



# **Jackson Municipal Airport Authority**

## **Independent Auditor's Report and Financial Statements**

September 30, 2024 and 2023



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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, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2024, and 2023, 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.

#### ***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 14, 2025, 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 Mazars, LLP**

**Memphis, Tennessee  
March 14, 2025**

**Jackson Municipal Airport Authority  
Management’s Discussion and Analysis  
September 30, 2024 and 2023**

**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, 2024 and 2023. 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 2024 Budget**

The budgeted amounts compared to actual operating results prepared on a budgetary basis are as follows for the fiscal year 2024:

	<u>Budget</u>	<u>Actual (*)</u>
Operating revenues	\$ 24,437,929	\$ 24,695,170
Operating expenses	<u>(22,149,039)</u>	<u>(19,228,276)</u>
Operating income before depreciation and unfunded portion of pension expense	2,288,890	5,466,894
Depreciation and amortization expense	10,570,314	10,688,010
Unfunded portion of pension expense	<u>-</u>	<u>2,777,999</u>
Operating loss	(8,281,424)	(7,999,115)
Net non-operating revenue (expense)	<u>6,133,007</u>	<u>7,212,049</u>
Loss before capital grant contributions	<u>\$ (2,148,417)</u>	<u>\$ (787,066)</u>

\*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 \$257,241 or 1.1%. Aviation revenue was below the budget by \$495,835. Non-aviation revenue exceeded budget by \$630,312, primarily driven by increased parking revenues, and concession revenue surpassed budget by \$166,207, mainly attributable to higher rental car concession fees. Actual operating expenses before depreciation and unfunded pension were \$2,920,763 below the budget. This favorable variance resulted primarily from lower-than-forecasted costs in several key categories, including board expenses, supplies, employee costs, and services.

Actual Operating Income before depreciation and unfunded pension expense, compared to the budget, was \$3,178,004 higher. This increase was mainly driven by lower-than-anticipated operating expenses and a modest overperformance in operating revenues.

Non-operating revenues and expenses encompassed TSA (Transportation Security Administration) and Mississippi Office of Homeland Security (MOHS) grants, as well as Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and capital projects federal reimbursement from the Federal Aviation Administration (FAA), all of which contributed to JMAA ending the year with a positive change in net position of \$6,985,030.

**Jackson Municipal Airport Authority  
Management’s Discussion and Analysis  
September 30, 2024 and 2023**

**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 2024.

**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:

	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Assets			
Current assets	\$ 20,292,310	\$ 26,736,357	\$ 20,861,101
Capital assets net	116,670,180	115,150,908	118,493,458
Other noncurrent assets	<u>56,499,381</u>	<u>40,786,430</u>	<u>36,699,727</u>
Total assets	<u>193,461,871</u>	<u>182,673,695</u>	<u>176,054,286</u>
Deferred outflow of resources			
Deferred outflows - debt refunding	151,823	176,407	217,051
Deferred outflows - pension	<u>4,943,275</u>	<u>5,877,323</u>	<u>3,497,702</u>
Total deferred outflows of resources	<u>5,095,098</u>	<u>6,053,730</u>	<u>3,714,753</u>
Liabilities			
Current liabilities	7,308,197	6,066,455	5,917,324
Noncurrent liabilities - long-term debt, net	18,476,682	20,732,171	23,448,623
Net pension liability	<u>25,877,939</u>	<u>23,752,404</u>	<u>18,918,217</u>
Total liabilities	<u>51,662,718</u>	<u>50,551,030</u>	<u>48,284,164</u>

**Jackson Municipal Airport Authority  
Management's Discussion and Analysis  
September 30, 2024 and 2023**

	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Deferred inflow of resources			
Deferred inflows - leases	6,230,473	4,216,163	4,717,924
Deferred inflows - pension	-	281,484	632,443
Total deferred inflows of resources	<u>6,230,473</u>	<u>4,497,647</u>	<u>5,350,367</u>
Net position			
Invested in capital assets, net of related debt	94,636,106	91,990,840	93,028,651
Restricted	43,332,041	38,942,004	34,826,739
Unrestricted	<u>2,695,631</u>	<u>2,745,904</u>	<u>(1,720,882)</u>
Total net position	<u>\$140,663,778</u>	<u>\$133,678,748</u>	<u>\$126,134,508</u>

For FY 2024, as compared to FY 2023, total assets increased by \$10,788,176 or 5.91% 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 2024, as compared to FY 2023, total liabilities experienced an increase of \$1,111,688 or 2.2% which was primarily due to higher pension liability and accounts payable, partly offset by reduced long-term debt.

For FY 2024 as compared to FY 2023, Net Position increased by \$6,985,030. The increase was driven by higher restricted and unrestricted assets resulting from stronger operating performance and non-operating revenues, including capital grants.

**Note 2. Operating Revenues**

<u>Revenue Classifications</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Aviation	\$ 9,383,613	\$ 8,467,356	\$ 8,060,207
Non-aviation	11,112,936	10,422,492	8,667,955
Concessions	3,946,207	3,944,726	2,834,640
Services	<u>252,414</u>	<u>235,805</u>	<u>216,975</u>
Total operating revenue	<u>\$ 24,695,170</u>	<u>\$ 23,070,379</u>	<u>\$ 19,779,777</u>

The table above presents the major operating revenue classifications for FY 2024 compared to FY 2023 and FY 2022. For FY 2024, as compared to FY 2023, total operating revenue increased by \$1,624,791 or 7.0%. Total operating revenue experienced an increase of \$3,290,602 or 16.6% in FY 2023 as compared to FY 2022.

In FY 2024, Aviation Revenue increased by \$916,257 or 10.8%, primarily driven by higher landing fees and terminal rent, partially offset by a slight decline in enplanements. In FY 2023, Aviation Revenue experienced an increase of \$407,149 as compared to FY 2022.

In FY 2024, Non-Aviation Revenue experienced an increase of \$690,444 or 6.6% driven primarily by an increase in parking revenue. In FY 2023, Non-Aviation Revenue increased by \$1,754,537.

In FY 2024, Concessions Revenue experienced an increase in revenue of \$1,481. In FY 2023, Concessions Revenue increased by \$1,110,086.

