM National Pension Fund at 99 M Street, SE, Suite 600, Washington, D.C 20003.

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

Membership Category	Retirement Benefit	Vesting	January 1, 2020 Employer Contribution rate	January 1, 2019 Employer Contribution rate	January 1, 2018 Employer Contribution rate	January 1, 2017 Employer Contribution rate
Regular	Benefit calculated based upon the participants age of retirement, the participants amount of credited service, the contribution rates paid by contributing employer on the participants behalf, and the form of payment chosen by the participant at retirement.	After 5 years of vesting service or five years of future service credit	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour	\$3.90 per hour

Participating employer contributions are based upon the collective bargaining agreement for mechanics and utility employees in effect through December 1, 2022 that, expressed as an hourly rate, are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

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

The payments made to the IAM plan in the years ended September 30, 2020, 2019, 2018, 2017 and 2016 were \$1,143,954, \$1,148,965, \$1,156,396, \$1,147,357, and \$1,055,119, 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. The Authority has fiduciary responsibility for the plan assets of the Salaried plan, thus the net position of this plan is reported as a pension trust fund. A committee comprised of three JTM employees and 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, 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 Drivers 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 Rd. NE, Suite 400, Atlanta GA 30328-5634 or (800) 749-0752.

As of December 31, 2019, employee membership data related to both of these plans was as follows:

	Salaried Employees	Drivers Plan
Active employees:		
Nonvested	-	111
Partially vested	-	-
Fully vested	10	240
Retirees and beneficiaries currently receiving benefits	2	243
Terminated plan members entitled to but not yet receiving benefits	12	150
	24	744

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

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

	Salaried Employees	Drivers Plan
Determination of contribution requirements	Actuarially determined	Contracted pursuant to union negotiations
Employer	Paid quarterly	\$2.66 per hour
Funding of administrative costs	Paid by JTM	Paid by plan assets
Period required to vest	6 years	5 years
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 earlier of (1) the Anniversary Date on which the participant reaches 30 years of vesting service or (2) the latter of attainment of age 65 and 5 years of participation. Early retirement: attainment of age 62 and completion of 20 vesting year of service.
Benefit provisions	1.5% average monthly compensation per year of service, limited to 60 year(s).	\$62 per month, effective 10/1/2018, for each plan year of service limited to 30 years for participants who perform at least one hour of service after October 31, 2006.

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

	Salaried employees	Drivers Plan
Valuation date	December 31, 2019	December 31, 2019
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level dollar
Amortization period	7 years	7 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	Assumed 2.5% per year
Mortality rates	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2019 scale Post-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2019 scale	Pre-Retirement: RP-2014-Blue Collar Employee (sex-distinct) with generational projection using MP 2019 scale Post-Retirement: RP-2014 Blue Collar Healthy Annuitant (sex-distinct) with generational projection using MP 2019 scale
Postretirement benefit increases (maximum)	None	None
Inflation	2.0%	2.5%

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

**Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp.
(continued)**

The Salaried Plan's funding policy provides for annual employer contributions based on funding requirements from section 412 and 430 of the Internal Revenue Code (IRC). Specifically, an actuarial valuation is done under 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 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. 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 section 412 and 430 of the Internal Revenue Code (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 Minimum Required Contribution (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. In addition, there is also employee contributions upon the ratification of the agreement dated November 6, 2017. New hires contribute 3% of their hourly wages to their pension as employee contribution. New hires were eligible to participate starting in July 2018.

Investments - Salaried Employee Plan

A committee comprised of three JTM employees and three Authority employees administers the Salaried Employee Plan. The committee has the authority to establish and amend the 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, 2020:

<u>Asset Class</u>	<u>Target allocation</u>
Bond mutual funds	41%
Real assets	7%
Equities	52%
	<u>100%</u>

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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

Net Pension Liability - Salaried Employee Plan

The components of the net pension liability of the Authority's Jax Transit Management, Corp. (Salaried Employee) plan at September 30, 2020, based on the December 31, 2019 valuation results, were as follows:

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability (a)	Net Position (b)	Liability (a) - (b)
Balance at September 30, 2019	\$ 1,362,262	\$ 1,347,586	\$ 14,676
Changes for the year:			
Service cost	58,728	-	58,728
Interest	81,309	-	81,309
Participant contributions	-	-	-
Difference between expected and actual experience	94,575	-	94,575
Changes of assumption	77,601	-	77,601
Employer and employee contributions	-	196,074	(196,074)
Net investment income	-	135,844	(135,844)
Benefit payments	(14,236)	(14,236)	-
Administrative expense	-	(21,818)	21,818
Investment expense	-	-	-
Other	-	-	-
Net changes	297,977	295,864	2,113
Balance at September 30, 2020	\$ 1,660,239	\$ 1,643,450	\$ 16,789

Discount rate - Salaried Employee Plan

The discount rate used to measure the Salaried Employee Plan total pension liability was 6% as of December 31, 2019. 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

Sensitivity of the Net Pension Liability 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 as of December 31, 2019 to changes in the discount rate:

	1% Decrease 5%	Current rate 6%	1% Increase 7%
Net pension liability - salaried	\$ 266,488	\$ 16,789	\$ (191,456)

Pension Expense and Deferred Outflows (Inflows) of Resources for the Salaried Employee Plan are as follows:

Description	Deferred outflow of resources	Deferred inflow of resources
Net difference between projected and actual earnings on salaried pension plan investments	\$ 72,095	\$ 51,732
Experience (gains) losses	134,574	302,937
Change in assumption	58,992	113,021
Authority contributions subsequent to the measurement date	123,049	-
	\$ 388,710	\$ 467,690

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

The deferred outflows of resources related to pensions, totaling \$123,049 for 2020 resulting from Authority contributions to the Salaried Employee Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	Deferred outflow/ (inflow), net
2021	\$ (155,766)
2022	(25,866)
2023	(17,380)
2024	(3,017)
2025	-
Thereafter	-

Drivers Plan

The Jax Transit Management Corp. (“Drivers Plan”) 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.

