# JACKSONVILLE TRANSPORTATION AUTHORITY

BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTAL INFORMATION

***As of and for the Year Ended September 30, 2024***

***And Reports of Independent Auditor***

Cherry Bekaert LLP
Your Guide Forward

**JACKSONVILLE TRANSPORTATION AUTHORITY**
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Cherry Bekaert LLP
Your Guide Forward

## 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, 2024, 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, 2024, 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.

#### *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.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, Rules of the Auditor General, is presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
March 31, 2025

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, 2024 as compared to September 30, 2023.

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 $383.8 million, which consisted of net investment in capital assets of $355.1 million, and a restricted net position of $64.0 million offset by a deficit in unrestricted net position of ($35.4) million.

- The Authority's spending in federal and state expenditures in FY24 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
        - Construction of a New Bus Wash Facility
        - Bus Paint Booth Replacement
    - Installation of LOGT Passenger Shelters
    - Continual landside and marine infrastructure improvements for the St. Johns River Ferry including vessel haul out
    - IT infrastructure Improvements

- Total capital assets, net of accumulated depreciation, increased from $530.0 million in 2023 to $580.4 million in 2024, an increase of 9.5%. The increase in 2024 primarily due to an increase in construction in progress for the Authority's previously mentioned major project initiatives.

## Overview of the Financial Statements

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

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 | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | $ 86,762,436 | $108,040,221 | $ 63,539,458 | $ 62,482,372 | $150,301,894 | $170,522,593 |
| Noncurrent assets | 55,216,424 | 51,672,241 | 10,631,434 | 4,999,764 | 65,847,858 | 56,672,005 |
| Capital assets | 230,209,134 | 214,885,527 | 350,169,292 | 315,122,550 | 580,378,426 | 530,008,077 |
| **Total Assets** | 372,187,994 | 374,597,989 | 424,340,184 | 382,604,686 | 796,528,178 | 757,202,675 |
| Deferred outflows - deferred amounts for pensions | 6,355,455 | 7,115,419 | 11,435,311 | 13,967,464 | 17,790,766 | 21,082,883 |
| Deferred outflows of resources - OPEB | 130,185 | 573 | - | - | 130,185 | 573 |
| Deferred outflows of resources - hedging activities | - | - | 177,892 | - | 177,892 | - |
| **Total Deferred Outflows** | 6,485,640 | 7,115,992 | 11,613,203 | 13,967,464 | 18,098,843 | 21,083,456 |
| Current liabilities | 21,574,964 | 20,726,800 | 30,697,523 | 23,574,668 | 52,272,487 | 44,301,468 |
| Long-term liabilities | 361,337,785 | 355,050,459 | 6,451,412 | 4,760,167 | 367,789,197 | 359,810,626 |
| **Total Liabilities** | 382,912,749 | 375,777,259 | 37,148,935 | 28,334,835 | 420,061,684 | 404,112,094 |
| Deferred inflows of resources - pensions | 3,666,812 | 1,846,613 | 4,904,226 | 5,098,861 | 8,571,038 | 6,945,474 |
| Deferred amounts for OPEB | 7,383 | 41,173 | - | - | 7,383 | 41,173 |
| Deferred amounts for leases | 2,189,360 | 2,277,722 | - | - | 2,189,360 | 2,277,722 |
| Deferred inflows of resources - hedging activities | - | - | - | 883,395 | - | 883,395 |
| **Total Deferred Inflows** | 5,863,555 | 4,165,508 | 4,904,226 | 5,982,256 | 10,767,781 | 10,147,764 |
| Net Position: | | | | | | |
| Net investment in capital assets | 9,272,764 | 9,272,889 | 345,861,773 | 314,495,031 | 355,134,537 | 323,767,920 |
| Restricted | 55,972,755 | 45,528,246 | - | 4,999,764 | 55,972,755 | 50,528,010 |
| Unrestricted | (75,348,314) | (53,029,921) | 48,038,453 | 42,760,264 | (27,309,861) | (10,269,657) |
| **Total Net Position** | $(10,102,795) | $ 1,771,214 | $393,900,226 | $362,255,059 | $383,797,431 | $364,026,273 |

### Statement of Net Position 2024 vs. 2023

The Authority's governmental activities show a decrease of ($2.4) million or (0.6%) in total assets from 2023. This was primarily due to a decrease in current assets of $21.3 million offset by an increase in restricted cash and cash equivalents of $9.1 million, an increase in capital assets of approximately $15.3 million, and a decrease in restricted investments of ($7.9) million. Included in governmental capital assets are custodial projects which represent the sum total of planning, design, and construction of assets that are built for others.

Total liabilities for governmental activities increased by $7.2 million or 1.9%. The increase is mainly due to an increase in custodial projects.

Total assets for the Authority's business-type activities increased by $41.7 million or 10.9% compared to 2023. This is primarily due a decrease in cash and cash equivalents of ($14.7) million, an increase in the due from other governments of $33.9 million, a decrease in due from City of Jacksonville of ($17.9) million, an increase in net pension asset of $5.6 million, and an increase in capital assets of $35.0 million.

Total liabilities for business type activities increased by $8.8 million or 31.1% compared to 2023, primarily due to an increase of $8 million in accounts payable. Deferred outflows related to the Authority's pension and other post-employment benefits decreased by ($2.4) million. Deferred inflows related to the Authority's pension and other post-employment benefits decreased by ($1.1) million. These changes are mainly attributable to liability experiences of the pension and actual pension investment results being different from expected.

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 | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Revenue: | | | | | | |
| Program Revenue: | | | | | | |
| Charges for services | $ - | $ - | $ 18,343,780 | $ 15,454,106 | $ 18,343,780 | $ 15,454,106 |
| Operating grants and contributions | - | - | 24,500,159 | 11,004,037 | 24,500,159 | 11,004,037 |
| Capital grants and contributions | 9,036,647 | 23,304,887 | 22,409,410 | 17,000,394 | 31,446,057 | 40,305,281 |
| General Revenue: | | | | | | |
| Sales taxes | 3,000,000 | 4,010,120 | - | - | 3,000,000 | 4,010,120 |
| Intergovernmental | - | - | 113,219,408 | 121,616,573 | 113,219,408 | 121,616,573 |
| Investment earnings | 6,923,298 | 4,614,909 | 407,942 | 121,579 | 7,331,240 | 4,736,488 |
| Local assistance | - | - | - | - | - | - |
| Proceeds on sale of surplus property | - | - | 1,418,397 | 239,720 | 1,418,397 | 239,720 |
| Other revenues | 848,392 | 320,657 | - | - | 848,392 | 320,657 |
| **Total Revenue** | 19,808,337 | 32,250,573 | 180,299,096 | 165,436,409 | 200,107,433 | 197,686,982 |
| Expenses: | | | | | - | |
| General government | 1,107,976 | 6,138,143 | - | - | 1,107,976 | 6,138,143 |
| Transportation and infrastructure projects | - | 16,157,870 | - | - | - | 16,157,870 |
| Interest on long-term debt | 4,112,915 | 5,567,030 | - | - | 4,112,915 | 5,567,030 |
| Bus system | - | - | 126,009,800 | 131,629,707 | 126,009,800 | 131,629,707 |
| Automated skyway express | - | - | 12,792,389 | 11,928,160 | 12,792,389 | 11,928,160 |
| Community transportation | - | - | 30,741,207 | 24,482,454 | 30,741,207 | 24,482,454 |
| Ferry | - | - | 5,571,988 | 6,210,561 | 5,571,988 | 6,210,561 |
| **Total Expenses** | 5,220,891 | 27,863,043 | 175,115,384 | 174,250,882 | 180,336,275 | 202,113,925 |
| Change in Net Position Before Transfers | 14,587,446 | 4,387,530 | 5,183,712 | (8,814,473) | 19,771,158 | (4,426,943) |
| Transfers | (26,461,455) | (36,092,361) | 26,461,455 | 36,092,361 | - | - |
| Change in net position | (11,874,009) | (31,704,831) | 31,645,167 | 27,277,888 | 19,771,158 | (4,426,943) |
| Net position, beginning | 1,771,214 | 33,476,045 | 362,255,059 | 334,977,171 | 364,026,273 | 368,453,216 |
| **Net position, ending** | $ (10,102,795) | $ 1,771,214 | $ 393,900,226 | $ 362,255,059 | $ 383,797,431 | $ 364,026,273 |

## Statement of Activities 2023 vs. 2023

For the governmental activities, revenues decreased by $12.4 million or 38.6% from the prior year. The decrease is mainly due to a decrease of ($14.3) million in capital grants and contributions and a decrease of ($1.0) million in sales tax, offset by an increase of $2.3 million in investment earnings.

