JACKSONVILLE TRANSPORTATION AUTHORITY

BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION

As of and for the Year Ended September 30, 2025

And Reports of Independent Auditor

Cherry Bekaert LLP
Your Guide Forward

JACKSONVILLE TRANSPORTATION AUTHORITY
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Report of Independent Auditor

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jacksonville Transportation Authority (the "Authority"), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Authority as of September 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 16 to the financial statements, beginning net position and fund balance, for governmental activities, business-type activities, and certain major funds, as applicable, have been restated to correct errors in previously issued financial statements. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2026, under separate cover, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
June 29, 2026

This discussion and analysis is designed to provide insight into the Jacksonville Transportation Authority's (the "JTA" or the "Authority") annual financial report by discussing significant financial issues and changes in financial position based on currently known facts in order to better explain material changes in the Authority's financial position and performance during the fiscal year ended September 30, 2025 as compared to September 30, 2024.

The information contained herein is designed to assist the reader in assessing the Authority's financial position. We encourage readers to consider the information contained in this discussion in conjunction with all the other sections of the Authority's financial statements.

Financial Highlights

The financial highlights section will serve as background in understanding the more detailed explanations that follow:

- The Authority's total net position of combined governmental and business-type activities on the statement of net position was $324.3 million, which consisted of net investment in capital assets of $356.8 million, and a restricted net position of $56.4 million offset by a deficit in unrestricted net position of ($89.0) million.

- The Authority's spending in federal and state expenditures in FY25 supports the Authority's mission to improve Northeast Florida's economy, environment, and quality of life by providing safe, reliable, efficient, and sustainable multimodal transportation services and facilities. The spending was primarily attributable to the following initiatives:

    - Support of the Authority's Fixed Route services including:
        - The continuation of the Fleet replacement plan with new bus purchases
        - Bus Paint Booth Replacement
        - Purchase of a new bus training simulator
    - Installation of LOGT Passenger Shelters
    - Continual marine infrastructure improvements for the St. Johns River
    - IT infrastructure Improvements
    - Completion of the Neighborhood Autonomous Vehicle Innovation (NAVI) facility including eight vehicles being put into service

- Total capital assets, net of accumulated depreciation, decreased from $566.9 million in 2024 to $472.1 million in 2025, a decreased of 16.7%. The decrease in 2025 is primarily due to the completion of multiple transportation projects that were transferred to the City of Jacksonville during fiscal 2025.

Overview of the Financial Statements

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

The government-wide financial statements are the first two statements that focus on the Authority as a whole and provide both long-term and short-term information about the Authority's overall financial condition. These statements provide readers with a broad view of the Authority's finances, similar to a private sector business.

The fund financial statements are the remaining statements. They are similar to traditional governmental financial statements. These statements report on individual parts of the Authority's operations and include more detail than the government-wide statements.

Government-wide Financial Statements

The government-wide statements report on the Authority as a whole using accounting rules very similar to those used by private companies. There are two government-wide statements. The first is the statement of net position, which combines and reports all the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources. The second is the statement of activities. It combines and reports all the Authority's revenues and expenses regardless of when cash is paid or received. These two financial statements demonstrate how the Authority's net position has changed. Net position is the difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources and is one way of assessing the Authority's current financial condition. Increases or decreases in net position are good indicators of whether the Authority's financial health is improving or deteriorating over time. Other non-financial factors, such as changes in local economic conditions, regulations, and government legislation, are important in evaluating the Authority's overall financial condition. The government-wide financial statements are grouped into two categories:

Governmental activities: Include Road construction and general engineering administration.

Business-type activities: The Authority's Bus, Automated Skyway Express (the "ASE"), Community Transportation Coordinator (the "CTC"), and Ferry operations are classified here. In these activities, the Authority charges customers fees to cover a portion of the cost of providing these goods and services.

Fund Financial Statements

The Authority's fund statements report in greater detail than the government-wide statements on the Authority's most significant funds. A fund is a group of related accounts used to exercise control over specific resources set apart for specific activities. The Authority, like other state and local governments, uses funds to ensure and demonstrate compliance with financial requirements imposed by law, bond covenants, and local administrative and legislative actions. The Authority maintains several individual governmental funds. The General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund are presented separately in the governmental fund balance sheet and in the statement of revenues, expenditures, and changes in fund balances. In addition, the Authority maintains several individual proprietary funds. The Bus, ASE, CTC, and Ferry are presented separately in the proprietary fund statement of net position and in the statement of revenues, expenses, and changes in fund net position.

All of the Authority's funds are classified in one of the following categories:

Governmental funds tell how basic governmental services were paid for in the short-term as well as what remains for near future spending. These funds account for essentially the same services as those reported as governmental activities in the government-wide statements.

Because the governmental fund view does not include the additional long-term focus of the government-wide statements, we provide additional information following the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances that explains the differences between the two views.

Proprietary funds report on business-type operations such as Bus, ASE, CTC, and Ferry, where the fees typically cover a portion of the costs of operations. These statements offer both long and short-term financial information. The Authority's enterprise funds, one type of proprietary fund, are a more detailed reporting of the amounts classified as business-type activities in the government-wide statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Authority's fiduciary fund is the pension trust fund for the Jacksonville Transit Management, Inc. Salaried Employees, which is not reflected in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The accounting used for the fiduciary fund is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information and explanation that is necessary for a full understanding of both the government-wide and fund statements.

Government-Wide Financial Analysis

The statement of net position and the statement of activities, in condensed format, are provided to report net position, and the changes in net position to measure financial health. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, regulation, and new government legislation.

To begin our analysis, a summary of the Authority's statement of net position is presented in Table A-1.

Table A-1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
		Restated		Restated		Restated
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 44,982,589	$ 82,636,987	$ 44,332,738	$ 63,539,458	$ 89,315,327	$146,176,445
Noncurrent assets	47,355,634	55,216,424	16,350,895	10,631,434	63,706,529	65,847,858
Capital assets	103,349,637	230,209,134	368,749,206	336,026,901	472,098,843	566,236,035
Total Assets	195,687,860	368,062,545	429,432,839	410,197,793	625,120,699	778,260,338
Deferred outflows - deferred amounts for pensions	4,413,619	6,355,455	8,927,191	11,435,311	13,340,810	17,790,766
Deferred outflows of resources - OPEB	95,704	130,185	-	-	95,704	130,185
Deferred outflows of resources - hedging activities	-	-	-	177,892	-	177,892
Total Deferred Outflows	4,509,323	6,485,640	8,927,191	11,613,203	13,436,514	18,098,843
Current liabilities	10,273,846	21,574,964	44,127,274	30,697,523	54,401,120	52,272,487
Long-term liabilities	223,975,163	361,337,785	7,132,460	6,451,412	231,107,622	367,789,197
Total Liabilities	234,249,009	382,912,749	51,259,734	37,148,935	285,508,743	420,061,684
Deferred inflows of resources - pensions	5,353,819	3,666,812	5,412,555	4,904,226	10,766,374	8,571,038
Deferred amounts for OPEB	-	7,383	-	-	-	7,383
Gain on refunding bonds	15,832,589	-	-	-	15,832,589	-
Deferred amounts for leases	2,105,418	2,189,360	-	-	2,105,418	2,189,360
Deferred inflows of resources - hedging activities	-	-	79,854	-	79,854	-
Total Deferred Inflows	23,291,826	5,863,555	5,492,409	4,904,226	28,784,235	10,767,781
Net Position:						
Net investment in capital assets	(5,313,756)	9,272,764	362,081,743	331,719,382	356,767,987	340,992,146
Restricted	46,140,382	55,972,755	10,350,893	-	56,491,275	55,972,755
Unrestricted	(98,170,278)	(79,473,638)	9,175,251	48,038,453	(88,995,027)	(31,435,185)
Total Net Position	$ (57,343,652)	$ (14,228,119)	$381,607,887	$379,757,835	$324,264,235	$365,529,716

Statement of Net Position 2025 vs. 2024

The Authority's governmental activities report a decrease in total assets of ($172.4) million, or (46.8%), from 2024, primarily due to a ($42.5) million reduction in cash and investments and a ($126.9) million decrease in capital assets. The decline in capital assets is largely attributable to the completion and transfer of custodial projects; approximately ($126.9) million related to assets constructed on behalf of other governmental entities and conveyed upon completion.

Total liabilities for governmental activities decreased by ($148.7) million, or (38.8%), from 2024, primarily due to reductions in custodial project obligations and revenue bonds payable. Liabilities related to custodial projects – due to other governments – declined by ($112.3) million, reflecting the completion and transfer of assets constructed on behalf of other governmental entities. Revenue bonds payable decreased by ($28.0) million as a result of the Authority's planned debt activities, including the issuance of new debt and the refunding of existing obligations.

Total assets for the Authority's business-type activities increased by $19.2 million, or 4.7%, compared to 2024. This increase was primarily driven by a ($27.4) million decrease in amounts due from other governments, offset by a $5.7 million increase in the net pension assets and an $32.7 million increase in net capital assets.

Total liabilities for business-type activities increased by $14.1 million, or 38.0%, compared to 2024, primarily due to increases in accounts payable of $7.0 million, accrued expenses of $2.1 million, and unearned revenue of $4.3 million.

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

Table A-2
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
		Restated		Restated		Restated
	2025	2024	2025	2024	2025	2024
Revenue:						
Program Revenue:						
Charges for services	$ -	$ -	$ 19,993,524	$ 18,343,780	$ 19,993,524	$ 18,343,780
Operating grants and contributions	-	-	22,727,963	24,500,159	22,727,963	24,500,159
Capital grants and contributions	138,208	9,036,647	14,572,918	22,409,410	14,711,126	31,446,057
General Revenue:						
Sales taxes	3,000,000	3,000,000	-	-	3,000,000	3,000,000
Intergovernmental	-	-	113,108,530	113,219,408	113,108,530	113,219,408
Investment earnings	2,717,883	6,923,298	805,921	407,942	3,523,804	7,331,240
Proceeds on sale of surplus property	-	-	(47,883)	1,418,397	(47,883)	1,418,397
Other revenues	3,286,455	848,392	-	-	3,286,455	848,392
Total Revenue	9,142,546	19,808,337	171,160,973	180,299,096	180,303,519	200,107,433
Expenses:						
General government	3,678,664	1,107,976	-	-	3,678,664	1,107,976
Transportation and infrastructure projects	1,314,586	-	-	-	1,314,586	-
Interest on long-term debt	730,507	4,112,915	-	-	730,507	4,112,915
Bus system	-	-	165,358,161	126,009,800	165,358,161	126,009,800
Automated skyway express	-	-	12,161,806	12,792,389	12,161,806	12,792,389
Community transportation	-	-	32,877,107	30,741,207	32,877,107	30,741,207
Ferry	-	-	5,448,169	5,571,988	5,448,169	5,571,988
Total Expenses	5,723,757	5,220,891	215,845,243	175,115,384	221,569,000	180,336,275
Change in Net Position Before Transfers	3,418,789	14,587,446	(44,684,270)	5,183,712	(41,265,481)	19,771,158
Transfers	(46,534,322)	(26,461,455)	46,534,322	26,461,455	-	-
Change in net position	(43,115,533)	(11,874,009)	1,850,052	31,645,167	(41,265,481)	19,771,158
Net position, beginning (restated)	(14,228,119)	(2,354,110)	379,757,835	348,112,668	365,529,716	345,758,558
Net position, ending	$ (57,343,652)	$ (14,228,119)	$ 381,607,887	$ 379,757,835	$ 324,264,235	$ 365,529,716

Statement of Activities 2025 vs. 2024

For the governmental activities, revenues decreased by $10.7 million or 53.8% from the prior year. The decrease is mainly due to a decrease of ($8.9) million in capital grants and contributions and a decrease of ($5.2) million in investment earnings, offset by an increase of $2.4 million in other revenues.

Expenses for governmental activities increased by $503 thousand, or 9.6%, compared to the prior year. This increase was primarily driven by higher general government expenses of $2.6 million, higher transportation expense of $1.3 million, offset by a decrease in interest expense, due to the refunding, of $3.4 million.

Total revenues for business-type activities decreased by ($9.1) million, or (5.1%), compared to 2024. This decline was primarily driven by a ($7.8) million decrease in capital grants and contributions and a ($1.8) million decrease in operating grants and contributions.

Expenses for business-type activities increased by approximately $40.7 million, or 23.3%, compared to 2024. This increase was primarily driven by higher operating expenses within the Authority's Bus operations system, whose expenses rose by $39.3 million.

Financial Analysis of the Authority's Funds

General Fund Budgetary Highlights

Of the Jacksonville Transportation Authority's governmental funds, the General Fund is the primary operating fund. For FY25, investment earnings were budgeted at $460,000, while sales tax revenue for the General Fund was budgeted at $3.0 million.

At the end of FY25, General Fund revenues were favorable to budget by $3.9 million. This favorable variance was primarily attributable to higher-than-budgeted interest income and miscellaneous income, which exceeded budget by approximately $862 thousand and $3.1 million, respectively.

General government expenditures for the general fund were budgeted at $3.7 million; the actual expenditure was $4.5 million. The General Fund expenditure was unfavorable by $800 thousand compared to the original budget. This is primarily due to unfavorable expense in wages and services at the end of FY25.

Capital Assets and Debt Administration

Capital Assets

At the end of Fiscal Year 2025, the Authority showed $472.1million in total for the governmental and business-type activities in land, land improvements, buildings and improvements, vehicles, furniture and office equipment, other equipment, construction in progress, construction in progress – custodial projects, and subscription based information technology arrangements as shown in Table A-3. Government activities decreased by $127.5 million primarily due to decreases in custodial asset construction in process, stemming primarily from our transportation infrastructure design of streets for all users and not just cars, which allows mobility for bikes and pedestrians. Business-type activities increased by $32.7 million primarily due to increases land, construction in progress, vehicles, and other equipment of approximately $2.2 million, $21.6 million, $4.9 million, and $3.2 million, respectively.

Table A-3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
				Restated		Restated
	2025	2024	2025	2024	2025	2024
Land	$ 9,271,649	$ 9,271,649	$ 26,830,601	$ 24,675,500	$ 36,102,250	$ 33,947,149
Land improvements	-	-	19,686,554	18,777,698	19,686,554	18,777,698
Building and improvements	1,115	1,115	121,886,335	121,936,657	121,887,450	121,937,772
Vehicles	-	-	86,241,388	81,380,209	86,241,388	81,380,209
Furniture and office equipment	-	-	468,499	509,785	468,499	509,785
Other equipment	-	-	43,558,348	40,311,090	43,558,348	40,311,090
Construction in progress	-	-	70,077,481	48,432,707	70,077,481	48,432,707
Construction in progress - custodial projects	93,977,770	220,936,370	-	-	93,977,770	220,936,370
Subscription-based information technology arrangements	99,103	663,536	-	-	99,103	663,536
	$ 103,349,637	$ 230,872,670	$ 368,749,206	$ 336,023,646	$ 472,098,843	$ 566,896,316

Debt Administration

In October 2020, the Authority issued $35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of $44,724,353 includes the Original Issue Premium of $9,491,880 less an Underwriters Discount of $127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025, was $28,295,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy.

October 2024, the Authority issued $28,875,000 par value senior lien local option gas tax refunding revenue bonds, Series 2024. The total purchase price of $32,944,440 includes the original issue premium of $3,930,048 less an underwriters discount of $139,392. The bonds were used to partially refund the Local Option Gas Tax Revenue Bonds, Series 2015. The Series 2024 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025 was $28,875,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy.

In March 2025, the Authority issued $23,840,000 par value local option gas tax revenue bonds, Series 2025. The total purchase price of $26,231,529 includes the Original Issue Premium of $2,299,864 less an Underwriters Discount of $91,665. The bonds are used to refund the remaining portion of the Local Option Gas Tax Revenue Bonds, Series 2015. The Series 2025 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025 was $23,840,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy.

Next Year's Budget

The Jacksonville Transportation Authority's FY26 operating and capital budgets are balanced and support the goals and objectives of the JTA's new 5-year strategic plan, Mobility Optimization for Vision and Excellence (MOVE2027).

During FY26, the Authority decreased the operating budget by ($14.2) million to $148.2 million. The revised budget was ($6.2) million lower versus the FY25 budget. This was primarily driven by a sharp decrease in sales tax revenues. The capital budget of $46 million reflects a decrease from the FY24 Capital Budget of ($7.6) million due to a decrease in discretionary grants, with an offset by an anticipated increase of 2% in formula funding grants based on forecasting.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest therein. Questions concerning any of the information provided in this report or requests for additional information may be addressed to, Finance Department, Jacksonville Transportation Authority, 100 LaVilla Center Drive, Jacksonville, Florida 32204.

