Jackson Municipal Airport Authority

Independent Auditor's Report and Financial Statements

September 30, 2023 and 2022

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Independent Auditor's Report

The Board of Commissioners and Management
Jackson Municipal Airport Authority
Jackson, Mississippi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Jackson Municipal Airport Authority (the "Authority"), a component unit of the City of Jackson, Mississippi, as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2023 and 2022, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended September 30, 2023, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is 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 the schedule of passenger facility charges – cash basis as required by the Passenger Facility Charge Audit Guide for Public Agencies, and the historical schedule of selected financial data and the schedule of budget vs. actual revenues and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, schedule of passenger facilities charges - cash basis, the historical schedule of selected financial data, and the schedule of budget vs. actual revenue and expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

FORVIS, LLP

Memphis, Tennessee
March 18, 2024

Management's Discussion and Analysis

The following discussion and analysis of the financial performance and activity of the Jackson- Medgar Wiley Evers International Airport and Hawkins Field Airport is to provide an understanding of the basic financial statements of the Jackson Municipal Airport Authority ("the Authority") for the years ended September 30, 2023 and 2022. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and the notes thereto, which follow this section.

Note 1. Highlights of the Fiscal Year 2023 Budget

The budgeted amounts compared to actual operating results prepared on a budgetary basis are as follows for the fiscal year 2023:

	Budget	Actual (*)
Operating revenues	$ 20,941,397	$ 23,070,379
Operating expenses	(19,520,207)	(18,460,994)
Operating income before depreciation and unfunded portion of pension expense	1,421,190	4,609,385
Depreciation and amortization expense	10,570,314	10,803,627
Unfunded portion of pension expense	-	2,103,607
Operating loss	(9,149,124)	(8,297,849)
Net non-operating revenue (expense)	7,839,504	13,000,542
Gain (loss) before capital grant contributions	$ (1,309,620)	$ 4,702,693

*Refer to page 39 for a complete presentation of actual versus budget on a budgetary basis. Comparison of revenues and expenses on a GAAP basis are presented in sections 2 and 3 below.

Actual operating revenue exceeded budgeted expectations by $2,128,982 or 10.2%. Aviation revenue exceeded the budget by $87,430. Non-aviation revenue was greater than the budget by $1,709,144, and concession revenue exceeded the budget by $325,984. Concession revenue was more due to rental car concessions. The increase in aviation and concession revenue is primarily due to the rise in enplanements.

Actual operating expenses before depreciation and unfunded pension were under budget by $1,059,213, or 5.4%. For the year, building expenses exceeded budget by $233,714 due to increased emergency repairs. However, this increase in spending was offset by reductions in the other major expense categories, such as board expenses, supplies, and services.

Actual Operating Income before depreciation and unfunded pension expense, compared to the budget, was $3,188,195 higher. This increase was primarily due to the budgeted operating revenues exceeding actual operating revenues. The total operating loss was $9,149,124, which was lower than the budgeted amount. The non-operating revenue and expenses, which include the CARES Act funds and capital projects federal reimbursement, was $13,000,542, which enabled JMAA to end the year with a positive change in net position of $7,544,240.

Overview of the Financial Statements

The financial reporting package consists of four parts - the independent auditors' report, management's discussion and analysis (this section), the basic financial statements and supplementary information. The report is guided by accounting and reporting principles established by the Governmental Accounting Standards Board ("GASB"). The basic financial statements are prepared on an accrual basis, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of when cash is received or paid. The basic financial statements consist of the following: statements of net position that include the Airport's assets, deferred outflows, liabilities, deferred inflows, and net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the financial statements is a section of supplementary information, which further explains and supports the information in the financial statements. For readers of the financial statements, it should be noted that, with certain limited exceptions, Authority monies are restricted by bond ordinances and Federal Aviation Administration regulations for use at the Airport. Airport net revenues (essentially operating revenues less operating expenses other than depreciation and the unfunded portion of pension expense) are largely determined by permits with airlines and agreements with concessionaires and other tenants.

The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which changes the accounting and financial reporting for subscription-based information technology arrangements (SBITA's) in fiscal year 2023. Fiscal years 2022 and 2021 information herein has not been restated for the adoption of GASB 96.

Financial Highlights

Net Position

The statements of net position present the financial position of the Authority at the end of the fiscal year and includes all its assets, deferred outflows, liabilities, and deferred inflows. Net position represents the difference between total assets, deferred outflows, liabilities, and deferred inflows. A summarized comparison of the Authority's assets, deferred outflows, liabilities, deferred inflows and net position follows:

	FY2023	**FY2022**	**Restated FY2021**
Assets:			
Current assets	$ 26,736,357	$ 20,861,101	$ 17,223,525
Capital assets net	115,150,908	118,493,458	124,840,536
Other noncurrent assets	40,786,430	36,699,727	32,014,838
Total assets	182,673,695	176,054,286	174,078,899
Deferred outflow of resources:			
Deferred outflows - debt refunding	176,407	217,051	231,203
Deferred outflows - pension	5,877,323	3,497,702	1,395,679
Total deferred outflows of resources	6,053,730	3,714,753	1,626,882
Liabilities:			
Current liabilities	6,066,455	5,917,324	4,805,321
Noncurrent liabilities - long-term debt, net	20,732,171	23,448,623	26,421,578
Net pension liability	23,752,404	18,918,217	12,177,454
Total liabilities	50,551,030	48,284,164	43,404,353

	FY2023	FY2022	Restated FY2021
Deferred inflow of resources:			
Deferred inflows - leases	4,216,163	4,717,924	3,060,277
Deferred inflows - pension	281,484	632,443	4,753,334
Total deferred inflows of resources	4,497,647	5,350,367	7,813,611
Net position:			
Invested in capital assets, net of related debt	91,990,840	93,028,651	97,785,408
Restricted	38,942,004	34,826,739	32,127,366
Unrestricted	2,745,904	(1,720,882)	(5,424,957)
Total net position	$133,678,748	$126,134,508	$124,487,817

For FY 2023, as compared to FY 2022, total assets increased by $6,619,409 or 3.8% due to an increase in current assets, specifically cash and non-current assets for restricted cash. These increases were netted against a decrease in capital assets due to depreciation.

For FY 2023, as compared to FY 2022, total liabilities experienced an increase of $2,266,866 or 4.7% which was primarily due to an increase in pension liability.

For FY 2023 as compared to FY 2022, Net Position increased by $7,544,240. The 2023 increase was due to an increase in restricted and unrestricted assets from operating activities.

Note 2. Operating Revenues

Revenue Classifications	FY2023	FY2022	Restated FY2021
Aviation	$ 8,467,356	$ 8,060,207	$ 6,641,538
Non-aviation	10,422,492	8,667,955	5,697,315
Concessions	3,944,726	2,834,640	1,637,027
Services	235,805	216,975	151,046
Total operating revenue	$ 23,070,379	$ 19,779,777	$ 14,126,926

The table above presents the major operating revenue classifications for FY 2023 compared to FY 2022 and FY 2021. For FY 2023, as compared to FY 2022, total operating revenue increased by $3,290,602 or 16.6%. Total operating revenue experienced an increase of $5,652,851 or 40% in FY 2022 as compared to FY 2021.

In FY 2023, Aviation Revenue increased by $407,149 or 5.1% and primarily due to an increase in enplanements. In FY 2022, Aviation Revenue experienced an increase of $1,418,669 as compared to FY 2021.