Expenses for governmental activities decreased by ($22.6) million or (81.1%) compared to the previous year from $27.9 million in 2023 to $5.3 million in 2024. The decrease in 2024 expenses was primarily due to less spending on transportation and infrastructure projects.

Total revenues for business-type activities increased by $14.9 million or 9.0%. The increase is mainly due to increases in charges of services, operating grant and contributions, capital grants and contributions, and proceeds on sales of surplus property of $2.9 million, $13.5 million, $5.4 million, and $1.2 million, respectively, offset by a decrease in intergovernmental of ($8.4) million.

Expenses for business-type activities increased by approximately $0.9 million or 0.5%. The increase in expenses is attributable to increases in operating expenses for the ASE and CTC of approximately $0.9 million and $6.3 million, respectively, offset by decreases in Authority's Bus operations system and Ferry of ($5.6) million and ($0.6) million, respectively.

## Financial Analysis of the Authority's Funds

*General Fund Budgetary Highlights*

Of the Jacksonville Transportation Authority's Government Funds, the General Fund is the primary fund. Investment earnings was budgeted at $1.5 million. Total sales tax revenue for the general fund was budgeted at $3.0 million. General fund revenue was favorable by $4.3 million at the end of FY24, primarily due to interest income of approximately $5.1 million.

General Government Expenditures for the general fund were budgeted at $4.7 million; the actual expenditure was $5.7 million. The General Fund expenditure was unfavorable by $1.0 million compared to the final budget. This is primarily due to unfavorable expense in wages and services at the end of FY24.

## Capital Assets and Debt Administration

*Capital Assets*

At the end of Fiscal Year 2024, the Authority showed $581.0 million 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 increased by $16.0 million primarily due to increases 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 $35.0 million primarily due to increases in construction in progress, other equipment and vehicles of approximately $27.9 million, $6.0 million, and $2.2 million, respectively.

### Table A-3
### Capital Assets

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| Land | $ 9,271,649 | $ 9,271,649 | $ 24,675,500 | $ 25,321,871 | $ 33,947,149 | $ 34,593,520 |
| Land improvements | - | - | 18,777,698 | 19,841,836 | 18,777,698 | 19,841,836 |
| Building and improvements | 1,115 | 1,240 | 43,297,735 | 42,942,948 | 43,298,850 | 42,944,188 |
| Vehicles | - | - | 69,703,427 | 67,462,651 | 69,703,427 | 67,462,651 |
| Furniture and office equipment | - | - | 509,785 | 230,621 | 509,785 | 230,621 |
| Other equipment | - | - | 20,451,345 | 14,490,353 | 20,451,345 | 14,490,353 |
| Construction in progress | - | - | 172,753,802 | 144,832,270 | 172,753,802 | 144,832,270 |
| Construction in progress - custodial projects | 220,936,370 | 204,662,558 | - | - | 220,936,370 | 204,662,558 |
| Subscription-based information technology arrangements | 663,536 | 950,080 | - | - | 663,536 | 950,080 |
| **Total** | $230,872,670 | $214,885,527 | $350,169,292 | $315,122,550 | $581,041,962 | $530,008,077 |

*Debt Administration*

In January 2015, the Authority issued $97,485,000 in local option gas tax revenue bonds, Series 2015. The bonds are used to: (i) finance expenditures relating to the cost of transportation projects identified in the Authority's mobility program, and (ii) fund a debt service reserve. The Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2024, was $69,185,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy.

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, 2024, was $30,195,000. 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 FY25 operating and capital budgets are balanced and support the goals and objectives of the JTA's new 5-year strategic plan, MOVE2027 (Mobility Optimization for Vision and Excellence).

The FY25 operating budget was increased by 2.6% overall versus the FY24 budget. This is primarily a result of an increase in sales tax revenues, as a new state law to charge sales taxes on all internet transactions that took effect in July 2021 has fully materialized. Inflation levels are also expected to have a positive impact. The capital budget of $54 million reflects a decrease from the FY24 Capital Budget of $69 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, 2024*

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and cash equivalents | $ 35,862,227 | $ 47,193 | $ 35,909,420 |
| Investments | 41,435,613 | - | 41,435,613 |
| Due from other governments | 8,590,470 | 56,551,968 | 65,142,438 |
| Accounts receivable, net | 54,323 | 1,687,804 | 1,742,127 |
| Lease receivable | 33,553 | - | 33,553 |
| Right-to-use subscription-based information technology arrangements, net | 663,536 | - | 663,536 |
| Inventory | - | 3,487,499 | 3,487,499 |
| Prepaid items | 122,714 | 1,764,994 | 1,887,708 |
| Noncurrent Assets: | | | |
| Restricted cash and cash equivalents | 30,359,234 | - | 30,359,234 |
| Restricted investments | 22,520,576 | - | 22,520,576 |
| Lease receivable | 2,336,614 | - | 2,336,614 |
| Net pension asset | - | 10,631,434 | 10,631,434 |
| Capital assets (net of accumulated depreciation) | 230,209,134 | 350,169,292 | 580,378,426 |
| **Total Assets** | 372,187,994 | 424,340,184 | 796,528,178 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | |
| Pensions | 6,355,455 | 11,435,311 | 17,790,766 |
| Other postemployment benefits | 130,185 | - | 130,185 |
| Hedging activities | - | 177,892 | 177,892 |
| Total Deferred Outflows | 6,485,640 | 11,613,203 | 18,098,843 |
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts payable | 6,913,998 | 24,099,352 | 31,013,350 |
| Accrued expenses | 3,191,413 | 3,658,864 | 6,850,277 |
| Due to other governments | 2,146,517 | - | 2,146,517 |
| Claims payable | - | 2,451,326 | 2,451,326 |
| Subscription-based information technology arrangements | 241,260 | - | 241,260 |
| Accrued compensated absences | 455,157 | 487,981 | 943,138 |
| Accrued interest | 828,167 | - | 828,167 |
| Revenue bonds payable | 7,798,452 | - | 7,798,452 |
| Noncurrent Liabilities: | | | |
| Claims payable | - | 4,554,159 | 4,554,159 |
| Subscription-based information technology arrangements | 187,543 | - | 187,543 |
| Accrued compensated absences | 433,587 | 1,463,944 | 1,897,531 |
| Net pension liability | 24,040,982 | 433,309 | 24,474,291 |
| Revenue bonds payable | 115,454,034 | - | 115,454,034 |
| Other postemployment benefits | 285,269 | - | 285,269 |
| Custodial projects - due to other governments | 220,936,370 | - | 220,936,370 |
| **Total Liabilities** | 382,912,749 | 37,148,935 | 420,061,684 |
| **DEFERRED INFLOW OF RESOURCES** | | | |
| Pensions | 3,666,812 | 4,904,226 | 8,571,038 |
| Other postemployment benefits | 7,383 | - | 7,383 |
| Lease related | 2,189,360 | - | 2,189,360 |
| **Total Deferred Inflows** | 5,863,555 | 4,904,226 | 10,767,781 |
| **NET POSITION** | | | |
| Net investment in capital assets | 9,272,764 | 345,861,773 | 355,134,537 |
| Restricted | 55,972,755 | - | 55,972,755 |
| Unrestricted | (75,348,314) | 48,038,453 | (27,309,861) |
| **Total Net Position** | $ (10,102,795) | $ 393,900,226 | $ 383,797,431 |