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In FY 2024, Services Revenue increased by \$16,609 or 7.0% due to an increase in the ground transportation for the Transportation Network Companies (Uber and Lyft). In FY 2023, Services revenue increased by \$18,830.

**Note 3. Operating Expenses**

<u>Expense Classifications</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Board	\$ 73,972	\$ 43,289	\$ 57,080
Building	2,929,467	2,533,822	2,019,833
Employee	14,296,822	12,603,992	10,206,361
Equipment	633,336	475,744	508,934
Miscellaneous	39,000	11,251	2,009
Services	3,186,641	3,904,860	3,970,430
Supplies	<u>847,037</u>	<u>991,643</u>	<u>1,094,194</u>
Total operating expenses before depreciation	<u>\$ 22,006,275</u>	<u>\$ 20,564,601</u>	<u>\$ 17,858,841</u>

The table above presents the major expense classifications for FY 2024 compared to FY 2023 and FY 2022. The total operating expenses before depreciation for FY 2024 increased by \$1,441,674 or 7.0%. For FY 2023, operating expenses increased \$2,705,760 or 15.2% as compared to FY 2022.

For FY 2024, Building Expenses increased by \$ 395,645 or 15.6% primarily due to repairs and maintenance as well as utility expenses. The FY 2023 building expenses increased compared to 2022 by 513,989 or 25.4%

For FY 2024, Employee Expenses increased by \$1,692,830 or 13.4%, as compared to FY 2023, primarily driven by an increase in pension expenses, the cost-of-living adjustment, and the planned vacant positions were filled. Employee Expenses increased by \$2,397,631 in FY 2023, as compared to FY2022.

**Note 4. Non-Operating Revenue (Expense)**

Actual Net Non-Operating Revenue (Expense), in comparison to the budget, increased \$1,079,042. This increase was primarily due to Customer Facility Charges (CFC) and Passenger Facility Charges (PFC) funds. Capital Assets.

**Note 5. Capital Assets**

The Authority's capital assets as of September 30, 2024, 2023 and 2022, amounted to \$116,670,180, \$115,150,908, and \$118,493,458 (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. The Authority continues pursuing additional state and federal grant opportunities to fund further facility improvements and support critical infrastructure projects and enhance the JMAA’s long-term financial stability. Additional information on the Authority's capital assets can be found in the accompanying notes to the financial statements.

**Jackson Municipal Airport Authority  
Management’s Discussion and Analysis  
September 30, 2024 and 2023**

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**Note 6. Debt Administration**

As of September 30, 2024, the Authority had outstanding revenue bonds of \$18,065,000 which are listed below:

<u>Description</u>	<u>Amount</u>
Series 2017A	\$1,045,000
Series 2017B	\$1,585,000
Series 2015A	\$7,580,000
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.

<u>Rates/Charges</u>	<u>FY2024</u>	<u>FY2023</u>	<u>FY2022</u>
Terminal rent rates	\$ 96.71	\$ 87.07	\$ 79.88
Landing fee (per 1,000 lbs.)	4.25	3.54	3.54

***Operating and Capital Grants and Reimbursements***

In FY 2024 and FY 2023, respectively, the Authority recognized operating grant revenue of \$152,058 and \$7,073,117. The FY2023 operating grants consist mostly of COVID relief funding from the Federal Aviation Administration (FAA) whereas FY2024 operating grants were from TSA (Transportation Security Administration) and Mississippi Office of Homeland Security (MOHS). The Authority also recognized capital grant revenue in FY 2024 and FY 2023, respectively, of \$ 7,772,096 and \$2,841,547 from the FAA and the Mississippi Department of Transportation (MDOT). Capital grant revenue is used to offset the cost of various capital projects.

Non-operating revenues in FY2024 did not benefit from CARES Act funding, contributing significantly to FY2023. The Authority’s core operations offset this reduction through increased aviation, non-aviation revenues and capital grant reimbursement.

Overall, the Authority has demonstrated steady revenue growth over the past three fiscal years, supported by increases in aviation, non-aviation, and concession activities. Moving forward, the Authority remains committed to pursuing operational efficiencies and expanding revenue streams to sustain its positive financial trajectory.

**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, Director of Finance, 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](http://www.jmaa.com).

**Jackson Municipal Airport Authority**  
**Statements of Net Position**  
**September 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 12,402,717	\$ 21,403,274
Restricted cash and cash equivalents - current	2,766,407	2,489,069
Accounts receivable	1,033,253	653,515
Governmental grants receivable	2,522,913	1,213,509
Lease receivable - current	1,083,363	561,597
Other	483,657	415,393
<b>Total Current Assets</b>	<b>20,292,310</b>	<b>26,736,357</b>
<b>Non-current Assets</b>		
Restricted cash and cash equivalents - non-current	18,135,030	15,302,105
Investments - non-current	10,033,500	-
Restricted investments - non-current	21,498,016	20,517,366
Restricted passenger facility charges receivable	704,607	388,143
Restricted customer facility charges receivable	227,981	245,321
Lease receivable - non-current	5,621,202	3,930,048
Subscription assets, net	279,045	403,447
Capital assets, net	116,670,180	115,150,908
<b>Total Non-Current Assets</b>	<b>173,169,561</b>	<b>155,937,338</b>
<b>Total Assets</b>	<b>193,461,871</b>	<b>182,673,695</b>
<b>Deferred Outflows - Debt Refunding</b>	<b>151,823</b>	<b>176,407</b>
<b>Deferred Outflows - Pension</b>	<b>4,943,275</b>	<b>5,877,323</b>
<b>Total Deferred Outflows of Resources</b>	<b>\$ 5,095,098</b>	<b>\$ 6,053,730</b>