Investments - Drivers Plan

The 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, 2020:

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

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

**Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp.
(continued)**

Investments - Drivers Plan (continued)

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Long-term expected real rate of return</u>
Domestic equities	4.1%
International equities	4.3%
Fixed income	1.0%
Hedged strategies	4.5%
Real estate	5.5%

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

Net Pension Liability - Jax Transit Management Corp. Drivers Plan

The components of the net pension liability of the Authority's Jax Transit Management, Corp. (Drivers) plan at September 30, 2020, based on the December 31, 2019 valuation results, were as follows:

	(Increase) Decrease		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balance at September 30, 2019	\$ 43,359,171	\$ 42,668,944	\$ 690,227
Changes for the year:			
Service cost	1,125,198	-	1,125,198
Interest	2,956,089	-	2,956,089
Differences between expected and actual experience	(607,775)	-	(607,775)
Assumption changes	181,699	-	181,699
Contributions-employer	-	2,587,332	(2,587,332)
Contributions-employee	-	89,602	(89,602)
Net investment income	-	7,532,533	(7,532,533)
Changes in benefit terms	-	-	-
Benefit payments	(2,258,644)	(2,258,644)	-
Administrative expense	-	(859,498)	859,498
Other	-	-	-
Net changes	1,396,567	7,091,325	(5,694,758)
Balance at September 30, 2020	<u>\$ 44,755,738</u>	<u>\$ 49,760,269</u>	<u>\$ (5,004,531)</u>

Discount rate - Jax Transit Management Corp. Drivers Plan

The discount rate used to measure the total pension liability was 7% as of December 31, 2019. 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.

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE K - EMPLOYEE BENEFITS (continued)

Defined Benefit Pension Plans Sponsored by Jax Transit Management Corp. (continued)

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

The following table illustrates the sensitivity of the Drivers Plan net pension liability as of December 31, 2019, to changes in the discount rate:

	1% Decrease 6%	Current Rate 7%	1% Increase 8%
Net Pension (Asset) liability - Drivers	\$ (176,044)	\$ (5,004,531)	\$ (9,145,197)

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

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Change of assumptions	\$ 283,542	\$ -
Net difference between projected and actual earnings on drivers pension plan investments	2,966,885	4,938,781
Experience (gains) losses	860,535	495,432
Authority contributions subsequent to the measurement date	1,823,302	-
	<u>\$ 5,934,264</u>	<u>\$ 5,434,213</u>

The deferred outflows of resources related to the Drivers Plan, totaling \$1,823,302 for 2020 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:	Deferred Outflows/ (Inflows), net
2021	\$ (155,754)
2022	(311,502)
2023	116,587
2024	(949,116)
2025	(23,466)

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS

Pursuant to Section 112.081, 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 OPEB Plan is a single employer defined benefit healthcare (medical and dental) 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 percent of the published rates. Since retirees use healthcare at a rate much higher than active employees, using these blended rates creates an implicit 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.

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.

As of September 30, 2020, employee membership data related to the Plan was as

Current retirees	
Under age 65	1
Over age 65	1
Dependents	-
Total current retirees	<u>2</u>
Active employees fully eligible for benefits	32
Active employees not yet fully eligible for benefits	<u>175</u>
Total active employees	<u>207</u>
Total number of participants	<u><u>209</u></u>

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Liability

The total OPEB liability of \$192,360 is based on October 1, 2019 valuation data.

Actuarial assumptions, methods and valuation

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk and changes in marital status could result in actual costs being greater or less than estimated.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

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.

Additional actuarial assumptions used:

Cost Method	Entry Age Normal Cost Method
Asset Valuation Method	Market Value of Assets
Actuarial Valuation Date	October 1, 2019
Measurement Date	October 1, 2019
Discount Rate as of October 1, 2019	2.75%

Jacksonville Transportation Authority
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial assumptions, methods and valuation (continued)

Medical Trend Assumptions

These assumptions were developed using the Society of Actuaries' 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	1.5%
Extra Trend due to Technology and other factors	1.1%
Health Share of GDP Resistance Point	25.0%
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: RP 2000 50% white collar. 50% blue collar; fully generational with Scale BB Regular, female: RP 2000 100% white collar; fully generational with Scale BB
(2) Healthy - Inactive	Regular, male: RP 2000 50% white collar, 50% blue collar; fully generational with Scale BB Regular, female: RP 2000 100% white collar; fully generational with Scale BB
(3) Disabled	No Disability is assumed

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial assumptions, methods and valuation (continued)

Salary Scale

The salary scale depends upon sex, years of service, and FRS type (these are the general employee rates). This includes a 2.2% inflation rate.