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

**JACKSONVILLE TRANSPORTATION AUTHORITY**
STATEMENT OF ACTIVITIES

*YEAR ENDED SEPTEMBER 30, 2024*

| 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 | Business-Type Activities | Total |
|---|---|---|---|---|---|---|---|
| Transportation Authority: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | $ 1,107,976 | $ - | $ - | $ - | $ (1,107,976) | $ - | $ (1,107,976) |
| Transportation and infrastructure projects | - | - | - | 9,036,647 | 9,036,647 | - | 9,036,647 |
| Interest on long-term debt | 4,112,915 | - | - | - | (4,112,915) | - | (4,112,915) |
| **Total Governmental Activities** | 5,220,891 | - | - | 9,036,647 | 3,815,756 | - | 3,815,756 |
| Business-Type Activities: | | | | | | | |
| Bus system | 126,009,800 | 8,459,354 | 22,713,109 | 19,290,732 | - | (75,546,605) | (75,546,605) |
| Automated Skyway Express | 12,792,389 | - | 67,070 | 339,982 | - | (12,385,337) | (12,385,337) |
| Community Transportation Coordinator | 30,741,207 | 8,453,445 | 1,700,778 | 22,211 | - | (20,564,773) | (20,564,773) |
| Ferry | 5,571,988 | 1,430,981 | 19,202 | 2,756,485 | - | (1,365,320) | (1,365,320) |
| **Total Business-type Activities** | 175,115,384 | 18,343,780 | 24,500,159 | 22,409,410 | - | (109,862,035) | (109,862,035) |
| **Total Transportation Authority** | $ 180,336,275 | $ 18,343,780 | $ 24,500,159 | $ 31,446,057 | 3,815,756 | (109,862,035) | (106,046,279) |
| | | General Revenues: | | | | | |
| | | Sales taxes | | | 3,000,000 | - | 3,000,000 |
| | | Intergovernmental revenues | | | - | 113,219,408 | 113,219,408 |
| | | Investment earnings | | | 6,923,298 | 407,942 | 7,331,240 |
| | | Gain on sale of surplus property | | | - | 1,418,397 | 1,418,397 |
| | | Other | | | 848,392 | - | 848,392 |
| | | Transfers | | | (26,461,455) | 26,461,455 | - |
| | | **Total General Revenues** | | | (15,689,765) | 141,507,202 | 125,817,437 |
| | | Change in net position | | | (11,874,009) | 31,645,167 | 19,771,158 |
| | | Net position - beginning of year | | | 1,771,214 | 362,255,059 | 364,026,273 |
| | | **Net position - end of the year** | | | $ (10,102,795) | $ 393,900,226 | $ 383,797,431 |

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

# JACKSONVILLE TRANSPORTATION AUTHORITY
GOVERNMENTAL FUNDS –
BALANCE SHEET

*SEPTEMBER 30, 2024*

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 35,862,227 | $ - | $ - | $ - | $ 35,862,227 |
| Investments | 41,435,613 | - | - | - | 41,435,613 |
| Prepaid items | 122,714 | - | - | - | 122,714 |
| Due from other governments | 578,008 | 3,236,617 | 4,125,324 | 650,521 | 8,590,470 |
| Due from other funds | - | - | 3,000,000 | - | 3,000,000 |
| Accounts receivable, net | - | - | 54,323 | - | 54,323 |
| Lease receivable | 2,370,167 | - | - | - | 2,370,167 |
| Restricted Assets: | | | | | |
| Cash and cash equivalents | - | 29,578,047 | 781,187 | - | 30,359,234 |
| Investments | - | - | 7,401,076 | 15,119,500 | 22,520,576 |
| **Total Assets** | $ 80,368,729 | $ 32,814,664 | $ 15,361,910 | $ 15,770,021 | $ 144,315,324 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 1,344,907 | $ - | $ 1,330,424 | $ 4,238,667 | $ 6,913,998 |
| Accrued expenses | 2,933,181 | - | 258,232 | - | 3,191,413 |
| Due to other governments | - | 2,106,111 | 40,406 | - | 2,146,517 |
| Due to other funds | 3,000,000 | - | - | - | 3,000,000 |
| **Total Liabilities** | 7,278,088 | 2,106,111 | 1,629,062 | 4,238,667 | 15,251,928 |
| Deferred Inflows of Resources: | | | | | |
| Lease related | 2,189,360 | - | - | - | 2,189,360 |
| Fund Balances: | | | | | |
| Spendable: | | | | | |
| Restricted | - | 30,708,553 | 13,732,848 | 11,531,354 | 55,972,755 |
| Assigned | 49,957,744 | - | - | - | 49,957,744 |
| Unassigned | 20,943,537 | - | - | - | 20,943,537 |
| **Total Fund Balances** | 70,901,281 | 30,708,553 | 13,732,848 | 11,531,354 | 126,874,036 |
| **Total Liabilities, Deferred Inflows of Resources, and Fund Balances** | $ 80,368,729 | $ 32,814,664 | $ 15,361,910 | $ 15,770,021 | $ 144,315,324 |

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, 2024*

| | |
|---|---|
| Fund balances - total governmental funds | $ 126,874,036 |
| 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 | 9,271,649 |
| Capital assets, custodial in nature | 220,937,360 |
| Right-to-use subscription-based information technology arrangements used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 663,536 |
| Net 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. | (285,269) |
| 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. | (24,040,982) |
| Deferred outflows (inflows) of resources that are reported in the statement of net position but not in the funds: | |
| Deferred outflows - pensions and OPEB | 6,485,640 |
| Deferred inflows - pensions and OPEB | (3,674,195) |
| 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. | (220,936,370) |
| Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the funds: | |
| Revenue bonds payable | (99,380,000) |
| Bond premium | (23,872,486) |
| Right-to-use subscription-based information technology arrangements | (428,803) |
| Accrued interest | (828,167) |
| Accrued compensated absences | (888,744) |
| **Net position of governmental activities** | $ (10,102,795) |

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, 2024*

| | 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 | - | 3,780 | 187,545 | - | 191,325 |
| City of Jacksonville | - | 13,696,264 | - | 11,422,995 | 25,119,259 |
| Miscellaneous | 848,392 | - | - | - | 848,392 |
| Investment earnings | 5,107,624 | 1,055,321 | 760,353 | - | 6,923,298 |
| **Total Revenue** | 8,956,016 | 14,755,365 | 947,898 | 11,422,995 | 36,082,274 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 5,671,030 | - | - | - | 5,671,030 |
| Transportation and infrastructure | - | 30,000 | 11,180,227 | - | 11,210,227 |
| Debt Service: | | | | | |
| Principal payment | - | - | - | 6,159,495 | 6,159,495 |
| Interest and other | - | - | - | 5,266,250 | 5,266,250 |
| **Total Expenditures** | 5,671,030 | 30,000 | 11,180,227 | 11,425,745 | 28,307,002 |
| (Deficiency) excess of revenue (under) over expenditures | 3,284,986 | 14,725,365 | (10,232,329) | (2,750) | 7,775,272 |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | - | - | 10,731,330 | - | 10,731,330 |
| Transfers out | (32,415,678) | (4,219,643) | - | (557,464) | (37,192,785) |
| **Total Other Financing Sources (Uses)** | (32,415,678) | (4,219,643) | 10,731,330 | (557,464) | (26,461,455) |
| Net Change in Fund Balances | (29,130,692) | 10,505,722 | 499,001 | (560,214) | (18,686,183) |
| Fund balances, beginning of year | 100,031,973 | 20,202,831 | 13,233,847 | 12,091,568 | 145,560,219 |
| **Fund balances, end of year** | $ 70,901,281 | $ 30,708,553 | $ 13,732,848 | $ 11,531,354 | $ 126,874,036 |