**Jackson Municipal Airport Authority**  
**Statements of Net Position**  
**September 30, 2024 and 2023**

**(Continued)**

	<b>2024</b>	<b>2023</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 2,100,000	\$ 2,050,000
Current maturities of subscription arrangements	145,832	134,975
Accounts payable	3,156,770	2,303,767
Contract retainage payable	318,626	66,781
Accrued expenses	1,586,969	1,510,932
<b>Total Current Liabilities</b>	<b>7,308,197</b>	<b>6,066,455</b>
<b>Non-current Liabilities</b>		
Long-term debt, net of current maturities	18,065,000	20,165,000
Subscription arrangements, net of current maturities	133,435	267,619
Deferred revenue	278,247	299,552
Net pension liability	25,877,839	23,752,404
<b>Total Non-Current Liabilities</b>	<b>44,354,521</b>	<b>44,484,575</b>
<b>Total Liabilities</b>	<b>51,662,718</b>	<b>50,551,030</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows - pension	-	281,484
Deferred inflows - leases	6,230,473	4,216,163
<b>Total Deferred Inflows of Resources</b>	<b>6,230,473</b>	<b>4,497,647</b>
<b>Net Position</b>		
Net investment in capital assets	94,636,106	91,990,840
Restricted	43,332,041	38,942,004
Unrestricted	2,695,631	2,745,904
<b>Total Net Position</b>	<b>\$ 140,663,778</b>	<b>\$ 133,678,748</b>

**Jackson Municipal Airport Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Aviation	\$ 9,383,613	\$ 8,467,356
Non-aviation	11,112,936	10,422,492
Concessions	3,946,207	3,944,726
Services	<u>252,414</u>	<u>235,805</u>
<b>Total Operating Revenues</b>	<u>24,695,170</u>	<u>23,070,379</u>
<b>Operating Expenses</b>		
Board expenses	73,972	43,289
Building expenses	2,929,467	2,533,822
Employee expenses	14,296,822	12,603,992
Equipment expenses	633,336	475,744
Miscellaneous expenses	39,000	11,251
Services	3,186,641	3,904,860
Supplies	<u>847,037</u>	<u>991,643</u>
<b>Total Operating Expenses, Before Depreciation and Amortization Expense</b>	<u>22,006,275</u>	<u>20,564,601</u>
<b>Operating Income, Before Depreciation and Amortization Expense</b>	<u>2,688,895</u>	<u>2,505,778</u>
<b>Depreciation and Amortization Expense</b>	<u>10,688,010</u>	<u>10,803,627</u>
<b>Total Operating Expenses</b>	<u>32,694,285</u>	<u>31,368,228</u>
<b>Operating Loss</b>	<u>(7,999,115)</u>	<u>(8,297,849)</u>

**Jackson Municipal Airport Authority**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended September 30, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>2023</u>
<b>Non-operating Revenues (Expense)</b>		
Passenger facility charges, restricted	3,205,224	3,070,189
Customer facility charges, restricted	3,436,549	3,069,544
Governmental operating grants	152,058	7,073,117
Interest expense	(599,844)	(690,458)
Loss on disposal of assets	-	-
Interest income	973,534	510,937
Asset seizures	-	-
Other	44,528	(32,787)
	<u>7,212,049</u>	<u>13,000,542</u>
<b>Net Non-operating Revenues (Expense)</b>		
	(787,066)	4,702,693
<b>Gain (Loss) Before Capital Grant Contributions</b>		
	<u>7,772,096</u>	<u>2,841,547</u>
<b>Governmental Capital Grant Contributions</b>		
	6,985,030	7,544,240
<b>Change in Net Position</b>		
	<u>133,678,748</u>	<u>126,134,508</u>
<b>Net Position - Beginning</b>		
	<u>\$ 140,663,778</u>	<u>\$ 133,678,748</u>
<b>Net Position - Ending</b>		

**Jackson Municipal Airport Authority**  
**Statements of Cash Flows**  
**Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Activities</b>		
Cash received from customers	\$ 24,338,655	\$ 23,066,251
Cash paid for payroll expenses	(7,345,506)	(8,592,402)
Cash paid for other operating expenses	<u>(11,867,106)</u>	<u>(10,656,634)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>5,126,043</u>	<u>3,817,215</u>
<b>Non-capital Financing Activities</b>		
Operating Grants and expense reimbursements	<u>802,868</u>	<u>7,704,331</u>
<b>Net Cash Provided by Non-capital Financing Activities</b>	<u>802,868</u>	<u>7,704,331</u>
<b>Capital and Related Financing Activities</b>		
Capital grants received	5,811,882	3,761,857
Passenger facility charges collected	2,888,760	3,069,835
Customer facility charges collected	3,453,889	3,013,221
Principal paid on capital debt	(2,050,000)	(1,995,000)
Principal paid on software arrangements	(145,832)	(88,659)
Interest paid on capital debt	(601,790)	(674,338)
Capital asset expenditures	<u>(11,135,498)</u>	<u>(7,698,277)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(1,778,589)</u>	<u>(611,361)</u>
<b>Investing Activities</b>		
Purchase of investments	(11,014,150)	(20,517,366)
Receipt of investment interest	<u>973,534</u>	<u>510,937</u>
<b>Net Cash Used in Investing Activities</b>	<u>(10,040,616)</u>	<u>(20,006,429)</u>
<b>Change in Cash and Cash Equivalents</b>	(5,890,294)	(9,096,244)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>39,194,448</u>	<u>48,290,692</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 33,304,154</u>	<u>\$ 39,194,448</u>

**Jackson Municipal Airport Authority**  
**Statements of Cash Flows**  
**Years Ended September 30, 2024 and 2023**

**(Continued)**

	<u>2024</u>	<u>2023</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (7,999,115)	\$ (8,297,849)
Depreciation and amortization expense	10,688,010	10,803,627
Net effect of changes in operating assets and liabilities		
Accounts receivable	(335,210)	104,943
Other current assets	(89,569)	(87,296)
Lease receivable	-	-
Accounts payable, net of capital items	179,971	416,848
Accrued expenses	(96,043)	(401,665)
Claims liability		(825,000)
Net pension liability	2,777,999	2,103,607
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 5,126,043</u>	<u>\$ 3,817,215</u>
<b>Presentation of Cash and Cash Equivalents - End of Year on the Statements of Net Position</b>		
Cash and cash equivalents	\$ 12,402,717	\$ 21,403,274
Restricted cash and cash equivalents - current	2,766,407	2,489,069
Restricted cash and cash equivalents - non-current	<u>18,135,030</u>	<u>15,302,105</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 33,304,154</u>	<u>\$ 39,194,448</u>
<b>Non-cash Capital and Related Financing Activities</b>		
Accounts payable and retainage payable related to capital expenditures	<u>\$ 1,722,180</u>	<u>\$ 797,333</u>
Capitalized software arrangements	<u>\$ 22,505</u>	<u>\$ 491,253</u>

## **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.

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
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**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, 2024 and 2023.