<u>Service</u>	<u>Male</u>	<u>Female</u>
0	7.6%	7.8%
1	5.7%	5.5%
2	5.3%	5.0%
3	5.1%	5.0%
4	5.0%	4.9%
5	4.9%	4.8%
6	4.8%	4.8%
7	4.8%	4.7%
8	4.7%	4.6%
9	4.7%	4.6%
10	4.5%	4.6%
11	4.5%	4.5%
12	4.5%	4.4%
13	4.5%	4.4%
14	4.5%	4.4%
15	4.4%	4.4%
16	4.4%	4.4%
17	4.4%	4.4%
18	4.3%	4.3%
19	4.3%	4.3%
20	4.3%	4.3%
21	4.3%	4.2%
22	4.3%	4.2%
23	4.2%	4.1%
24	4.1%	4.1%
25	4.0%	4.0%
26	4.0%	3.9%
27	4.0%	3.8%
28	3.9%	3.7%
29	4.4%	4.0%
30 and more	4.4%	4.0%

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

Actuarial assumptions, methods and valuation (continued)

Claims Assumption

The plan is fully insured. To determine the assumed cost and the retiree contributions, the 2019 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.

FYE 2020 Claims	
Total Costs	Single
1. Explicit costs	
a. Pre-Medicare	\$ 8,976
2. Total Medical and Drug costs	
a. Under 50	\$ 7,739
b. Age 50 - 54	\$ 9,589
c. Age 55 - 59	\$ 11,703
d. Age 60 - 64	\$ 14,373

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance as of September 30, 2019	\$ 157,595	\$ -	\$ 157,595
<i>Change for the year</i>	-	-	-
Service cost	12,828	-	12,828
Interest	5,672	-	5,672
Changes of benefit terms	-	-	-
Experience losses/(Gains)	37,613	-	37,613
Trust contribution - Employer	-	16,645	(16,645)
Net Investment Income	-	-	-
Changes in assumptions	(4,703)	-	(4,703)
Benefit payments (net of retiree contributions)	(16,645)	(16,645)	-
Administrative expense	-	-	-
<i>Net changes</i>	34,765	-	34,765
Balance as of September 30, 2020	\$ 192,360	\$ -	\$ 192,360
Funded Status		0%	

Jacksonville Transportation Authority
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

OPEB Expense

Service cost	\$	12,828
Interest		5,672
Differences between expected and actual experience		
In current fiscal year recognized in current year		9,403
From past years recognized in current year		-
Total		9,403
Changes in assumptions		
In current fiscal year recognized in current year		(1,176)
From past years recognized in current year		(930)
Total		(2,106)
Total OPEB Expense	\$	25,797

Sensitivity Analysis

Sensitivity of the total OPEB liability to changes in the discount rate:

The following table presents the Authority's Total OPEB liability. It is also presented with the Total and Net OPEB liability if it is calculated using a *discount rate* that is 1 percentage point lower or 1 percentage point higher.

	1% Decrease 1.75%	Discount Rate 2.75%	1% Increase 3.75%
Total OPEB Liability	\$ 198,717	\$ 192,360	\$ 185,412
Net OPEB Liability	\$ 198,717	\$ 192,360	\$ 185,412

Sensitivity of the total OPEB liability to changes in the discount rate:

The following table presents the Authority's Total 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 1 percentage point lower or 1 percentage point higher

	1% Decrease 3.00%	Medical Trend 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 174,432	\$ 192,360	\$ 213,232
Net OPEB Liability	\$ 174,432	\$ 192,360	\$ 213,232

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE L - OTHER POST-EMPLOYMENT BENEFITS (continued)

Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended September 30, 2020, the Authority recognized an OPEB expense of \$25,797. At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,210	\$ -
Changes of assumptions	-	4,872
Total	\$ 28,210	\$ 4,872

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

<u>Fiscal Year ending September 30:</u>	
2021	\$ 7,296
2022	7,813
2023	8,229
2024	-
2025	-
Thereafter	-

Jacksonville Transportation Authority

NOTES TO FINANCIAL STATEMENTS

For the year ended September 30, 2020

NOTE M - FUND BALANCE

A schedule of Authority governmental fund balances is provided below:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Management Fund	Total Governmental Funds
Spendable:					
Restricted for State and City construction projects	\$ -	\$ 44	\$ -	\$ -	\$ 44
Restricted for capital projects	-	-	29,658,697	-	29,658,697
Restricted for debt service	-	-	-	10,051,445	10,051,445
Assigned to:					
Construction projects	4,489,000	-	-	-	4,489,000
General fund legal costs	9,000,000	-	-	-	9,000,000
General fund reserves	1,077,000	-	-	-	1,077,000
Right-of-Way acquisitions	3,000,000	-	-	-	3,000,000
Transit operations reserve	25,000,000	-	-	-	25,000,000
Transit operations CIP initiatives	1,073,000	-	-	-	1,073,000
Unassigned	75,247,922	-	-	-	75,247,922
Total fund balance	\$ 118,886,922	\$ 44	\$ 29,658,697	\$ 10,051,445	\$ 158,597,108

NOTE N - ACCOUNTING STANDARDS

In June 2017, the GASB issued Statement No. 87, *Leases*, which establishes a single model for lease accounting. This statement is effective for the Authority's September 30, 2022 fiscal year end. Management is currently evaluating the impact of the adoption of this statement on the Authority's financial statements.