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 20,820,261	$ 1,712,450	$ 22,532,711
Investments	21,787,105	-	21,787,105
Due from other governments	2,133,780	29,185,253	31,319,033
Accounts receivable, net	20,432	6,137,736	6,158,168
Lease receivable	44,201	-	44,201
Inventory	-	4,104,201	4,104,201
Prepaid items	176,810	3,193,098	3,369,908
Noncurrent Assets:			
Restricted cash and cash equivalents	40,168,821	-	40,168,821
Restricted investments	4,894,400	-	4,894,400
Lease receivable	2,292,413	-	2,292,413
Net pension asset	-	16,350,895	16,350,895
Capital assets (net of accumulated depreciation)	103,349,637	368,749,206	472,098,843
Total Assets	195,687,860	429,432,839	625,120,699
DEFERRED OUTFLOW OF RESOURCES			
Pensions	4,413,619	8,927,191	13,340,810
Other postemployment benefits	95,704	-	95,704
Total Deferred Outflows	4,509,323	8,927,191	13,436,514
LIABILITIES			
Current Liabilities:			
Accounts payable	4,947,465	31,133,573	36,081,038
Accrued expenses	3,443,601	5,772,065	9,215,666
Claims payable	-	2,298,110	2,298,110
Subscription-based information technology arrangements	87,065	-	87,065
Unearned revenue	-	4,361,294	4,361,294
Accrued compensated absences	501,860	562,232	1,064,092
Accrued interest	1,293,855	-	1,293,855
Revenue bonds payable	6,715,443	-	6,715,443
Noncurrent Liabilities:			
Claims payable	-	5,407,379	5,407,379
Accrued compensated absences	481,086	1,686,697	2,167,783
Net pension liability	19,232,577	38,384	19,270,961
Revenue bonds payable	88,564,366	-	88,564,366
Other postemployment benefits	318,298	-	318,298
Custodial projects - due to other governments	108,663,393	-	108,663,393
Total Liabilities	234,249,009	51,259,734	285,508,743
DEFERRED INFLOW OF RESOURCES			
Pensions	5,353,819	5,412,555	10,766,374
Hedging activities	-	79,854	79,854
Gain on refunding bonds	15,832,589	-	15,832,589
Lease related	2,105,418	-	2,105,418
Total Deferred Inflows	23,291,826	5,492,409	28,784,235
NET POSITION			
Net investment in capital assets	(5,313,756)	362,081,743	356,767,987
Restricted	46,140,382	10,350,893	56,491,275
Unrestricted	(98,170,278)	9,175,251	(88,995,027)
Total Net Position	$ (57,343,652)	$ 381,607,887	$ 324,264,235

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

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total
Transportation Authority:							
Governmental Activities:							
General government	$ 3,678,664	$ -	$ -	$ -	$ (3,678,664)	$ -	$ (3,678,664)
Transportation and infrastructure projects	1,314,586	-	-	138,208	(1,176,378)	-	(1,176,378)
Interest on long-term debt	730,507	-	-	-	(730,507)	-	(730,507)
Total Governmental Activities	5,723,757	-	-	138,208	(5,585,549)	-	(5,585,549)
Business-Type Activities:							
Bus system	165,358,161	8,728,464	20,937,322	12,924,745	-	(122,767,630)	(122,767,630)
Automated Skyway Express	12,161,806	36,582	-	592,744	-	(11,532,480)	(11,532,480)
Community Transportation Coordinator	32,877,107	9,370,714	1,676,726	212,649	-	(21,617,018)	(21,617,018)
Ferry	5,448,169	1,857,764	113,915	842,780	-	(2,633,710)	(2,633,710)
Total Business-Type Activities	215,845,243	19,993,524	22,727,963	14,572,918	-	(158,550,838)	(158,550,838)
Total Transportation Authority	$ 221,569,000	$ 19,993,524	$ 22,727,963	$ 14,711,126	(5,585,549)	(158,550,838)	(164,136,387)
General Revenues:							
Sales taxes					3,000,000	-	3,000,000
Intergovernmental revenues					-	113,108,530	113,108,530
Investment earnings					2,717,883	805,921	3,523,804
Loss on sale of surplus property					-	(47,883)	(47,883)
Other					3,286,455	-	3,286,455
Transfers					(46,534,322)	46,534,322	-
Total General Revenues					(37,529,984)	160,400,890	122,870,906
Change in net position					(43,115,533)	1,850,052	(41,265,481)
Net position, beginning of year					(10,102,795)	393,900,226	383,797,431
Restatement (see Note 16)					(4,125,324)	(14,142,391)	(18,267,715)
Net position as restated, beginning of year					(14,228,119)	379,757,835	365,529,716
Net position, end of the year					$ (57,343,652)	$ 381,607,887	$ 324,264,235

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

JACKSONVILLE TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS –
BALANCE SHEET

SEPTEMBER 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 20,820,261	$ -	$ -	$ -	$ 20,820,261
Investments	21,787,105	-	-	-	21,787,105
Prepaid items	176,810	-	-	-	176,810
Due from other governments	568,532	1,186,644	204,094	174,510	2,133,780
Accounts receivable, net	-	-	20,432	-	20,432
Lease receivable	2,336,614	-	-	-	2,336,614
Restricted Assets:					
Cash and cash equivalents	-	39,867,496	280,322	21,003	40,168,821
Investments	-	-	-	4,894,400	4,894,400
Total Assets	$ 45,689,322	$ 41,054,140	$ 504,848	$ 5,089,913	$ 92,338,223
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 2,238,154	$ 3,000	$ 2,706,311	$ -	$ 4,947,465
Accrued expenses	3,440,300	671	2,630	-	3,443,601
Total Liabilities	5,678,454	3,671	2,708,941	-	8,391,066
Deferred Inflows of Resources:					
Lease related	2,105,418	-	-	-	2,105,418
Fund Balances:					
Nonspendable	176,810	-	-	-	176,810
Spendable:					
Restricted	-	41,050,469	-	5,089,913	46,140,382
Assigned	37,728,640	-	-	-	37,728,640
Unassigned	-	-	(2,204,093)	-	(2,204,093)
Total Fund Balances	37,905,450	41,050,469	(2,204,093)	5,089,913	81,841,739
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 45,689,322	$ 41,054,140	$ 504,848	$ 5,089,913	$ 92,338,223

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

JACKSONVILLE TRANSPORTATION AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS – BALANCE SHEET
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Fund balances - total governmental funds	$	81,841,739
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets, net		9,371,867
Capital assets, custodial in nature		93,977,770
Liabilities for other postemployment benefits resulting from underfunding are not due and payable in the current period and, therefore, are not reported in the funds.		(318,298)
Net pension liability pertaining to FRS and HIS that is not due and payable in the current period and, therefore, is not reported in the funds.		(19,232,577)
Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the funds:		
Deferred outflows - pensions and OPEB		4,509,323
Deferred inflows - pensions		(5,353,819)
Deferred inflows - gain on refunding bonds		(15,832,589)
Long-term obligations related to custodial construction projects are not due and payable in the current period and, therefore, are not reported in the funds.		(108,663,393)
Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:		
Revenue bonds payable		(81,010,000)
Bond premium		(14,269,809)
Accrued interest		(1,293,855)
Subscription-based information technology arrangements		(87,065)
Accrued compensated absences		(982,946)
Net position of governmental activities	$	(57,343,652)

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

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenue:					
Intergovernmental:					
Sales taxes	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000
Federal and state grants	-	-	138,208	-	138,208
City of Jacksonville	-	12,821,170	-	8,889,618	21,710,788
Miscellaneous	3,286,455	-	-	-	3,286,455
Investment earnings	1,322,253	1,197,973	197,657	-	2,717,883
Total Revenue	7,608,708	14,019,143	335,865	8,889,618	30,853,334
Expenditures:					
Current:					
General government	4,481,327	-	-	-	4,481,327
Transportation and infrastructure	-	36,000	8,303,751	-	8,339,751
Debt Service:					
Principal payment	-	-	-	71,085,000	71,085,000
Interest and other	-	-	-	264,819	264,819
Total Expenditures	4,481,327	36,000	8,303,751	71,349,819	84,170,897
(Deficiency) Excess of Revenue (Under) Over Expenditures	3,127,381	13,983,143	(7,967,886)	(62,460,201)	(53,317,563)
Other Financing Sources (Uses):					
Refunding bonds issued	-	-	-	58,944,912	58,944,912
Transfers in	-	-	24,335,691	619,759	24,955,450
Transfers out	(36,123,212)	(3,641,227)	(28,179,422)	(3,545,911)	(71,489,772)
Total Other Financing Sources (Uses)	(36,123,212)	(3,641,227)	(3,843,731)	56,018,760	12,410,590
Net Change in Fund Balances	(32,995,831)	10,341,916	(11,811,617)	(6,441,441)	(40,906,973)
Fund balances, beginning of year	70,901,281	30,708,553	13,732,848	11,531,354	126,874,036
Restatement	-	-	(4,125,324)	-	(4,125,324)
Fund balance as restated, beginning of year	70,901,281	30,708,553	9,607,524	11,531,354	122,748,712
Fund balances, end of year	$ 37,905,450	$ 41,050,469	$ (2,204,093)	$ 5,089,913	$ 81,841,739

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

JACKSONVILLE TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances, total governmental funds	$	(40,906,973)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense:		
Current year capital outlay		7,025,165
Current year depreciation and amortization expense		(564,433)
Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, but do not increase net position on the statement of activities.		(58,944,912)
Costs associated with transportation and infrastructure projects constructed pursuant to agreements with the State of Florida and the City of Jacksonville are held as custodial assets until such time as the projects are completed, accepted, and turned over to the State or City.		(21,710,663)
Changes in the net pension liability and other postemployment benefits ("OPEB") are not reported in the governmental funds because it does not require the use of current financial resources. These balances are reported in the government wide financial statements with the associated deferred inflows and outflows:		
Pension - benefit		1,179,562
OPEB - expense		(60,127)
Some expenses reported in the statement of activities did not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Debt service principal payment		74,830,131
Subscription-based information technology arangements		341,738
Accrued interest		(465,688)
Compensated absences		(94,202)
Change in net position of governmental activities	$	(39,370,402)

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

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Bus	ASE	CTC	Ferry	Totals
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 1,613,544	$ 98,906	$ -	$ -	$ 1,712,450
Accounts receivable, net	5,754,395	93,412	241,566	48,363	6,137,736
Due from other governments	27,100,460	33,957	1,877,514	173,322	29,185,253
Due from other funds	-	-	5,988,119	-	5,988,119
Inventories	2,342,901	1,736,498	24,802	-	4,104,201
Prepaid expenses	2,877,341	269,902	36,090	9,758	3,193,091
Total Current Assets	39,688,641	2,232,675	8,168,091	231,443	50,320,850
Noncurrent Assets:					
Net pension asset	16,350,894	-	-	-	16,350,894
Capital assets, net of accumulated depreciation	275,910,840	60,846,000	3,447,303	28,545,071	368,749,214
Total Noncurrent Assets	292,261,734	60,846,000	3,447,303	28,545,071	385,100,108
Total Assets	331,950,375	63,078,675	11,615,394	28,776,514	435,420,958
DEFERRED OUTFLOW OF RESOURCES					
Deferred amounts for pension	8,927,191	-	-	-	8,927,191
LIABILITIES					
Current Liabilities:					
Accounts payable	18,568,335	4,005,719	7,891,057	668,462	31,133,573
Accrued expenses	2,128,040	161,009	2,326,176	1,156,840	5,772,065
Due to other funds	5,988,119	-	-	-	5,988,119
Claims payable	2,298,110	-	-	-	2,298,110
Accrued compensated absences	504,424	43,568	14,240	-	562,232
Total Current Liabilities	29,487,028	4,210,296	10,231,473	1,825,302	45,754,099
Noncurrent Liabilities:					
Net pension obligation	38,384	-	-	-	38,384
Claims payable	5,369,534	37,845	-	-	5,407,379
Unearned revenue	4,361,294	-	-	-	4,361,294
Accrued compensated absences	1,513,273	130,703	42,721	-	1,686,697
Total Noncurrent Liabilities	11,282,485	168,548	42,721	-	11,493,754
Total Liabilities	40,769,513	4,378,844	10,274,194	1,825,302	57,247,853
DEFERRED INFLOW OF RESOURCES					
Deferred amounts for pension	5,412,555	-	-	-	5,412,555
Deferred amounts for hedging activities	79,854	-	-	-	79,854
Total Deferred Inflows	5,492,409	-	-	-	5,492,409
NET POSITION					
Net investment in capital assets	273,087,764	60,448,908	-	28,545,071	362,081,743
Restricted	10,350,893	-	-	-	10,350,893
Unrestricted	11,176,987	(1,749,077)	1,341,200	(1,593,859)	9,175,251
Total Net Position	$ 294,615,644	$ 58,699,831	$ 1,341,200	$ 26,951,212	$ 381,607,887

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

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

YEAR ENDED SEPTEMBER 30, 2025

	Bus	ASE	CTC	Ferry	Totals
Operating Revenue:					
Passenger	$ 7,560,252	$ -	$ 666,390	$ 1,321,774	$ 9,548,416
Agency	18,371	-	8,597,535	-	8,615,906
Auxiliary transportation	358,990	-	-	-	358,990
Non-transportation	790,851	36,582	106,789	535,990	1,470,212
Total Operating Revenue	8,728,464	36,582	9,370,714	1,857,764	19,993,524
Operating Expenses:					
Labor	52,264,364	3,840,655	3,192,014	318,682	59,615,715
Fringe benefits	29,447,233	1,854,914	1,869,051	177,394	33,348,592
Materials and supplies	11,489,938	678,191	1,728,758	349,279	14,246,166
Services	40,507,900	1,027,543	24,431,633	2,859,643	68,826,719
Casualty and insurance	2,585,519	750,567	54,716	242,994	3,633,796
Taxes and licenses	36,914	-	391	6,471	43,776
Other	3,502,130	806,720	728,110	-	5,036,960
Depreciation expense	25,524,163	3,203,216	872,434	1,493,706	31,093,519
Total Operating Expenses	165,358,161	12,161,806	32,877,107	5,448,169	215,845,243
Operating Loss	(156,629,697)	(12,125,224)	(23,506,393)	(3,590,405)	(195,851,719)
Nonoperating Revenue (Expense):					
Public Funding:					
United States government	7,335,324	-	1,676,726	113,915	9,125,965
State of Florida	13,601,998	-	-	-	13,601,998
City of Jacksonville	111,470,560	-	1,637,970	-	113,108,530
Investment earnings	805,921	-	-	-	805,921
Loss on disposal of capital assets	(47,883)	-	-	-	(47,883)
Total Nonoperating Revenue	133,165,920	-	3,314,696	113,915	136,594,531
Loss Before Capital Contributions and Transfers	(23,463,777)	(12,125,224)	(20,191,697)	(3,476,490)	(59,257,188)
Capital contributions	12,924,745	592,744	212,649	842,780	14,572,918
Transfers in	46,534,322	8,414,455	23,617,784	3,888,730	82,455,291
Transfers out	(32,232,184)	(348,801)	(2,421,022)	(918,962)	(35,920,969)
Change in Net Position	3,763,106	(3,466,826)	1,217,714	336,058	1,850,052
Net position, beginning of year	302,933,177	62,455,217	123,486	28,388,346	393,900,226
Restatement	(12,080,639)	(288,560)	-	(1,773,192)	(14,142,391)
Net position as restated, beginning of year	290,852,538	62,166,657	123,486	26,615,154	379,757,835
Net position, end of year	$ 294,615,644	$ 58,699,831	$ 1,341,200	$ 26,951,212	$ 381,607,887

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

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2025

	Bus	ASE	CTC	Ferry	Totals
Cash flows from operating activities:					
Receipts from customers	$ 8,688,489	$ 36,492	$ 9,370,504	$ 1,809,401	$ 19,904,886
Payments to suppliers	(43,465,485)	(428,978)	(27,368,968)	(3,278,734)	(74,542,165)
Payments to employees	(78,420,475)	(5,682,555)	(5,051,748)	(496,076)	(89,650,854)
Other payments	(13,305,984)	(1,266,381)	(790,601)	(194,044)	(15,557,010)
Net cash flows from operating activities	(126,503,455)	(7,341,422)	(23,840,813)	(2,159,453)	(159,845,143)
Cash flows from noncapital financing activities:					
Intergovernmental revenue	135,051,781	143,221	2,842,204	2,438,039	140,475,245
Operating grants received	20,937,322	-	1,676,726	113,915	22,727,963
Cash payments on hedging agreement	257,746	-	-	-	257,746
Transfers from other funds	46,534,322	8,414,455	23,617,784	3,888,730	82,455,291
Transfers to other funds	(32,232,184)	(348,801)	(2,421,022)	(918,962)	(35,920,969)
Net cash flows from noncapital financing activities	170,548,987	8,208,875	25,715,692	5,521,722	209,995,276
Cash flows from capital and related financing activities:					
Capital contributions	12,924,745	592,744	212,649	842,780	14,572,918
Acquisition and construction of capital assets	(56,114,771)	(1,380,418)	(2,087,528)	(4,233,115)	(63,815,832)
Proceeds on disposal of capital assets	(47,883)	-	-	-	(47,883)
Net cash flows from capital and related financing activities	(43,237,909)	(787,674)	(1,874,879)	(3,390,335)	(49,290,797)
Cash flows from investing activities:					
Interest on investments	805,921	-	-	-	805,921
Net change in cash and cash equivalents	1,613,544	79,779	-	(28,066)	1,665,257
Cash and cash equivalents, beginning of year	-	19,127	-	28,066	47,193
Cash and cash equivalents, end of year	$ 1,613,544	$ 98,906	$ -	$ -	$ 1,712,450

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

JACKSONVILLE TRANSPORTATION AUTHORITY
PROPRIETARY FUNDS –
STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2025

	Bus	ASE	CTC	Ferry	Totals
Reconciliation of operating loss to net cash flows from operating activities:					
Operating loss	$ (156,629,697)	$ (12,125,224)	$ (23,506,393)	$ (3,590,405)	$ (195,851,719)
Adjustments to reconcile operating loss to net cash flows from operating activities:					
Depreciation	25,524,163	3,203,216	872,434	1,493,706	31,093,519
Changes in assets and deferred outflows:					
Accounts receivable	(4,401,269)	(90)	(210)	(48,363)	(4,449,932)
Due from other funds	-	-	(5,988,119)	-	(5,988,119)
Inventories	(201,278)	(405,715)	(9,709)	-	(616,702)
Prepaid expenses	(1,738,783)	262,649	(7,384)	55,421	(1,428,097)
Net pension asset	(5,719,460)	-	-	-	(5,719,460)
Deferred outflows for pension	2,508,120	-	-	-	2,508,120
Changes in liabilities and deferred inflows:					
Accounts payable	2,912,124	1,649,392	2,503,452	(30,747)	7,034,221
Accrued expenses	(166,612)	33,079	2,285,799	(39,065)	2,113,201
Due to other funds	5,988,119	-	-	-	5,988,119
Claims payable	671,747	28,257	-	-	700,004
Unearned revenue	4,361,294	-	-	-	4,361,294
Accrued compensated absences	274,673	13,014	9,317	-	297,004
Net pension obligation	(394,925)	-	-	-	(394,925)
Deferred inflows for pension	508,329	-	-	-	508,329
Net cash flows from operating activities	$ (126,503,455)	$ (7,341,422)	$ (23,840,813)	$ (2,159,453)	$ (159,845,143)
Supplemental disclosure					
Capital amounts in accounts payable	$ 2,823,076	$ 397,092	$ 3,544,150	$ -	$ 6,764,318

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

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION –
PENSION TRUST FUND

SEPTEMBER 30, 2025

	JTM Salaried Employees
ASSETS	
Cash and cash equivalents	$ 73,162
Mutual fund investments	1,880,077
Total Assets	$ 1,953,239
NET POSITION	
Restricted for pensions	$ 1,953,239

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

JACKSONVILLE TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION –
PENSION TRUST FUND

YEAR ENDED SEPTEMBER 30, 2025

	JTM Salaried Employees
Additions:	
Employer contribution	$ 162,566
Employee contribution	13,591
Total Contributions	176,157
Investment income	184,483
Total Contributions and Net Investment Income	360,640
Deductions:	
Benefit payments	192,546
Administrative expenses	63,254
Total Deductions	255,800
Net change in plan net position	104,840
Net position restricted for pensions, beginning of year	1,848,399
Net position restricted for pensions, end of year	$ 1,953,239

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

Note 1—Reporting entity

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

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

In fiscal year 2000, the Authority entered into an Interlocal Agreement ("ILA") with the City of Jacksonville (the "City") for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the "Plan" or "BJP"), as defined in the ILA. Pursuant to this agreement, the Authority pledged its sales tax, and the City pledged its Constitutional Gas Tax to the payment of bonds issued by the City to implement the Program (the "Bonds"). The Bonds are an obligation of the City and there is no guarantee by the Authority nor are any of the other Authority's revenues or assets pledged for such bonds except the sales tax. The ILA commenced on October 1, 2000, and continues in effect until all the Bonds have been duly paid in full or defeased in accordance with their terms (see Note 9). The terms of the ILA also require that the City make available its Local Option Gas Tax to the Authority for the Authority's operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to the Authority. The Authority may use these funds for any lawful purpose within its operating mission.