***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.

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
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***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.

**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, 2024 and 2023, was \$33,304,154 and \$39,194,448, respectively, and the bank balance was \$33,087,736 and \$37,515,899, 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, on September 30, 2024 and 2023, was \$110,297 and \$72,533, 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.

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

**Note 3. Restricted Cash and Cash Equivalents**

A summary of restricted cash and cash equivalents follows:

	<u>2024</u>	<u>2023</u>
Current:		
Debt interest and principal payments	\$ 2,543,491	\$ 2,447,528
Other	<u>232,916</u>	<u>41,541</u>
Total short-term	<u>\$ 2,776,407</u>	<u>\$ 2,489,069</u>
Non-current:		
Passenger facility charges (PFC)	\$ 6,825,061	\$ 6,247,507
Customer facility charges (CFC)	6,563,435	4,460,052
Restricted for capital projects	448,149	433,799
Cash reserve restricted by bond indenture	<u>4,298,385</u>	<u>4,160,747</u>
Total non-current	<u>\$ 18,135,030</u>	<u>\$ 15,302,105</u>

**Note 4. 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. On September 30, 2024, and 2023, the fair value of these restricted investments was \$21,498,016 and \$20,517,366 respectively, measured using Level 2 inputs. In 2024, the Authority established an unrestricted investment account related to parking funds. This account had a fair value of \$10,033,500 at September 30, 2024, and was also 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, 2024, and 2023, was \$1,229,653 and \$805,146 respectively, which includes both lease revenue and interest. The Authority also recognized lease revenue of \$3,334,219 and \$3,829,977 for the years ended September 30, 2024, and 2023, 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, 2024:

**Jackson Municipal Airport Authority**  
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	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,083,363	\$ 174,359	\$ 1,257,722
2026	1,132,055	143,540	1,275,595
2027	1,625,479	109,199	1,734,678
2028	697,974	73,870	771,844
2029	117,391	62,385	179,776
2030 – 2034	481,491	262,561	744,052
2035 – 2039	246,197	215,289	461,486
2040 – 2044	254,715	180,104	434,819
2045 – 2049	315,867	138,959	454,819
2050 – 2054	378,238	88,405	466,643
2055 – 2059	197,217	45,373	242,590
2060 – 2064	<u>174,578</u>	<u>11,408</u>	<u>185,986</u>
Total	<u>\$ 6,704,565</u>	<u>\$ 1,505,452</u>	<u>\$ 8,210,017</u>

**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 2024 through 2064. 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, 2024 and 2023, was \$7,096,561 and \$6,521,907. The Authority also recognized lease revenue of \$3,942,679 and \$3,662,236 for the years ended September 30, 2024 and 2023, 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, 2024:

<u>Total Future Years</u>	<u>Payments</u>
2025	\$ 905,606
2026	878,729
2027	848,389
2028	757,475
2029	742,422
2030 – 2034	3,316,157
2035 – 2039	1,406,486
2040 – 2044	698,277
2045 – 2049	561,435
2050 – 2054	<u>458,505</u>
Total	<u>\$ 10,573,481</u>

**Jackson Municipal Airport Authority**  
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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, 2024, 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:

	<b>Balance September 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Balance September 30, 2024</b>
Land	\$ 4,622,050	\$ -	\$ -	\$ -	\$ 4,622,050
Land improvements	156,538,303	200,952	-	-	156,739,255
Buildings	125,408,205	-	-	3,745,351	129,153,556
Utility systems	9,485,394	-	-	-	9,485,394
Furniture, fixtures & equip.	34,186,402	1,109,931	(141,622)	-	35,154,711
Construction in progress	<u>8,494,327</u>	<u>10,865,415</u>	<u>-</u>	<u>(3,745,351)</u>	<u>15,614,391</u>
Total	338,734,681	12,176,298	(141,622)	-	350,769,357
Accumulated depreciation	<u>(223,583,773)</u>	<u>(10,541,103)</u>	<u>25,699</u>	<u>-</u>	<u>(234,099,177)</u>
Net capital assets	<u>\$ 115,150,908</u>	<u>\$ 1,635,195</u>	<u>\$ (115,923)</u>	<u>\$ -</u>	<u>\$ 116,670,180</u>

	<b>Balance September 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Balance September 30, 2023</b>
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	<u>7,727,771</u>	<u>6,621,117</u>	<u>-</u>	<u>(5,854,561)</u>	<u>8,494,327</u>
Total	331,712,196	7,403,433	(380,948)	-	338,734,681
Accumulated depreciation	<u>(213,218,738)</u>	<u>(10,715,821)</u>	<u>350,786</u>	<u>-</u>	<u>(223,583,773)</u>
Net capital assets	<u>\$ 118,493,458</u>	<u>\$ (3,312,388)</u>	<u>\$ (30,162)</u>	<u>\$ -</u>	<u>\$ 115,150,908</u>

Depreciation expense for the years ended September 30, 2024 and 2023, was \$10,541,103 and \$10,715,821, respectively.

The Authority has committed approximately \$19,130,062 to future construction projects as of September 30, 2024. These projects are expected to be substantially completed within two years from September 30, 2024 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.

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
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**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 one new long-term subscription arrangements during fiscal year 2024.

A summary of subscription assets, net follows:

	<u>Balance September 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance September 30, 2024</u>
Subscription based IT arrangements	\$ 491,253	\$ 22,505	\$ -	\$ -	\$ 513,758
Accumulated amortization	<u>(87,806)</u>	<u>(146,907)</u>	<u>-</u>	<u>-</u>	<u>(234,713)</u>
Net capital assets	<u>\$ 403,447</u>	<u>\$ (124,402)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 279,045</u>
	<u>Balance September 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance September 30, 2023</u>
Subscription based IT arrangements	\$ -	\$ 491,253	\$ -	\$ -	\$ 491,253
Accumulated amortization	<u>-</u>	<u>(87,806)</u>	<u>-</u>	<u>-</u>	<u>(87,806)</u>
Net capital assets	<u>\$ -</u>	<u>\$ 403,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,447</u>

Amortization expense for the years ended September 30, 2024, and 2023, was \$146,907 and \$87,806 respectively.