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, 2024*

| | |
|---|---|
| Net change in fund balances, total governmental funds | $ (18,686,183) |
| 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 | 16,273,812 |
| Current year depreciation and amortization expense | (286,669) |
| 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. | (16,273,937) |
| 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 - expense | (388,151) |
| OPEB - expense | (15,974) |
| 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 | 7,312,830 |
| Subscription-based information technology arangements | 262,717 |
| Accrued interest | 49,542 |
| Compensated absences | (121,996) |
| **Change in net position of governmental activities** | $ (11,874,009) |

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, 2024*

| | Bus | ASE | CTC | Ferry | Totals |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | $ - | $ 19,127 | $ - | $ 28,066 | $ 47,193 |
| Accounts receivable, net | 1,353,126 | 93,322 | 241,356 | - | 1,687,804 |
| Due from other governments | 50,681,681 | 177,178 | 3,081,748 | 2,611,361 | 56,551,968 |
| Inventories | 2,141,623 | 1,330,783 | 15,093 | - | 3,487,499 |
| Prepaid expenses | 1,138,558 | 532,551 | 28,706 | 65,179 | 1,764,994 |
| Total Current Assets | 55,314,988 | 2,152,961 | 3,366,903 | 2,704,606 | 63,539,458 |
| Noncurrent Assets: | | | | | |
| Net pension asset | 10,631,434 | - | - | - | 10,631,434 |
| Capital assets, net of accumulated depreciation | 257,400,871 | 62,957,358 | 2,232,209 | 27,578,854 | 350,169,292 |
| Total Noncurrent Assets | 268,032,305 | 62,957,358 | 2,232,209 | 27,578,854 | 360,800,726 |
| **Total Assets** | 323,347,293 | 65,110,319 | 5,599,112 | 30,283,460 | 424,340,184 |
| **DEFERRED OUTFLOW OF RESOURCES** | | | | | |
| Deferred amounts for pension | 11,435,311 | - | - | - | 11,435,311 |
| Deferred amounts for hedging activities | 177,892 | - | - | - | 177,892 |
| **Total Deferred Outflows** | 11,613,203 | - | - | - | 11,613,203 |
| **LIABILITIES** | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 15,656,211 | 2,356,327 | 5,387,605 | 699,209 | 24,099,352 |
| Accrued expenses | 2,294,652 | 127,930 | 40,377 | 1,195,905 | 3,658,864 |
| Claims payable | 2,451,326 | - | - | - | 2,451,326 |
| Accrued compensated absences | 435,756 | 40,314 | 11,911 | - | 487,981 |
| Total Current Liabilities | 20,837,945 | 2,524,571 | 5,439,893 | 1,895,114 | 30,697,523 |
| Noncurrent Liabilities: | | | | | |
| Net pension obligation | 433,309 | - | - | - | 433,309 |
| Claims payable | 4,544,571 | 9,588 | - | - | 4,554,159 |
| Accrued compensated absences | 1,307,268 | 120,943 | 35,733 | - | 1,463,944 |
| Total Noncurrent Liabilities | 6,285,148 | 130,531 | 35,733 | - | 6,451,412 |
| **Total Liabilities** | 27,123,093 | 2,655,102 | 5,475,626 | 1,895,114 | 37,148,935 |
| **DEFERRED INFLOW OF RESOURCES** | | | | | |
| Deferred amounts for pension | 4,904,226 | - | - | - | 4,904,226 |
| **Total Deferred Inflows** | 4,904,226 | - | - | - | 4,904,226 |
| **NET POSITION** | | | | | |
| Net investment in capital assets | 253,668,445 | 62,953,281 | 2,157,938 | 27,082,109 | 345,861,773 |
| Restricted | 10,631,434 | - | - | - | 10,631,434 |
| Unrestricted | 38,633,298 | (498,064) | (2,034,452) | 1,306,237 | 37,407,019 |
| **Total Net Position** | $ 302,933,177 | $ 62,455,217 | $ 123,486 | $ 28,388,346 | $ 393,900,226 |

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, 2024*

| | Bus | ASE | CTC | Ferry | Totals |
|---|---|---|---|---|---|
| Operating Revenue: | | | | | |
| Passenger | $ 7,710,430 | $ - | $ 644,636 | $ 1,430,981 | $ 9,786,047 |
| Agency | 17,285 | - | 7,808,788 | - | 7,826,073 |
| Auxiliary transportation | 452,982 | - | - | - | 452,982 |
| Non-transportation | 278,657 | - | 21 | - | 278,678 |
| Total Operating Revenue | 8,459,354 | - | 8,453,445 | 1,430,981 | 18,343,780 |
| Operating Expenses: | | | | | |
| Labor | 47,205,814 | 3,452,658 | 2,828,731 | 329,265 | 53,816,468 |
| Fringe benefits | 24,968,834 | 1,707,522 | 1,535,945 | 174,563 | 28,386,864 |
| Materials and supplies | 6,625,219 | 956,497 | 1,974,969 | 416,630 | 9,973,315 |
| Services | 24,518,295 | 1,686,290 | 22,946,909 | 2,499,209 | 51,650,703 |
| Casualty and insurance | 3,237,592 | 786,928 | 33,933 | 183,875 | 4,242,328 |
| Taxes and licenses | 30,502 | - | 1,194 | 6,809 | 38,505 |
| Other | 2,379,318 | 1,388,481 | 581,976 | 191,455 | 4,541,230 |
| Depreciation expense | 17,044,226 | 2,814,013 | 837,550 | 1,770,182 | 22,465,971 |
| Total Operating Expenses | 126,009,800 | 12,792,389 | 30,741,207 | 5,571,988 | 175,115,384 |
| Operating Loss | (117,550,446) | (12,792,389) | (22,287,762) | (4,141,007) | (156,771,604) |
| Nonoperating Revenue: | | | | | |
| Public Funding: | | | | | |
| United States government | 9,186,720 | 67,070 | 1,700,778 | 19,202 | 10,973,770 |
| State of Florida | 13,526,389 | - | - | - | 13,526,389 |
| City of Jacksonville | 111,590,576 | - | 1,628,832 | - | 113,219,408 |
| Investment earnings | 407,759 | 183 | - | - | 407,942 |
| Gain on disposal of capital assets | 1,418,397 | - | - | - | 1,418,397 |
| Total Nonoperating Revenue | 136,129,841 | 67,253 | 3,329,610 | 19,202 | 139,545,906 |
| Income (Loss) Before Capital Contributions and Transfers | 18,579,395 | (12,725,136) | (18,958,152) | (4,121,805) | (17,225,698) |
| Capital contributions | 19,290,732 | 339,982 | 22,211 | 2,756,485 | 22,409,410 |
| Transfers in | 25,976,073 | 9,949,856 | 16,365,530 | 3,487,608 | 55,779,067 |
| Transfers out | (27,579,405) | - | (1,738,207) | - | (29,317,612) |
| Change in Net Position | 36,266,795 | (2,435,298) | (4,308,618) | 2,122,288 | 31,645,167 |
| Net position, beginning of year | 266,666,382 | 64,890,515 | 4,432,104 | 26,266,058 | 362,255,059 |
| Net position, end of year | $ 302,933,177 | $ 62,455,217 | $ 123,486 | $ 28,388,346 | $ 393,900,226 |