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

As required by accounting principles generally accepted in the United States of America ("U.S. GAAP"), these financial statements present the Authority and its component units, entities for which the Authority is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the Authority's operation and so data from these units are combined with data of the primary government.

Blended Component Unit – Jacksonville Transit Management, Inc. (the "JTM") is a not-for-profit corporate entity responsible for the management of payroll and related benefits for drivers, mechanics, and certain other employees who support the enterprise activities of the Authority. The Authority owns all of the stock of JTM, members of JTM's Board of Directors are appointed by the Authority, services are exclusively provided to JTA, and management of the Authority has operational responsibility for the component unit. The activities of JTM are blended with the primary government, the Authority, and are included in the Authority's enterprise funds.

Note 2—Summary of significant accounting policies

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

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

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

The fund level statements report on governmental, proprietary, and fiduciary activities, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund level financial statements. Since the fund level statements for governmental activities are presented using a different measurement focus and basis of accounting than the government-wide statements' governmental column (as discussed subsequently in this note under *Basis of Accounting* in this summary of significant accounting policies), a reconciliation is presented on the page following each fund level statement which briefly explains the adjustments necessary to convert the fund level statements into the government-wide governmental column presentations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this is the Bus Fund's payments to the Community Transportation Coordinator (the "CTC") Fund in the amount of $5,988,119 for services provided to the transportation disadvantaged. Elimination of these charges would distort the direct costs and program revenues reported for these funds.

The Authority's policy is to use restricted resources first, then unrestricted resources, when both are available for use to fund an activity.

Fund Structure – The Authority's accounts are maintained in accordance with the principles of fund accounting to enable compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording assets, liabilities, revenues and expenditures/expenses, and fund equity. For financial statement presentation, funds with similar characteristics are grouped into generic classifications as required by U.S. GAAP. A brief description of the Major Funds follows on the next page.

Note 2—Summary of significant accounting policies (continued)

Governmental Funds – These funds report transactions related to resources received and used for those services traditionally provided by governmental agencies. The following are major governmental funds used by the Authority:

General Fund – The General Fund is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The Special Revenue Fund receives money from other governmental agencies, primarily the State of Florida (the "State") and the City of Jacksonville, to fund major capital improvement projects for those respective governments. Upon completion, ownership of the assets constructed (the accumulated costs of such assets) is transferred to the State or City.

Capital Projects Fund – The Capital Projects Fund accounts for and reports resources to be used for the construction of various transportation projects that are not accounted for in the proprietary funds.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

Proprietary Funds – These funds are used to account for the financing of services to the public on a continuing basis with funding provided by federal and State grants, local sales and fuel taxes, and costs recovered partially through user charges. Major proprietary funds include:

Bus – The Bus Fund is used to account for the operation of the Authority's bus services. Operating revenue is provided through federal and State grants, local sales and fuel taxes, and passenger fares.

ASE – The Automated Skyway Express ("ASE") Fund is used to account for the Authority's local train service. Under the Ultimate Urban Circulator project currently in progress, there are plans for the Skyway structure to be repurposed to accommodate autonomous vehicles. Operating revenue is generally provided through passenger fares which have been temporarily suspended to study the effect on ridership and the cost to operate the system. This suspension was in effect for all of fiscal year 2025. Presently the Authority has not made a determination as to whether the user fees will be reinstated or if the suspension will become permanent.

CTC – The Community Transportation Coordinator ("CTC") Fund is used to account for paratransit service – Connexion; which provides transportation for disabled and for disadvantaged riders. Operating revenue is provided through governmental grants and other sources.

Ferry – The Ferry Fund is used to account for the St. Johns River Ferry which is the Authority's car and passenger ferry service. The Ferry connects Mayport Village and Fort George Island in Northeast Florida.

Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operation.

The principal operating revenues for the Authority's proprietary funds are charges to customers for sales and services. Since the rate structure of these funds is not sufficient to generate revenues to fully fund operating expenses or to fund acquisition, replacement, and future expansion of property and equipment, the Authority is compelled to seek contributions-in-aid from local, State, and federal sources, which are reported as nonoperating revenues. Operating expenses include direct expenses of providing services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

Note 2—Summary of significant accounting policies (continued)

The Pension Trust Fund accounts for the activities related to the JTM salaried employees pension plan (see Note 13 for further plan details).

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

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

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

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

Major revenues that are determined to be susceptible to accrual include taxes, intergovernmental revenue when eligibility requirements are met, charges for services, and investment return. Taxes such as sales and gas taxes are recognized based on the date of the underlying sales transactions and if received within the Authority's period of availability for governmental funds.

Expenditures of governmental funds are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and debt service, are recorded only when payment is due. Expenditures related to pensions and other postemployment benefits ("OPEB") are recognized when the Authority has made a decision to fund those obligations with current available resources.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents includes bank demand accounts, money market funds, and investments with an original maturity of three months or less when purchased.

Investments – Investments are recorded at fair value (quoted market price or the best available estimate thereof), with the exception of the investments held by the Florida Treasury Investment Pool. The investments held by the Florida Treasury Investment Pool are recorded at amortized cost.

The hierarchy of inputs to valuation techniques used to measure fair value with three levels:

- *Level 1* – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2* – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3* – Inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

Note 2—Summary of significant accounting policies (continued)

Accounts Receivable and Due from Other Governments – Customer accounts receivable consist of amounts owed from private individuals, organizations, or agencies of the government for services. The allowance method is used to account for bad debt expense. All accounts receivable balances are shown net of the allowance for uncollectibles. The allowance is based on management's estimates using historical experience and current economic conditions. The allowance for doubtful accounts was $704,450 at September 30, 2025. In addition, the Authority has recorded a lease receivable and due from other governments of $2,336,614 and $33,016,237, respectively, which is considered fully collectible.

Inventory and Prepaid Items – Inventory consists of materials and supplies and is reported using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide, governmental fund, and proprietary fund financial statements.

Custodial Assets/Custodial Liabilities – Custodial assets generally consist of cash, cash equivalents, investments, certain amounts due from the City, and costs of infrastructure assets currently under construction for the benefit of the State and the City. After completion, the City or State, as appropriate, is responsible for maintaining the assets. Therefore, the Authority transfers such assets upon completion of the related construction project.

These assets are reported within capital assets, due from other governments, and restricted cash on the government-wide statement of net position because title of such assets does not transfer until the project is completed and accepted by the State or the City, as appropriate.

As these assets are being held in an agency-like capacity by the Authority, the receipts associated with the funding of these projects are reported as custodial liability and represent amounts due to other governments (liabilities) on the government-wide statement of net position, reflecting the Authority's obligation to the State or City.

Capital Assets – Capital assets are stated at historical cost and are defined as assets with an initial individual cost of more than $1,000 and an estimated useful life exceeding one year. Subscription-based information technology arrangements of $5,000 or more are subject to capitalization if all other criteria is met.

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

Land improvements	5-10 years
Buildings and improvements	5-40 years
Vehicles	4-25 years
Furniture and office equipment	3-12 years
Subscription-based information technology arrangements	Term of the arrangement
Other equipment	3-15 years

As of September 30, 2025, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties (see Note 7).

Note 2—Summary of significant accounting policies (continued)

Compensated Absences – Employees accrue personal leave or compensated absences by prescribed formula based on length of service. The costs of paid time off accrued as a liability for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more-likely-than-not to be used for time off or otherwise paid in cash. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements as accrued liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The value of accumulated benefits earned by employees that may be used in subsequent years or paid upon termination or retirement, is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends.

Claims Liability – Provision for injury and damage losses are charged to operations based on the estimated ultimate cost of settling incurred claims and incurred but not reported claims using past experience adjusted for current trends.

Restricted Assets – Certain assets of the Authority's governmental and proprietary funds are classified as restricted assets on the financial statements because their use is limited to the construction of capital assets or custodial projects through bond or loan covenants and other legal restrictions.

Deferred Outflows/Inflows of Resources – Deferred outflows of resources represent a consumption of net assets that applies to a future period and, as such, will not be recognized as an outflow of resources (expense) until that time. These items are reported as a category below the assets on the statement of net position.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and, as such, will not be recognized as an inflow of resources (revenue) until that time. These items are reported as a category below the liabilities on the statement of net position and in the governmental funds balance sheet.

The Authority reports deferred outflows and deferred inflows of resources that result from the activity in its defined benefit pension plans and other postemployment benefits. These activities include differences between expected and actual experience, and changes in actuarial assumptions, or other inputs. In addition, the Authority records deferred inflows for resources related to hedging activities and leases.

Hedging Activities – The Authority engages in agreements for the pre-purchase of gasoline, diesel fuel, and compressed natural gas in order to secure a hedge against price fluctuations. This current position is reflected as a deferred inflow in the amount of $79,854 as of September 30, 2025.

Pensions and Other Postemployment Benefits – For purposes of measuring the net pension/OPEB liability, net pension asset, deferred outflows and inflows of resources related to pension/OPEB, and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value (see Notes 11 and 12).

Net Position and Fund Balances – In the government-wide financial statements and in the proprietary fund statements, net position is classified in the following categories:

> *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that is attributable to the acquisition, construction, or improvement of these assets, if any, reduce this category.

Note 2—Summary of significant accounting policies (continued)

Restricted Net Position – This category represents the net position of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

Unrestricted Net Position – This category represents the net position of the Authority, which is not restricted for any project or other purpose.

Governmental funds report fund balance either as nonspendable or spendable. Nonspendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form or (b) legally or contractually required to be maintained intact. The spendable balances are classified as restricted, committed, assigned, or unassigned, based on the extent to which there are external or internal constraints on the spending of these fund balances, are as follows:

Restricted Fund Balance – This category represents the fund balance of the Authority, which is restricted by creditors, granters or laws, and regulations or legally enforceable enabling legislation which a party external to the Authority (such as citizens, public interest groups, or the judiciary) can compel the Authority to honor.

Committed Fund Balance – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board of Directors through passage of a resolution. Committed amounts cannot be used for any other purpose unless the Authority removes those constraints by taking the same type of action.

Assigned Fund Balance – Assigned fund balances are amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by: (a) the Board of Directors or (b) the Chief Executive Officer.

Unassigned Fund Balance – Unassigned fund balance is the residual classification for the General Fund. Unassigned fund balance also includes any residual deficit fund balance of other governmental funds.

The Authority's policy is to expend resources in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, such as the provisions for uninsured losses and pension costs, that affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

New Accounting Pronouncement – Effective October 1, 2024, the Authority implemented the provisions of GASB Statement No. 101, *Compensated Absences*. The Statement establishes a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when an obligation is incurred. A liability is recognized for leave that is attributable to services already rendered, accumulates, and it more likely than not to be used or otherwise paid. The implementation of this standard resulted in no material impact on the Authority's financial statements.

Note 3—Deposits and investments

Deposits – As of September 30, 2025 the Authority's cash and cash equivalents balance was $62,701,532, of which $40,168,821 is presented as noncurrent. In addition, the pension trust fund reported $73,162 for cash and cash equivalents for the bank and account balances.

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

Custodial Credit Risk - Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority's policy to address custodial credit risk requires the Authority to maintain all deposits in qualified public depositories as defined in Chapter 280.02, Florida Statutes. Deposits whose value exceeds the limits of federal depository insurance are entirely insured or collateralized pursuant to Florida Statutes, Chapter 280, (the "Act"). Under this Act, the financial institutions which are qualified as public depositories, place with the State Board of Administration securities which have a market value equal to 50% of the average daily balance for each month of all public deposits in excess of applicable deposit insurance.

The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof.

Restricted Cash and Cash Equivalents – As of September 30, 2025, restricted cash and cash equivalents consists of:

Grant capital plan and JTA mobility works custodial projects	$ 39,867,496
Bond reserves	280,322
Debt service reserves	21,003
	$ 40,168,821

Investments – The Authority's Board approved its written investment policy on August 26, 2018. The policy complies with Florida Statute 218. The investment policy authorizes the following investments: Money market mutual funds, Florida Local Government Surplus Funds Trust Funds, United States Government Securities, United States Government Agencies, interest-bearing time deposits or savings accounts, repurchase agreements, commercial paper of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, Standard & Poor's Corporation ("S & P") or Moody's, fixed income mutual funds, and intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperative Act. The policy also provides limits on individual issuers and rating requirement standards.

Outside portfolio managers must review the portfolios they manage to ensure compliance with the Authority's diversification guidelines on an ongoing basis.

Investments are recorded at fair value (quoted market price or the best available estimate thereof), with the exception of the investments held by the Florida Treasury Investment Pool. The investments held by the Florida Treasury Investment Pool are recorded at amortized cost. Market values vary on the individual security and pricing source.

Note 3—Deposits and investments (continued)

As of September 30, 2025, the Authority has reported restricted and unrestricted investments related to government-wide of $91,528,717, with $14,449,584 related to cash equivalents for money markets and $1,880,077 related to the same for the pension fund. The following is a schedule of investments by type:

Investment Type	Government-Wide	Pension Trust Fund
U.S. Treasury bills/notes	$ 22,088,579	$ -
Mortgage-backed securities	1,188,580	-
Corporate bonds	15,641,979	-
Asset-backed securities	5,027,478	-
Local government investment pool	20,694,151	-
Cash and equivalents	-	73,162
Money market funds	14,449,584	1,880,077
Total investments	$ 79,090,351	$ 1,953,239

Interest Rate Risk and Price Level – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of an investment's fair value is to change in market interest rates. The Authority's investment policy limits the investing of current operating funds to investments with maturities of not more than 12 months. Investment maturities for bond reserves, construction funds, and other non-operating funds are limited to 5.5 years with the weighted average maturity not to exceed 3 years. This policy limits investment maturities as a means of managing the Authority's exposure to fair value losses arising from increasing interest rates.

The following table presents the investments as of September 30, 2025. The Authority had the following debt-type investments and maturities measured at fair value. Investments are recorded at fair value quoted market price or the best available estimate thereof. The pricing for investments is shared between levels in the fair value hierarchy.

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury bills/notes	$ 22,088,579	$ -	$ -	$ 22,088,579
Mortgage-backed securities	-	1,188,580	-	1,188,580
Corporate bonds	15,641,979	-	-	15,641,979
Asset-backed securities	5,027,478	-	-	5,027,478
	$ 42,758,036	$ 1,188,580	$ -	$ 43,946,616

Note 3—Deposits and investments (continued)

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As a means of limiting its exposure to credit risk, the Authority's policy is to strictly limit its investments in permitted investment vehicles authorized by the policy, which are generally recognized as elements of a conservative investment portfolio that carries minimal credit risk exposure. U.S. government securities are backed by the full faith and credit of the U.S. government; therefore, a credit rating is not assigned.

The Authority's investments are rated as follows:

Investment Type	S&P's Credit Rating	Fair Value
U.S. Treasury bills/notes	AA+u	$ 22,088,579
Mortgage-backed securities	AA+u	1,188,580
Corporate bonds	AA+/AA-/A+/A/A-/BBB+/NR	15,641,979
Asset-backed securities	AAA	5,027,478
Local government investment pool	AAAm	20,694,151
Money market funds	AAA+u	14,449,584
		$ 79,090,351

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires securities to be held by a third party custodian and be properly designated as an asset of the Authority and held in the Authority's name. As of September 30, 2025, the Authority's investments were held with a third party custodian as required by the Authority's investment policy.

Concentrations of Credit Risk – The investment policy authorizes the following maximum permissible concentrations based on book values: United States government securities (100%); United States government agencies (80%); supranational securities (25%); federal agency mortgage-backed securities (20%); asset-backed securities (25%); interest-bearing time deposits or savings accounts (25%); repurchase agreements (25%); commercial paper (35%) of a high rating A-1 P-1 as provided by one of the nationally recognized rating agencies, S & P or Moody's; corporate notes (50%); municipal debt (20%); money market mutual funds (75%); fixed income mutual funds (75%); and intergovernmental investment pools (50%) that are authorized pursuant to the Florida Interlocal Cooperative Act.

The policy further allows that 100% of the portfolio can be comprised of any of the following instruments: money market funds, Florida local government surplus funds trust funds, United States government securities and federal instrumentalities.

Note 3—Deposits and investments (continued)

Investments that represent more than 5% of the Authority's investments are listed below:

Investment Type	Fair Value	% of Portfolio
Money market funds	$ 14,449,584	18.27%
U.S. Treasury	22,088,579	27.93%
Local government investment pool	20,694,151	26.17%
Corporate bonds	15,641,979	19.78%
Asset backed securities	5,027,478	6.36%
	$ 77,901,771	98.50%

Restricted Investments – As of September 30, 2025, restricted investments consist of:

Debt service	$ 4,894,400

Note 4—Lease receivable

The Authority leases various commercial spaces that are located on Authority-owned property, as well as land owned by the Authority. These leases are generally for a term of 5 to 40 years.

The Authority recognized $33,553 of lease principal revenue and $76,643 of interest revenue related to leases for the year ended September 30, 2025.

The principal and interest requirements to maturity for the lease receivables at September 30, 2025 are as follows:

Years Ending September 30,	Principal	Interest	Total
2026	$ 44,201	$ 68,420	$ 112,621
2027	47,549	67,047	114,596
2028	48,577	65,756	114,333
2029	27,217	64,441	91,658
2030	29,339	63,595	92,934
2031-2035	185,086	302,870	487,956
2036-2040	258,066	270,033	528,099
2041-2045	348,458	224,698	573,156
2046-2050	459,269	164,501	623,770
2051-2055	594,755	85,907	680,662
2056-2060	254,021	17,042	271,063
2061	40,076	9	40,085
	$ 2,336,614	$ 1,394,319	$ 3,730,933

Note 5—Subscription-based information technology arrangements

On June 3, 2022, the Authority entered into a 5-year subscription-based information technology arrangement with Moovit for the MyJTA App. The contract will expire on June 2, 2027. For the year end September 30, 2025, one annual payment was made in the amount of $209,000, with one additional payment due in the amount of $73,150 in 2026.