**Note 8. Long-term Debt**

A summary of long-term bond debt follows:

	<u>Balance September 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2024</u>
2017 Series A Revenue Bonds maturing in October 2026; interest rate 2.60%	\$ 2,035,000	\$ -	\$ (490,000)	\$ 1,545,000
2017 Series B Revenue Bonds maturing in October 2027; interest rate 2.75%	2,570,000	-	(485,000)	2,085,000
2015 Series A Revenue Bonds maturing in October 2031; interest rates from 1.21% to 3.09%	9,755,000	-	(1,075,000)	8,680,000
2015 Series B Revenue Bonds maturing in October 2035; interest rates from 3.12% to 3.27%	<u>7,855,000</u>	<u>-</u>	<u>-</u>	<u>7,855,000</u>
Total long-term debt	22,215,000	-	(2,050,000)	20,165,000
Current maturities	<u>(2,050,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(2,100,000)</u>
Long-term debt, net of current maturities	<u>\$ 20,165,000</u>	<u>\$ -</u>	<u>\$ (2,100,000)</u>	<u>\$ 18,065,000</u>

**Jackson Municipal Airport Authority**  
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	<u>Balance September 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2023</u>
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%	<u>7,855,000</u>	<u>-</u>	<u>-</u>	<u>7,855,000</u>
Total long-term debt	24,210,000	-	(1,995,000)	22,215,000
Current maturities	<u>(1,995,000)</u>	<u>-</u>	<u>(55,000)</u>	<u>(2,050,000)</u>
Long-term debt, net of current maturities	<u>\$ 22,215,000</u>	<u>\$ -</u>	<u>\$ (2,050,000)</u>	<u>\$ 20,165,000</u>

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 on September 30, 2024 is \$990,000.

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:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
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	1,230,000	355,160
2030 - 2033	7,240,000	1,165,398
2034 - 2036	<u>3,480,000</u>	<u>114,265</u>
	<u>\$ 20,165,000</u>	<u>\$ 3,388,259</u>

**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.

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A summary of long-term subscription obligations follows:

	<u>Balance September 30, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2024</u>
Subscription-based IT arrangements	\$ 402,594	\$ 22,505	\$ (145,832)	\$ 279,267

  

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

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 145,832	\$ 7,896
2026	90,528	2,282
2027	42,907	126
Total payments	<u>\$ 279,267</u>	<u>\$ 10,304</u>

**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 17.90 percent for employers and 9.00 percent for members. The Authority's contributions to PERS for the years ended September 30, 2024 and 2023, were \$1,366,878 and \$1,241,886, 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,

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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](http://www.PERS.ms.gov).

**Net Pension Liability**

At September 30, 2024 and 2023, the Authority reported a liability of \$25,877,838 and \$23,752,404, respectively for its proportional share of the net pension liability. The net pension liability was measured as of June 30, 2024 and 2023, 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, 2024 and 2023, the Authority's proportion was 0.099655% and 0.094438%, respectively.

**Actuarial assumptions**

The total pension liability in the June 30, 2024 and 2023, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Description</u>	<u>Assumptions</u>
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.

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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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	25.00%	5.15%
International equity	20.00	5.00
Global equity	12.00	5.15
Debt Securities	18.00	2.75
Real estate	10.00	3.50
Private equity	10.00	6.25
Infrastructure	2.00	3.85
Private credit	2.00	4.90
Cash	<u>1.00</u>	0.50
	<u>100.00%</u>	

***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 19.90 percent over five fiscal years (17.90 percent for FYE 2025, 18.40 percent for FYE 2026, 18.90 percent for FYE 2027, 19.40 percent for FYE 2028, and 19.90 percent for FYE 2029). 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):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2024, net pension liability	<u>\$ 33,541,444</u>	<u>\$ 25,877,838</u>	<u>\$ 19,605,757</u>
June 30, 2023, net pension liability	<u>\$ 30,629,327</u>	<u>\$ 23,752,404</u>	<u>\$ 18,109,124</u>

***Pension plan fiduciary net position***

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

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

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

For the years ended September 30, 2024 and 2023, the Authority recognized pension expense of \$4,156,567 and \$3,342,396, respectively. The following presents the deferred outflows of resources and deferred inflows of resources for the years ended September 30, 2024 and 2023:

	<u>Balance September 30, 2024</u>	<u>Balance September 30, 2023</u>
Deferred outflows of resources		
Contributions subsequent to the measurement date	\$ 320,109	\$ 291,999
Differences between expected and actual experience	1,373,405	587,154
Changes in proportionate share of net pension liability	1,447,420	1,028,179
Changes in assumptions	1,661,763	2,820,228
Net difference between projected and actual earnings on plan investments	<u>140,578</u>	<u>1,149,763</u>
Total deferred outflows of resources	<u>\$ 4,943,275</u>	<u>\$ 5,877,323</u>
Deferred inflows of resources		
Changes in proportionate share of net pension liability	<u>\$ -</u>	<u>\$ 281,484</u>
Total deferred inflows of resources	<u>\$ -</u>	<u>\$ 281,484</u>

Deferred outflows of resources of \$320,109 at September 30, 2024, 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, 2025.

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

<u>Year Ending September 30,</u>	
2025	\$ 2,036,717
2026	2,576,016
2027	220,651
2028	<u>(210,218)</u>
Total	<u>\$ 4,623,166</u>

***Payable to the pension plan***

At September 30, 2024 and 2023, the Authority reported a payable of \$131,688 and \$109,125, 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 \$687,257 and \$107,674, respectively.

**Note 10. Net Position**

A summary of restricted net position follows:

	<u>2024</u>	<u>2023</u>
Debt interest and principal payments	\$ 2,533,491	\$ 2,447,528
Passenger facility charges (PFC)	18,278,676	16,894,333
Customer facility charges (CFC)	17,540,424	14,964,056
Restricted for capital projects	448,149	433,799
Cash reserve restricted by bond indenture	4,298,385	4,160,747
Other	<u>232,916</u>	<u>41,541</u>
	<u>\$ 43,332,041</u>	<u>\$ 38,942,004</u>

**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 \$105,646,558 to be used for specific approved PFC projects. As of September 30, 2024, \$65,467,772 has been collected, and \$51,533,098 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.