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, 2024*

| | Bus | ASE | CTC | Ferry | Totals |
|---|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | | |
| Receipts from customers | $ 9,362,272 | $ - | $ 8,306,654 | $ 1,403,636 | $ 19,072,562 |
| Payments to suppliers | (29,885,527) | (1,633,311) | (19,585,346) | (2,061,591) | (53,165,775) |
| Payments to employees | (69,720,957) | (5,143,300) | (4,408,345) | (503,828) | (79,776,430) |
| Other payments | (11,358,857) | (2,290,157) | (633,888) | (383,191) | (14,666,093) |
| Net cash flows from operating activities | (101,603,069) | (9,066,768) | (16,320,925) | (1,544,974) | (128,535,736) |
| **Cash flows from noncapital financing activities:** | | | | | |
| Intergovernmental revenue | 98,205,667 | (39,352) | 289,908 | (1,258,157) | 97,198,066 |
| Operating grants received | 22,713,109 | 67,070 | 1,700,778 | 19,202 | 24,500,159 |
| Cash payments on hedging agreement | (1,061,287) | - | - | - | (1,061,287) |
| Transfers from other funds | 25,976,073 | 9,949,856 | 16,365,530 | 3,487,608 | 55,779,067 |
| Transfers to other funds | (27,579,405) | - | (1,738,207) | - | (29,317,612) |
| Net cash flows from noncapital financing activities | 118,254,157 | 9,977,574 | 16,618,009 | 2,248,653 | 147,098,393 |
| **Cash flows from capital and related financing activities:** | | | | | |
| Capital contributions | 19,290,732 | 339,982 | 22,211 | 2,756,485 | 22,409,410 |
| Acquisition and construction of capital assets | (52,529,476) | (1,231,844) | (319,295) | (3,432,098) | (57,512,713) |
| Proceeds on disposal of capital assets | 1,418,397 | - | - | - | 1,418,397 |
| Net cash flows from capital and related financing activities | (31,820,347) | (891,862) | (297,084) | (675,613) | (33,684,906) |
| **Cash flows from investing activities:** | | | | | |
| Interest on investments | 407,759 | 183 | - | - | 407,942 |
| Net change in cash and cash equivalents | (14,761,500) | 19,127 | - | 28,066 | (14,714,307) |
| Cash and cash equivalents, beginning of year | 14,761,500 | - | - | - | 14,761,500 |
| Cash and cash equivalents, end of year | $ - | $ 19,127 | $ - | $ 28,066 | $ 47,193 |

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, 2024*

| | Bus | ASE | CTC | Ferry | Totals |
|---|---|---|---|---|---|
| **Reconciliation of operating loss to net cash flows from operating activities:** | | | | | |
| Operating loss | $ (117,550,446) | $ (12,792,389) | $ (22,287,762) | $ (4,141,007) | $ (156,771,604) |
| Adjustments to reconcile operating loss to net cash flows from operating activities: | | | | | |
| Depreciation | 17,044,226 | 2,814,013 | 837,550 | 1,770,182 | 22,465,971 |
| (Increase) decrease in assets and deferred outflows: | | | | | |
| Accounts receivable | 902,918 | (264) | (146,791) | (27,345) | 728,518 |
| Due from other funds | - | - | 4,587,055 | - | 4,587,055 |
| Inventories | (46,603) | (2,264) | (4,824) | - | (53,691) |
| Prepaid expenses | (316,740) | (90,301) | (16,785) | (1,052) | (424,878) |
| Net pension asset | (5,631,670) | - | - | - | (5,631,670) |
| Deferred outflows for pension | 2,532,153 | - | - | - | 2,532,153 |
| Increase (decrease) in liabilities and deferred inflows: | | | | | |
| Accounts payable | 4,429,023 | 1,128,374 | 1,758,173 | 665,487 | 7,981,057 |
| Accrued expenses | 316,508 | 29,455 | (77,236) | 260,452 | 529,179 |
| Due to other funds | (3,440,941) | (145,825) | (926,636) | (71,691) | (4,585,093) |
| Claims payable | 508,909 | (24,447) | - | - | 484,462 |
| Accrued compensated absences | 116,173 | 16,880 | (43,669) | - | 89,384 |
| Net pension obligation | (271,944) | - | - | - | (271,944) |
| Deferred inflows for pension | (194,635) | - | - | - | (194,635) |
| Net cash flows from operating activities | $ (101,603,069) | $ (9,066,768) | $ (16,320,925) | $ (1,544,974) | $ (128,535,736) |
| | | | | | |
| **Supplemental disclosure** | | | | | |
| Capital amounts in accounts payable | $ 3,732,426 | $ 4,077 | $ 74,271 | $ 496,745 | $ 4,307,519 |

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, 2024*

| | JTM Salaried Employees |
|---|---|
| **Assets** | |
| Cash and cash equivalents | $ 319,249 |
| Mutual fund investments | 1,529,150 |
| **Total Assets** | $ 1,848,399 |
| Net position | |
| Restricted for pensions | $ 1,848,399 |

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, 2024*

| | JTM Salaried Employees |
|---|---|
| Additions: | |
| Employer contribution | $ 202,877 |
| Employee contribution | 16,911 |
| Total Contributions | 219,788 |
| Investment income | 167,418 |
| Total Contributions and Net Investment Income | 387,206 |
| Deductions: | |
| Benefit payments | 35,024 |
| Administrative expenses | 62,487 |
| Total Deductions | 97,511 |
| Net change in plan net position | 289,695 |
| Net position restricted for pensions, beginning of year | 1,558,704 |
| Net position restricted for pensions, end of year | $ 1,848,399 |

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 of Jacksonville (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 generally accepted accounting principles (“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 $10,119,381 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

*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 2024. 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 $1,112,448 at September 30, 2024. In addition, the Authority has recorded a lease receivable and due from other governments of $2,370,167 and $65,142,438, 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:

| | Years |
|---|---|
| Land improvements | 5 to 10 |
| Buildings and improvements | 5 to 40 |
| Vehicles | 4 to 25 |
| Furniture and office equipment | 3 to12 |
| Subscription-based information technology arrangements | Term of the arrangement |
| Other equipment | 3 to 15 |

As of September 30, 2024, there were no infrastructure assets owned by the Authority other than the custodial projects being constructed for other parties mentioned in 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. 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 outflow in the amount of $177,892 as of September 30, 2024 (see Note 10).

*Pensions and Other Postemployment Benefits ("OPEB")* – For purposes of measuring the net pension/OPEB liability, net pension asset, deferred outflows and inflows of resources related to pension/OPEB, and pension/OPEB expenses, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB 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 13 and 14).

*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.