The future minimum payments for these contracts are as follows:

Years Ending September 30,	Principal	Interest	Total
2026	$ 87,065	$ 11,338	$ 98,403

Note 6—Capital assets

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Depreciated:				
Land	$ 9,271,649	$ -	$ -	$ 9,271,649
Custodial projects	220,936,370	7,025,165	133,983,765	93,977,770
Total capital assets, not being depreciated	230,208,019	7,025,165	133,983,765	103,249,419
Capital assets, being depreciated:				
Buildings and improvements	291,247	-	-	291,247
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,538	-	-	28,538
Right to use subscription-based information technology arrangements	950,080	-	-	950,080
Total capital assets, being depreciated	1,363,825	-	-	1,363,825
Less accumulated depreciation for:				
Buildings and improvements	290,133	-	-	290,133
Vehicles	93,960	-	-	93,960
Furniture and office equipment	28,537	-	-	28,537
Right to use subscription-based information technology arrangements	286,544	564,433	-	850,977
Total accumulated depreciation	699,174	564,433	-	1,263,607
Total capital assets, being depreciated, net	664,651	(564,433)	-	100,218
Governmental activities capital assets, net	$ 230,872,670	$ 6,460,732	$ 133,983,765	$ 103,349,637

Note 6—Capital assets (continued)

Depreciation expense was $564,433 for the year ended September 30, 2025 related to the right to use subscription-based information technology arrangements for the governmental funds.

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2025:

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 24,675,500	$ 2,155,101	$ -	$ 26,830,601
Construction in progress	48,432,707	60,421,127	38,776,353	70,077,481
Total capital assets, not being depreciated	73,108,207	62,576,228	38,776,353	96,908,082
Capital assets, being depreciated:				
Land improvements	45,936,462	3,513,407	2,874	49,446,995
Buildings and improvements	234,115,436	6,611,366	26,407	240,700,395
Vehicles	191,599,917	16,901,596	7,579,002	200,922,511
Furniture and office equipment	3,490,095	181,384	100,571	3,570,908
Other equipment	146,283,014	12,856,127	330,967	158,808,174
Total capital assets, being depreciated	621,424,924	40,063,880	8,039,821	653,448,983
Less accumulated depreciation for:				
Land improvements	27,158,764	2,604,551	2,874	29,760,441
Buildings and improvements	112,178,779	6,661,688	26,407	118,814,060
Vehicles	110,219,708	11,997,022	7,535,607	114,681,123
Furniture and office equipment	2,980,310	222,670	100,571	3,102,409
Other equipment	105,971,924	9,607,588	329,686	115,249,826
Total accumulated depreciation	358,509,485	31,093,519	7,995,145	381,607,859
Total capital assets, being depreciated, net	262,915,439	8,970,361	44,676	271,841,124
Business-type activities capital assets, net	$ 336,023,646	$ 71,546,589	$ 38,821,029	$ 368,749,206

Note 7—Custodial projects

Custodial projects are reported in the governmental activities on the statement of net position. The following is a schedule of changes in custodial construction projects until completion, acceptance, and transfer of title. The balances for the year ended September 30, 2025 are as follows:

	Beginning Balance	Current Year Project Costs/ Increase	Current Year Projects/ Decreases	Ending Balance
Grant capital plan	$ 55,136,778	$ 2,779,708	$ -	$ 57,916,486
JTA mobility works	165,799,592	4,245,457	133,983,765	36,061,284
	$ 220,936,370	$ 7,025,165	$ 133,983,765	$ 93,977,770

Note 8—Interfund balances and transfers

During the normal course of operations, numerous transactions occur between funds. The following is a schedule of interfund balances at September 30, 2025:

	Receivable Fund	
	CTC	Total
Payable Fund		
Bus	$ 5,988,119	$ 5,988,119

Transfers of net resources from a fund receiving revenue to a fund in which the resources are to be expended are recorded as operating transfers.

	Transfer to						
	Capital Projects Fund	Debt Service Fund	Bus Fund	CTC Fund	Ferry Fund	ASE Fund	Total
Transfer from:							
General Fund	$ 24,335,691	$ 619,759	$ 11,167,762	$ -	$ -	$ -	$ 36,123,212
Capital Projects Fund	-	-	28,179,422	-	-	-	28,179,422
Debt Service Fund	-	-	3,545,911	-	-	-	3,545,911
Special Revenue	-	-	3,641,227	-	-	-	3,641,227
ASE Fund	-	-	-	348,801	-	-	348,801
Bus Fund	-	-	-	23,268,983	3,888,730	5,074,471	32,232,184
CTC Fund	-	-	-	-	-	2,421,022	2,421,022
Ferry Fund	-	-	-	-	-	918,962	918,962
	$ 24,335,691	$ 619,759	$ 46,534,322	$ 23,617,784	$ 3,888,730	$ 8,414,455	$ 107,410,741

Interfund transfers were made from the General Fund to support the operating activities of Bus Fund and to the Capital Projects Fund to provide resources for transportation projects. Transfers were also made from the Capital Projects Fund, Debt Service Fund, and Special Revenue Fund to transfer excess resources to the Bus Fund. Transfers between the Bus Fund, ASE Fund, CTC Fund, and Ferry Funds were made to allocate resources among the enterprise activities to support operations.

Note 9—Long term liabilities

Long term debt and other liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue bonds (Series 2015)	$ 69,185,000	$ -	$ 69,185,000	$ -	$ -
Unamortized original issue premium (Series 2015)	15,041,223	-	15,041,223	-	-
Revenue bonds (Series 2020)	30,195,000	-	1,900,000	28,295,000	1,990,000
Unamortized original issue premium (Series 2020)	8,831,263	-	394,554	8,436,709	477,003
Revenue bonds (Series 2024)	-	28,875,000	-	28,875,000	1,925,000
Unamortized original issue premium (Series 2024)	-	3,930,048	314,831	3,615,217	333,712
Revenue bonds (Series 2025)	-	23,840,000	-	23,840,000	1,785,000
Unamortized original issue premium (Series 2025)	-	2,299,864	81,981	2,217,883	204,728
Total long-term debt subtotal	123,252,486	58,944,912	86,917,589	95,279,809	6,715,443
Accrued compensated absences	888,744	94,202	-	982,946	501,860
Net pension liability	24,040,982	-	4,808,405	19,232,577	-
OPEB liability	285,269	48,138	15,109	318,298	-
Custodial projects - due to other governments	220,936,370	21,710,788	133,983,765	108,663,393	-
Governmental activities long-term liabilities	$ 369,403,851	$ 80,798,040	$ 225,724,868	$ 224,477,023	$ 7,217,303
Business-type activities:					
Accrued compensated absences	$ 1,951,925	$ 297,004	$ -	$ 2,248,929	$ 562,232
Claims payable	7,005,485	2,442,516	1,742,512	7,705,489	2,298,110
Net pension liability (asset)	(10,198,125)	-	6,114,384	(16,312,509)	-
Business activities long-term liabilities	$ (1,240,715)	$ 2,739,520	$ 7,856,896	$ (6,358,091)	$ 2,860,342

The Authority's net position pension balance for its business activities is shown as a negative balance to indicate an overall net pension asset. This negative balance includes a salaried pension liability of $38,384 and a drivers pension asset of $16,350,893.

Local Option Gas Tax Revenue Bonds – Series 2015 – In January 2015, the Authority issued $97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The entire Series 2015 was refunded during the fiscal year using the proceeds from the Series 2024 and Series 2025 issuances.

Note 9—Long term liabilities (continued)

Debt Maturities

Local Option Gas Tax Revenue Bonds - Series 2020 – In October 2020, the Authority issued $35,360,000 par value local option gas tax revenue bonds, Series 2020. The total purchase price of $44,724,353 includes the original issue premium of $9,491,880 less an underwriters discount of $127,527. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2020 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025 was $28,295,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of $37,470,500. During 2025, $18,722,054 of local option gas tax revenue was recognized and $2,294,554 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of $235,792 for an interest payment due on February 1, 2026. The next principal payment in the amount of $1,990,000 is due on August 1, 2026. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is $2,467,003, as presented in the statement of net position for governmental activities.

Series 2020

Years Ending September 30,	Principal	Interest	Total
2026	$ 1,990,000	$ 1,414,750	$ 3,404,750
2027	2,095,000	1,315,250	3,410,250
2028	2,195,000	1,210,500	3,405,500
2029	2,305,000	1,100,750	3,405,750
2030	2,420,000	985,500	3,405,500
2031-2035	14,045,000	2,986,500	17,031,500
2036	3,245,000	162,250	3,407,250
	$ 28,295,000	$ 9,175,500	$ 37,470,500

Senior Lien Local Option Gas Tax Refunding Revenue Bonds - Series 2024 – In October 2024, the Authority issued $28,875,000 par value senior lien local option gas tax refunding revenue bonds, Series 2024. The total purchase price of $32,944,440 includes the original issue premium of $3,930,048 less an underwriters discount of $139,392. The bonds were used to partially refund the Local Option Gas Tax Revenue Bonds, Series 2015. The Series 2024 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025 was $28,875,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of $42,184,466. The amount paid during 2025 for debt service and fees was $314,831.

Note 9—Long term liabilities (continued)

The Authority recognized two months of accrued interest in the amount of $592,487 for an interest payment due on February 1, 2026. The next principal payment in the amount of $1,925,000 is due on August 1, 2026. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is $2,258,712, as presented in the statement of net position for governmental activities.

Series 2024

Years Ending September 30,	Principal	Interest	Total
2026	$ 1,925,000	$ 1,777,462	$ 3,702,462
2027	-	1,681,212	1,681,212
2028	1,340,000	1,681,212	3,021,212
2029	2,000,000	1,614,212	3,614,212
2030	2,550,000	1,514,212	4,064,212
2031-2035	19,205,000	4,670,312	23,875,312
2036	1,855,000	370,844	2,225,844
	$ 28,875,000	$ 13,309,466	$ 42,184,466

Senior Lien Local Option Gas Tax Refunding Revenue Bonds - Series 2025 – In May 2025, the Authority issued $23,840,000 par value senior lien local option gas tax refunding revenue bonds, Series 2025. The total purchase price of $26,231,529 includes the original issue premium of $2,299,864 less an underwriters discount of $91,665. The bonds were used to refund the remaining portion of the Local Option Gas Tax Revenue Bonds, Series 2015. The Series 2025 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2025 was $23,840,000. The interest rate is 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of $33,461,384. The amount paid during 2025 for debt service and fees was $81,981.

The Authority recognized two months of accrued interest in the amount of $465,576 for an interest payment due on February 1, 2026. The next principal payment in the amount of $1,785,000 is due on August 1, 2026. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is $1,989,728, as presented in the statement of net position for governmental activities.

Series 2025

Years Ending September 30,	Principal	Interest	Total
2026	$ 1,785,000	$ 1,396,728	$ 3,181,728
2027	3,890,000	1,307,478	5,197,478
2028	2,750,000	1,112,978	3,862,978
2029	2,300,000	975,478	3,275,478
2030	1,960,000	860,478	2,820,478
2031-2035	6,960,000	3,587,888	10,547,888
2036	4,195,000	380,356	4,575,356
	$ 23,840,000	$ 9,621,384	$ 33,461,384

Note 10—Risk management

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

Claim liabilities include an amount for known claims and claims that have been incurred but not reported for which a loss is probable. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. The liability is reported in the Enterprise Funds. During fiscal year 2025, individual injury and damage claims in excess of $200,000 and $300,000 per occurrence were subject to the Florida Sovereign Immunity Law.

Changes in the estimated liability for the self-insurance program consisted of the following:

Fiscal Years Ended September 30,	Beginning Balance	Current Year Claims and Changes in Estimates	Claims Paid	Ending Balance
2024	$ 6,521,023	$ 2,104,916	$ 1,620,454	$ 7,005,485
2025	7,005,485	2,442,516	1,742,512	7,705,489

Note 11—Interlocal government with and advances to the City of Jacksonville

In fiscal year 2000, the Authority entered into an ILA with the City for the purpose of constructing the roadway and infrastructure projects of the Plan, as defined in the ILA. Pursuant to this agreement, the Authority pledged its sales tax, and the City pledged its Constitutional Gas Tax to the payment of bonds issued by the Bonds. The Bonds are an obligation of the City and there is no guarantee by the Authority nor are any of the other Authority's revenues or assets pledged for such bonds except the sales tax. The ILA commenced on October 1, 2000, and continues in effect until all of the Bonds have been duly paid in full or defeased in accordance with their terms (see Note 9). The terms of the ILA also require the City to make available its Local Option Gas Tax to the Authority for the Authority's operation of its mass transit division. Any excess funds calculated pursuant to the terms of the ILA (as amended) will be allocated entirely to the Authority. The Authority may use these funds for any lawful purpose within its operating mission.

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

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

Note 11—Employee benefits

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

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

Class	Benefit	Vesting	July 1, 2024 Employer Contribution Rate	July 1, 2025 Employer Contribution Rate
Regular Class	1.6% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of creditable service.	13.63%	14.03%
Senior Management Service Class	2.0% times years of service times average compensation (8 highest years) if age 65 or 33 years of services at any age.	Choice Pension - after 6 years of creditable service if actively employed on July 1, 2001 or 8 years if initially enrolled on or after July 1, 2011 Investment - after 1 year of creditable service.	34.52%	33.24%
Deferred Retirement Option Program (DROP)	Accumulated FRS benefits earn 1.5% effective annual interest compounded monthly for a period up to 96 months after becoming vested, having reached normal retirement date, and remaining employed.	Subject to normal system vesting provision for membership category.	21.13%	22.02%

All of the above employer contribution rates include 2.0% for a postretirement health insurance subsidy as part of the Health Insurance Subsidy (HIS) Plan. The regular and senior management rates also include .06% for an administrative and educational fee.

Participating employer contributions are based upon actuarially determined state-wide rates established by the State of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Employee contribution rates are 3% for regular employees and senior management. There is no employee contribution for employees enrolled in DROP.

Note 11—Employee benefits (continued)

Contributions to the FRS were $2,273,271 for the year ended September 30, 2025, which was equal to the required contributions for each year.

The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399-1560.

Governmental Accounting Standards Board Statement No. 68

As a participating employer, the Authority applies GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in cost-sharing, multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and associated employee pension expenses, deferred outflows of resources and deferred inflows of resources.

The Florida Retirement System Pension Plan (Pension Plan)

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

At September 30, 2025, the Authority reported a net pension liability of $11,816,268 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Authority's proportionate share of the net pension liability was based on the Authority's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was .0391% of the net pension liability which was .00135% decrease from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the Authority recognized the FRS plan pension expense of $1,328,733. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 1,262,102	$ -
Change of assumptions	1,372,176	-
Net difference between projected and actual earnings on FRS pension plan investments	-	1,972,845
Employer-specific amount due to changes in employer proportion	425,157	1,248,626
Authority FRS contributions subsequent to the measurement date	639,992	-
	$ 3,699,427	$ 3,221,471

Note 11—Employee benefits (continued)

The deferred outflows of resources related to pensions were $639,992, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ Inflow, Net
2026	$ 1,810,975
2027	(665,724)
2028	(780,597)
2029	(526,690)
	$ (162,036)

Actuarial Assumptions – The total pension liability as of measurement date June 30, 2025 was determined using the following actuarial assumptions which were based on certain results of the most recent actuarial experience study completed in 2024, for the period July 1, 2018 through June 30, 2023:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2021. Details are provided in the funding actuarial report.

The long-term expected rate of return assumption of 6.70% used in GASB discount rate calculations consists of two building block components: 1) a long-term average annual inflation assumption of 2.4% as most recently adopted in October 2025 by the FRS Actuarial Assumption Conference; 2) an inferred real (in excess of inflation) return of 4.2%, which is consistent with the 4.38% real return from the capital market outlook model developed by Aon for 2025. The table below contains a summary of return assumptions for various asset classes based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying real return assumptions from Milliman's model combined with the FRS Actuarial Assumption Conference's 2.4% inflation assumption. The Milliman assumptions are not based on historical returns but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash equivalents	1.0%	3.2%	3.2%	1.1%
Fixed income	29.0%	5.5%	5.4%	4.0%
Global equity	45.0%	8.5%	6.9%	18.3%
Real estate (property)	12.0%	8.4%	7.1%	16.8%
Private equity	11.0%	12.4%	8.8%	28.4%
Strategic investments	2.0%	6.5%	6.1%	8.7%
	100%			

Note 11—Employee benefits (continued)

Discount Rate. The discount rate used to measure the total pension liability was 6.70%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees if future experience follows assumptions and the Actuarially Determined Contribution is contributed in full each year. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.70%	Current Rate 6.70%	1% Increase 7.70%
Net pension liability - FRS	$ 23,189,243	$ 11,816,268	$ 2,281,330

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

The Retiree Health Insurance Subsidy Program ("HIS")

Plan Description. The HIS Pension Plan ("HIS Plan") is a cost-sharing, multiple employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided. For the Authority's fiscal year ended September 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $7.50. The minimum payment is $45 and the maximum payment is $225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS benefit, a retiree under one of the State-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for specified employees. For the fiscal year ended September 30, 2025, the contribution rate was 2.0% of payroll pursuant to Section 112.363, Florida Statutes. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislation may reduce or cancel HIS payments.

The Authority's contributions to the HIS Plan were $517,140 for the fiscal year ended September 30, 2025, which was equal to the required contributions.

Note 11—Employee benefits (continued)

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

At September 30, 2025, the Authority reported a net pension liability of $7,416,309 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2025. The Authority's proportionate share of the net pension liability was based on the Authority's 2024-25 fiscal year contributions relative to the total 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was .05786%, which was an increase of .0007461% from its proportionate share measured as of June 30, 2024.