**Note 13. 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

**Jackson Municipal Airport Authority**  
**Notes to Financial Statements**  
**September 30, 2024 and 2023**

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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, 2024 - 2015**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
JMAA's proportion of the net pension liability	9.965500%	0.094438%	0.091909%	0.082389%	0.088800%	0.089780%	0.093918%	0.088324%	0.078357%	0.080705%
JMAA's proportionate share of the net pension liability	<u>\$25,877,838</u>	<u>\$23,752,404</u>	<u>\$18,918,217</u>	<u>\$12,177,454</u>	<u>\$ 17,190,648</u>	<u>\$ 15,794,073</u>	<u>\$ 15,621,353</u>	<u>\$ 14,682,447</u>	<u>\$ 13,996,517</u>	<u>\$ 12,475,387</u>
JMAA's covered payroll	<u>\$ 7,747,111</u>	<u>\$ 7,137,276</u>	<u>\$ 6,327,326</u>	<u>\$ 5,478,030</u>	<u>\$ 5,912,992</u>	<u>\$ 5,847,146</u>	<u>\$ 5,997,556</u>	<u>\$ 5,666,043</u>	<u>\$ 5,012,711</u>	<u>\$ 5,041,981</u>
JMAA's proportionate share of the net pension liability as a percentage of its covered payroll	334.03%	332.79%	298.99%	222.30%	290.73%	270.12%	260.46%	259.13%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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, 2024 - 2015**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	<u>\$ 1,366,878</u>	<u>\$ 1,241,886</u>	<u>\$ 1,115,214</u>	<u>\$ 964,153</u>	<u>\$ 1,004,427</u>	<u>\$ 940,564</u>	<u>\$ 940,985</u>	<u>\$ 934,804</u>	<u>\$ 803,042</u>	<u>\$ 787,462</u>
Contributions in relation to the statutorily required contribution	<u>\$ 1,366,878</u>	<u>\$ 1,241,886</u>	<u>\$ 1,115,214</u>	<u>\$ 964,153</u>	<u>\$ 1,004,427</u>	<u>\$ 940,564</u>	<u>\$ 940,985</u>	<u>\$ 934,804</u>	<u>\$ 803,042</u>	<u>\$ 787,462</u>
Annual contribution deficiency (excess)	<u>\$ -</u>									
JMAA's covered payroll	<u>\$ 7,747,111</u>	<u>\$ 7,137,276</u>	<u>\$ 6,409,274</u>	<u>\$ 5,541,107</u>	<u>\$ 5,772,571</u>	<u>\$ 5,810,843</u>	<u>\$ 5,974,215</u>	<u>\$ 5,935,263</u>	<u>\$ 5,098,679</u>	<u>\$ 4,999,759</u>
Contributions as a percentage of covered payroll	17.64%	17.40%	17.40%	17.40%	17.40%	16.19%	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.*

**Jackson Municipal Airport Authority**  
**Notes to Schedules of Proportionate Share of the Net Pension Liability and Pension**  
**Contributions**  
**September 30, 2024 and 2023**

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**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 0.50 years 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 retirees 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.

**Jackson Municipal Airport Authority**  
**Notes to Schedules of Proportionate Share of the Net Pension Liability and Pension**  
**Contributions**  
**September 30, 2024 and 2023**

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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.

**Jackson Municipal Airport Authority**  
**Notes to Schedules of Proportionate Share of the Net Pension Liability and Pension**  
**Contributions**  
**September 30, 2024 and 2023**

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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 actuarially 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, 2022 valuation for the September 30, 2024 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	25.6 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, 2024**

<b>Federal Grantor / Pass-through Grantor / Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Transportation</b>		
<b>Direct Programs</b>		
Federal Aviation Administration		
Airport Improvement Program		
3-28-0038-025-2021- HKS Bravo Relocation	20.106	\$ 235,562
3-28-0038-027-2022-HKS Drainage	20.106	64,231
3-28-0037-063-2023-Rehabilitate Taxiway A (Phase 2)	20.106	4,279,251
3-28-0037-064-2023-Rehabilitate Taxiway A (Phase 2)	20.106	1,467,921
3-28-0037-065-2024-Taxiway Alpha Rehab-PH3	20.106	20,646
3-28-0037-066-2024-Taxiway Alpha Rehab-PH3	20.106	57,263
3-28-0037-067-2023-Rehabilitate Taxiway A (Phase 2)	20.106	735,953
3-28-0037-069-2024-Elevator & Escalator/HVAC-	20.106	471,554
3-28-0037-071-2024-Elevator & Escalator/HVAC-	20.106	45,264
3-28-0037-070-2024- Runway 16L/34R Safety Area-	20.106	37,261
3-28-0038-023-2023- HKS Taxiway Lighting	20.106	6,348
<b>Total U.S. Department of Transportation</b>		<u>7,421,254</u>
<b>U.S. Department of Homeland Security</b>		
<b>Direct Programs</b>		
Transportation Security Administration (TSA)		
Law Enforcement Officer Reimbursement Program		
HSTS02-16-H-SLR869	97.090	135,720
<b>Total U.S. Department of Homeland Security</b>		<u>135,720</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ 7,556,974</u>

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

**Jackson Municipal Airport Authority**  
**Notes to Schedule of Expenditures of Federal Awards**  
**September 30, 2023**

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**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, 2024. 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	\$ 7,556,974
State of Mississippi and other grants	<u>367,180</u>
Total governmental grant contributions	<u>\$ 7,924,154</u>

Presented in the financial statements as:

Governmental operating grant contributions	\$ 152,058
Governmental capital grant contributions	<u>7,772,096</u>
Total governmental grant contributions	<u>\$ 7,924,154</u>

**Jackson Municipal Airport Authority**  
**Schedule of Passenger Facility Charges - Cash Basis**  
**Year Ended September 30, 2024**