NOTE O - POLLUTION REMEDIATION

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

NOTE P - SUBSEQUENT EVENT

The Authority has evaluated subsequent events through April 29, 2021; the date on which the financial statements were available for issuance and has noted the following subsequent event.

During April 2021 the Authority was approved for the Coronavirus Response and Relief Supplemental Appropriations Act ("CRSSAA") for a total awarded amount of \$33,706,928, of which \$15,264,081 was for payroll expenditures during the last quarter of the Authority's September 30, 2020 year end. These amounts are included in the Authority's statements as of September 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Jacksonville Transportation Authority

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND (Unaudited)**

For the year ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
City of Jacksonville - Net 1/2 cent surtax	\$ 2,032,848	\$ 2,032,848	\$ 2,032,848	\$ -
Investment earnings	568,664	1,281,107	1,525,202	244,095
Other miscellaneous	111,004	111,004	157,651	46,647
Total revenues	<u>2,712,516</u>	<u>3,424,959</u>	<u>3,715,701</u>	<u>290,742</u>
Expenditures:				
Current				
General government	2,712,516	3,424,959	3,271,796	153,163
Highway planning	-	-	-	-
Total expenditures	<u>2,712,516</u>	<u>3,424,959</u>	<u>3,271,796</u>	<u>153,163</u>
Excess of revenues over expenditures	-	-	443,905	443,905
Other financing uses (sources):				
Proceeds sale of surplus property	-	-	10,099,500	10,099,500
Transfer in	-	-	7,265,200	7,265,200
Transfer out	-	-	(350,446)	(350,446)
Net change in fund balance	-	-	17,458,159	17,458,159
Fund balances, beginning of year	101,428,763	101,428,763	101,428,763	-
Fund balances, end of year	<u>\$ 101,428,763</u>	<u>\$ 101,428,763</u>	<u>\$ 118,886,922</u>	<u>\$ 17,458,159</u>

See accompanying note to required supplementary information.

Jacksonville Transportation Authority

NOTE TO BUDGETARY COMPARISON SCHEDULE

For the year ended September 30, 2020

NOTE A - 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 financial statements under "Commitments and Contingencies." In addition, the Authority is not legally required to establish a budget for proprietary funds.

The General fund reported actual revenues exceeding budgeted revenues in the amount of \$290,742. The difference is attributable to favorable returns as compared to budget in Investment earnings of \$244,095, as well as \$46,647 of additional rents from Clear Channel and purchasing card rebates that were not included in the budget.

The General fund reported \$10,099,500 from the sale of surplus property per the Authority's reserve policy. There was also (\$350,446) transferred to the debt service fund to cover principal and interest payments for the Authority's Acosta Bridge Loan. These items were not included in the budget.

The General fund reported lower expenditures than budget appropriations in the amount of \$153,163. This was mainly due to savings achieved in Labor Costs, including Temporary Help, Utilities/Postage, and Repairs and Maintenance. Overall, the general fund reported a positive increase in fund balances of \$17,458,159.

Jacksonville Transportation Authority

**SCHEDULE OF CHANGES IN THE TOTAL LIABILITY AND RELATED RATIOS - OTHER POST-EMPLOYMENT BENEFITS PLAN
(Unaudited)**

For the year ended September 30, 2020

As of September 30 Fiscal Year	2020	2019	2018
Total OPEB liability			
Service cost	\$ 12,828	\$ 12,750	\$ 12,737
Interest cost	5,672	5,434	5,157
Changes in benefit terms	-	-	-
Differences between expected and actual experience	37,613	-	-
Changes of assumptions	(4,703)	(1,662)	(2,057)
Benefit payments	<u>(16,645)</u>	<u>(28,396)</u>	<u>(25,471)</u>
Net Changes in Total OPEB Liability	34,765	(11,874)	(9,634)
Total OPEB liability - beginning of year	<u>157,595</u>	<u>169,469</u>	<u>179,103</u>
Total OPEB liability - end of year	<u>\$ 192,360</u>	<u>\$ 157,595</u>	<u>\$ 169,469</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 16,645	\$ 28,396	\$ 25,471
Net investment income	-	-	-
Benefit payments (net of retiree contributions)	(16,645)	(28,396)	(25,471)
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fiduciary net position	-	-	-
Fiduciary net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability	<u>192,360</u>	<u>157,595</u>	<u>169,469</u>
Fiduciary net position as a % of Total OPEB Liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-Employee Payroll ¹			
Net OPEB Liability as a % Payroll ¹			
Expected average remaining service years of all Participants	4	4	4
Notes to Schedule: Benefit Changes	None	None	None
<i>Changes of assumptions</i> The discount rate was changed as follows:			
<u>Discount Rate</u>			
9/30/2018	3.50%	3.50%	3.50%
9/30/2019	3.83%	3.83%	
9/30/2020	2.75%		

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

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.