For the Authority's fiscal year ended September 30, 2025, the Authority recognized the HIS Plan pension expense of $309,955. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 44,270	$ 11,764
Change of assumptions	65,643	1,793,815
Net difference between projected and actual earnings on FRS pension plan investments	-	6,173
Employer-specific amount due to changes in employer proportion	465,909	320,596
Authority FRS contributions subsequent to the measurement date	138,370	-
	$ 714,192	$ 2,132,348

The deferred outflows of resources related to pensions was $138,370 for 2025, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ (Inflow), Net
2026	$ (244,706)
2027	(434,802)
2028	(371,909)
2029	(296,635)
2030	(208,474)
	$ (1,556,526)

Note 11—Employee benefits (continued)

Actuarial Assumptions. The total pension liability as of July 1, 2025 was determined using the following actuarial assumptions which were based on certain results of the most recent experience study of the FRS Pension Plan completed in 2019 for the period July 1, 2013 through June 30, 2018:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Municipal bond rate	5.20%

Mortality assumptions were based on the PUB-2010 base table, projected generationally with Scale MP-2021. Details are provided in funding actuarial valuation report.

Discount Rate: The municipal bond rate used to measure the total pension liability relating to the HIS Plan was 5.20% for 2025. In general, the discount rate for calculating the total pension liability under GASB 67 is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. In October 2025, the FRS Actuarial Assumption Conference formally re-adopted the Bond Buyer General Obligation 20-Bond Municipal Bond Index as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability, for the HIS Plan, calculated using the discount rate of 5.20%, as well as what the Authority's proportionate share of the net pension liability would be if it was calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1% Decrease 4.20%	Current Rate 5.20%	1% Increase 6.20%
Net pension liability - HIS	$ 8,363,082	$ 7,416,309	$ 6,622,267

Pension Plan Fiduciary Net Position: Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Pension plans of Jax Transit Management Corp. ("JTM")

JTM (a component unit) makes contributions to a multi-employer defined benefit pension plan for the JTM employees (mechanics) represented by the International Association of Machinists union. JTM also maintains two single-employer, defined benefit pension plans, which cover general (salaried) employees and bus operators for the Authority's proprietary activities.

Note 11—Employee benefits (continued)

International Association of Machinists (IAM) Pension Plan

Mechanics and other technicians whose job classification is within the bargaining unit represented by the International Association of Machinists ("IAM") union participate in the IAM defined benefit pension plan, a cost-sharing, multiple-employer retirement plan administered by the union to provide retirement and survivor benefits to participating employees. As of September 30, 2025, 165 of the Authority's employees were covered under this plan. The plan documents for the IAM National Pension Fund establish the authority for participant eligibility, contribution requirements, vesting eligibility, and benefit provisions. The plan does not issue a publicly available financial report.

This plan is used to provide defined benefit pensions both to employees of State and local governmental employers and to employees of employers that are not State and local governmental employers and has no predominant State or local government employer. Accordingly, the plan is subject to the provisions of GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, for accounting and financial statement disclosures.

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

Membership Category	Retirement Benefit	Vesting	January 1 , 2024 Employer Contribution Rate	January 1 , 2025 Employer Contribution Rate
Standard	Benefit calculated based upon the participants age of retirement, the participants amount of credited service, the contribution rates paid by contributing employer on the participants behalf, and the form of payment chosen by the participant at retirement.	After 5 years of vesting service or five years of future service credit	$3.90 per hour	$3.90 per hour

Participating employer contributions are based upon the collective bargaining agreement for mechanics and utility employees expiring November 2, 2026, that, expressed as an hourly rate, are adequate to accumulate sufficient assets to pay benefits when due. No employee contributions are required.

The payments made to the IAM plan in the fiscal year ended September 30, 2025 were $1,535,072, which was equal to the required contributions.

Defined benefit pension plans sponsored by Jax Transit Management Corp.

Salaried Plan Description: The Authority contributes to the Jax Transit Management Corp. ("JTM") Retirement Plan for salaried employees, a single-employer, defined benefit plan which covers all salaried employees on JTM's payroll whose job classifications are not represented by unions. The salaried employees plan was established by JTM on January 1, 1963. A committee comprised of three employees of the Authority administer the salaried employees plan.

Note 11—Employee benefits (continued)

Drivers Plan Description: The Authority also contributes to the Amalgamated Jax Transit Management Corp. Pension Plan for Drivers, a single-employer, defined benefit plan which covers all full and part-time bus operators on JTM's payroll whose job classification is within the bargaining unit represented by the Amalgamated Transit Union Local 1197. The driver's Plan was established on May 1, 1964 by JTM. The plan is administered by a six-member Board of Control. The Authority has no fiduciary responsibility for the plan assets of the drivers plan; thus, the net position of this plan is not reported as a pension trust fund. The plan issues an available financial report which may be obtained by writing or calling the plan administrator, Reliance Trust at 1000 Abernathy Road NE, Suite 400, Atlanta Georgia 30328-5634 or (800) 749-0752.

As of December 31, 2024, employee membership data related to both of these plans was as follows:

	Salaried Employees	Drivers Plan
Active employees	3	388
Retirees and beneficiaries currently receiving benefits	6	298
Terminated plan members entitled to but not yet receiving benefits	13	191
	22	877

Note 11—Employee benefits (continued)

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

	Salaried Employees	Drivers Plan
Determination of contribution requirements	Actuarially determined	The Minimum Required Contribution is determined by ERISA funding requirements in any one year to pay off the plan's unfunded liability which is funded by the Jax Transit Management Corp. on yearly basis.
Employer	Paid quarterly	$4.82 per hour
Funding of administrative costs	Paid by JTM	Paid by plan assets
Period required to vest	6 Year Graduated Vesting Schedule After 2 Years of Service - 20% After 3 Years of Service - 40% After 4 Years of Service - 60% After 5 years of Service - 80% After 6 years of Service - 100%	Employees Hired prior to 2/1/2017 - Less than 5 years 0% - 5 years or more 100% Employees Hired on or after 2/1/2017 - Less than 3 years 0% - 3 years 20% - 4 years 40% - 5 years 60% - 6 years 80 % - 7 years 100%
Postretirement benefit increases	Not applicable	Not applicable
Eligibility for distribution	Normal retirement: The first day of the calendar month coincident with or next following the attainment of age 65 or the 5th year of plan participation, if later. Early retirement: attainment of age 55 and completed 5 years of plan participation, as well as 5 years of service.	The Vested portion of a Participant's Accrued Benefit who was employed by the Employer on or after June 9, 2022 shall be a percentage of the Participant's Accrued Benefit determined on the basis of the Participant's number of Years of Service according to the following schedule: - Less than 5 years 0% - 5 years 100%
Benefit provisions	The yearly amount of pension a participant will receive is equal to 1.5% of the average monthly compensation per year of service, limited to 60 year(s). Employees hired after January 1, 2006 will not receive past service credit.	$65 per month, for each plan year of service limited to 30 years for participants who perform at least one hour of service after December 31, 2021.

Note 11—Employee benefits (continued)

	Salaried Employees	Drivers Plan
Valuation date	December 31, 2023	December 31, 2023
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level dollar
Amortization period	5 years	5 years
Actuarial asset valuation method	Market value	Market value
Actuarial assumptions:		
Assumed rate of return on investments	6% compounded annually	7% compounded annually
Projected salary increases	Assumed 3% per year	Assumed 2.5% per year
Mortality rate	The static unisex mortality table designated to compute "Minimum Present Values" under section 417-(e)(3) of Internal Revenue code for distributions in 2021	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex distinct) with generational projection using MP 2021 scale
Post-retirement benefit increases (maximum)	None	None
Inflation	2.00%	2.50%

The salaried plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the Internal Revenue Code ("IRC"). Specifically, an actuarial valuation is done under Employee Retirement Income Security Act of 1974 ("ERISA") to measure the unfunded liability (or surplus) at the end of the plan year and the Minimum Required Contribution ("MRC") is determined. This MRC is the minimum amount the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year. Employees contribute 3% to the salaried plan as well.

The Drivers plan's funding policy provides for annual employer contributions based on funding requirements from Sections 412 and 430 of the IRC. Specifically, an actuarial valuation is done under ERISA to measure the unfunded liability (or surplus) at the beginning of the plan year and the MRC is determined. This MRC is the minimum amount that the sponsor needs to contribute during the plan year that is sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are based on the requirements of the IRC and it changes every year.

Note 11—Employee benefits (continued)

Investments – Drivers Plan

A committee comprised of three Authority employees administers the Jax Transit Management, Corp. Salaried Employee Plan. The committee has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the committee to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the committee's adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Fixed income	35%
Equities	65%
	100%

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

Net Pension Liability – Salaried Employee Plan

The components of the net pension liability (asset) of the Authority's Jax Transit Management, Corp. (Salaried Employee) plan at September 30, 2025, based on the December 31, 2024 valuation results, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2023	$ 2,281,708	$ 1,848,399	$ 433,309
Changes for the year:			
Service cost	30,622	-	30,622
Interest	131,126	-	131,126
Difference between expected and actual experience	(239,446)	-	(239,446)
Change in assumption	(19,841)	-	(19,841)
Employer contributions	-	162,566	(162,566)
Employee contributions	-	13,591	(13,591)
Net investment income	-	184,483	(184,483)
Benefit payments	(192,546)	(192,546)	-
Administrative expense	-	(63,254)	63,254
Net changes	(290,085)	104,840	(394,925)
Balance at December 31, 2024	$ 1,991,623	$ 1,953,239	$ 38,384

Discount Rate – Salaried Employee Plan

The discount used to measure the Jax Transit Management Corp. (Salaried Employee) plan total pension liability was 6% as of December 31, 2024. The pension plan's fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

Note 11—Employee benefits (continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – Salaried Employee Plan

The following table illustrates the sensitivity of the Jax Transit Management, Corp. (Salaried Employee) plan net pension liability (asset) as of December 31, 2024 to changes in the discount rate:

	1% Decrease 5.0%	Current Rate 6.0%	1% Increase 7.0%
Net pension liability - salaried	$ 307,757	$ 38,384	$ (188,943)

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience (gains) losses	$ -	$ 114,777
Change of assumption	887	8,631
Net difference between projected and actual earnings on pension plan investments	91,404	44,757
Authority contributions subsequent to the measurement date	232,742	-
	$ 325,033	$ 168,165

The deferred outflows of resources related to pensions were $232,742 for 2024, resulting from Authority contributions to the Jax Transit Management, Corp. (Salaried Employee) plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ Inflow, Net
2024	$ 37,531
2025	(29,239)
2026	(15,194)
2027	(68,972)
	$ (75,874)

Drivers Plan

The Jax Transit Management Corp. Drivers plan's funding policy provides for periodic employer contributions at contractually negotiated rates that, expressed as an hourly rate, are sufficient to accumulate sufficient assets to pay benefits when due. Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the pension benefit obligation described above.

Note 11—Employee benefits (continued)

Investments – Drivers Plan

The Jax Transit Management Corp. Drivers plan is administered by a six-member Board of Control. The Board has the authority to establish and amend investment policy including decisions regarding asset allocation. It is the policy of the board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the board's adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Domestic equities	43%
International	7%
Fixed income	30%
Hedged strategies	15%
Real estate	5%
	100%

The long-term expected rate of return on plan investments is developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

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

Note 11—Employee benefits (continued)

Net Pension (Asset) – Jax Transit Management Corp. Drivers Plan

The components of the net pension (asset) of the Authority's Jax Transit Management, Corp. Drivers Plan at September 30, 2025, based on the December 31, 2024 valuation results, were as follows:

	(Increase) Decrease		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) (a) - (b)
Balance at December 31, 2023	$ 52,571,915	$ 63,203,349	$ (10,631,434)
Changes for the year:			
Service cost	1,132,634	-	1,132,634
Interest	3,563,535	-	3,563,535
Change of benefit terms	1,433,095		1,433,095
Differences between expected actual experience	103,620	-	103,620
Employer contributions	-	4,345,917	(4,345,917)
Employee contributions	-	313,856	(313,856)
Net investment income	-	7,717,787	(7,717,787)
Benefit payments	(3,328,543)	(3,328,543)	-
Administrative expense	-	(425,216)	425,216
Net changes	2,904,341	8,623,801	(5,719,460)
Balance at December 31, 2024	$ 55,476,256	$ 71,827,150	$ (16,350,894)

Discount Rate – Jax Transit Management Corp. Drivers Plan

The discount rate used to measure the total pension liability was 7% as of December 31, 2024. The pension plan's fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years. The discount rate used to calculate the total pension liability and net pension liability is equal to the long-term assumed rate of return on investments.

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

The following table illustrates the sensitivity of the Jax Transit Management Corp. Drivers plan net pension liability as of December 31, 2024 to changes in the discount rate:

	1% Decrease 6%	Current rate 7%	1% Increase 8%
Net pension liability (asset) - Drivers	$ (11,074,772)	$ (16,350,894)	$ (20,907,152)

Note 11—Employee benefits (continued)

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

Description	Deferred Outflow of Resources	Deferred Inflow of Resources
Change of assumptions	$ -	$ 113,798
Net difference between projected and actual earnings on drivers pension plan investments	4,382,342	5,130,592
Experience (gains) losses	505,946	-
Authority contributions subsequent to the measurement date	3,713,870	-
	$ 8,602,158	$ 5,244,390

The deferred outflows of resources related to Jax Transit Management Corp. Drivers pension plan were $3,713,870 for 2025, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Deferred Outflow/ (Inflow), Net
2025	$ 1,070,284
2026	(1,165,303)
2027	(631,810)
2028	370,727
	$ (356,102)

Note 12—Other postemployment benefits

Pursuant to Section 112.0801, Florida Statutes, the Authority is required to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. This results in an implicit subsidy to retirees.

Plan Description – The Authority's OPEB plan is a single-employer, defined benefit healthcare (medical only) plan which offers health insurance for retired employees. The published insurance rates are based primarily on the healthcare usage of active employees. Retirees pay 100% of the published rates. Since retirees use healthcare at a rate much higher than active employees, using these blended rates creates a subsidy for the retiree group. Employees who terminate their employment prior to retirement eligibility are not eligible to participate in the plan. Dependents, including surviving spouses, are permitted access to the plan.

Funding Policy – The board is authorized to establish benefit levels, subject to the minimum requirements set forth by Florida Statutes, and to approve the actuarial assumptions used in the determination of contribution levels. The board establishes the contribution requirements of plan members and the Authority. These contributions are neither mandated nor guaranteed. The retiree pays the full cost of the premium each month for themselves, spouses, and other dependents who are also eligible for coverage. The Authority does not subsidize any member premiums. The Authority has not set up a trust to prefund benefits. Benefits are funded on a pay-as-you-go basis.

Note 12—Other postemployment benefits (continued)

Benefits for employees of JTM subject to union negotiations do not currently include any health benefits after retirement and are not considered by this Plan.

Employees covered by benefit term:

Current retirees:	
Under age 65	-
Over age 65	1
Total current retirees	1
Active employees fully eligible for benefits	209
Active employees not yet fully eligible for benefits	-
Total active employees	209
Total number of participants	210

The total OPEB liability of $318,298 as of September 30, 2025 is based on August 1, 2025 valuation data.

Actuarial assumptions, methods, and valuation

The actuarial valuation is conditioned on the assumption of an ongoing plan and is not meant to present the actuarial position of the plan in the case of plan termination. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

Future medical care cost increase rates and are unpredictable and could be volatile. They will depend upon the economy, future health care delivery systems, and emerging technologies. The trend rate selected is based on an economic model developed by a healthcare economist for the Society of Actuaries. Future medical trend increases could vary significantly from the model. Model inputs will be updated periodically based on the best estimate of the economy at that time. Small changes in the model inputs can result in actuarial losses or gains of 5% to 15% of liabilities.

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

Actual coverage status is used; females assumed three years younger than male spouse.

All employees not participating in coverage currently are assumed to not elect to participate in the future.

35% of employees with coverage are assumed to elect to continue coverage upon retirement.

35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement.

Note 12—Other postemployment benefits (continued)

Additional actuarial assumptions used:

Cost Method:	Entry Age Normal Cost Method
Asset Valuation Method:	Market value of assets
Actuarial Valuation Date:	August 1, 2024
Measurement Date:	September 30, 2024
Discount Rate as of September 30, 2024:	3.88%

Medical Trend Assumptions

These assumptions were developed using the Society of Actuaries long-term medical trend model. The following baseline assumptions were used as input variables into the model:

Rate of inflation	2.6%
Rate of growth in real income/GDP per capita	1.4%
Extra trend due to technology and other factors	0.9%
Expected health share of GDP in 2033	19.0%
Health share of GDP resistance point	17.0%
Year for limiting cost growth to GDP growth	2075

Decrement Assumptions

Below is a summary of decrements used in this valuation:

Mortality Decrements	Description
(1) Healthy active	Regular, male and female: Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(2) Healthy inactive	Generational MP-2021 Mortality Improvement Scale regular, male and female: Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(3) Disabled	Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
(4) Survivors and beneficiaries	Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale

Note 12—Other postemployment benefits (continued)

Salary Scale

The salary scale depends upon sex, service, and FRS type (these are the general employee rates). This includes a 2.4% inflation rate:

Service	Rate of Salary Increase
0	7.8%
1	5.8%
2	5.4%
3	5.1%
4	4.7%
5-6	4.6%
7	4.5%
8-10	4.4%
11	4.3%
12-17	4.2%
18-20	4.1%
21-22	4.0%
23-24	3.9%
25	3.8%
26	3.7%
27	3.6%
28	3.5%
29	3.4%
30+	3.4%

Claims Assumption

The plan is fully insured. To determine the assumed cost and the retiree contributions, the current premium rates were weighted by the current enrollment.

Gross claims are equal to the age adjusted assumed cost. The resulting average pre age 65 claims were age adjusted.

Note 12—Other postemployment benefits (continued)

Change in Net OPEB Liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance as of September 30, 2023 for FYE 2024	$ 285,269	$ -	$ 285,269
Changes for the year:			
Service cost	23,395	-	23,395
Interest	12,858	-	12,858
Contribution - employer	-	15,109	(15,109)
Changes in assumptions	11,885	-	11,885
Benefit payments (net of retiree contributions)	(15,109)	(15,109)	-
Net changes	33,029	-	33,029
Balance as of September 30, 2024 for FYE 2025	$ 318,298	$ -	$ 318,298

OPEB Expense

Service cost	$ 23,395
Interest	12,858
Differences between expected and actual experience:	
In current fiscal year recognized in current year	40,743
Changes in assumptions:	
In current fiscal year recognized in current year	2,971
From past years recognized in current year	(4,731)
	(1,760)
Total OPEB expense	$ 75,236

Sensitivity Analysis

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a discount rate that is one percentage point lower or one percentage point higher:

Discount Rate	1% Decrease 2.88%	Discount Rate 3.88%	1% Increase 4.88%
Total and net OPEB liability	$ 334,587	$ 318,298	$ 302,372

Note 12—Other postemployment benefits (continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Authority's total and net OPEB liability. It is also presented with the total and net OPEB liability if it is calculated using a *health care cost trend rate* that is one percentage point lower or one percentage point higher.