In FY 2023, Non-Aviation Revenue experienced an increase by $1,754,537 or 20.2% because of the increase in parking revenue. In FY 2022, Non-Aviation Revenue increased by $2,970,640.

In FY 2023, Concessions Revenue experienced an increase in revenue of $1,110,086 or 39.2%, because of rental car revenue. In FY 2022, Concessions Revenue increased by $1,197,613.

In FY 2023, Services Revenue increased by $18,830 or 8.7% due to an increase in the ground transportation for the Transportation Network Companies (Uber and Lyft). In FY 2022, Services revenue increased by $65,929.

Note 3. Operating Expenses

Expense Classifications	FY2023	FY2022	Restated FY2021
Board	$ 43,289	$ 57,080	$ 49,394
Building	2,533,822	2,019,833	1,678,151
Employee	12,603,992	10,206,361	7,470,983
Equipment	475,744	508,934	315,934
Miscellaneous	11,251	2,009	4,418
Services	3,904,860	3,970,430	5,544,390
Supplies	991,643	1,094,194	661,573
Total operating expenses before depreciation	$ 20,564,601	$ 17,858,841	$ 15,724,843

The table above presents the major expense classifications for FY 2023 compared to FY 2022 and FY 2021. The total operating expenses before depreciation for FY 2023 increased by $2,705,760 or 15%. For FY 2022, operating expenses increased $2,133,998 as compared to FY 2021.

For FY 2023, Building Expenses increased by $513,989 or 25.4% primarily due to in repairs and maintenance as well as utility expenses. The FY 2022 building expenses increased compared to 2021 by $341,682 or 20.4%.

For FY 2023, Employee Expenses experienced an increase of $2,397,631 or 23.5%, as compared to FY 2022 due to the increase in pension expense and new vacant positions were filled. Employee Expenses increased by $2,735,378 in FY 2022 which resulted from vacant positions being filled along with related benefits.

Note 4. Non-Operating Revenue (Expense)

Actual Net Non-Operating Revenue (Expense), in comparison to the budget, increased $5,161,038. This increase was primarily due to CARES Act grant revenues and capital projects federal reimbursement.

Note 5. Capital Assets

The Authority's capital assets as of September 30, 2023, 2022 and 2021, amounted to $115,150,908, $118,493,458, and $124,840,536 (net of accumulated depreciation) respectively. This investment in capital assets includes land, facilities, facility improvements, equipment, furniture and fixtures and construction in progress.

Capital asset acquisitions are capitalized at cost and depreciated using the straight-line method. The Authority funds capital assets with passenger facility charges, customer facility charges, federal and state grants, net revenues and various bond issues. Additional information on the Authority's capital assets can be found in the accompanying notes to the financial statements.

Note 6. Debt Administration

As of September 30, 2023, the Authority had outstanding revenue bonds of $22,215,000 which are listed below:

Description	Amount
Series 2017A	$ 2,035,000
Series 2017B	2,570,000
Series 2015A	9,755,000
Series 2015B	7,855,000

Note 7. Other Items

Airline Rates and Charges

Rates and charges are calculated on an annual basis and are subject to change during the year. Included in the rates and charges calculations are specific rebates of debt service coverage.

Rates/Charges	FY2023	FY2022	FY2021
Terminal rent rates	$ 86.91	$ 79.88	$ 79.88
Landing fee (per 1,000 lbs.)	3.54	3.54	3.54

Operating and Capital Grants and Reimbursements

In FY 2023 and FY 2022, respectively, the Authority recognized operating grant revenue of $7,073,117 and $3,245,555. Operating grants consist mostly of COVID relief funding from the Federal Aviation Administration (FAA). The Authority also recognized capital grant revenue in FY 2023 and FY 2022, respectively, of $2,841,547 and $2,938,819 from the FAA and the Mississippi Department of Transportation (MDOT). Capital grant revenue is used to offset the cost of various capital projects

Note 8. Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Jana Greene, Senior Accountant, Jackson Municipal Airport Authority, Post Office Box 98109, Jackson, Mississippi 39298-8109. Information of interest may also be obtained on the Authority's website at www.jmaa.com.

Jackson Municipal Airport Authority
Statements of Net Position
September 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 21,403,274	$ 14,040,740
Restricted cash and cash equivalents - current	2,489,069	2,420,621
Accounts receivable	653,515	791,245
Governmental grants receivable	1,213,509	2,765,033
Lease receivable - current	561,597	515,365
Other	415,393	328,097
Total current assets	26,736,357	20,861,101
Non-current Assets		
Restricted cash and cash equivalents - non-current	15,302,105	31,829,331
Restricted investments - non-current	20,517,366	-
Restricted passenger facility charges receivable	388,143	387,789
Restricted customer facility charges receivable	245,321	188,998
Lease receivable - non-current	3,930,048	4,293,609
Subscription assets, net	403,447	-
Capital assets, net	115,150,908	118,493,458
Total non-current assets	155,937,338	155,193,185
Total assets	182,673,695	176,054,286
Deferred Outflows - Debt Refunding	176,407	217,051
Deferred Outflows - Pension	5,877,323	3,497,702
Total deferred outflows of resources	6,053,730	3,714,753

Jackson Municipal Airport Authority
Statements of Net Position
September 30, 2023 and 2022 **(Continued)**

	2023	2022
LIABILITIES		
Current Liabilities		
Current maturities of long-term debt	2,050,000	1,995,000
Current maturities of subscription arrangements	134,975	-
Accounts payable	2,303,767	1,831,976
Contract retainage payable	66,781	337,659
Accrued expenses	1,510,932	1,752,689
Total current liabilities	6,066,455	5,917,324
Non-current Liabilities		
Long-term debt, net of current maturities	20,165,000	22,215,000
Subscription arrangements, net of current maturities	267,619	-
Claims liability	-	825,000
Deferred revenue	299,552	408,623
Net pension liability	23,752,404	18,918,217
Total non-current liabilities	44,484,575	42,366,840
Total liabilities	50,551,030	48,284,164
Deferred Inflows of Resources		
Deferred inflows - pension	281,484	632,443
Deferred inflows - leases	4,216,163	4,717,924
Total deferred inflows of resources	4,497,647	5,350,367
Net Position		
Net investment in capital assets	91,990,840	93,028,651
Restricted	38,942,004	34,826,739
Unrestricted (deficit)	2,745,904	(1,720,882)
Total net position	$ 133,678,748	$ 126,134,508

Jackson Municipal Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2023 and 2022

	2023	2022
Operating Revenues		
Aviation	$ 8,467,356	$ 8,060,207
Non-aviation	10,422,492	8,667,955
Concessions	3,944,726	2,834,640
Services	235,805	216,975
Total Operating Revenues	23,070,379	19,779,777
Operating Expenses		
Board expenses	43,289	57,080
Building expenses	2,533,822	2,019,833
Employee expenses	12,603,992	10,206,361
Equipment expenses	475,744	508,934
Miscellaneous expenses	11,251	2,009
Services	3,904,860	3,970,430
Supplies	991,643	1,094,194
Total Operating Expenses, Before Depreciation and Amortization Expense	20,564,601	17,858,841
Operating Income, Before Depreciation and Amortization Expense	2,505,778	1,920,936
Depreciation and Amortization Expense	10,803,627	10,570,314
Total Operating Expenses	31,368,228	28,429,155
Operating Loss	(8,297,849)	(8,649,378)