## Note 3—Deposits and investments

*Deposits* – As of September 30, 2024 the Authority's cash and cash equivalents balance was $66,587,902, of which $30,359,234 is presented as noncurrent. In addition, the pension trust fund reported $319,249 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, 2024, restricted cash and cash equivalents consists of:

| | |
|---|---|
| Grant capital plan and JTA mobility works custodial projects | $ 29,578,047 |
| Bond reserves | 781,187 |
| | $ 30,359,234 |

*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, 2024, the Authority has reported restricted and unrestricted investments related to government-wide of $91,528,717, with $6,129,530 related to cash equivalents for money markets and $1,529,150 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 | $ 25,164,154 | $ - |
| Federal agencies | 4,006,120 | - |
| Mortgage-backed securities | 2,915,828 | - |
| Commercial paper | 2,327,504 | - |
| Corporate bonds | 10,642,624 | - |
| Municipal bonds | 156,655 | - |
| Asset-backed securities | 6,666,237 | - |
| Local government investment pool | 33,520,065 | - |
| Cash and equivalents | - | 319,249 |
| Money market funds | 6,129,530 | 1,529,150 |
| Total investments | $ 91,528,717 | $ 1,848,399 |

*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, 2024. 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 | $ 25,164,154 | $ - | $ - | $ 25,164,154 |
| Federal agencies | - | 4,006,120 | - | 4,006,120 |
| Mortgage-backed securities | - | 2,915,828 | - | 2,915,828 |
| Commercial paper | 2,327,504 | - | - | 2,327,504 |
| Corporate bonds | 10,642,624 | - | - | 10,642,624 |
| Municipal bonds | 156,655 | - | - | 156,655 |
| Asset-backed securities | 6,666,237 | - | - | 6,666,237 |
| | $ 44,957,174 | $ 6,921,948 | $ - | $ 51,879,122 |

## 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+ | $ 25,164,154 |
| Federal agencies | AA+ | 4,006,120 |
| Mortgage-backed securities | AA+ | 2,915,828 |
| Commercial paper | A-1 | 2,327,504 |
| Corporate bonds | AA/AA-/A+/A-/BBB+ | 10,642,624 |
| Municipal bonds | AA/AA+ | 156,655 |
| Asset-backed securities | AAA | 6,666,237 |
| Local government investment pool | AAAm | 33,520,065 |
| Money market funds | AAAm | 7,658,680 |
| | | $ 93,057,867 |

*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, 2024, 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 | $ 6,129,530 | 6.59% |
| U.S. Treasury | 25,164,154 | 27.04% |
| Local government investment pool | 33,520,065 | 36.02% |
| Corporate bonds | 10,642,624 | 11.44% |
| Asset backed securities | 6,666,237 | 7.16% |
| | $ 82,122,610 | 88.25% |

*Restricted Investments* – As of September 30, 2024, restricted investments consist of:

| | |
|---|---|
| Capital projects | $ 7,401,076 |
| Debt service | 15,119,500 |
| | $ 22,520,576 |

## 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 $140,778 of lease principal revenue and $77,288 of interest revenue related to leases for the year ended September 30, 2024.

The principal and interest requirements to maturity for the lease receivables at September 30, 2024 are as follows:

| Years Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 33,553 | $ 76,643 | $ 110,196 |
| 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 |
| 2030-2034 | 172,256 | 308,214 | 480,470 |
| 2035-2039 | 242,320 | 277,380 | 519,700 |
| 2040-2044 | 328,754 | 234,971 | 563,725 |
| 2045-2049 | 435,283 | 177,889 | 613,172 |
| 2050-2054 | 565,473 | 103,274 | 668,747 |
| 2055-2059 | 341,337 | 26,094 | 367,431 |
| 2060-2061 | 83,647 | 832 | 84,479 |
| | $ 2,370,167 | $ 1,470,961 | $ 3,841,128 |

## Note 5—Subscription-based information technology arrangements

On October 5, 2022, the Authority entered into a 3-year subscription-based information technology arrangement with CDW Government for Citrix N-Factor for MFA. The contract will expire on October 4, 2025. For the year end September 30, 2024, the total payments made were $32,260, with one additional annual payment due in the amount of $32,260 in 2025.

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, 2024, one annual payment was made in the amount of $209,000, with two additional annual payments due in the amount of $209,000 in 2025 and 2026.

The future minimum payments for these contracts are as follows:

| Years Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 241,260 | $ 23,278 | $ 264,538 |
| 2026 | 187,543 | 21,457 | $ 209,000 |
| | $ 428,803 | $ 44,735 | $ 473,538 |

**Note 6—Capital assets**

The following is a schedule of changes in capital assets of the governmental activities for the year ended September 30, 2024:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental activities:** | | | | |
| Depreciated: | | | | |
| Land | $ 9,271,649 | $ - | $ - | $ 9,271,649 |
| Custodial projects | 204,662,558 | 16,273,812 | - | 220,936,370 |
| Total capital assets, not being depreciated | 213,934,207 | 16,273,812 | - | 230,208,019 |
| 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 | 290,008 | 125 | - | 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 | - | 286,544 |
| Total accumulated depreciation | 412,505 | 286,669 | - | 699,174 |
| Total capital assets, being depreciated, net | 951,320 | (286,669) | - | 664,651 |
| Governmental activities capital assets, net | $ 214,885,527 | $ 15,987,143 | $ - | $ 230,872,670 |

## Note 6—Capital assets (continued)

Depreciation expense was $125 for the year ended September 30, 2024 related to the buildings and improvements for the governmental funds.

The following is a schedule of changes in capital assets of the enterprise funds for the year ended September 30, 2024:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-type activities** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 25,321,871 | $ - | $ 646,371 | $ 24,675,500 |
| Construction in progress | 144,832,270 | 51,771,097 | 23,849,565 | 172,753,802 |
| Total capital assets, not being depreciated | 170,154,141 | 51,771,097 | 24,495,936 | 197,429,302 |
| Capital assets, being depreciated: | | | | |
| Land improvements | 45,452,965 | 489,358 | 5,861 | 45,936,462 |
| Buildings and improvements | 139,526,043 | 3,794,704 | 163,643 | 143,157,104 |
| Vehicles | 174,278,363 | 12,762,943 | 7,902,878 | 179,138,428 |
| Furniture and office equipment | 2,976,863 | 557,056 | 43,824 | 3,490,095 |
| Other equipment | 113,485,720 | 12,635,680 | 739,660 | 125,381,740 |
| Total capital assets, being depreciated | 475,719,954 | 30,239,741 | 8,855,866 | 497,103,829 |
| Less accumulated depreciation for: | | | | |
| Land improvements | 25,611,129 | 1,553,491 | 5,856 | 27,158,764 |
| Buildings and improvements | 96,583,095 | 3,439,917 | 163,643 | 99,859,369 |
| Vehicles | 106,815,712 | 10,522,167 | 7,902,878 | 109,435,001 |
| Furniture and office equipment | 2,746,242 | 277,892 | 43,824 | 2,980,310 |
| Other equipment | 98,995,367 | 6,672,504 | 737,476 | 104,930,395 |
| Total accumulated depreciation | 330,751,545 | 22,465,971 | 8,853,677 | 344,363,839 |
| Total capital assets, being depreciated, net | 144,968,409 | 7,773,770 | 2,189 | 152,739,990 |
| Business-type activities capital assets, net | $ 315,122,550 | $ 59,544,867 | $ 24,498,125 | $ 350,169,292 |

## 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, 2024 are as follows:

| | Beginning Balance | Current Year Project Costs/ Increase | Current Year Projects/ Decreases | Ending Balance |
|---|---|---|---|---|
| Grant capital plan | $ 53,361,365 | $ 1,775,413 | $ - | $ 55,136,778 |
| JTA mobility works | 151,301,193 | 14,498,399 | - | 165,799,592 |
| | $ 204,662,558 | $ 16,273,812 | $ - | $ 220,936,370 |

## 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, 2024:

| | Receivable Fund | |
|---|---|---|
| | Capital Projects | Total |
| **Payable Fund** | | |
| General | $ 3,000,000 | $ 3,000,000 |
| | $ 3,000,000 | $ 3,000,000 |

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 | | | | | |
|---|---|---|---|---|---|---|
| | Bus Fund | CTC Fund | Ferry Fund | ASE Fund | Capital Projects Fund | Total |
| Transfer from: | | | | | | |
| General Fund | $ 25,976,073 | $ - | $ 3,487,608 | $ - | $ 2,951,997 | $ 32,415,678 |
| Special Revenue Fund | - | - | - | - | 4,219,643 | 4,219,643 |
| Debt Service Fund | - | - | - | - | 557,464 | 557,464 |
| CTC Fund | - | - | - | - | 1,738,207 | 1,738,207 |
| Bus Fund | - | 16,365,530 | - | 9,949,856 | 1,264,019 | 27,579,405 |
| | $ 25,976,073 | $ 16,365,530 | $ 3,487,608 | $ 9,949,856 | $ 10,731,330 | $ 66,510,397 |

Interfund transfers were made from the General Fund to support the operating activities of Bus, Ferry, and CTC Funds. Transfers were also made from the Special Revenue Fund, Debt Service Fund, Bus, and CTC Funds for infrastructure projects.  to provide for debt service activities and CTC Fund for capital activities. The Bus Fund made transfers to the CTC and ASE funds to support operations.