Ultimate Trend	1% Decrease 3.04%	Medical Trend 4.04%	1% Increase 5.04%
Total and net OPEB liability	$ 290,796	$ 318,298	$ 349,518

Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended September 30, 2025, the Authority recognized an OPEB expense of $75,236. At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,485	$ -
Changes of assumptions	14,219	-
	$ 95,704	$ -

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

Fiscal Years Ending September 30,	
2025	$ 46,366
2026	46,366
2027	2,972
	$ 95,704

Note 13—Fund balance

A schedule of Authority governmental fund balances is provided below:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
Nonspendable	$ 176,810	$ -	$ -	$ -	$ 176,810
Spendable:					
Restricted for government funded construction projects	-	41,050,469	-	-	41,050,469
Restricted for debt service	-	-	-	5,089,913	5,089,913
Assigned to:					
General fund legal reserves	6,000,000	-	-	-	6,000,000
Highway and engineering	3,000,000	-	-	-	3,000,000
Right-of-way acquisitions	3,000,000	-	-	-	3,000,000
Transit operations reserve	25,728,640	-	-	-	25,728,640
Unassigned	-	-	(2,204,093)	-	(2,204,093)
Total fund balance	$ 37,905,450	$ 41,050,469	$ (2,204,093)	$ 5,089,913	$ 81,841,739

Note 14—Commitments and contingencies

Grant Funding – Federal and State grant awards are audited in accordance with the requirements of the Uniform Guidance and the Florida Single Audit Act. These grant awards are subject to audit by the respective grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable Federal and State regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a Federal or State audit may become a liability of the Authority. It is management's opinion that no material liabilities will result from any such grantor audits.

Purchase Commitment – On November 25, 2014, the Authority originally entered a Phase 2 Lease and Concession Contract with Clean Energy d/b/a Clean Energy CA Corp for the lease of certain real property for the development, operations and maintenance of a compressed natural gas (CNG) Fueling Station. The agreement had been subsequently amended on April 30, 2015 and September 30, 2016, respectively. As of September 30, 2024, and assuming natural gas futures prices, the average monthly natural gas fuel cost for the minimum required annual purchase volume of 843,750 DGEs is $88,288 per month. This is $1,059,451 annually and $5,297,255 for the five remaining years of the contract from fiscal year 2026 through fiscal year 2030.

On January 27, 2022, the Authority entered into a Progressive Project Delivery Agreement (PPDA) with Balfour Beatty Construction, LLC. for the first phase, known as the Bay Street Innovation Corridor Project of the U²C multi-phased program initially valued at $51,100,000; subsequently amended September 14, 2023, to an increased total budget of $63,000,000 and included an additional contract with England-Thims & Miller (ETM) for CEI Services valued at $2,000,000. This project is undertaken along the Bay Street corridor, a major thoroughfare cutting east-west through the downtown Jacksonville area, and includes an integrated, progressive AV procurement and project design, build, operation, and maintenance (AV-DBOM) model. Actual expenditures since the start of the project through June 30, 2025 is $63,000,000 for Balfour Beatty Construction, LLC and $1,823,311 for ETM, and the remaining commitment is $-0- and $176,689 for Balfour Beatty Construction, LLC and ETM, respectively. In addition, there was a supervening event claim submitted on this project by Balfour Beatty Construction, LLC after the project completion for additional work. The negotiated value of $2,672,826 was agreed upon by all parties and the JTA issued purchase order 64651 for the total negotiated value. Upon receipt of the invoice for this transaction, the JTA issued payment in full to Balfour Beatty Construction, LLC for the total negotiated value previous stated above.

Note 14—Commitments and contingencies (continued)

On behalf of the State of Florida through the Florida Public Transportation Association, the Authority entered into agreements with third party vendors for the manufacture of heavy-duty buses on November 22, 2024 with Gillig LLC, and on January 22, 2025 with New Flyer of America, Inc. respectively, for a period of performance of five (5) years. These agreements operate as a contractual vehicle available to all transit agencies in the Nation for their sourcing of the buses. These are contracts with an indefinite delivery and indefinite quantity element that has negotiated a fixed price for the base bus and related optional features. The Authority has not purchased from the Gillig LLC contract during fiscal year 2025.

Litigation – The Authority is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operation. In the opinion of management, any adjustments that would result from the settlement of lawsuits and other claims would not be significant.

Note 15—Subsequent Events

Subsequent to year-end, significant funding cuts have been proposed as part of the Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriation Bill in the United States House of Representatives. It is unclear at this time what impact, if any, these actions may have on the Authority.

Note 16—Restatements

In a prior year, the Authority capitalized certain costs related to the issuance of debt. However, under U.S. GAAP, such costs are required to be expensed. Accordingly, the beginning fund balance of the Capital Projects Fund, as well as the net position of governmental activities have been restated. The following table has the balances previously reported, amount restated and balance as restated:

	Capital Projects Fund	Governmental Activities
Net position at September 31, 2024	$ 13,732,848	$ (10,102,795)
Restatement	(4,125,324)	(4,125,324)
Net position at September 31, 2024, as restated	$ 9,607,524	$ (14,228,119)

During fiscal 2025, the Authority's management determined that approximately $124 million of construction in progress had been completed and placed in service in prior years, but was not transferred out of construction in progress and depreciated. Accordingly, opening net position has been restated to reflect depreciation expense that should have been taken in prior years and to correct the balance of accumulated depreciation.

	Bus Fund	ASE Fund	Ferry Fund	Business-Type Activities
Net position at September 31, 2024	$ 302,933,177	$ 62,455,217	$ 28,388,346	$ 393,900,226
Restatement	(12,080,639)	(288,560)	(1,773,192)	(14,142,391)
Net position at September 31, 2024, as restated	$ 290,852,538	$ 62,166,657	$ 26,615,154	$ 379,757,835

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

JACKSONVILLE TRANSPORTATION AUTHORITY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
Revenues:				
Sales taxes	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ -
Investment earnings	460,000	460,000	1,322,253	862,253
Other miscellaneous	222,000	222,000	3,286,455	3,064,455
Total Revenues	3,682,000	3,682,000	7,608,708	3,926,708
Expenditures:				
General government	3,682,000	3,682,000	4,481,327	(799,327)
Excess of Revenues Over Expenditures	-	-	3,127,381	3,127,381
Other Financing Uses (Sources):				
Transfer out	-	-	(36,123,212)	(36,123,212)
Net change in fund balance	-	-	(32,995,831)	(32,995,831)
Fund balances, beginning of year	70,901,281	70,901,281	70,901,281	-
Fund balances, end of year	$ 70,901,281	$ 70,901,281	$ 37,905,450	$ (32,995,831)

See Note to Budgetary Comparison Schedule.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTE TO BUDGETARY COMPARISON SCHEDULE (UNAUDITED)

SEPTEMBER 30, 2025

Note 1—Budget and budgetary accounting

The Authority prepares an annual budget for its General Fund. The Custodial project Special Revenue Fund adopts project-length budgets rather than annual budgets. Accordingly, a budget and actual schedule is not presented for this fund. The Authority is authorized to transfer appropriated funds, from one of the purposes for which funds are appropriated, to another, if, in the discretion of the Authority, such transfer is necessary to carry out all of the purposes for which funds are appropriated, subject to applicable law. Thus, the legal level of budgetary control is at the fund level. All budgets are adopted in accordance with accounting principles generally accepted in the United States of America. Encumbrances outstanding at year-end for unfilled obligations are canceled and re-appropriated in the succeeding year's budget. Such amounts, if material, are disclosed in the notes to the financial statements under "Commitments and contingencies." In addition, the Authority is not legally required to establish a budget for proprietary funds.

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

YEAR ENDED SEPTEMBER 30, 2025

As of September 30 Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service cost	$ 23,395	$ 12,723	$ 14,757	$ 20,773	$ 19,362	$ 12,828	$ 12,750	$ 12,737
Interest cost	12,858	4,410	2,520	4,488	5,011	5,672	5,434	5,157
Differences between expected and actual experience	-	162,971	-	(74,826)	-	37,613	-	-
Changes of assumptions	11,885	10,609	(22,149)	(4,395)	2,289	(4,703)	(1,662)	(2,057)
Benefit payments	(15,109)	(11,337)	(8,587)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net Changes in Total OPEB Liability	33,029	179,376	(13,459)	(79,392)	6,384	34,765	(11,874)	(9,634)
Total OPEB liability - beginning of year	285,269	105,893	119,352	198,744	192,360	157,595	169,469	179,103
Total OPEB Liability - End of Year	$ 318,298	$ 285,269	$ 105,893	$ 119,352	$ 198,744	$ 192,360	$ 157,595	$ 169,469
Plan Fiduciary Net Position:								
Contributions - employer net investment income	$ 15,109	$ 11,337	$ 25,432	$ 25,432	$ 20,278	$ 16,645	$ 28,396	$ 25,471
Benefit payments (net of retiree contributions)	(15,109)	(11,337)	(25,432)	(25,432)	(20,278)	(16,645)	(28,396)	(25,471)
Net change in fiduciary net position	-	-	-	-	-	-	-	-
Fiduciary net position - beginning of year	-	-	-	-	-	-	-	-
Fiduciary Net Position - End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability	318,298	285,269	105,893	119,352	198,744	192,360	157,595	169,469
Fiduciary Net Position as a % of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll[1]								
Net OPEB Liability as a % Payroll[1]								
Expected average remaining service years of all participants	4	4	3	3	4	4	4	4
Notes to Schedule: Benefit Changes	None	None	None	None	None	None	None	None
Changes of assumptions The discount rate was changed as follows:								
Discount Rate								
9/30/2018	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
9/30/2019	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	3.83%	
9/30/2020	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%		
9/30/2021	2.41%	2.41%	2.41%	2.41%	2.41%			
9/30/2022	2.19%	2.19%	2.19%	2.19%				
9/30/2023	4.40%	4.40%	4.40%					
9/30/2024	4.63%	4.63%						
9/30/2025	3.88%							

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

Notes to Schedule:
No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4.
This is a 10-year schedule; however, the information in the schedule is not required to be presented retroactively.
Years will be added to this schedule in future fiscal years until 10 years of information is available.

JACKSONVILLE TRANSPORTATION AUTHORITY
NOTE TO SCHEDULE OF CHANGES IN THE TOTAL LIABILITY – OTHER POSTEMPLOYMENT BENEFITS (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2025

	Other Postemployment Medical Benefits							
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**
Valuation Date:	September 30, 2025	September 30, 2024	October 1, 2022	October 1, 2021	October 1, 2020	October 1, 2019	October 1, 2018	October 1, 2017
Measurement Date:	September 30, 2024	September 30, 2023	October 1, 2022	October 1, 2021	October 1, 2020	October 1, 2019	October 1, 2018	October 1, 2017
Actuarial cost method Amortization method Remaining amortization period	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years	Entry age normal level dollar 10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Medical Trend Assumptions;								
Rate of inflation	2.60%	2.60%	2.50%	2.50%	2.50%	2.50%	2.20%	2.20%
Rate of Growth in Real income/GDP per capita	1.40%	1.40%	1.40%	1.40%	1.50%	1.50%	1.60%	1.60%
Extra Trend Due To Technology And Other Factors	0.90%	0.90%	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%
Health Share of GDP Resistance Point	17%	17%	20%	20%	25%	25%	25%	25%
Year for Limiting Cost Growth to GDP Growth	2075	2075	2075	2075	2075	2075	2075	2075
Roll Forward Method	If necessary, liabilities are rolled forward from actuarial valuation date to measurement through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.							
Coverage Status and Age of Spouse	Actual coverage status is used; females assumed 3 years younger than male spouse. All employees not participating in coverage currently are assumed to not elect to participate in the future. 35% of employees with coverage are assumed to elect to continue coverage upon retirement. 35% of those currently enrolled with spouse/family coverage will continue the same coverage upon retirement							
Interest Assumptions	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded	Not Funded
Discount Rate	3.88%	4.63%	4.40%	2.19%	2.41%	2.75%	3.83%	3.50%

This schedule is presented to illustrate the requirements of GASB 75.
Data for fiscal years prior to September 30, 2017, is not available.

Notes to Schedule:
This schedule is presented to illustrate the requirements of GASB 75. Information is required to presented for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for only those years for which information is available.

JACKSONVILLE TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN NET PENSION – LIABILITIES AND RELATED RATIOS – DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2025

** Plan Year Ended December 31:	Salaried Employees Pension Plan 2025	Drivers Pension Plan 2025	Salaried Employees Pension Plan 2024	Drivers Pension Plan 2024	Salaried Employees Pension Plan 2023	Drivers Pension Plan 2023	Salaried Employees Pension Plan 2022	Drivers Pension Plan 2022	Salaried Employees Pension Plan 2021	Drivers Pension Plan 2021	Salaried Employees Pension Plan 2020	Drivers Pension Plan 2020	Salaried Employees Pension Plan 2019	Drivers Pension Plan 2019	Salaried Employees Pension Plan 2018	Drivers Pension Plan 2018	Salaried Employees Pension Plan 2017	Drivers Pension Plan 2017	Salaried Employees Pension Plan 2016
Total Pension Liability:																			
Service cost	$ 30,622	$ 1,132,634	$ 57,361	$ 1,012,647	$ 49,948	$ 999,458	$ 57,808	$ 960,974	$ 57,659	$ 985,411	$ 58,728	$ 1,125,198	$ 61,710	$ 1,002,220	$ 96,408	$ 1,517,160	$ 110,356	$ 790,363	$ 790,363
Interest	131,126	3,563,535	134,786	3,454,275	109,941	3,331,906	100,933	3,220,334	88,163	3,046,936	81,309	2,956,089	88,184	2,772,157	81,184	2,752,364	102,990	2,400,761	2,400,761
Changes of benefit terms	-	1,433,095	-	-	-	-	-	-	-	-	-	-	-	688,965	-	-	-	-	-
Participant contributions	-	-	-	-	-	-	-	884,133	-	-	-	-	-	-	6,716	-	25,190	-	-
Difference between expected and actual experience	(239,446)	103,620	(152,089)	353,560	322,638	473,385	106,121	1,182,545	283,556	1,188,884	94,575	(607,775)	(250,252)	300,306	145,185	1,396,801	(203,992)	384,557	384,557
Changes of assumptions	(19,841)	-	12,716	-	-	-	(46,311)	(1,799,687)	(8,180)	(122,883)	77,601	181,699	-	-	-	-	-	819,121	819,121
Benefit payments, including refunds of member contributions	(192,546)	(3,328,543)	(35,024)	(3,190,717)	(101,827)	(2,922,517)	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-	-	-	-
Net Change in Total Pension Liability	(290,085)	2,904,341	17,750	1,629,765	380,700	1,882,232	183,527	1,661,995	39,492	2,642,185	297,977	1,396,567	(114,594)	2,750,197	110,905	3,759,871	(585,330)	2,325,962	2,325,962
Total pension liability-beginning (a)	2,281,708	52,571,915	2,263,958	50,942,150	1,883,258	49,059,918	1,699,731	47,397,923	1,660,239	44,755,738	1,362,262	43,359,171	1,476,856	40,608,974	1,365,951	36,849,103	1,951,281	34,523,141	34,523,141
Total Pension Liability-Ending (a)	$ 1,991,623	$ 55,476,256	$ 2,281,708	$ 52,571,915	$ 2,263,958	$ 50,942,150	$ 1,883,258	$ 49,059,918	$ 1,699,731	$ 47,397,923	$ 1,660,239	$ 44,755,738	$ 1,362,262	$ 43,359,171	$ 1,476,856	$ 40,608,974	$ 1,365,951	$ 36,849,103	$ 36,849,103
Plan fiduciary net position																			
Contributions-Authority	$ 162,566	$ 4,345,917	$ 202,877	$ 3,900,906	$ 191,046	$ 3,868,641	$ 1,090,000	$ 2,870,223	$ 80,000	$ 2,122,120	$ 178,029	$ 2,587,332	$ 357,000	$ 2,512,210	$ 397,716	$ 2,447,847	$ 229,190	$ 2,180,892	$ 2,180,892
Contributions-Employees	13,591	313,856	16,911	246,709	14,191	169,798	18,055	105,460	8,800	98,184	18,045	89,602	44,110	20,769	-	-	-	-	-
Net investment income	184,483	7,717,787	167,418	6,823,626	(207,168)	(6,463,574)	35,108	7,450,753	107,011	5,449,816	135,844	7,532,533	(43,243)	(1,820,327)	86,821	5,846,761	38,217	2,743,015	2,743,015
Benefit payments, including refunds of member contributions	(192,546)	(3,328,543)	(35,024)	(3,190,717)	(101,827)	(2,922,517)	(35,024)	(2,786,304)	(381,706)	(2,456,163)	(14,236)	(2,258,644)	(14,236)	(2,013,451)	(218,587)	(1,906,454)	(619,874)	(2,068,840)	(2,068,840)
Administrative expenses	(63,254)	(425,216)	(62,487)	(519,089)	(42,394)	(501,973)	(69,461)	(451,582)	(39,390)	(371,237)	(21,818)	(859,498)	(28,013)	(810,152)	(20,966)	(497,299)	(31,647)	(377,674)	(377,674)
Investment expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,803)	-	(3,533)	-	-
Other	-	-	-	-	(751,987)	-	-	-	-	-	-	-	-	-	4,153	(42,261)	-	-	-
Net change in Plan Fiduciary Net Position	104,840	8,623,801	289,695	7,261,435	(898,139)	(5,849,625)	1,038,678	7,188,550	(225,285)	4,842,720	295,864	7,091,325	315,618	(2,110,951)	245,334	5,848,594	(387,647)	2,477,393	2,477,393
Plan fiduciary net position-beginning	1,848,399	63,203,349	1,558,704	55,941,914	2,456,843	61,791,539	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	1,174,281	36,453,908	36,453,908
Plan Fiduciary Net Position-Ending (b)	1,953,239	71,827,150	1,848,399	63,203,349	1,558,704	55,941,914	2,456,843	61,791,539	1,418,165	54,602,989	1,643,450	49,760,269	1,347,586	42,668,944	1,031,968	44,779,895	786,634	38,931,301	38,931,301
Net Pension Liability (Asset) - Ending (a) - (b)	$ 38,384	$ (16,350,894)	$ 433,309	$ (10,631,434)	$ 705,254	$ (4,999,764)	$ (573,585)	$ (12,731,621)	$ 281,566	$ (7,205,066)	$ 16,789	$ (5,004,531)	$ 14,676	$ 690,227	$ 444,888	$ (4,170,921)	$ 579,317	$ (2,082,198)	$ (2,082,198)
Plan fiduciary net position as a percentage of the total pension liability	98%	129%	81%	120%	69%	110%	130%	126%	83%	115%	99%	111%	99%	98%	70%	110%	58%	106%	106%
Covered payroll	383,680	24,268,699	493,294	15,092,348	528,919	15,048,876	603,674	19,387,559	626,060	19,928,007	937,244	20,469,072***	867,280	19,558,507***	865,309	N/A*	782,112	N/A*	N/A*
Net pension liability as a percentage of covered payroll	10%	-67%	88%	-70%	133%	-33%	-95%	-66%	45%	-36%	2%	-24.45%***	2%	3.53%***	51%	N/A*	74%	N/A*	N/A*