Jacksonville Transportation Authority

NOTE TO SCHEDULE OF CHANGES IN THE TOTAL LIABILITY - OTHER POST-EMPLOYMENT BENEFITS (Unaudited)

For the year ended September 30, 2020

Notes to Schedule:	Other Post-Employment Medical Benefits		
	2020	2019	2018
Valuation Date:	October 1, 2019	October 1, 2018	October 1, 2017
Measurement Date:	October 1, 2019	October 1, 2018	October 1, 2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	10 years	10 years	10 years
Asset valuation method	Market value	Market value	Market value
Medical Trend Assumptions:			
Rate of inflation	2.50%	2.20%	2.20%
Rate of Growth in Real income/GDP per capita	1.50%	1.60%	1.60%
Extra Trend Due To Technology And Other Factors	1.1%	1.3%	1.3%
Health Share of GDP Resistance Point	25%	25%	25%
Year for Limiting Cost Growth to GDP Growth	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. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.		
Coverage Status and Age of Spouse	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.		
Interest Assumptions	Not Funded	Not Funded	Not Funded
Discount Rate	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 years trend is compiled, the Authority will present information for only those years for which information is available.

See Independent Auditor's Report.

Jacksonville Transportation Authority

SCHEDULE OF CHANGES IN NET PENSION - LIABILITIES AND RELATED RATIOS - DRIVERS AND SALARIED PENSION PLAN (Unaudited)

September 30, 2020

	Salaried Employees Pension Plan 2020	Drivers Pension Plan 2020	Salaried Employees Pension Plan 2019	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
** Plan Year Ended December 31:										
Total pension liability										
Service cost	\$ 58,728	\$ 1,125,198	\$ 61,710	\$ 1,002,220	\$ 96,408	\$ 1,517,160	\$ 110,356	\$ 790,363	\$ 103,635	\$ 849,498
Interest	81,309	2,956,089	88,184	2,772,157	81,184	2,752,364	102,990	2,400,761	109,510	2,385,590
Changes of benefit terms	-	-	-	688,965	-	-	-	-	-	-
Participant contributions	-	-	-	-	6,716	-	25,190	-	25,561	-
Difference between expected and actual experience	94,575	(607,775)	(250,252)	300,306	145,185	1,396,801	(203,992)	384,557	(431,921)	(182,348)
Changes of assumptions	77,601	181,699	-	-	-	-	-	819,121	(599,633)	(853,399)
Benefit payments, including refunds of member contributions	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(22,798)	(1,782,954)
Other	-	-	-	-	(1)	-	-	-	-	-
Net change in total pension liability	297,977	1,396,567	(114,594)	2,750,197	110,905	3,759,871	(585,330)	2,325,962	(815,646)	416,387
Total pension liability-beginning (a)	1,362,262	43,359,171	1,476,856	40,608,974	1,365,951	36,849,103	1,951,281	34,523,141	2,766,927	34,106,754
Total pension liability-ending (a)	<u>\$ 1,660,239</u>	<u>\$ 44,755,738</u>	<u>\$ 1,362,262</u>	<u>\$ 43,359,171</u>	<u>\$ 1,476,856</u>	<u>\$ 40,608,974</u>	<u>\$ 1,365,951</u>	<u>\$ 36,849,103</u>	<u>\$ 1,951,281</u>	<u>\$ 34,523,141</u>
Plan fiduciary net position										
Contributions-Authority	\$ 178,029	\$ 2,587,332	\$ 357,000	\$ 2,512,210	\$ 397,716	\$ 2,447,847	\$ 229,190	\$ 2,180,892	\$ 230,703	\$ 2,429,423
Contributions-Employees	18,045	89,602	44,110	20,769	-	-	-	-	-	-
Net investment income	135,844	7,532,533	(43,243)	(1,820,327)	86,821	5,846,761	38,217	2,743,015	(17,723)	(244,632)
Benefit payments, including refunds of member contributions	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(22,798)	(1,782,954)
Administrative expenses	(21,818)	(859,498)	(28,013)	(810,152)	(20,966)	(497,299)	(31,647)	(377,674)	(37,297)	(373,132)
Investment expenses	-	-	-	-	(3,803)	-	(3,533)	-	(5,611)	-
Other	-	-	-	-	4,153	(42,261)	-	-	-	-
Net change in plan fiduciary net position	295,864	7,091,325	315,618	(2,110,951)	245,334	5,848,594	(387,647)	2,477,393	147,274	28,705
Plan fiduciary net position-beginning	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	1,174,281	36,453,908	1,027,007	36,425,203
Plan fiduciary net position-ending (b)	<u>\$ 1,643,450</u>	<u>\$ 49,760,269</u>	<u>\$ 1,347,586</u>	<u>\$ 42,668,944</u>	<u>\$ 1,031,968</u>	<u>\$ 44,779,895</u>	<u>\$ 786,634</u>	<u>\$ 38,931,301</u>	<u>\$ 1,174,281</u>	<u>\$ 36,453,908</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 16,789</u>	<u>\$ (5,004,531)</u>	<u>\$ 14,676</u>	<u>\$ 690,227</u>	<u>\$ 444,888</u>	<u>\$ (4,170,921)</u>	<u>\$ 579,317</u>	<u>\$ (2,082,198)</u>	<u>\$ 777,000</u>	<u>\$ (1,930,767)</u>
Plan fiduciary net position as a percentage of the total pension liability	98.99%	111.18%	98.92%	98.41%	69.88%	110.27%	57.59%	105.65%	60.18%	105.59%
Covered payroll	937,244	20,469,072***	867,280	19,558,507***	865,309	N/A*	782,112	N/A*	751,943	N/A*
Net pension liability as a percentage of covered payroll	1.79%	-24.45%***	1.69%	3.53%***	51.41%	N/A*	74.07%	N/A*	103.33%	N/A*

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

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

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

Notes to Schedule:

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

Jacksonville Transportation Authority

SCHEDULE OF CONTRIBUTIONS - DRIVERS AND SALARIED PENSION PLAN (Unaudited)

For the year ended September 30, 2020

Salaried Employees Pension Plan							
** Plan Year Ended December 31:	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 91,406	\$ 159,514	\$ 165,015	\$ 175,635	\$ 167,906	\$ 380,399	\$ 391,415
Contribution made in relation to the actuarially determined contribution	178,028	401,110	397,716	229,190	414,692	291,591	293,733
Contribution deficiency (excess)	<u>\$ (86,622)</u>	<u>\$ (241,596)</u>	<u>\$ (232,701)</u>	<u>\$ (53,555)</u>	<u>\$ (246,786)</u>	<u>\$ 88,808</u>	<u>\$ 97,682</u>
Covered payroll	\$ 937,244	\$ 867,280	\$ 865,309	\$ 782,112	\$ 751,943	\$ 962,567	\$ 1,135,662
Contributions as a percentage of covered payroll	19.0%	46.2%	46.0%	29.3%	55.1%	30.3%	25.9%

Drivers Pension Plan							
** Plan Year Ended December 31:	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,676,934	\$ 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	2,676,934	2,532,979	2,447,847	2,180,892	2,429,423	2,332,063	2,111,750
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,261)</u>	<u>\$ (1,901,091)</u>
Covered payroll	<u>20,469,072***</u>	<u>19,558,507***</u>	N/A*	N/A*	N/A*	N/A*	N/A*
Contributions as a percentage of covered payroll	<u>13.08%</u>	<u>12.95%***</u>	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 amount presented for each year were determined as of December 31 of the prior year.

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

Notes to Schedule:

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

See Independent Auditor's Report

Jacksonville Transportation Authority

NOTES TO SCHEDULE OF CONTRIBUTIONS - DRIVERS AND SALARIED PENSION PLAN (Unaudited)

For the year ended September 30, 2020

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

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

Notes to Schedule:

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

See Independent Auditor's Report

Jacksonville Transportation Authority

SCHEDULE OF INVESTMENT RETURNS - DRIVERS AND SALARIED PENSION PLAN (Unaudited)

For the year ended September 30, 2020

Salaried Employees Pension Plan

* Plan Year Ended December 31:	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return							
Net of investment expenses	4.91%	-6.71%	15.16%	4.90%	-2.95%	1.46%	14.18%

The annualized compounded rate of return is 3.72%

Drivers Pension Plan

* Plan Year Ended December 31:	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return							
Net of investment expenses	4.10%	-4.03%	14.02%	6.70%	-0.98%	4.13%	16.97%

The annualized compounded rate of return is 5.26%

Notes to Schedule:

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

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

See Independent Auditor's Report

Jacksonville Transportation Authority

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN (Unaudited)

For the year ended September 30, 2020

* Plan Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the FRS net pension liability	0.037%	0.035%	0.035%	0.034%	0.034%	0.032%	0.030%
Authority's proportionate share of the FRS net pension liability	\$ 16,124,803	\$ 12,219,934	\$ 10,554,467	\$ 10,040,222	\$ 8,558,525	\$ 4,178,293	\$ 1,798,478
Authority's covered payroll	\$ 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	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	78.85%	82.61%	84.26%	83.89%	85.00%	92.00%	96.09%

Notes to Schedule:

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

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

See Independent Auditor's Report

Jacksonville Transportation Authority

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
HEALTH INSURANCE SUBSIDY PENSION (HIS) PLAN (Unaudited)

For the year ended September 30, 2020

* Plan Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014
Authority's proportion of the HIS net pension liability	0.0522%	0.0502%	0.0478%	0.0457%	0.0458%	0.0403%	0.038%
Authority's proportionate share of the HIS net pension liability	\$ 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	\$ 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	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	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

Notes to Schedule:

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

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

See Independent Auditor's Report

Jacksonville Transportation Authority

SCHEDULE OF AUTHORITY'S CONTRIBUTIONS -
FLORIDA RETIREMENT SYSTEMS PENSION PLAN (Unaudited)

For the year ended September 30, 2020

* Plan Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014
Contractually required pension contribution	\$ 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	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	\$ 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	8.71%	7.73%	7.64%	7.21%	7.06%	9.40%	10.03%

Notes to Schedule:

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

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

See Independent Auditor's Report

Jacksonville Transportation Authority

**SCHEDULE OF AUTHORITY'S CONTRIBUTIONS -
HEALTH INSURANCE SUBSIDY PENSION PLAN (Unaudited)**

For the year ended September 30, 2020

* Plan Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014
Contractually required pension contribution	\$ 302,763	\$ 284,140	\$ 264,140	\$ 246,472	\$ 230,032	\$ 208,514	\$ 192,196
HIS contributions in relation to the contractually required pension contribution	302,763	284,140	264,140	246,472	230,032	208,514	192,196
Pension contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 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	1.64%	1.59%	1.65%	1.59%	1.66%	1.56%	1.66%

Notes to Schedule:

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

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

See Independent Auditor's Report

COMPLIANCE SECTION

Jacksonville Transportation Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

For the year ended September 30, 2020

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	CFDA/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
United States of Department of Transportation:				
Direct Programs:				
Federal Transit Cluster:				
70FBD Ferry Boat Discretionary				
Ferry Boat Discretionary Grants (FHWA)	20.205	FL-2018-097	\$ 3,224	\$ -
Federal Transit Capital Investment Grants	20.500	FL-03-0343-00	1,314,941	-
	20.500	FL-04-0184-00	60,317	-
	20.500	FL-03-0338-00	174,082	-
	20.500	FL-03-0339-01	123,608	-
	20.500	FL-2016-029-00	1,418,467	-
Total Capital Investment Grants			3,091,415	-
TOD Discretionary Grants	20.500	FL-2019-031	517,481	-
Bus and Bus Facility Discretionary Grants	20.500	FL-04-0111-02	138,899	-
New Start Program	20.500	FL-2017-119-01	440,639	-
	20.500	FL-2020-002	1,155	-
	20.500	G1E81	138	-
Total New Starts Program Grants			441,932	-
Modernization Formula Grants	20.500	FL-05-0106-02	36,768	-
Total CFDA 20.500			4,226,495	-
Federal Transit Formula Grants				
	20.507	FL-90-X643-01	33,217	-
	20.507	FL-90-X683-01	178,075	-
	20.507	FL-90-X711-01	140,854	-
	20.507	FL-90-X742-01	92,733	-
	20.507	FL-90-X774-01	292,912	-
	20.507	FL-90-X802-01	53,616	-
	20.507	FL-90-X879-00	190,754	-
	20.507	FL-2017-042-00	521,781	-
	20.507	FL-2017-104-00	771,248	-
	20.507	FL-2018-019-00	13,324	-
	20.507	FL-2020-111	689,897	-
	20.507	FL-2018-0115	898,398	-
	20.507	FL-2019-033	986,768	-
	20.507	FL-2019-018	1,369,460	-
	20.507	FL-2020-111	2,354,906	-
	20.507	FL-2020-086	686,875	-
	20.507	FL-2020-007	3,036,843	-
Total Federal Transit Formula Grants			12,311,661	-
5307 - Urbanized Area Formula Grants CARES Act Funding	20.507	FL-2020-070	1,706,124	-
	20.507	FL-2020-029	15,184,853	-
	20.507	FL-2020-065	9,424,535	-
Total Urbanized Area Formula Grants CARES Act Funding			26,315,512	-
5307 - Urbanized Area Formula Grants CRRSA Act Funding	20.507	FL-2021-017-00	15,264,081	-
Total CFDA 20.507			53,891,254	-
State of Good Repairs Formula Grant				
	20.525	FL-54-0001	50,858	-
	20.525	FL-2017-007-00	107,563	-
	20.525	FL-2018-126	553,675	-
	20.525	FL-2019-078	54,519	-
	20.525	FL-2018-099	80,226	-
Total State of Good Repairs Formula Grant			846,841	-
Public Transport Emergency Relief Program	20.527	FL-2019-105	409,091	-
Bus and Bus Facilities Formula Grant				
	20.526	FL-2019-064	1,684,635	-
	20.526	FL-2018-107	5,004	-
Total Bus and Bus Facilities Formula Grant			1,689,639	-
Total Federal Transit Cluster			\$ 61,066,544	\$ -

See accompanying notes and Independent Auditor's Report.

Jacksonville Transportation Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued)

For the year ended September 30, 2020

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	CFDA/CSFA Number	Contract/Grant Number	Federal Expenditures	Paid to Subrecipients
Direct Programs (continued):				
New Freedom Grants	20.521	FL-57-X022-01	\$ 2,919	\$ -
	20.521	FL-57-X037-02	36,185	-
Total New Freedom Grants			<u>39,104</u>	<u>-</u>
Total Direct Programs			<u>\$ 61,105,648</u>	<u>\$ -</u>
Pass through:				
Indirect Programs				
State of Florida Department of Transportation:				
Highway Planning and Construction Grants				
	20.205	GOD36	\$ 586,915	\$ -
	20.205	GOD31	229,866	-
Total Highway Planning and Construction Grants			<u>816,781</u>	<u>-</u>
North Florida Transportation Planning Organization	20.505	G1545	<u>423,016</u>	<u>-</u>
Formula Grants for Other Than Urbanized Areas				
	20.509	G1460	28,431	5,334
	20.509	G1951	33,779	5,464
	20.509	G1A10	<u>18,256</u>	<u>-</u>
Total Formula Grants for Other Than Urbanized Areas			<u>80,466</u>	<u>10,798</u>
Formula Grants for Rural Areas Cares Act Funding	20.509	GO618	<u>228,885</u>	<u>-</u>
Public Transit Service Development Program	20.509	G1H18	<u>15,189</u>	<u>-</u>
Intercity Bus Program Section 5311 (f)	20.509	GO618	<u>1,816,748</u>	<u>-</u>
Total CFDA 20.509			<u>2,141,288</u>	<u>10,798</u>
Enhanced Mobility of Seniors and Individuals with Disabilities				
	20.513	FY 20 (FFY19) 5310 MOBILITY MANAGEMENT FDOT)	327,087	-
	20.513	FY19(FFY18) 5310 TRANSIT ENHANCEMENTS FTA	88,056	-
	20.513	FL-2018-005	<u>5,761</u>	<u>-</u>
Total Enhanced Mobility of Seniors and Individuals with Disabilities			<u>420,904</u>	<u>-</u>
Total Indirect Programs			<u>3,801,989</u>	<u>21,596</u>
Total United States Department of Transportation			<u>\$ 64,907,637</u>	<u>\$ 21,596</u>

See accompanying notes and Independent Auditor's Report.