	September 30, 2023 Program Total	Quarter 1 - October - December	Quarter 2 - January - March	Quarter 3 - April - June	Quarter 4 - July - September	Year Ended September 30, 2024 Total	September 30, 2024 Program Total
<b>Revenue</b>							
Collections	\$63,306,123	\$ 484,212	\$ 554,615	\$ 667,030	\$ 455,792	\$ 2,161,649	\$ 65,467,772
Investment earnings	258,678	139,085	92,480	114,226	144,534	490,325	749,003
Interest	2,666,952	51,892	49,931	50,361	54,827	207,011	2,873,963
<b>Total Revenue</b>	<u>\$66,231,753</u>	<u>675,189</u>	<u>697,026</u>	<u>831,617</u>	<u>655,153</u>	<u>2,858,985</u>	<u>69,090,738</u>
<b>Expenditures</b>							
Application #1	6,238,505	-	-	-	-	-	6,238,505
Application #2	3,590,244	-	-	-	-	-	3,590,244
Application #3	6,683,182	28,516	28,516	28,516	28,516	114,064	6,797,246
Application #4	3,218,546	26,255	26,255	26,255	26,255	105,020	3,323,566
Application #5	23,046,794	-	-	-	-	-	23,046,794
Application #6	1,662,503	-	-	-	-	-	1,662,503
Application #7	5,160,114	276,832	42,050	258,951	-	577,833	5,737,947
Application #8	142,675	-	46,981	-	-	46,981	189,656
Application #9	-	-	809,937	136,700	-	946,637	946,637
<b>Total Expenditures</b>	<u>49,742,563</u>	<u>331,603</u>	<u>953,739</u>	<u>450,422</u>	<u>54,771</u>	<u>1,790,535</u>	<u>51,533,098</u>
<b>Net PFC Revenue</b>	<u>16,489,190</u>	<u>343,586</u>	<u>(256,713)</u>	<u>381,195</u>	<u>600,382</u>	<u>1,068,450</u>	<u>17,557,640</u>
<b>PFC Account Balance</b>	<u>\$ 16,489,190</u>	<u>\$ 343,586</u>	<u>\$ (256,713)</u>	<u>\$ 381,195</u>	<u>\$ 600,382</u>	<u>\$ 1,068,450</u>	<u>\$ 17,557,640</u>

**Jackson Municipal Airport Authority**  
**Historical Schedule of Selected Financial Data**  
**Years Ended September 30, 2024 - 2015**  
**(In Thousands)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Assets and Deferred Outflows of Resources</b>					
Current assets, unrestricted	\$ 17,526	\$ 24,247	\$ 18,440	\$ 14,777	\$ 15,377
Restricted assets	43,332	38,942	34,827	32,127	30,019
Unrestricted Investments	10,034	-	-	-	-
Capital assets, including SBITAs	116,949	115,554	118,493	124,841	125,763
Lease receivable, net of current maturities	5,621	3,930	4,294	2,334	-
Deferred outflows of resources	5,095	6,054	3,715	1,627	1,668
	<u>198,557</u>	<u>188,727</u>	<u>179,769</u>	<u>175,706</u>	<u>172,827</u>
<b>Liabilities and Deferred Inflows of Resources</b>					
Current liabilities	7,308	6,066	5,917	4,805	5,585
Long-term debt, net of current maturities	18,198	20,433	22,215	24,210	26,160
Claims liability	-	-	825	1,650	-
Deferred Revenue	278	300	409	562	-
Net pension liability	25,878	23,752	18,918	12,177	17,191
Deferred inflows of resources	6,230	4,498	5,350	7,814	1,452
	<u>57,892</u>	<u>55,049</u>	<u>53,634</u>	<u>51,218</u>	<u>50,388</u>
<b>Net Position</b>	<u>\$ 140,665</u>	<u>\$ 133,678</u>	<u>\$ 126,135</u>	<u>\$ 124,488</u>	<u>\$ 122,439</u>
<b>Revenues and Expenses</b>					
Operating revenues	\$ 24,695	\$ 23,070	\$ 19,780	\$ 14,127	\$ 14,453
Operating expenses, before depreciation/amortization and unfunded portion of pension expense	19,228	18,461	17,341	16,420	16,050
	<u>5,467</u>	<u>4,609</u>	<u>2,439</u>	<u>(2,293)</u>	<u>(1,597)</u>
Operating income (loss), before depreciation and unfunded portion of pension expense	5,467	4,609	2,439	(2,293)	(1,597)
Depreciation and amortization	10,688	10,804	10,570	11,160	7,852
Unfunded portion of pension expense	2,778	2,104	518	(696)	783
	<u>(7,999)</u>	<u>(8,299)</u>	<u>(8,649)</u>	<u>(12,757)</u>	<u>(10,232)</u>
<b>Operating Loss</b>	(7,999)	(8,299)	(8,649)	(12,757)	(10,232)
Passenger facility charges (restricted)	3,205	3,070	2,407	1,677	1,280
Customer facility charges (restricted)	3,437	3,070	2,112	1,412	1,682
Governmental operating grants	152	7,073	3,246	6,434	2,416
Interest expense	(600)	(690)	(714)	(777)	(824)
Other	1,018	478	306	163	353
	<u>(787)</u>	<u>4,702</u>	<u>(1,292)</u>	<u>(3,848)</u>	<u>(5,325)</u>
<b>Income (Loss) Before Capital Grant Contributions</b>	\$ (787)	\$ 4,702	\$ (1,292)	\$ (3,848)	\$ (5,325)
<b>Other</b>					
Capital asset additions	\$ 12,176	\$ 7,403	\$ 4,223	\$ 10,695	\$ 9,700
Federal and state capital grants	(7,772)	(2,842)	(2,939)	(5,897)	(6,799)
Passenger facility charge reimbursements	(1,791)	(1,134)	(917)	(293)	(2,068)
	<u>2,613</u>	<u>3,427</u>	<u>367</u>	<u>4,505</u>	<u>833</u>
<b>Net Construction Costs</b>	\$ 2,613	\$ 3,427	\$ 367	\$ 4,505	\$ 833

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, 2024 - 2015**  
(In Thousands)