*As the contribution formula is not pay related, earnings information has not been collected.
**The amounts presented for each year were determined as of December 31 of the prior year.
***Covered payroll information included to newly hired employee contributions eligible in July 2018

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

YEAR ENDED SEPTEMBER 30, 2025

Salaried Employees Pension Plan

** Plan Year Ended December 31:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 215,086	$ 178,061	$ 185,059	$ 160,000	$ 98,065	$ 91,406	$ 159,514	$ 165,015	$ 175,635	$ 167,906
Contribution made in relation to the actuarially determined contribution	162,566	202,877	191,046	97,504	80,000	178,028	401,110	397,716	229,190	414,692
Contribution Deficiency (Excess)	$ 52,520	$ (24,816)	$ (5,987)	$ 62,496	$ 18,065	$ (86,622)	$ (241,596)	$ (232,701)	$ (53,555)	$ (246,786)
Covered payroll	383,680**	493,294**	528,919**	603,674**	576,904**	568,666	764,894	865,309	782,112	751,943
Contributions as a percentage of covered payroll	42.37%	41.13%	36.12%	16.15%	13.86%	19.00%	52.43%	45.96%	29.30%	55.15%

Drivers Pension Plan

** Plan Year Ended December 31:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,674,538	$ 3,240,298	$ 2,539,645	$ 2,870,223	$ 2,319,560	$ 2,636,042	$ 2,532,979	$ 2,447,847	$ 2,180,892	$ 2,429,423
Contribution made in relation to actuarially determined contribution	4,345,917	3,900,000	2,539,645	2,870,223	2,319,560	2,676,934	2,532,979	2,447,847	2,180,892	2,429,423
Contribution (Excess)	$ (1,671,379)	$ (659,702)	$ -	$ -	$ -	$ (40,892)	$ -	$ -	$ -	$ -
Covered payroll	24,268,699**	15,092,348**	15,048,876**	19,387,559**	21,421,999**	21,257,336**	20,221,919	N/A*	N/A*	N/A*
Contributions as a percentage of covered payroll	11.02%	25.84%	16.88%	14.80%	10.83%	12.59%	12.53%	N/A*	N/A*	N/A*

*As the contribution formula is not pay related, earnings information has not been collected.
**The amounts presented for each year were determined as of December 31 of the prior year.
***Covered payroll information included to newly hired employee contributions eligible in July 2018

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

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

YEAR ENDED SEPTEMBER 30, 2025

Notes to Schedule:	Salaried Employees Pension Plan 2025	Drivers Pension Plan 2025	Salaried Employees Pension Plan 2024	Drivers Pension Plan 2024	Salaried Employees Pension Plan 2023	Drivers Pension Plan 2023	Salaried Employees Pension Plan 2022	Drivers Pension Plan 2022	Salaried Employees Pension Plan 2021	Drivers Pension Plan 2021
Valuation Date:	December 31, 2024	December 31, 2024	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020
Measurement Date:	December 31, 2024	December 31, 2024	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2020
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll	Level % of payroll
Remaining amortization period	5 years*	5 years*	5 years*	5 years*	7 years*	7 years*	7 years*	7 years*	7 years*	7 years*
asset valuation method	Fair value	Fair value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:										
Investment rate of return	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually
Assumed annual salary increases	Assumed 3 % per year	None	Assumed 3 % per year	None	Assumed 3 % per year	None	Assumed 3 % per year	None	Assumed 3 % per year	Assumed 2.5% per year
Inflation	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%
Cost of living adjustments	None	None	None	None	None	None	None	None	None	None
Mortality rates	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale	Pre-Retirement: PRI-2012 Employee (sex-distinct) with generational projection using MP 2021 scale; Post-Retirement: PRI-2012 Non-Disabled Annuitant (sex-distinct) with generational projection using MP 2021 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Pre-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014-Blue Collar Employee (six-distinct) with generational projection using MP 2020 scale Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Pre-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014-Blue Collar Employee (six-distinct) with generational projection using MP 2020 scale Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2020 scale; Pre-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2020 scale	Pre-Retirement: RP-2014-Blue Collar Employee (six-distinct) with generational projection using MP 2020 scale Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale

	Salaried Employees Pension Plan 2020	Drivers Pension Plan 2020	Salaried Employees Pension Plan 2019	Drivers Pension Plan 2019	Salaried Employees Pension Plan 2018	Drivers Pension Plan 2018	Salaried Employees Pension Plan 2017	Drivers Pension Plan 2017	Salaried Employees Pension Plan 2016	Drivers Pension Plan 2016
Valuation Date:	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2018	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015
Measurement Date:	December 31, 2019	December 31, 2019	December 31, 2018	December 31, 2018	December 31, 2017	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level % of payroll	Level % of payroll	Level % of payroll	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar	Level dollar
Remaining amortization period	7 years*	7 years*	7 years*	7 years *	10 years	10 years	10 years	10 years	10 years	10 years
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value
Actuarial Assumptions:										
Investment rate of return	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% compounded annually	7% compounded annually	6% per annum	7% per annum	6% per annum	7% per annum
Assumed annual salary increases	Assumed 3% per year	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year	Assumed 3% per year	Assumed 2.5% per year	Assumed 4 % per year	Assumed 2.5% per year	Assumed 4% per year	Assumed 2.5% per year
Inflation	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	2.0%	2.5%	4.0%	2.5%
Cost of living adjustments	None	None	None	None	None	None	None	None	None	None
Mortality rates	Pre-Retirement: RP-2014 Employee total dataset (sex-distinct) with generational projection using MP 2019 scale; Post-Retirement: RP-2014 Healthy Annuitant (sex-distinct) with generational projection using MP 2019 scale	Pre-Retirement: RP-2014-Blue Collar Employee (six-distinct) with generational projection using MP 2020 scale Post-Retirement: RP-2014 Blue Collar Employee (sex-distinct) with generational projection using MP 2020 scale	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP 2017	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP 2017	IRC 430(h) combined table for 2015	SOA RP-2014 Blue Collar Mortality with Scale MP - 2017	IRC 403()h) combined table for 2015	SOA RP-20-14 Blue Collar Mortality with Scale SSA

*As determined under Sections 412 and 430 of the Internal Revenue Code.

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

See Report of Independent Auditor.

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

YEAR ENDED SEPTEMBER 30, 2025

	Salaried Employees Pension Plan									
*** Plan Year Ended December 31:**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Annual money-weighted rate of return Net of investment expenses	9.71%	5.97%	5.47%	-6.15%	9.41%	4.91%	-6.71%	15.16%	4.90%	-2.95%
	Drivers Pension Plan									
*** Plan Year Ended December 31:**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Annual money-weighted rate of return Net of investment expenses	11.43%	7.02%	5.66%	-5.09%	10.11%	4.10%	-4.03%	14.02%	6.70%	-0.98%

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

JACKSONVILLE TRANSPORTATION AUTHORITY

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

YEAR ENDED SEPTEMBER 30, 2025

* Plan Year Ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the FRS net pension liability	0.038%	0.039%	0.047%	0.042%	0.045%	0.037%	0.035%	0.035%	0.034%	0.034%
Authority's proportionate share of the FRS net pension liability	$ 11,816,268	$ 15,249,338	$ 16,998,269	$ 15,526,552	$ 3,421,458	$ 16,124,803	$ 12,219,934	$ 10,554,467	$ 10,040,222	$ 8,558,525
Authority's covered payroll	$ 18,228,157	$ 24,950,545	$ 23,043,317	$ 20,848,521	$ 22,481,329	$ 18,480,670	$ 17,883,444	$ 16,021,950	$ 15,469,007	$ 13,875,348
Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll	64.82%	61.12%	73.77%	74.47%	15.22%	87.25%	68.33%	65.88%	64.91%	61.68%
FRS Plan fiduciary net position as a percentage of the total pension liability	83.70%	83.70%	82.83%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	85.00%

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

JACKSONVILLE TRANSPORTATION AUTHORITY

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

YEAR ENDED SEPTEMBER 30, 2025

* Plan Year Ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the HIS net pension liability	0.0586%	0.0586%	0.0581%	0.0550%	0.0603%	0.0522%	0.0478%	0.0457%	0.0458%	0.0458%
Authority's proportionate share of the HIS net pension liability	$ 7,416,309	$ 8,791,644	$ 9,234,725	$ 5,852,329	$ 7,407,680	$ 6,368,306	$ 5,615,556	$ 5,056,416	$ 4,888,242	$ 5,336,207
Authority's covered payroll	$ 17,882,903	$ 24,950,545	$ 23,043,317	$ 20,848,521	$ 22,481,329	$ 18,480,670	$ 17,883,444	$ 16,021,950	$ 15,469,007	$ 13,983,538
Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll	41.47%	35.24%	40.08%	28.07%	32.95%	34.46%	31.40%	31.56%	31.60%	38.16%
HIS Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.12%	4.81%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

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

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

YEAR ENDED SEPTEMBER 30, 2025

Plan Year Ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required pension contribution	$ 2,273,271	$ 2,533,085	$ 2,923,808	$ 2,325,942	$ 2,201,156	$ 1,608,743	$ 1,382,829	$ 1,224,172	$ 1,114,730	$ 977,735
Pension contributions in relation to the contractually required pension contribution	2,273,271	2,533,085	2,923,808	2,325,942	2,201,156	1,608,743	1,382,829	1,224,172	1,114,730	977,735
Pension Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 18,228,157	$ 24,950,545	$ 23,043,317	$ 20,848,521	$ 22,481,329	$ 18,480,670	$ 17,883,444	$ 16,021,950	$ 15,469,007	$ 13,857,348
Pension contributions as a percentage of covered payroll	12.47%	10.15%	12.69%	11.16%	9.79%	8.71%	7.73%	7.64%	7.21%	7.06%

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

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF AUTHORITY'S CONTRIBUTIONS –
HEALTH INSURANCE SUBSIDY PENSION PLAN (UNAUDITED)

YEAR ENDED SEPTEMBER 30, 2025

* Plan Year Ended June 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required pension contribution	$ 517,140	$ 496,185	$ 395,732	$ 346,085	$ 373,174	$ 320,763	$ 284,140	$ 264,140	$ 246,472	$ 230,032
HIS contributions in relation to the contractually required pension contribution	517,140	496,185	395,732	346,085	373,174	320,763	284,140	264,140	246,472	230,032
Pension contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 18,228,157	$ 24,950,545	$ 23,043,317	$ 20,848,521	$ 22,481,329	$ 18,480,670	$ 17,883,444	$ 16,021,950	$ 15,469,007	$ 13,857,348
Pension contributions as a percentage of covered payroll	2.84%	1.99%	1.72%	1.66%	1.66%	1.74%	1.59%	1.65%	1.59%	1.66%

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

JACKSONVILLE TRANSPORTATION AUTHORITY

SINGLE AUDIT

As of and for the Year Ended September 30, 2025

And Reports of Independent Auditor

Cherry Bekaert LLP

Your Guide Forward

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

SEPTEMBER 30, 2025

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures
United States of Department of Transportation:			
Direct Programs:			
70FBD Ferry Boat Discretionary			
Ferry Boat Discretionary Grants (FHWA)	20.205	FL-2023-062-00	$ 43,039
Federal Transit Cluster:			
Federal Transit Capital Investment Grants	20.500	FL-03-0343	116,325
New Start Program	20.500	FL-2017-119	21,883
Total ALN 20.500			138,208
Federal Transit Formula Grants	20.507	FL-90-X879	44,774
5307 - Urbanized Area Formula Grants	20.507	FL-2018-115	37,699
	20.507	FL-2020-111	106,825
	20.507	FL-2020-007	34,220
	20.507	FL-2020-015	7,175
	20.507	FL-2021-020	181,804
	20.507	FL-2021-088	271,372
	20.507	FL-2022-029	5,812
	20.507	FL-2022-018	30,102
	20.507	FL-2023-072	1,999,217
	20.507	FL-2024-024	749,458
	20.507	FL-2024-026	3,514,861
	20.507	FL-2025-XXX	3,786,146
	20.507	FL-2025-069-00	396,516
Total Urbanized Area Formula Grants			11,121,207
Total ALN 20.507			11,165,981
State of Good Repairs Formula Grant			
	20.525	FL-2018-126	58,580
	20.525	FL-2023-072	684,401
Total State of Good Repairs Formula Grant			742,981
Bus and Bus Facilities Formula Grant			
	20.526	FL-2021-016	353,634
	20.526	FL-2024-015	5,859,805
	20.526	FL-2024-026	418,050
Total ALN 20.526			6,631,489
Total Federal Transit Cluster			18,678,659
Emergency Relief	20.527	FL-2019-105	81,830
Community Project Funding	20.534	FL-2024-013	236,608
National Infrastructure Investments			
79 - BUILD (OST)	20.933	FL-2020-055	5,956,004
Total Direct Programs			24,996,140

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

SEPTEMBER 30, 2025

Federal/State Agency/Pass-Through Entity, Federal Program or Cluster Title/State Project	ALN/CSFA Number	Contract/Grant Number	Federal Expenditures
Pass-Through:			
Indirect Programs:			
State of Florida Department of Transportation:			
Highway Planning and Construction	20.205	G2M34	$ 57,489
Formula Grants for Rural Areas (COVID)	20.509	G2C58	168,530
Formula Grants for Rural Areas	20.509	G1O55	29,248
Total Formula Grants for Rural Areas Cares Act Funding			197,778
Transit Services Programs Cluster:			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	G6V66	275,166
	20.513	G2Y01	1,133,244
	20.513	G3D60	71,291
	20.513	G2V76	149,477
Total Enhanced Mobility of Seniors and Individuals with Disabilities - Transit Services Program Cluster	20.513		1,629,178
Total Indirect Programs			1,884,445
Total United States Department of Transportation			26,880,585
Total Federal Expenditures			$ 26,880,585
State of Florida Department of Transportation:			
Commission for the Transportation Disadvantaged (CTD)			
Trip and Equipment Grant Program	55.001	2022/2023-315	$ 248,725
Public Transit Block Grant Program	55.010	G3404	4,836,700
Public Transit Service Development Program			
	55.012	G3605	152,960
	55.012	G2A74	19,104
Total Public Transit Service Development Program			172,064
Transportation Corridor Program			
	55.013	G3E56	183,732
	55.013	G3190	113,636
	55.013	G3191	165,356
	55.013	G3604	59,704
	55.013	G2444	15,213
	55.013	G2445	9,994
	55.013	G2450	(496)
Total Transportation Corridor Program			547,139
State Transit Capital/Operating Assistance			
	55.046	G2686	2,585,779
	55.046	G2687	2,625,807
Total State Transit Capital/Operating Assistance			5,211,586
Total State Expenditures			$ 11,016,214

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

SEPTEMBER 30, 2025

Note 1—Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the "Schedule") includes the federal and state grant activity of the Jacksonville Transportation Authority (the "Authority"). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and Chapter 10.550, *Rules of the Auditor General*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the basic financial statements. Because the schedule presents only a select portion of the operations of the Authority, it is not intended to, and does not, present the financial position, change in net position or cash flows of the Authority.

Note 2—Summary of significant accounting policies

Expenditures recognized in this schedule are reported on the accrual basis of accounting for the proprietary funds and on the modified accrual basis of accounting for the governmental funds. Such expenditures are reported following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3—Indirect cost rate

The Authority did not elect to use the 15% de minimis indirect cost rate for the fiscal year ended September 30, 2025.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jacksonville Transportation Authority (the "Authority"), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 29, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003 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*.

Authority's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Cherry Bekaert LLP

Orlando, Florida
June 29, 2026

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report on Compliance for Each Major Federal Program and State Project

Qualified and Unmodified Opinions

We have audited the Jacksonville Transportation Authority's (the "Authority"), a component unit of the City of Jacksonville, Florida, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the requirements described in the State of Florida's Department of financial Services' State Project Compliance Supplement, that could have a direct and material effect on each of the Authority's, major federal programs and state projects for the year ended September 30, 2025. The Authority's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on the State Transit Capital/Operating Assistance Project

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the State Transit Capital/Operating Assistance project for the year ended September 30, 2025.

Unmodified Opinion on Each of the Other Major Federal Programs and State Projects

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 each of its other major federal programs and state projects identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2025.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and Chapter 10.550. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550 are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Matter Giving Rise to Qualified Opinion on the State Transit Capital/Operating Assistance Project

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding the State Transit Capital/Operating Assistance project as described in finding number 2025-004 for Equipment and Real Property Management.

Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Responsibility of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and each major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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 Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-004 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our 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.

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
October 23, 2026

JACKSONVILLE TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2025

I. Summary of Auditor's Results

Financial Statements Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	**Unmodified**
Internal control over financial reporting:	
Material weakness identified?	**Yes**
Significant deficiency identified?	**None reported**
Noncompliance material to financial statements noted?	**No**
Federal Awards Internal control over major programs:	
Material weakness identified?	**No**
Significant deficiencies identified?	**None reported**
Type of auditor's report issued on compliance for major programs:	**Unmodified**
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	**No**
Identification of major programs:	
Federal Transit Cluster *ALN Nos. 20.500, 20.507, 20.525, 20.526*	
Transit Service Programs Cluster *ALN No. 20.513*	
The threshold for distinguishing types A and B programs was:	**$1,000,000**
Did the auditee qualify as a low-risk auditee?	**Yes**
State Financial Assistance Internal control over major projects:	
Material weakness identified?	**Yes**
Significant deficiency identified?	**None reported**
Type of auditor's report issued on compliance for major projects:	**Qualified**
Any audit findings disclosed that are required to be reported with Chapter 10.550, Rules of the Florida Auditor General?	**No**
Identification of major projects:	
Public Transit Block Grant Program CSFA No. 55.010	
State Transit Capital/Operating Assistance Grant CSFA No. 55.046	
The threshold for distinguishing types A and B programs was:	**$750,000**

II. Financial Statement Findings

2025-001 Material Weakness, Internal Control Over Financial Reporting

Criteria: Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting to provide reasonable assurance that transactions are properly recorded, reconciled, reviewed, and reported in accordance with the applicable financial reporting framework. Effective controls over the year-end close and financial reporting process should include procedures to ensure that general ledger accounts are appropriately mapped to the financial statements; cash, receivables, transfers, capital assets, and grant related balances are supported, reconciled, and reviewed; bank reconciliation differences are investigated and resolved timely rather than cleared to unsupported accounts; grant revenue and receivables are recorded only when earned, measurable, and supported by executed agreements, reimbursement requires, or other appropriate documentation; and capital assets are recorded in sufficient detail to support proper classification, useful lives, and depreciation.