Jackson Municipal Airport Authority
Statements of Revenues, Expenses and Changes in Net Position
Years Ended September 30, 2023 and 2022 (Continued)

	2023	2022
Non-operating Revenues (Expense)		
Passenger facility charges, restricted	3,070,189	2,407,296
Customer facility charges, restricted	3,069,544	2,112,411
Governmental operating grants	7,073,117	3,245,555
Interest expense	(690,458)	(713,833)
Loss on disposal of assets	-	-
Interest income	510,937	129,620
Asset seizures	-	(53,822)
Other	(32,787)	230,023
Net Non-operating Revenues (Expense)	13,000,542	7,357,250
Gain (Loss) Before Capital Grant Contributions	4,702,693	(1,292,128)
Governmental Capital Grant Contributions	2,841,547	2,938,819
Change in Net Position	7,544,240	1,646,691
Net Position - Beginning	126,134,508	124,487,817
Net Position - Ending	$ 133,678,748	$ 126,134,508

Jackson Municipal Airport Authority
Statements of Cash Flows
Years Ended September 30, 2023 and 2022

	2023	2022
Cash Provided by Operating Activities		
Cash received from customers	$ 23,066,251	$ 19,691,173
Cash paid for payroll expenses	(8,592,402)	(7,594,296)
Cash paid for other operating expenses	(10,656,634)	(9,884,954)
Net cash provided by operating activities	3,817,215	2,211,923
Cash Provided by Non-capital Financing Activities		
Asset seizures (transfers)	-	(53,822)
Operating Grants and expense reimbursements	7,704,331	2,740,108
Net cash provided by non-capital financing activities	7,704,331	2,686,286
Cash Used by Capital and Related Financing Activities		
Capital grants received	3,761,857	2,155,665
Passenger facility charges collected	3,069,835	2,443,363
Customer facility charges collected	3,013,221	2,165,238
Principal paid on capital debt	(1,995,000)	(1,950,000)
Principal paid on software arrangements	(88,659)	-
Interest paid on capital debt	(674,338)	(723,329)
Interest received on leases	-	93,208
Capital asset expenditures	(7,698,277)	(3,854,061)
Net cash provided by (used in) capital and related financing activities	(611,361)	330,084
Cash Provided (Used) by Investing Activities		
Purchase of investments	(20,517,366)	-
Receipt of investment interest	510,937	36,412
Net cash provided by (used in) investing activites	(20,006,429)	36,412
Change in Cash and Cash Equivalents	(9,096,244)	5,264,705
Cash and Cash Equivalents - Beginning of Year	48,290,692	43,025,987
Cash and Cash Equivalents - End of Year	$ 39,194,448	$ 48,290,692

	2023	2022
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating loss	$ (8,297,849)	$ (8,649,378)
Depreciation and amortization expense	10,803,627	10,570,314
Provision for bad debts	-	52,293
Net effect of changes in operating assets and liabilities:		
Accounts receivable	104,943	68,990
Other current assets	(87,296)	(34,734)
Lease receivable	-	(56,932)
Accounts payable, net of capital items	416,848	462,539
Accrued expenses	(401,665)	105,982
Claims liability	(825,000)	(825,000)
Net pension liability	2,103,607	517,849
Net cash provided by operating activities	$ 3,817,215	$ 2,211,923
Presentation of Cash and Cash Equivalents - End of Year on the Statements of Net Position		
Cash and cash equivalents	$ 21,403,274	$ 14,040,740
Restricted cash and cash equivalents - current	2,489,069	2,420,621
Restricted cash and cash equivalents - non-current	15,302,105	31,829,331
Cash and cash equivalents - end of year	$ 39,194,448	$ 48,290,692
Non-cash Capital and Related Financing Activities		
Accounts payable and retainage payable related to capital expenditures	$ 797,303	$ 1,122,309
Capitalized software arrangments	$ 491,253	$ -

Note 1. Summary of Significant Accounting Policies

A summary of significant accounting policies for Jackson Municipal Airport Authority (the Authority) follows:

Organization and Nature of Operations

The Authority operates two airports in the Jackson, Mississippi, metropolitan area: the Jackson-Medgar Wiley Evers International Airport (JAN) and the Hawkins Field Airport (HKS). The Authority, created in 1960 as a component unit of the City of Jackson, Mississippi, is governed by five (5) commissioners appointed by the Mayor of Jackson and confirmed by the Jackson City Council to serve staggered terms of five (5) years each. The Commissioners are responsible for planning, development, and operation of JAN and HKS. Substantially all of the Authority's business activity is with customers in the transportation industry.

Basis of Accounting and Measurement Focus

The Authority is accounted for as an enterprise fund and presents its financial statements in accordance with the Government Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; GASB Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus; and GASB Statement No. 38, Certain Financial Statement Disclosures.

Cash and Cash Equivalents

Mississippi law allows governmental entities to invest in collateralized bank deposits, Federal securities, or securities issued by other Mississippi governmental entities. For purposes of the statements of cash flows, the Authority considers restricted cash and all short-term debt securities purchased with maturities of three months or less to be cash equivalents.

Investments and Fair Value Measurements

The Authority accounts for its investments at fair value. Changes in unrealized gain (loss) on the carrying value of investments are reported in the Statement of Revenues, Expenses and Changes in Net Position.

Fair value, as defined by GASB, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority has the ability to access at the measurement date.

Level 2 - Inputs to the valuation methodology include (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in inactive markets; (iii) inputs other than quoted prices that are observable for the asset or liability; and (iv) inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Differences between the amount due and the amount management expects to collect are reported in the results of operations of the year in which those differences are determined, with an offsetting entry to a valuation allowance for trade accounts receivable. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The valuation allowance was $0 at both September 30, 2023 and 2022.

Capital Assets

Capital assets are recorded at acquisition cost. Depreciation has been provided using the straight-line method over the estimated useful lives of the assets. Depreciation is not provided for construction-in-progress until such time as the assets are placed into service.

Income Taxes

The Authority is exempt from federal and state income taxes.

Leases

The Authority is lessor under numerous lease agreements. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Authority's deferred outflows relate to debt refunding, which are being amortized over the life of the debt, and its net pension liability, which are being amortized over the estimated average remaining service life of plan participants.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The Authority's deferred inflows relate to its net pension liability, which are being amortized over the estimated average remaining service life of plan participants, and lease revenues which are amortized over the term of the lease, and other unearned revenues which are amortized over the term of agreements, as appropriate.

Use of Estimates in the Preparation of Financial Statements

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 that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Presentation of Sales Tax

The State of Mississippi imposes a sales tax of 7% on the Authority's parking revenues. The Authority collects the sales tax from customers and remits the entire amount to the State. The Authority's accounting policy is to exclude the tax collected and remitted to the State from both revenues and expenses.

Restricted Assets

Assets required to be held and/or used as specified in bond indentures, bond resolutions, and grantor specifications have been reported as restricted assets. When both restricted and unrestricted assets are available for use, the policy is to use restricted assets first.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense/expenditures, information about the fiduciary net position of the Authority's pension plans with the Public Employees' Retirement System of Mississippi ("PERS") and the additions to/deductions from the plans' fiduciary net position have been determined on the same basis as reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

New Accounting Pronouncement

The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which changes the accounting and financial reporting for subscription-based information technology arrangements (SBITA's). Under previous guidance, SBITA's were classified as operating expenses. GASB Statement No. 96 defines a SBITA as a contract that conveys the right to use another party's IT software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction. Under GASB Statement No. 96, SBITA's that convey the right to obtain the present service capacity from use of the underlying IT assets, and the right to determine the nature and manner of use as specified in the contract, are required to be recognized on the statement of net position. The adoption of this standard did not impact the beginning net position on the Authority's financial statements as the Authority did not have any long-term subscription arrangements as of the October 1, 2022 implementation date.