## Note 9—Long term liabilities

Long term debt and other liability activity for the year ended September 30, 2024 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Revenue bonds (Series 2015) | $ 73,325,000 | $ - | $ 4,140,000 | $ 69,185,000 | $ 4,345,000 |
| Unamortized original issue premium (Series 2015) | 16,103,340 | - | 1,062,117 | 15,041,223 | 1,158,898 |
| Revenue bonds (Series 2020) | 32,000,000 | - | 1,805,000 | 30,195,000 | 1,900,000 |
| Unamortized original issue premium (Series 2020) | 9,136,976 | - | 305,713 | 8,831,263 | 394,554 |
| Total long-term debt subtotal | 130,565,316 | - | 7,312,830 | 123,252,486 | 7,798,452 |
| Accrued compensated absences | 766,748 | 679,393 | 557,397 | 888,744 | 455,157 |
| Net pension liability | 26,232,994 | - | 2,192,012 | 24,040,982 | - |
| OPEB liability | 105,893 | 190,713 | 11,337 | 285,269 | - |
| Custodial projects - due to other governments | 204,662,558 | 16,273,812 | - | 220,936,370 | - |
| Governmental activities long-term liabilities | $ 362,333,509 | $ 17,143,918 | $ 10,073,576 | $ 369,403,851 | $ 8,253,609 |
| **Business-type activities:** | | | | | |
| Accrued compensated absences | $ 1,862,541 | $ 2,713,417 | $ 2,624,033 | $ 1,951,925 | $ 487,981 |
| Claims payable | 6,521,023 | 2,104,916 | 1,620,454 | 7,005,485 | 2,451,326 |
| Net pension liability (asset) | (4,294,510) | - | 5,903,615 | (10,198,125) | - |
| Business activities long-term liabilities | $ 4,089,054 | $ 4,818,333 | $ 10,148,102 | $ (1,240,715) | $ 2,939,307 |

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 $433,309 and a drivers pension asset of $10,631,434.

*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 Series 2015 issue has a final maturity of 2036. The outstanding bond balance as of September 30, 2024 was $69,185,000. Interest rates range from 3% to 5%. The revenues of the local option gas tax have been pledged as collateral and the payments of the bonds are insured with a municipal bond issue insurance policy. The approximate amount of the pledge is equal to the remaining principal and interest of $93,670,750. During 2024, $17,565,099 of local option gas tax revenue was recognized and $7,811,250 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of $576,542 for an interest payment due on February 1, 2025. The next principal payment in the amount of $4,345,000 is due on August 1, 2025. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year, is $5,503,898, as presented in the statement of net position for governmental activities.

## Note 9—Long term liabilities (continued)

### Debt Maturities

| **Series 2015**<br>**Years Ending September 30,** | **Principal** | **Interest** | **Total** |
|---|---|---|---|
| 2025 | $ 4,345,000 | $ 3,459,250 | $ 7,804,250 |
| 2026 | 4,565,000 | 3,242,000 | 7,807,000 |
| 2027 | 4,790,000 | 3,013,750 | 7,803,750 |
| 2028 | 5,030,000 | 2,774,250 | 7,804,250 |
| 2029 | 5,285,000 | 2,522,750 | 7,807,750 |
| 2030-2034 | 23,910,000 | 7,313,250 | 31,223,250 |
| 2035-2036 | 21,260,000 | 2,160,500 | 23,420,500 |
| | $ 69,185,000 | $ 24,485,750 | $ 93,670,750 |

*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, 2024 was $30,195,000. 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 $40,880,250. During 2024, $17,565,099 of local option gas tax revenue was recognized and $3,407,750 was paid for debt service and fees.

The Authority recognized two months of accrued interest in the amount of $251,625 for an interest payment due on February 1, 2025. The next principal payment in the amount of $1,900,000 is due on August 1, 2024. The current portion of the revenue bonds payable, including the current amortization of the bond premium due within one year is $2,294,554, as presented in the statement of net position for governmental activities.

### Debt Maturities

| **Series 2020**<br>**Years Ending September 30,** | **Principal** | **Interest** | **Total** |
|---|---|---|---|
| 2025 | $ 1,900,000 | $ 1,509,750 | $ 3,409,750 |
| 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 |
| 2030-2034 | 13,375,000 | 3,655,250 | 17,030,250 |
| 2035-2036 | 6,335,000 | 479,000 | 6,814,000 |
| | $ 30,195,000 | $ 10,685,250 | $ 40,880,250 |

## Note 10—Hedging activities

JTA enters into hedges for gasoline, diesel, and natural gas in order to mitigate the risk of rising costs for its bus operations. The petroleum futures contracts are individually sold evenly through time so as to correspond with JTA's consumption and pricing of petroleum fuels from its supplier, where fuel is priced on a daily basis. The diesel and gasoline futures contracts are based on New York Harbor pricing and are determined by the New York Mercantile Exchange. The natural gas futures contracts are exited on the last day of trading for each month. The last day of trading is near the end of the month prior to the hedged month. JTA's natural gas for the hedged month is priced from its supplier as the futures contracts for that month are sold. The natural gas pricing index used for the futures contracts is the Henry Hub.

If the price at which the futures contracts are sold is higher than the price at which they were bought, a realized gain is generated. If the price at which the future contracts are sold is lower than the price at which they were bought, a realized loss is generated. These gains or losses are netted with the cost of fuel on the financial statements. The net gain from hedging activities of $517,234 is presented as a reduction of fuel expense within the services expense caption of the bus fund for the year ending September 30, 2024.

For petroleum, JTA is exposed to basis risk since the hedging index is not identical to the price paid to their supplier. For natural gas, the supplier's price is based on Henry Hub pricing and there is little to no basis risk. JTA is also exposed to timing risk in so far as the futures contracts are not sold at precisely the same time and in the same volumes as the fuel is purchased from the supplier. Since there are hundreds of sales of futures contracts and hundreds of purchases of petroleum fuels from the supplier on an annual basis, this timing risk averages out over the course of a year and does not present JTA with any significant risk.

For hedging to be effective under GASB 53 rules, certain criteria must be met. Using the statistical method of determining effectiveness, the monthly fuel price experienced by JTA (observed as monthly JTA cost divided by monthly JTA volume on a monthly basis) is compared with the arithmetic mean of the daily settlement prices for the nearest gasoline futures month for the corresponding month. This comparison includes an examination of their correlation, regression analysis slope, and F-statistic. GASB requires that the relationship must have an R-squared (the square of correlation) of greater than 80%, a regression slope of between -.80 and -1.25, and F-statistic of less than 5%. When these criteria are met, the hedge is effective. Generally, this means when JTA's fuel cost increases, the value of the hedge increases at the same time and in the same amount so as to offset increases in fuel cost.

The fair value of the futures contracts is determined based on the futures contract settlement prices from the New York Mercantile Exchange. The unrealized gain/loss on the futures contracts is presented as a portion of investment assets and as a deferred inflow on the balance sheet/statement of net position. As of September 30, 2024, the notional amount of the hedge contracts was 966,000 gallons of diesel fuel, 546,000 gallons of gasoline, and 75,000 MMBTU of natural gas; the unrealized deferred outflow was $177,892 for gasoline, diesel fuel, and natural gas in aggregate.