Condition: During the audit of the Authority's financial statements for the year ended September 30, 2025, we identified matters within the year-end close and financial reporting process that resulted in misstatements, proposed audit adjustments, and instances where the Authority was unable to provide sufficient supporting documentation at the time of our testing. The matters identified included the following:

a. Interfund transfers were out of balance by approximately $14.9 million. This was the result of offsetting entries to the transfers being booked to accounts in the engineering fund which exist in the general ledger, but are not mapped to the Authority’s financial statements.

b. Net cash and cash equivalents was overstated by approximately $1.0 million as a result of multiple improperly posted revenue entries. Further, we observed these errors were not being detected during the monthly bank reconciliation process. It appears that when differences are identified as part of the bank reconciliation process, rather than investigating and resolving the difference, staff has been adjusting the cash balance against “cash clearing” accounts which do not tie to an existing bank account.

c. The Authority sold a plot of land for approximately $1.9 million, but the transaction was not recorded in the Authority’s financial records. As a result, revenue and cash and cash equivalents were understated in the general fund and the government activities.

d. Intergovernmental revenue due from the City of Jacksonville in the amount of $250 thousand was not accrued at year-end.

e. Entries were recorded for intergovernmental revenue related to reimbursable grants. Although it was later determined these expenses would not be submitted for reimbursement, the entries to record the intergovernmental revenue were not reversed. As a result, assets and revenue were overstated by approximately $300 thousand.

f. Revenue was accrued for reimbursement of expenditures, but the related grant had not been executed as of September 30, 2025. As a result, assets and revenue were overstated by approximately $1.1 million.

g. Grant revenue and the related receivable were recorded, however, the Authority was unable to provide support for the reimbursement request, as of the time of our testing. As a result, assets and revenue were overstated by $528 thousand.

h. The schedule of expenditures of federal awards and state financial assistance (“SEFA”) as originally prepared was inaccurate. Based on items identified as a result of our testing, the SEFA was adjusted by approximately $580 thousand.

II. Financial Statement Findings (continued)

2025-001 Material Weakness, Internal Control Over Financial Reporting (continued)

i. Numerous capital assets, including buses, software, and other equipment, were recorded as a single aggregated assets in the capital asset system. Management indicated this approach was used to expedite the financial close and that it intended to disaggregate these assets into the appropriate capital asset classes with appropriate depreciable lives. As of the time of audit fieldwork, the assets had not been disaggregated.

Cause: The Authority's internal controls over the year-end close and financial reporting process did not operate effectively to prevent, or detect and correct, material errors or unsupported entries on a timely basis.

Effect: As a result of the matters described above, the Authority's financial records and certain financial reporting schedules contained misstatements and/or items that required audit procedures to evaluate support and propose adjustments. The matters resulted in actual and potential misstatements to cash and cash equivalents, receivables, revenues, interfund transfers, capital assets, and federal award expenditures.

Additionally, because the Authority bank reconciliation control is not functioning properly, additional misstatements due to error or fraud could occur and not be prevented, or detected and corrected, by management in the normal course of performing their assigned duties.

Recommendation: We recommend the Authority review its current policies and procedures over accounting and financial reporting including the year-end closing processes. Review procedures should be designed to identify potential U.S. GAAP departures.

Response / Planned Corrective Action: The Authority acknowledges the reported conditions. Authority management understands the importance of maintaining strong internal controls and accurate financial reporting. With a new Comptroller in place as of the beginning of fiscal 2026, the Finance Department has been working proactively to monitor transactions and review processes in real time rather than waiting until year-end. There is enhanced oversight of journal entries, balance sheet reconciliations, and implementation of review protocols for all year-end processes. These actions aim to strengthen year-end closing procedures, resolve issues quicker, and support audit readiness.

2025-002 Material Weakness, Restatement of Opening Net Position for Unrecorded Prior Year Depreciation

Criteria: Management is responsible for designing, implementing, and maintaining internal control over financial reporting to provide reasonable assurance that capital assets are recorded in the appropriate asset categories, placed-in-service dates are supported, depreciation is recorded in the appropriate periods, and amounts reported in the financial statements are complete and accurate.

Condition: Certain projects that had been completed and placed in service in prior years remained recorded as construction in progress (“CIP”) and had not been reclassified to depreciable capital asset classes. As a result, depreciation had not been recorded on these assets in the periods in which the assets were placed in service.

Upon identifying the issue, management transferred the completed projects from CIP to the appropriate depreciable capital asset classes. In connection with these transfers, management used the assets’ original placed-in-service dates in the capital asset records and recorded catch-up depreciation in fiscal year 2025 for depreciation that would have been recorded in prior fiscal years. Management identified approximately $124 million of completed projects that had been placed in service in prior years and remained in CIP. In connection with the transfers, approximately $14.1 million of catch-up depreciation was recorded in fiscal year 2025.

II. Financial Statement Findings (continued)

2025-002 Material Weakness, Restatement of Opening Net Position for Unrecorded Prior Year Depreciation (continued)

Based on audit procedures performed, an audit adjustment was recorded to reduce depreciation expense and restate opening net position for the effects attributable to prior fiscal years. The adjustment reduced depreciation expense and restated opening net position in the following amounts: Bus Fund $12.1 million; ASE Fund $289 thousand; Ferry Fund $1.8 million; and Business-type Activities $14.1 million.

Cause: Controls over the capital asset lifecycle and year-end financial reporting process were not sufficient to provide reasonable assurance that completed, placed-in-service projects were timely identified, reclassified from CIP to depreciable capital asset categories, and depreciated in the appropriate periods. In addition, procedures for evaluating the period in which depreciation should be recognized were not sufficiently designed and/or operating with sufficient precision to prevent or detect and correct the recording of material catch-up depreciation in the current period for prior-year activity.

Effect: As a result of the matters described above, depreciation expense was overstated in fiscal year 2025 due to recording catch-up depreciation related to prior fiscal years. An audit adjustment was required to reduce fiscal year 2025 depreciation expense and to restate opening net position in the bus fund, ASE fund, ferry fund, and business-type activities in the amounts described above.

Recommendation: We recommend the Authority establish a process in which construction in progress records are reviewed to determine the status of each project. This review should include input from the individual project managers in order to obtain accurate information as to a project's status and completion date. At a minimum, this review should be performed in conjunction with the Authority's year-end closing procedures in order for capital assets to be reported accurately in the Authority's financial statements. However, due to the extent of the Authority's capital activities, management may find it effective to perform these reviews on an interim basis to improve the accuracy of the capital asset information and reduce the level of effort to complete the review during the year-end close.

Response/Planned Corrective Action: Management agrees with the auditor's recommendation and will implement a review of the construction in progress accounts as part of the year end close.

2025-003 Material Weakness, Restatement of Opening Fund Balance/Net Position for Improperly Recorded Debt Issuance Costs

Criteria: Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting to provide reasonable assurance that transactions are recorded in conformity with the applicable financial reporting framework. Under Governmental Accounting Standards Board ("GASB") Statement No. 34, paragraph 87, debt issuance costs should be expensed in the period incurred.

Condition: Prior to fiscal 2025, the Authority had recorded approximately $4.1 million in debt issuance costs as a debit to a prepaid item account. In accordance with GASB Statement No. 34, paragraph 87, these costs should have been expensed in the period incurred.

Cause: The Authority's controls over the identification, classification, and review of debt issuance costs were not sufficient to provide reasonable assurance that such costs were recorded in accordance with GASB requirements, including appropriate evaluation of whether amounts recorded in prepaid item accounts meet the definition of a prepaid item and are appropriate for deferral.

II. Financial Statement Findings (continued)

2025-003 Material Weakness, Restatement of Opening Fund Balance/Net Position for Improperly Recorded Debt Issuance Costs (continued)

Effect: As a result of the matter described above, debt issuance costs were not recorded in conformity with the applicable financial reporting framework. This matter increased the risk that prepaid items and expenses could be misstated and that audit adjustments could be required to correct the financial statements.

Recommendation: We recommend management strengthen controls over accounting for debt issuance costs, which should include: (a) establishing formal accounting policies and procedures; (b) implementing review controls; and (c) perform a periodic review of prepaid items accounts.

Response/Planned Corrective Action: Management agrees with the auditor's finding and will follow the provisions of GASB 34, paragraph 87 for accounting for debt issuance costs prospectively.

III. Findings and Questioned Costs – Major Federal Programs

None reported.

IV. Findings and Questioned Costs – Major State Projects

2025-004 CSFA No. 55.046 State Transit Capital/Operating Assistance – Material Weakness in Internal Control and Material Noncompliance, Equipment and Real Property Management

Criteria: The Authority's contracts with the Florida Department of Transportation (the "Department") for State Transit Capital/Operating Assistance contain certain requirements pertaining to equipment and real property management. Specifically:

a. The Authority will not sell or otherwise transfer or dispose of equipment without the prior written consent of the Department.

b. If a sale, transfer, or disposal is approved by the Department, the Authority shall reimburse the Department a proportional amount of the proceeds of the sale of any Department funded equipment.

c. If any portion of sales are noncash consideration, reimbursement to the Department shall include a proportional amount based on the value of the noncash consideration.

Condition: During the year ended September 30, 2025, the Authority utilized funds received under the State Transit Capital/Operating Assistance grants to acquire equipment, but did not maintain adequate property records to identify the equipment individually or to designate the equipment as purchased with State Transit Capital/Operating Assistance. As the Authority has not maintained capital asset records that individually identify equipment purchased with State Transit Capital/Operating Assistance, it is unlikely they would be able to comply with the above noted equipment and real property management compliance requirements.

Questioned Costs: $5,050,066

Cause: The Authority purchased numerous capital items from a single vendor. This purchase included buses as well as other equipment that met the Authority's capitalization threshold. The purchase also contained certain items that would not be subject to the equipment and real property management compliance requirements. This purchase was recorded in the Authority's capital asset system as a single line item for the gross amount of the purchase. The level of detail recorded was not sufficient to identify the individual items or to identify the equipment as purchased with State Transit Capital/Operating Assistance.

IV. Findings and Questioned Costs – Major State Projects (continued)

2025-004 CSFA No. 55.046 State Transit Capital/Operating Assistance – Material Weakness in Internal Control and Material Noncompliance, Equipment and Real Property Management (continued)

Effect: Because the Authority does not have an adequate control in place to review capital asset additions and ensure they are recorded in compliance with the equipment and real property management compliance requirement, the Authority cannot be compliant with the equipment and real property management compliance requirement of the State Transit Capital/Operating Assistance grant.

Recommendation: We recommend the Authority establish and implement written procedures requiring each item of equipment acquired with state financial assistance to be recorded separately in the capital asset or grant property subsidiary ledger. The records should include the information required by the applicable grant agreement and State Projects Compliance Supplement, including sufficient information to identify the asset, its acquisition cost and date, funding source, location, intended use, condition, and ultimate disposition, as applicable.

We further recommend the Authority obtain a detailed schedule of the items included in the $5,050,066 vendor purchase, reconcile the schedule to the general ledger and vendor documentation, physically verify the equipment, identify the portion financed with state assistance, and update the property records accordingly. A knowledgeable individual independent of the record-preparation process should review and approve the reconciliation and all future grant-funded capital asset additions.

Response/Planned Corrective Action: Management agrees with the auditor's recommendation and will review our processes for recording equipment purchased with state financial assistance. Improvements will be made to ensure equipment is recorded in compliance with generally accepted accounting principles and provides a complete record of the use of state financial assistance.

V. Schedule of Prior Year Findings

None reported.

Cherry Bekaert LLP
Your Guide Forward

Independent Auditor's Management Letter

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

Report of the Financial Statements

We have audited the financial statements of the Jacksonville Transportation Authority (the "Authority"), a component unit of the City of Jacksonville, Florida as of and for the year ended September 30, 2025, and have issued our report thereon dated June 29, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance")*;* and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Report of the Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Report of the Independent Auditor on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Report of Independent Accountant on Compliance with Local Government Investment Policies, conducted in accordance with AICPA Professional Standards, AT-C Section 315. Disclosures in those reports and schedule, which are dated June 29, 2026 (Report of the Independent Auditor on Internal Control over Financial Reporting) and October 23, 2026 (for the remainder of the reports and schedules).

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In this regard, there were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. We performed our financial condition assessment as of September 30, 2025 and have determined the Authority is experiencing a deteriorating financial condition. This was based on trends of decreasing revenue, negative changes in net position, and deficit balances of unrestricted net position.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Authority is required to make a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did/did not operate within the Authority's geographical boundaries during the fiscal year under audit. The Authority did not operate a PACE program within its geographical boundaries during the year ended September 30, 2025.

As required by Section 10.554(1)(i)6.b., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Authority, a list of all program administrators and third party administrators that administered the program. The Authority did not operate a PACE program within its geographical boundaries during the year ended September 30, 2025.

As required by Section 10.554(1)(i)6.c., Rules of the Auditor General, if a PACE program was operating within the geographical areas of the Authority, the full names and contact information of each such program administrator and third party administrator. The Authority did not operate a PACE program within its geographical boundaries during the year ended September 30, 2025.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Authority provided the following information (unaudited):

a. The total number of Authority employees compensated in the last pay period of the Authority's fiscal year as 892.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 35.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $74,420,370.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $2,830,509.

e. Each construction project with a total cost of at least $65,000 approved by the Authority that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as listed below:

Project	Total Expenditures as of September 30, 2025
HVAC Replacements	$ 63,219
Replacement/Expansion of Amenities	-
Elevator Upgrades & Modernization	-
High Efficiency Facility Upgrades	-
MAOC Facilities Upgrades	-
Skyway - Rehab/Renovate Stations	-
Gateway Parking Lot	-
Gateway WF Remodel	-
Ferry Turning Dolphins	-

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes, as $0.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or is likely to have occurred, which have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Cherry Bekaert LLP

Orlando, Florida
October 23, 2026

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Accountant on Compliance with Local Government Investment Policies

To the Board Members
Jacksonville Transportation Authority
Jacksonville, Florida

We have examined the Jacksonville Transportation Authority's (the "Authority") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Authority complied, in all material respects, with the local investment policy requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the Authority Board members, and applicable management, and is not intended to be, and should not be, used by anyone other than the specified parties.

Cherry Bekaert LLP

Orlando, Florida
October 23, 2026

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Jacksonville Transportation Authority
Corrective Action Plan

Fiscal Year Ended September 30, 2025

Finding 2025-001

Material Weakness in Internal Control Over Financial Reporting

Condition:

During the audit of the Authority's financial statements for the year ended September 30, 2025, we identified matters within the year-end close and financial reporting process that resulted in misstatements, proposed audit adjustments, and instances where the Authority was unable to provide sufficient supporting documentation at the time of our testing.

Response / Planned Corrective Action:

Management concurs with the finding and acknowledges the importance of maintaining strong internal controls and accurate financial reporting. In FY 2026, JTA has strengthened its monitoring of financial transactions and year-end processes through real-time reviews, improved journal entry controls, balance sheet reconciliations, and formal review protocols. Additionally, JTA is implementing enhanced controls over Oracle-based accounting, grant accounting, account mapping, capital asset reporting, and quarterly financial closes, supported by documented procedures, supervisory review, management oversight, updated accounting policies, and staff training. These actions are designed to improve the accuracy and completeness of financial reporting, strengthen year-end close processes, expedite issue resolution, and enhance overall audit readiness.

Responsible Person

Russell Caffey, Controller

Anticipated Completion Date: June 30, 2027

Finding 2025-002

Material Weakness: Restatement of Opening Net Position for Unrecorded Prior-Year Depreciation

Condition:

Certain projects that had been completed and placed in service in prior years remained recorded as construction in progress ("CIP") and had not been reclassified to depreciable capital asset classes. As a result, depreciation had not been recorded on these assets in the periods in which the assets were placed in service.

Response / Planned Corrective Action:

Management agrees with the auditor's recommendation and will implement a review of the construction in progress accounts as part of the year end close.

Responsible Persons

Russell Caffey, Controller

Anticipated Completion Date: June 30, 2027

Finding 2025-003

Material Weakness: Restatement of Opening Fund Balance and Net Position for Improperly Recorded Debt-Issuance Costs

Condition:

Prior to fiscal 2025, the Authority had recorded approximately $4.1 million in debt issuance costs as a debit to a prepaid item account. In accordance with GASB Statement No. 34, paragraph 87, these costs should have been expensed in the period incurred.

Response / Planned Corrective Action:

Response/Planned Corrective Action: Management agrees with the auditor's finding and will follow the provisions of GASB 34, paragraph 87 for accounting for debt issuance costs prospectively.

Responsible Person

Russell Caffey, Controller

Anticipated Completion Date: June 30, 2027

Finding 2025-004

CSFA No. 55.046 State Transit Capital/Operating Assistance

Material Weakness in Internal Control and Material Noncompliance: Equipment and Real Property Management

Condition:

During the year ended September 30, 2025, the Authority utilized funds received under the State Transit Capital/Operating Assistance grants to acquire equipment, but did not maintain adequate property records to identify the equipment individually or to designate the equipment as purchased with State Transit Capital/Operating Assistance. As the Authority has not maintained capital asset records that individually identify equipment purchased with State Transit Capital/Operating Assistance, it is unlikely they would be able to comply with the above noted equipment and real property management compliance requirements.

Response / Planned Corrective Action:

Response/Planned Corrective Action: Management agrees with the auditor's recommendation and will review our processes for recording equipment purchased with state financial assistance. Improvements will be made to ensure equipment is recorded in compliance with generally accepted accounting principles and provides a complete record of the use of state financial assistance.

Responsible Persons

Russell Caffey, Controller

Anticipated Completion Date: June 30, 2027