Note 2. Cash and Cash Equivalents

Cash - Bank Deposits

The carrying amount of the Authority's total cash deposits with financial institutions (including restricted cash) at September 30, 2023 and 2022, was $39,194,448 and $48,290,692, respectively, and the bank balance was $37,515,899 and $47,008,351, respectively. Collateral for public entities' deposits in financial institutions is held in the name of the Mississippi State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the State Treasurer monitors collateralization of the entity's funds. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depositary Insurance Corporation (FDIC).

Cash Equivalents

The carrying amount of the Authority's total cash equivalents, which are restricted for repayment of debt or use of debt proceeds, at September 30, 2023 and 2022, was $72,533 and $36,644, respectively. The Authority's cash equivalents, which are invested in mutual funds which invest in U.S. Treasury securities, are not covered by FDIC insurance.

Note 3. Restricted Cash and Cash Equivalents

A summary of restricted cash and cash equivalents follows:

	2023	2022
Current:		
Debt interest and principal payments	$ 2,447,528	$ 2,379,917
Asset seizure funds - State	41,541	40,704
Total short-term	$ 2,489,069	$ 2,420,621
Non-current:		
Passenger facility charges (PFC)	$ 6,247,507	$ 14,589,659
Customer facility charges (CFC)	4,460,052	12,737,793
Restricted for capital projects	433,799	425,049
Cash reserve restricted by bond indenture	4,160,747	4,076,830
Total non-current	$ 15,302,105	$ 31,829,331

Note 4. Restricted Investments

In 2023, the Authority initiated an investment management strategy to invest certain cash balances in allowable fixed income investments (US Treasuries, US Agencies, Government Money Market) for passenger facility charges and customer facility charges. At September 30, 2023, the market value of these investments was $20,517,366, measured using Level 2 inputs,

Note 5. Lease Receivables

Substantially all buildings and improvements, except for the parking facility, of the Authority are leased to third parties. Many of these leases provide for the payment of contingent amounts based on revenues. The Authority leases certain equipment and property to third parties that conduct operations at the airport owned facilities where lease payments are based on usage. The usage-based payments are not included in the measurement of the lease receivable because they are not fixed in substance.

Revenue recognized under lease contracts during the years ended September 30, 2023 and 2022, was $805,146 and $891,230 respectively, which includes both lease revenue and interest. The Authority also recognized lease revenue of $3,829,977 and $2,625,159 for the years ended September 30, 2023 and 2022, respectively, for variable payments not previously included in the measurement of the lease receivable. Lease revenue is reflected as operating revenue and interest revenue is reflected as nonoperating revenue in the statements of revenue, expenses and changes in net position.

The following is a schedule by year of minimum payments to be received under the Authority's leases that are included in the measurement of the lease receivable as of September 30, 2023:

	Principal	Interest	Total
2024	$ 561,597	$ 122,218	$ 683,815
2025	604,504	106,565	711,069
2026	627,223	90,106	717,329
2027	1,095,274	69,186	1,164,460
2028	141,370	47,949	189,319
2029 – 2033	481,208	191,121	672,329
2034 – 2038	156,163	146,794	302,957
2039 – 2043	116,958	125,632	242,590
2044 – 2048	137,702	104,888	242,590
2049 – 2053	162,126	80,465	242,591
2054 – 2058	190,881	51,709	242,590
2058 – 2063	216,639	17,865	234,504
Total	$ 4,491,645	$ 1,154,498	$ 5,646,143

Regulated Leases

The Authority leases a portion of its property to air carriers and other aeronautical users, whose leases meet the definition of a regulated lease as defined in GASB Statement No. 87 and therefore, are only subject to the disclosure requirements. The terms of the regulated leases expire 2023 through 2044. Payments for most of the leases increase periodically based on a defined formula. Rates and fees charged by the Authority for the use of its facilities are required by terms of individual leases to be sufficient to cover operating expenses, debt service and general obligation debt but not depreciation and amortization. The Authority leases certain equipment and property to air carriers and other aeronautical users where lease payments are based on usage. The usage-based payments are not included in the future minimum payments below because they are not fixed in substance. The majority of the leases allow the lessee the exclusive use of the premises. However, aircraft and vehicles may traverse the space and the Authority has the right to grant third party privileges at their discretion.

Revenue recognized for fixed payment under regulated lease contracts during the years ended September 30, 2023 and 2022, was $6,521,907 and $6,259,819. The Authority also recognized lease revenue of $3,662,236 and $3,501,985 for the years ended September 30, 2023 and 2022, respectively, for variable payments not previously included in the future minimum payments. The variable payments are primarily passenger and cargo flight fees based on usage.

The following is a schedule by year of expected future minimum payments to be received under the Authorities regulated leases as of September 30, 2023:

Years	Total Future Payments
2024	$ 567,891
2025	536,546
2026	509,669
2027	479,329
2028	388,415
2029 – 2033	1,905,196
2034 – 2038	1,414,627
2039 – 2043	416,715
2044	69,805
Total	$ 6,288,193

The air carriers are also given exclusive use of certain spaces, including such areas as ticket counter, office space, operations space, apron storage space, etc. to conduct their operations, which are defined in the agreements. As of September 30, 2023, the Authority provides exclusive use to air carriers to lease approximately 35,000 square feet.

Note 6. Capital Assets, Net

A summary of capital assets, net follows:

	Balance September 30, 2022	Additions	Deletions	Adjustments	Balance September 30, 2023
Land	$ 4,622,050	$ -	$ -	$ -	$ 4,622,050
Land improvements	153,680,962	-	-	2,857,341	156,538,303
Buildings	122,407,890	16,824	-	2,983,491	125,408,205
Utility systems	9,485,394	-	-	-	9,485,394
Furniture, fixtures & equip.	33,788,129	765,492	(380,948)	13,729	34,186,402
Construction in progress	7,727,771	6,621,117	-	(5,854,561)	8,494,327
Total	331,712,196	7,403,433	(380,948)	-	338,734,681
Accumulated depreciation	(213,218,738)	(10,715,821)	350,786	-	(223,583,773)
Net capital assets	$ 118,493,458	$ (3,312,388)	$ (30,162)	$ -	$ 115,150,908

	Balance September 30, 2021	Additions	Deletions	Adjustments	Balance September 30, 2022
Land	$ 4,622,050	$ -	$ -	$ -	$ 4,622,050
Land improvements	153,680,962	-	-	-	153,680,962
Buildings	122,222,269	185,621	-	-	122,407,890
Utility systems	9,485,394	-	-	-	9,485,394
Furniture, fixtures & equip.	33,281,724	506,405	-	-	33,788,129
Construction in progress	4,196,561	3,531,210	-	-	7,727,771
Total	327,488,960	4,223,236	-	-	331,712,196
Accumulated depreciation	(202,648,424)	(10,570,314)	-	-	(213,218,738)
Net capital assets	$ 124,840,536	$ (6,347,078)	$ -	$ -	$ 118,493,458

Depreciation expense for the years ended September 30, 2023 and 2022, was $10,715,821 and $10,570,314, respectively.