(Continued)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Assets and Deferred Outflows of Resources</b>					
Current assets, unrestricted	\$ 20,398	\$ 16,609	\$ 16,271	\$ 18,727	\$ 17,157
Restricted assets	30,822	31,521	34,829	32,968	30,145
Unrestricted Investments	-	-	-	-	-
Capital assets	123,915	117,320	113,154	109,837	116,930
Other	-	-	14	54	64
Deferred outflows of resources	1,373	2,044	2,371	2,702	2,216
	<u>176,508</u>	<u>167,494</u>	<u>166,639</u>	<u>164,288</u>	<u>166,512</u>
<b>Liabilities and Deferred Inflows of Resources</b>					
Current liabilities	9,738	7,651	5,480	3,714	3,539
Long-term debt, net of current maturities	28,065	29,935	33,469	35,046	36,803
Claims liability	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Net unfunded pension liability	15,794	15,621	14,683	13,997	12,475
Deferred inflows of resources	1,946	1,183	1,328	1,188	1,435
	<u>55,543</u>	<u>54,390</u>	<u>54,960</u>	<u>53,945</u>	<u>54,252</u>
	<u>\$ 120,965</u>	<u>\$ 113,104</u>	<u>\$ 111,679</u>	<u>\$ 110,343</u>	<u>\$ 112,260</u>
<b>Net Position</b>					
<b>Revenues and Expenses</b>					
Operating revenues	\$ 18,509	\$ 16,994	\$ 16,834	\$ 17,304	\$ 16,929
Operating expenses, before depreciation and unfunded portion of pension expense	15,099	15,269	15,221	13,365	12,350
	<u>3,410</u>	<u>1,725</u>	<u>1,613</u>	<u>3,939</u>	<u>4,579</u>
Operating income (loss), before depreciation and unfunded portion of pension expense	3,410	1,725	1,613	3,939	4,579
Depreciation	7,596	8,291	8,552	8,592	9,139
Unfunded portion of pension expense	1,030	1,021	1,141	769	344
	<u>(5,216)</u>	<u>(7,587)</u>	<u>(8,080)</u>	<u>(5,422)</u>	<u>(4,904)</u>
<b>Operating Loss</b>	(5,216)	(7,587)	(8,080)	(5,422)	(4,904)
Passenger facility charges (restricted)	2,509	2,154	1,960	2,024	2,086
Customer facility charges (restricted)	2,239	2,029	2,096	2,245	2,192
Governmental operating grants	-	-	-	-	-
Interest expense	(863)	(972)	(1,201)	(1,266)	(1,790)
Other	596	(752)	222	258	(37)
	<u>(735)</u>	<u>(5,128)</u>	<u>(5,003)</u>	<u>(2,161)</u>	<u>(2,453)</u>
<b>Loss Before Capital Grant Contributions</b>	\$ (735)	\$ (5,128)	\$ (5,003)	\$ (2,161)	\$ (2,453)
<b>Other</b>					
Capital asset additions	\$ 14,540	\$ 13,521	\$ 11,869	\$ 1,570	\$ 8,229
Federal and state capital grants	(7,006)	(6,553)	(6,341)	(245)	(3,247)
Passenger facility charge reimbursements	(4,860)	(4,545)	(91)	(1,573)	(3,283)
	<u>2,674</u>	<u>2,423</u>	<u>5,437</u>	<u>(248)</u>	<u>1,699</u>
<b>Net Construction Costs</b>	\$ 2,674	\$ 2,423	\$ 5,437	\$ (248)	\$ 1,699

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, 2024**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Operating Revenues</b>			
Aviation	\$ 9,879,448	\$ 9,383,613	\$ (495,835)
Non-aviation	10,482,624	11,112,936	630,312
Concessions	3,780,000	3,946,207	166,207
Services	295,857	252,414	(43,443)
<b>Total Operating Revenues</b>	<u>24,437,929</u>	<u>24,695,170</u>	<u>257,241</u>
<b>Operating Expenses</b>			
Board expenses	103,256	73,972	(29,284)
Building expenses	3,420,983	2,929,467	(491,516)
Employee expenses	12,692,999	11,518,823	(1,174,176)
Equipment expenses	779,240	633,336	(145,904)
Miscellaneous expense	52,500	39,000	(13,500)
Services	3,944,414	3,186,641	(757,773)
Supplies	1,155,647	847,037	(308,610)
<b>Total Operating Expenses, Before Depreciation and Unfunded Portion of Pension Expense</b>	<u>22,149,039</u>	<u>19,228,276</u>	<u>(2,920,763)</u>
<b>Operating Income, Before Depreciation and Unfunded Portion of Pension Expense</b>	<u>2,288,890</u>	<u>5,466,894</u>	<u>3,178,004</u>
Depreciation and amortization expense	10,570,314	10,688,010	117,696
Unfunded portion of pension expense	-	2,777,999	2,777,999
<b>Total Operating Expenses</b>	<u>32,719,353</u>	<u>32,694,285</u>	<u>(25,068)</u>
<b>Operating Loss</b>	<u>(8,281,424)</u>	<u>(7,999,115)</u>	<u>282,309</u>
<b>Non-operating Revenues (Expense)</b>			
Passenger facility charges, restricted	2,634,215	3,205,224	571,009
Customer facility charges, restricted	2,505,932	3,436,549	930,617
Governmental operating grants	404,000	152,058	(251,942)
Interest expense	(746,974)	(599,844)	147,130
Interest income	1,330,834	973,534	(357,300)
Asset seizures	-	-	-
Other	5,000	44,528	39,528
<b>Net Non-Operating Revenues (Expense)</b>	<u>6,133,007</u>	<u>7,212,049</u>	<u>1,079,042</u>
<b>Gain (Loss) Before Capital Grant Contributions</b>	<u>(2,148,417)</u>	<u>(787,066)</u>	<u>1,361,351</u>
<b>Capital Governmental Grant Contributions</b>	<u>2,027,895</u>	<u>7,772,096</u>	<u>5,744,201</u>
<b>Change in Net Position</b>	<u>\$ (120,522)</u>	<u>\$ 6,985,030</u>	<u>\$ 7,105,552</u>

## **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, 2024, 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 14, 2025, 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 opinion 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 Mazars, LLP**

**Memphis, Tennessee  
March 14, 2025**

## **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, 2024. 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, 2024.

### ***Basis for Opinion 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 Mazars, LLP**

**Memphis, Tennessee  
March 14, 2025**

**Jackson Municipal Airport Authority  
 Schedule of Findings and Questioned Costs  
 September 30, 2024 and 2023**

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**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**

***ALN 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

**Jackson Municipal Airport Authority  
Schedule of Findings and Questioned Costs  
September 30, 2024 and 2023**

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**Financial Statement Audit Findings**

Current Year Findings  
None reported

Prior Year Findings  
None reported

**Federal Award Findings and Questioned Costs**

Current Year Findings  
None reported

Prior Year Findings  
None reported

**Passenger Facility Charges Program Findings**

Current Year Findings  
None reported

Prior Year Findings  
None reported