Jacksonville Transportation Authority

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (continued)

For the year ended September 30, 2020

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	CFDA/CSFA Number	Contract/Grant Number	State Expenditures	Paid to Subrecipients
State of Florida Department of Transportation:				
Commission for the Transportation Disadvantaged (CTD)				
Trip and Equipment Grant Program				
	55.001	G1A18	\$ 287,665	\$ -
	55.001	G1A23	721,270	-
	55.001	G1N16	96,397	-
	55.001	G1N39	456,833	-
Total Commission for the Transportation Disadvantaged CTD)			<u>1,562,165</u>	<u>-</u>
Public Transit Block Grant Program				
	55.010	G0S13	3,879,508	-
Public Transit Service Development Program				
	55.012	G1218	88,264	-
	55.012	G1H04	74,753	-
Total Public Transit Service Development Program			<u>163,017</u>	<u>-</u>
Transportation Corridor Program				
	55.013	G1688	(1,335)	-
	55.013	G1689	22,961	-
	55.013	G1E23	172,841	-
	55.013	G1F05	104,489	-
	55.013	G1H02	77,509	-
	55.013	G1H03	32,694	-
Total Transportation Corridor Program			<u>409,159</u>	<u>-</u>
New Starts Program				
	55.017	AQN86	191,177	-
	55.017	G0047	146,061	-
	55.017	G0O33	208,605	-
Total New Starts Program			<u>545,843</u>	<u>-</u>
Total State Expenditures			<u>\$ 6,559,692</u>	<u>\$ -</u>

See accompanying notes and Independent Auditor's Report.

Jacksonville Transportation Authority

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

For the year ended September 30, 2020

NOTE A - 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 B - 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, which are described in Note B to the Authority's financial statements. 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.

NOTE C - INDIRECT COST RATE

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

NOTE D - LOAN GUARANTEES

At September 30, 2020, the Authority is not the guarantor of any loans outstanding other than those disclosed in the basic financial statements.

INDEPENDENT AUDITOR'S REPORT 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, each major fund, and the aggregate remaining fund information of the Jacksonville Transportation Authority (the "Authority"), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 29, 2021.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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.

April 29, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT 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

We have audited the Jacksonville Transportation Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the Authority's major Federal programs and State projects for the year ended September 30, 2020. 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.

Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations and the terms and conditions of its Federal awards and State projects applicable to its Federal programs and State projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major Federal programs and State projects based on our audit of the types of compliance requirements referred to above. 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 the 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*. Those standards, the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program or State project occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major Federal programs and State projects. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on each of the Major Federal Programs and State Projects

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, 2020.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major Federal programs or State projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each of its major Federal programs and State projects and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.

April 29, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP

Jacksonville Transportation Authority
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended September 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

Material weakness identified? **No**

Significant deficiencies identified? **None reported**

Type of auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.156(a)? **No**

Identification of major programs:

Federal Transit Cluster

CFDA Nos. 20.500, 20.507, 20.525, 20.526

Formula Grants for Rural Areas

CFDA No. 20.209

The threshold for distinguishing types A and B programs was: **\$1,489,636.**

Did the auditee qualify as a low-risk auditee? **Yes**

State Financial Assistance

Internal control over major projects:

Material weakness identified? **No**

Significant deficiency identified? **None reported**

Type of auditor's report issued on compliance for major projects: **Unmodified**

Any audit findings disclosed that are required to be reported with Chapter 10.550, Rules of the Florida Auditor General? **No**

Identification of major projects:

Public Transit Block Grant CSFA No. 55.010

Commission for the Transportation Disadvantaged CSFA No. 55.001

The threshold for distinguishing types A and B programs was: **\$750,000.**

Jacksonville Transportation Authority

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)

For the year ended September 30, 2020

B. FINANCIAL STATEMENT FINDINGS

None Reported.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS

None Reported.

D. FINDINGS AND QUESTIONED COSTS - MAJOR STATE PROJECTS

None Reported.

E. SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

None Reported.



MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550 OF THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board Members
Jacksonville Transportation
Authority Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jacksonville Transportation Authority (the "Authority") as of and for the year ended September 30, 2020, and have issued our report thereon dated April 29, 2021.

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 Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements performed in accordance with *Government Auditing Standards*, Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards, AT-C Section 315*, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated April xx, 2021, 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 associated recommendations made in the preceding financial audit report. There were no findings in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A 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 the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(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. 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 the financial information provided by the 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 noted the following item to help improve on financial reporting;

1. We recommend that the Authority maximize the general ledger with the utilization of funds to maintain the full accrual financial items, such as, long term liabilities and capital asset activity.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.804(1)(f)4., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that has occurred, or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board Members and applicable management of the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

April 29, 2021
Melbourne, Florida

Berman Hopkins Wright & LaHam
CPAs and Associates, LLP



**INDEPENDENT ACCOUNTANT'S REPORT ON
COMPLIANCE WITH SECTION 218.415**

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have examined the Jacksonville Transportation Authority's (the "Authority") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2020. 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 judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes, during the year ended September 30, 2020.

April 29, 2021
Melbourne, Florida

*Berman Hopkins Wright & LaHam
CPAs and Associates, LLP*