The Authority has committed approximately $24,258,446 to future construction projects as of September 30, 2023. These projects are expected to be substantially completed within two years from September 30, 2023 and will primarily be financed with grant and PFC funds.

The Authority is dependent on continued Federal and State grants, PFC funds and CFC funds to fund a majority of its capital projects.

Note 7. Subscription Assets, Net

As discussed in Note 1, The Authority implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which changes the accounting and financial reporting for subscription-based information technology arrangements (SBITA's). The adoption of this standard did not impact the beginning balances, as the Authority did not have any long-term subscription arrangements as of the October 1, 2022 implementation date; however, the Authority entered two new long-term subscription arrangements during fiscal year 2023.

A summary of subscription assets, net follows:

	Balance September 30, 2022	Additions	Deletions	Adjustments	Balance September 30, 2023
Subscription based IT arrangements	$ -	$ 491,253	$ -	$ -	$ 491,253
Accumulated amortization	-	(87,806)	-	-	(87,806)
Net capital assets	$ -	$ 403,447	$ -	$ -	$ 403,447

Amortization expense for the years ended September 30, 2023, was $87,806.

Note 8. Long-term Debt

A summary of long-term bond debt follows:

	Balance September 30, 2022	Additions	Deductions	Balance September 30, 2023
2017 Series A Revenue Bonds maturing in October 2026; interest rate 2.60%	$ 2,510,000	$ -	$ (475,000)	$ 2,035,000
2017 Series B Revenue Bonds maturing in October 2027; interest rate 2.75%	3,040,000	-	(470,000)	2,570,000
2015 Series A Revenue Bonds maturing In October 2031; interest rates from 1.21% to 3.09%	10,805,000	-	(1,050,000)	9,755,000
2015 Series B Revenue Bonds maturing in October 2035; interest rates from 3.12% to 3.27%	7,855,000	-	-	7,855,000
Total long-term debt	24,210,000	-	(1,995,000)	22,215,000
Current maturities	(1,995,000)	-	(55,000)	(2,050,000)
Long-term debt, net of current maturities	$ 22,215,000	$ -	$ (2,050,000)	$ 20,165,000

	Balance September 30, 2021	Additions	Deductions	Balance September 30, 2022
2017 Series A Revenue Bonds maturing in in October 2026; interest rate 2.60%	$ 2,975,000	$ -	$ (465,000)	$ 2,510,000
2017 Series B Revenue Bonds maturing in October 2027; interest rate 2.75%	3,500,000	-	(460,000)	3,040,000
2015 Series A Revenue Bonds maturing In October 2031; interest rates from 1.21% to 3.09%	11,830,000	-	(1,025,000)	10,805,000
2015 Series B Revenue Bonds maturing in October 2035; interest rates from 3.12% to 3.27%	7,855,000	-	-	7,855,000
Total long-term debt	26,160,000	-	(1,950,000)	24,210,000
Current maturities	(1,950,000)	-	(45,000)	(1,995,000)
Long-term debt, net of current maturities	$ 24,210,000	$ -	$ (1,995,000)	$ 22,215,000

In July 2018, the Authority advance refunded $2,155,000 of the outstanding 2015 Series C Authority Revenue Bonds with interest rates ranging from 4.90% to 5.15%. The Authority purchased U.S. government securities at a cost of $2,421,860, of which $1,865,370 was funded with restricted CFC cash. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded Series C Authority Revenue Bonds. As a result, the Series C Authority Revenue Bonds are considered defeased, and the Authority has removed the liability from its accounts. The outstanding principal of the defeased bonds at September 30, 2023 is $1,210,000.

The Revenue Bonds are collateralized by and will be payable from the Authority's net revenues and PFC revenues. The 2015A Revenue Bonds are also partially collateralized by and payable from the Authority's CFC revenues.

A schedule of future maturities of long-term debt follows:

Year Ending September 30,	Principal	Interest
2024	$ 2,050,000	$ 512,973
2025	2,100,000	485,017
2026	2,160,000	455,071
2027	2,225,000	423,338
2028	1,730,000	390,010
2029 - 2033	5,190,000	1,190,741
2034 - 2036	6,760,000	444,082
	$ 22,215,000	$ 3,901,232

Subscription Obligations

The Authority's various SBITAs, the terms of which expire in various years through 2027. The arrangements qualify as other than short-term arrangements under GASB 96 and, therefore, the assets and related liabilities have been recorded. The liabilities have been measured at the present value of minimum future payments such that each asset's initial balance equals the related liability plus any additional payments for initial direct costs made on or before the start of the subscription term. Variable payments based upon the use of the underlying asset are not included in the subscription liability because they are not fixed in substance. See Note 7 for information on subscription assets and associated accumulated amortization.

A summary of long-term subscription obligations follows:

	Balance September 30, 2022	Additions	Deductions	Balance September 30, 2023
Subscription-based IT arrangements	$ -	$ 491,253	$ (88,659)	$ 402,594

Future payments under the long-term subscriptions are as follows:

Year	Principal	Interest
2024	$ 134,675	$ 13,412
2025	140,291	7,734
2026	90,358	2,282
2027	37,270	126
Total payments	$ 402,594	$ 23,554

Note 9. Pension Plan

General Information About the Pension Plan

Plan Description

The Authority contributes to the Public Employees' Retirement System of Mississippi (PERS).

Plan Description - PERS is a defined benefit cost-sharing plan administered by the PERS System that provides retirement benefits to all eligible employees. Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. The Authority's contributions to PERS for the years ended September 30, 2023 and 2022, were $1,241,886 and $1,115,214, respectively.

A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0% compounded for each fiscal year thereafter.

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Comprehensive Annual Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

Net Pension Liability

At September 30, 2023 and 2022, the Authority reported a liability of $23,752,404 and $18,918,217, respectively for its proportional share of the net pension liability. The net pension liability was measured as of June 30, 2023 and 2022, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of those dates. The Authority's proportion of the net pension liability was based on the Authority's contributions to the pension plan relative to the contributions of all pension plan participants. At June 30, 2023 and 2022, the Authority's proportion was 0.094438% and 0.0919090%, respectively.

Actuarial assumptions

The total pension liability in the June 30, 2023 and 2022, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Description	Assumptions
Inflation	2.40%
Salary increases	2.65 – 17.90%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the TPL were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	27.00%	4.75%
International equity	22.00	4.78
Global equity	12.00	4.95
Debt Securities	20.00	1.75
Real estate	10.00	3.25
Private equity	8.00	6.00
Cash	1.00	0.25
	100.00%	

Discount rate

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00 percent) and that employer contributions will be phased in to 22.40 percent over three fiscal years (17.40 percent for FYE 2024, 19.40 percent for FYE 2025, 21.40 percent for FYE 2026, and 22.40 percent for FYE 2027). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate

The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (amounts in thousands):

	1% Decrease	Current Discount Rate	1% Increase
June 30, 2023, net pension liability	$ 30,629,327	$ 23,752,404	$ 18,109,124
June 30, 2022, net pension liability	$ 24,690,205	$ 18,918,217	$ 14,159,506

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended September 30, 2023 and 2022, the Authority recognized pension expense of $3,342,396 and $1,647,930, respectively. The following presents the deferred outflows of resources and deferred inflows of resources for the years ended September 30, 2023 and 2022:

	Balance September 30, 2023	Balance September 30, 2022
Deferred outflows of resources:		
Contributions subsequent to the measurement date	$ 291,999	$ 268,193
Differences between expected and actual experience	587,154	258,248
Changes in proportionate share of net pension liability	1,028,179	1,029,859
Changes in assumptions	2,820,228	586,534
Net difference between projected and actual earnings on plan investments	1,149,763	1,354,868
Total deferred outflows of resources	$ 5,877,323	$ 3,497,702

	2023	2022
Deferred inflows of resources:		
Changes in proportionate share of net pension liability	$ 281,484	$ 632,443
Total deferred inflows of resources	$ 281,484	$ 632,443

Deferred outflows of resources of $291,999 at September 30, 2023, resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30,	
2024	$ 1,833,263
2025	1,462,107
2026	2,001,406
2027	7,064
Total	$ 5,303,840

Payable to the pension plan

At September 30, 2023 and 2022, the Authority reported a payable of $109,125 and $113,091, respectively, for the outstanding amount of contributions to the pension plan required for the years then ended.

Employees of the Authority may also elect to contribute to a Section 457 tax-deferred defined contribution retirement plan administered by PERS. The Authority's matching contributions to this plan for the years ended September 30, 2023 and 2022, were $107,674 and $105,301, respectively.

Note 10. Net Position

A summary of restricted net position follows:

	2023	**2022**
Debt interest and principal payments	$ 2,447,528	$ 2,379,917
Passenger facility charges (PFC)	16,894,333	14,977,448
Customer facility charges (CFC)	14,964,056	12,926,791
Restricted for capital projects	433,799	425,049
Cash reserve restricted by bond indenture	4,160,747	4,076,830
Public safety	41,541	40,704
	$ 38,942,004	$ 34,826,739

Note 11. Passenger Facility Charges

Under Part 158 of the Code of Federal Regulations, the Federal Aviation Administration (FAA) granted public agencies controlling commercial service airports the authority to impose passenger facility charges (PFC) of up to $4.50 per enplaned passenger, to be used towards the cost of capital projects, and debt service on those projects, approved by the FAA and the participating airlines. The Authority is currently authorized to impose PFC charges of $4.50 per enplaned passenger. The Authority is authorized to collect a total of $103,332,360 to be used for specific approved PFC projects. As of September 30, 2023, $63,306,122 has been collected, and $49,742,563 expended.

Note 12. Customer Facility Charges

The Authority has reached agreements with its automobile rental concessionaires whereby the Authority collects a customer facility charge (CFC) of $5.50 for each vehicle rental day. Use of the CFC revenues is restricted to expansion of the parking garage at JAN and other construction projects (including related debt service) for the benefit of the Authority's automobile rental concessionaires and to offset increases in rental rates charged by the Authority to the concessionaires.

Commitments and Contingencies

The Authority is exposed to risks of loss of property and to general liability claims incidental to its operations. The Authority manages these risks by purchasing commercial insurance.

During the 2016 Mississippi legislative session, Section 61-3-6 of the Mississippi Code of 1972, was passed and signed into law. This law would create a new Jackson Metropolitan Area Airport Authority that would manage JAN and HKS. A suit has been filed in US District Court challenging the validity of this law. The City of Jackson and the Authority have both intervened in this suit to challenge the validity of this law. Regarding the lawsuit, pursuant to the December 12, 2016, Court order, the Governor and Lieutenant Governor will maintain the status quo by not naming or officially appointing anyone to the new Jackson Metropolitan Area Airport Authority until such time as the Court renders a decision on the merits (or as otherwise ordered by the Court) or until after ninety (90) days written notice is given by the Governor and Lieutenant Governor to the Authority and the Court of their intent to do otherwise. Further, in its June 6, 2016, Notice of Policy on Evaluating Disputed Changes of Sponsorship at Federally Obligated Airports, the FAA stated that “only the FAA has the authority to determine sponsor eligibility, approve and formally change airport sponsorship, and approve and issue a new Airport Operating Certificate pursuant to 14 CFR part 139." The FAA further stated in that June 6, 2016, Notice: “In matters in which a proposed change is contested by a current sponsor or operator, the FAA will not act on a part 139 application or a change of airport sponsorship and/or operating authority until the dispute is definitively resolved to the satisfaction of the FAA."

The Authority is also party to various other legal claims and actions in the course of its business. The resolution of these claims is unknown, but it is possible the outcome of one or more of these could be material to the financial statements. No liability for these claims has been accrued in the financial statements.

In January 2022, the Mississippi Office of the State Auditor's Investigative Division (SAO) began a preliminary investigation involving the Authority. To date, information requested by, and provided to, the SAO primarily relates to contracts entered into during the year ended September 30, 2022. This preliminary investigation is ongoing. To date, the Authority has not been notified of any findings or preliminary findings. The outcome of this preliminary investigation is unknown; however, the effects could potentially be material to the Authority, either in terms of financial reporting, compliance, or both.

Required Supplementary Information

Jackson Municipal Airport Authority
Schedule of Proportionate Share of the Net Pension Liability
Public Employees' Retirement System of Mississippi
Years Ended September 30, 2023 - 2014

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
JMAA's proportion of the net pension liability	0.094438%	0.091909%	0.082389%	0.088800%	0.089780%	0.093918%	0.088324%	0.078357%	0.080705%	0.084670%
JMAA's proportionate share of the net pension liability	$ 23,752,404	$ 18,918,217	$ 12,177,454	$ 17,190,648	$ 15,794,073	$ 15,621,353	$ 14,682,447	$ 13,996,517	$ 12,475,387	$ 10,272,702
JMAA's covered payroll	$ 7,137,276	$ 6,327,326	$ 5,478,030	$ 5,912,992	$ 5,847,146	$ 5,997,556	$ 5,666,043	$ 5,012,711	$ 5,041,981	$ 5,171,416
JMAA's proportionate share of the the net pension liability as a percentage of its covered payroll	332.79%	298.99%	222.30%	290.73%	270.12%	260.46%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

The amounts presented for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

The notes to schedules of proportionate share of the net pension liability and pension contributions are an integral part of this schedule.

Jackson Municipal Airport Authority
Schedule of Pension Contributions
Public Employees' Retirement System of Mississippi
Years Ended September 30, 2023 - 2014

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 1,241,886	$ 1,115,214	$ 964,153	$ 1,004,427	$ 940,564	$ 940,985	$ 934,804	$ 803,042	$ 787,462	$ 823,210
Contributions in relation to the statutorily required contribution	$ 1,241,886	$ 1,115,214	$ 964,153	$ 1,004,427	$ 940,564	$ 940,985	$ 934,804	$ 803,042	$ 787,462	$ 823,210
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
JMAA's covered payroll	$ 7,137,276	$ 6,409,274	$ 5,541,107	$ 5,772,571	$ 5,810,843	$ 5,974,215	$ 5,935,263	$ 5,098,679	$ 4,999,759	$ 5,226,730
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

The amounts presented for each fiscal year were determined as of the Authority's September 30 year-end date of the fiscal year presented.

The notes to schedules of proportionate share of the net pension liability and pension contributions are an integral part of this schedule.

Note 1. Changes of Assumptions

2023

- The investment rate of return assumption was changed from 7.55% to 7.00%.
- The assumed load for administrative expenses was decreased from 0.28% to 0.26%of payroll.
- Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
- The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
- For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.
- The assumed amount of unused sick leave at retirement was increased from 0.50years to 0.55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

2021

The expectation of retired life mortality was changed to the PubS.H.2010(B) Retiree Table with the following adjustments:

- For males, 95% of male rates up to age 60, 100% for ages 61 to 75, and 101% for ages above 77.
- For females, 84% of female rates up to age 72, 100% for ages above 76.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retires with the following adjustments:

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H.2010(B) Contingent Annuitant Table with the following adjustments:

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

- For males, 137% of male rates at all ages.
- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2023. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75% to 3.25%. o Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

Assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

Note 2. Changes in Benefit Provisions

2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

Note 3. Methods and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarily determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the September 30, 2023 fiscal year end.) The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.40 percent
Salary increase	2.65 percent to 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Supplementary Information

Jackson Municipal Airport Authority
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2023

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Total Federal Expenditures
U.S. Department of Transportation		
Direct Programs		
Federal Aviation Administration		
Airport Improvement Program		
3-28-0038-025-2021- HKS Bravo Relocation	20.106	$ 1,903,756
3-28-0038-020-2020 - HKS Pavement Management - Closed FY2023	20.106	41,453
3-28-0038-021-2020- HKS Taxiway Lighting/Hks Fencing	20.106	-
3-28-0038-023-2023- HKS Taxiway Lighting	20.106	307,904
3-28-0038-027-2022-HKS Drainage	20.106	137,868
3-28-0037-055-2020 - JAN Pavement Plan-Closed FY23	20.106	10,767
3-28-0037-056-2020- West Concourse Roof	20.106	474,586
3-28-0037-063-2023-Rehabilitate Taxiway A (Phase 2)-New	20.106	-
3-28-0037-064-2023-Rehabilitate Taxiway A (Phase 2)-New	20.106	-
3-28-0037-067-2023-Rehabilitate Taxiway A (Phase 2)-New	20.106	-
Department of Safety - 1542	20.106	3,000
		2,879,334
COVID-19: Airport Improvement Program		
3-28-0037-059-2022	20.106	631,008
3-28-0037-061-2022	20.106	6,149,581
		6,780,589
Total U.S. Department of Transportation		9,659,923
U.S. Department of Homeland Security		
Direct Programs		
Transportation Security Administration (TSA):		
Law Enforcement Officer Reimbursement Program:		
HSTS02-16-H-SLR869	97.090	218,960
Total U.S. Department of Homeland Security		218,960
Total expenditures of Federal awards		$ 9,878,883

The accompanying notes to schedule of expenditures of Federal awards are an integral part of this schedule.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jackson Municipal Airport Authority (the Authority) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate and Subrecipients

The Authority has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. No indirect costs have been charged to the Authority's Federal programs.

The Authority did not pass-through any funding to subrecipients.

Note 4. Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements

A reconciliation of the total Federal awards per the Schedule of Expenditures of Federal Awards to the statement of revenues, expenses and changes in net position follows:

Total expenditures of Federal awards	$ 9,878,883
State of Mississippi and other grants	35,781
Total governmental grant contributions	$ 9,914,664

Presented in the financial statements as:

Governmental operating grant contributions	$ 7,073,117
Governmental capital grant contributions	2,841,547
Total governmental grant contributions	$ 9,914,664

Jackson Municipal Airport Authority
Schedule of Passenger Facility Charges - Cash Basis
Year Ended September 30, 2023

	September30, 2022 Program Total	Quarter 1 - October - December	Quarter 2 - January - March	Quarter 3 - April - June	Quarter 4 - July - September	Year Ended September 30, 2023 Total	September 30, 2023 Program Total
Revenue							
Collections	$ 60,625,027	$ 651,122	$ 554,615	$ 820,095	$ 655,264	$ 2,681,096	$ 63,306,123
Investment earnings	-	-	99,561	76,594	82,523	258,678	258,678
Interest	2,573,305	1,868	18,830	41,996	47,953	110,647	2,683,952
Total revenue	$63,198,332	652,990	673,006	938,685	785,740	3,050,421	66,248,753
Expenditures							
Application #1	6,238,505	-		-	-	-	6,238,505
Application #2	3,590,244	-		-	-	-	3,590,244
Application #3	6,569,122	28,515	28,515	28,515	28,515	114,060	6,683,182
Application #4	3,113,370	26,294	26,294	26,294	26,294	105,176	3,218,546
Application #5	23,046,794	-	-	-	-	-	23,046,794
Application #6	1,662,503	-	-	-	-	-	1,662,503
Application #7	4,245,458	914,656	-	-		914,656	5,160,114
Application #8	142,675	-	-		-	-	142,675
Total expenditures	48,608,671	969,465	54,809	54,809	54,809	1,133,892	49,742,563
Net PFC Revenue	$ 14,589,661	$ (316,475)	$618,197	$ 883,876	$ 730,931	$ 1,916,529	$ 16,506,190
PFC Account Balance	$ 14,589,661	$ 14,273,186	$ 14,891,383	$ 15,775,259	$ 16,506,190	$ 16,506,190	$ 16,506,190

Jackson Municipal Airport Authority
Historical Schedule of Selected Financial Data
Years Ended September 30, 2023 - 2014
(In Thousands)

	2023	2022	2021	2020	2019
Assets and Deferred Outflows of Resources					
Current assets, unrestricted	$ 24,247	$ 18,440	$ 14,777	$ 15,377	$ 20,398
Restricted assets	38,942	34,827	32,127	30,019	30,822
Capital assets, including SBITAs	115,554	118,493	124,841	125,763	123,915
Lease receivable, net of current maturities	3,930	4,294	2,334	-	-
Deferred outflows of resources	6,054	3,715	1,627	1,668	1,373
Total assets and deferred outflows of resources	188,727	179,769	175,706	172,827	176,508
Liabilities and Deferred Inflows of Resources					
Current liabilities	6,066	5,917	4,805	5,585	9,738
Long-term debt, net of current maturities	20,433	22,215	24,210	26,160	28,065
Claims liability	-	825	1,650	-	-
Deferred Revenue	300	409	562	-	-
Net pension liability	23,752	18,918	12,177	17,191	15,794
Deferred inflows of resources	4,498	5,350	7,814	1,452	1,946
Total liabilities and deferred inflows of resources	55,049	53,634	51,218	50,388	55,543
Net Position	$ 133,678	$ 126,135	$ 124,488	$ 122,439	$ 120,965
Revenues and Expenses					
Operating revenues	$ 23,070	$ 19,780	$ 14,127	$ 14,453	$ 18,509
Operating expenses, before depreciation/amortization and unfunded portion of pension expense	18,461	17,341	16,420	16,050	15,099
Operating income (loss), before depreciation and unfunded portion of pension expense	4,609	2,439	(2,293)	(1,597)	3,410
Depreciation and amortization	10,804	10,570	11,160	7,852	7,596
Unfunded portion of pension expense	2,104	518	(696)	783	1,030
Operating Loss	(8,299)	(8,649)	(12,757)	(10,232)	(5,216)
Passenger facility charges (restricted)	3,070	2,407	1,677	1,280	2,509
Customer facility charges (restricted)	3,070	2,112	1,412	1,682	2,239
Governmental operating grants	7,073	3,246	6,434	2,416	-
Interest expense	(690)	(714)	(777)	(824)	(863)
Other	478	306	163	353	596
Loss Before Capital Grant Contributions	$ 4,702	$ (1,292)	$ (3,848)	$ (5,325)	$ (735)
Other					
Capital asset additions	$ 7,403	$ 4,223	$ 10,695	$ 9,700	$ 14,540
Federal and state capital grants	(2,842)	(2,939)	(5,897)	(6,799)	(7,006)
Passenger facility charge reimbursements	(1,134)	(917)	(293)	(2,068)	(4,860)
Net Construction Costs	$ 3,427	$ 367	$ 4,505	$ 833	$ 2,674

Note: Years prior to 2021 have not been restated to reflect the adoption of GASB Statement No. 87.
Note: Years prior to 2013 have not been restated to reflect the adoption of GASB Statement No. 65.
Note: Years prior to 2014 have not been restated to reflect the adoption of GASB Statement No. 68.

Jackson Municipal Airport Authority
Historical Schedule of Selected Financial Data
Years Ended September 30, 2022 - 2014
(In Thousands) (Continued)

	2018	2017	2016	2015	2014
Assets and Deferred Outflows of Resources					
Current assets, unrestricted	$ 16,609	$ 16,271	$ 18,727	$ 17,157	$ 14,274
Restricted assets	31,521	34,829	32,968	30,145	32,360
Capital assets	117,320	113,154	109,837	116,930	118,016
Other	-	14	54	64	275
Deferred outflows of resources	2,044	2,371	2,702	2,216	808
Total assets and deferred outflows of resources	167,494	166,639	164,288	166,512	165,733
Liabilities and Deferred Inflows of Resources					
Current liabilities	7,651	5,480	3,714	3,539	4,393
Long-term debt, net of current maturities	29,935	33,469	35,046	36,803	37,905
Claims liability	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Net unfunded pension liability	15,621	14,683	13,997	12,475	10,273
Deferred inflows of resources	1,183	1,328	1,188	1,435	1,697
Total liabilities and deferred inflows of resources	54,390	54,960	53,945	54,252	54,268
Net Position	$ 113,104	$ 111,679	$ 110,343	$ 112,260	$ 111,465
Revenues and Expenses					
Operating revenues	$ 16,994	$ 16,834	$ 17,304	$ 16,929	$ 17,755
Operating expenses, before depreciation and unfunded portion of pension expense	15,269	15,221	13,365	12,350	14,113
Operating income (loss), before depreciation and unfunded portion of pension expense	1,725	1,613	3,939	4,579	3,642
Depreciation	8,291	8,552	8,592	9,139	8,867
Unfunded portion of pension expense	1,021	1,141	769	344	(53)
Operating Loss	(7,587)	(8,080)	(5,422)	(4,904)	(5,172)
Passenger facility charges (restricted)	2,154	1,960	2,024	2,086	2,264
Customer facility charges (restricted)	2,029	2,096	2,245	2,192	2,311
Governmental operating grants	-	-	-	-	-
Interest expense	(972)	(1,201)	(1,266)	(1,790)	(1,825)
Other	(752)	222	258	(37)	411
Loss Before Capital Grant Contributions	$ (5,128)	$ (5,003)	$ (2,161)	$ (2,453)	$ (2,011)
Other					
Capital asset additions	$ 13,521	$ 11,869	$ 1,570	$ 8,229	$ 8,182
Federal and state capital grants	(6,553)	(6,341)	(245)	(3,247)	(5,714)
Passenger facility charge reimbursements	(4,545)	(91)	(1,573)	(3,283)	(716)
Net Construction Costs	$ 2,423	$ 5,437	$ (248)	$ 1,699	$ 1,752

Note: Years prior to 2013 have not been restated to reflect the adoption of GASB Statement No. 65.
Note: Years prior to 2014 have not been restated to reflect the adoption of GASB Statement No. 68.

Jackson Municipal Airport Authority
Schedule of Budgeted vs. Actual Revenues and Expenses
Year Ended September 30, 2023

	Budget	Actual	Variance
Operating Revenues			
Aviation	$ 8,379,926	$ 8,467,356	$ 87,430
Non-aviation	8,713,347	10,422,492	1,709,145
Concessions	3,618,742	3,944,726	325,984
Services	229,382	235,805	6,423
Total operating revenues	20,941,397	23,070,379	2,128,982
Operating Expenses			
Board expenses	77,600	43,289	(34,311)
Building expenses	2,300,108	2,533,822	233,714
Employee expenses	11,413,440	10,500,385	(913,055)
Equipment expenses	624,418	475,744	(148,674)
Miscellaneous expense	20,000	11,251	(8,749)
Services	3,955,497	3,904,860	(50,637)
Supplies	1,129,144	991,643	(137,501)
Total operating expenses, before depreciation and unfunded portion of pension expense	19,520,207	18,460,994	(1,059,213)
Operating Income, Before Depreciation and Unfunded Portion of Pension Expense	1,421,190	4,609,385	3,188,195
Depreciation and amortization expense	10,570,314	10,803,627	233,313
Unfunded portion of pension expense	-	2,103,607	2,103,607
Total operating expenses	30,090,521	31,368,228	1,277,707
Operating Loss	(9,149,124)	(8,297,849)	851,275
Non-operating Revenues (Expense)			
Passenger facility charges, restricted	2,407,296	3,070,189	662,893
Customer facility charges, restricted	2,137,701	3,069,544	931,843
Governmental operating grants	4,005,049	7,073,117	3,068,068
Interest expense	(746,974)	(690,458)	56,516
Interest income	34,432	510,937	476,505
Asset seizures	-	-	-
Other	2,000	(32,787)	(34,787)
Net non-operating revenues (expense)	7,839,504	13,000,542	5,161,038
Gain (Loss) Before Capital Grant Contributions	(1,309,620)	4,702,693	6,012,313
Capital Governmental Grant Contributions	2,027,895	2,841,547	813,652
Change in Net Position	$ 718,275	$ 7,544,240	$ 6,825,965

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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 - Independent Auditor's Report

The Board of Commissioners and Management
Jackson Municipal Airport Authority
Jackson, Mississippi

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 Jackson Municipal Airport Authority (the "Authority"), a component unit of the City of Jackson, Mississippi, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 18, 2024, which contains an emphasis of matter paragraph regarding a change in accounting principle.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of this Report

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

FORVIS, LLP

Memphis, Tennessee
March 18, 2024

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Report on Compliance for the Major Federal Program, The Passenger Facility Charge Program and Report on Internal Control Over Compliance - Independent Auditor's Report

The Board of Commissioners and Management
Jackson Municipal Airport Authority
Jackson, Mississippi

Report on Compliance for the Major Federal Program and the Passenger Facilities Charge Program

We have audited Jackson Municipal Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide"), that could have a direct and material effect on the Authority's major federal program and passenger facility charges program for the year ended September 30, 2023. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Unmodified Opinion on the Major Federal Program and Passenger Facilities Charge Program

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and passenger facilities charge program for the year ended September 30, 2023.

Basis for Opinions on the Major Federal Program and Passenger Facility Charge Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and the Guide we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

FORVIS, LLP

Memphis, Tennessee
March 18, 2024

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Major Program:	
• 20.106 – Airport Improvement Program.	
Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk?	No

Passenger Facility Charge Program

Internal control over Passenger Facility Charge Program:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditor's report issued on compliance for the passenger facility charge program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Passenger Facility Charge Audit Guide for Public Agencies?	No

Findings – Financial Statement Audit

None

Summary Schedule of Prior year Findings

Finding 2022-001: Significant Deficiency – Repeat Finding: Audit and Post-Closing Adjustments
Update: Resolved

Finding 2022-002: Material Weakness – Repeat Finding: Davis-Bacon Act

Update: Resolved