## Note 11—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.

## Note 11—Risk management (continued)

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 2024, 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 |
|---|---|---|---|---|
| 2023 | $ 6,222,326 | $ 1,867,585 | $ 1,568,888 | $ 6,521,023 |
| 2024 | 6,521,023 | 2,104,916 | 1,620,454 | 7,005,485 |

## Note 12—Interlocal government with and advances to the City of Jacksonville

In fiscal year 2000, the Authority entered into an Interlocal Agreement (“ILA”) with the City for the purpose of constructing the roadway and infrastructure projects of the Better Jacksonville Plan (the “Plan” or “BJP”), as defined in the ILA. Pursuant to this agreement, the Authority pledged its sales tax, and the City pledged its Constitutional Gas Tax to the payment of bonds issued by the City to implement the Program (the “Bonds”). The Bonds are an obligation of the City and there is no guarantee by the Authority nor are any of the other Authority’s revenues or assets pledged for such bonds except the sales tax. The ILA commenced on October 1, 2000, and continues in effect until all of the Bonds have been duly paid in full or defeased in accordance with their terms (see Note 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, which will be paid back to JTA as the City experiences debt service savings from the defeasances.

## Note 13—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, 2023 Employer Contribution Rate | July 1, 2024 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. | 13.57% | 13.63% |
| 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% | 34.52% |
| 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% | 21.13% |

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 13—Employee benefits (continued)

Contributions to the FRS were $3,029,270 for the year ended September 30, 2024, 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, 2024, the Authority reported a net pension liability of $15,249,338 for its proportionate share of the plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 fiscal year contributions relative to the 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was .0394% of the net pension liability which was .00324% decrease from its proportionate share measured as of June 30, 2023.

For the fiscal year ended September 30, 2024, the Authority recognized the FRS plan pension expense of $2,533,085. 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 | $ 1,540,593 | $ - |
| Change of assumptions | 2,090,061 | - |
| Net difference between projected and actual earnings on FRS pension plan investments | - | 1,013,550 |
| Employer-specific amount due to changes in employer proportion | 991,059 | 1,281,667 |
| Authority FRS contributions subsequent to the measurement date | 615,291 | - |
| | $ 5,237,004 | $ 2,295,217 |

## Note 13—Employee benefits (continued)

The deferred outflows of resources related to pensions, totaling $615,291, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending September 30, | Deferred Outflow/ Inflow, Net |
|---|---|
| 2025 | $ (38,450) |
| 2026 | 2,506,246 |
| 2027 | (50,158) |
| 2028 | (171,002) |
| 2029 | 79,860 |

*Actuarial Assumptions*. The total pension liability as of measurement date June 30, 2024 was determined using the following actuarial assumptions which were based on certain results of the most recent actuarial experience study completed in 2019, for the period July 1, 2013 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 2024 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 2024. 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% | 3.3% | 3.3% | 1.1% |
| Fixed income | 29.0% | 5.7% | 5.6% | 3.9% |
| Global equity | 45.0% | 8.6% | 7.0% | 18.2% |
| Real estate (property) | 12.0% | 8.1% | 6.8% | 16.6% |
| Private equity | 11.0% | 12.4% | 8.8% | 28.4% |
| Strategic investments | 2.0% | 6.6% | 6.2% | 8.7% |
| | 100% | | | |

## Note 13—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 | $ 26,823,051 | $ 15,249,338 | $ 5,553,898 |

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, 2024, 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, 2024, 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 $496,185 for the fiscal year ended September 30, 2024, which was equal to the required contributions.

## Note 13—Employee benefits (continued)

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

At September 30, 2024, the Authority reported a net pension liability of $8,791,644 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of July 1, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 fiscal year contributions relative to the total 2023-24 fiscal year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was .05861%, which was an increase of .0004588% from its proportionate share measured as of June 30, 2023.

For the Authority's fiscal year ended September 30, 2024, the Authority recognized the HIS Plan pension expense of $566,412. 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 | $ 84,889 | $ 16,881 |
| Change of assumptions | 155,591 | 1,040,818 |
| Net difference between projected and actual earnings on FRS pension plan investments | - | 3,180 |
| Employer-specific amount due to changes in employer proportion | 742,738 | 310,716 |
| Authority FRS contributions subsequent to the measurement date | 135,233 | - |
| | $ 1,118,451 | $ 1,371,595 |

The deferred outflows of resources related to pensions, totaling $135,233 for 2024, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending September 30, | Deferred Outflow/ (Inflow), Net |
|---|---|
| 2025 | $ 52,346 |
| 2026 | (12,404) |
| 2027 | (203,454) |
| 2028 | (139,646) |
| 2029 | (63,403) |
| Thereafter | (21,816) |

### Note 13—Employee benefits (continued)

*Actuarial Assumptions*. The total pension liability as of July 1, 2024 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 | 3.93% |

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 3.93% for 2024. 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 2024, 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 3.93%, 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 (2.93%) or one percentage point higher (4.93%) than the current rate:

| | 1% Decrease 2.93% | Current Rate 3.93% | 1% Increase 4.93% |
|---|---|---|---|
| Net pension liability - HIS | $ 10,008,157 | $ 8,791,644 | $ 7,781,742 |

*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 13—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, 2024, 138 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 , 2023 Employer Contribution Rate | January 1 , 2024 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, 2024, 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, 2024 were $1,311,289, which was equal to the required contributions.

### Defined benefit pension plans sponsored by Jax Transit Management Corp.

<u>*Salaried Plan Description*</u>*:* 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 13—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 GA 30328-5634 or (800) 749-0752.

As of December 31, 2023, employee membership data related to both of these plans was as follows:

| | Salaried Employees | Drivers Plan |
|---|---|---|
| Active employees | 5 | 345 |
| Retirees and beneficiaries currently receiving benefits | 5 | 295 |
| Terminated plan members entitled to but not yet receiving benefits | 13 | 195 |
| | 23 | 835 |

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

## Note 13—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<br>After 2 Years of Service - 20%<br>After 3 Years of Service - 40%<br>After 4 Years of Service - 60%<br>After 5 Years of Service - 80%<br>After 6 Years of Service - 100% | Employees Hired prior to 2/1/2017<br>- Less than 5 years 0%<br>-5 years or more 100%<br>Employees Hired on or after 2/1/2017<br>- Less than 3 years 0%<br>-3 years 20%<br>-4 years 40%<br>-5 years 60%<br>-6 years 80%<br>-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:<br>-Less than 5 years 0%<br>-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 paticipants who perform at least one hour of service after December 31, 2021. |

### Note 13—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 rates | 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 |
| Postretirement benefit increases (maximum) | None | None |
| Inflation | 2.0% | 2.5% |

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 Driver 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.

*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, 2024:

| Asset Class | Target Allocation |
|---|---|
| Fixed Income | 35% |
| Equities | 65% |
| Total | 100% |

## Note 13—Employee benefits (continued)

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, 2024, based on the December 31, 2022 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, 2022 | $ 2,263,958 | $ 1,558,704 | $ 705,254 |
| Changes for the year: | | | |
| Service cost | 57,361 | - | 57,361 |
| Interest | 134,786 | - | 134,786 |
| Difference between expected and actual experience | (152,089) | - | (152,089) |
| Change in assumption | 12,716 | - | 12,716 |
| Employer contributions | - | 202,877 | (202,877) |
| Employee contributions | - | 16,911 | (16,911) |
| Net investment income | - | 167,418 | (167,418) |
| Benefit payments | (35,024) | (35,024) | - |
| Administrative expense | - | (62,487) | 62,487 |
| Net changes | 17,750 | 289,695 | (271,945) |
| Balance at December 31, 2023 | $ 2,281,708 | $ 1,848,399 | $ 433,309 |

*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, 2022. 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 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, 2023 to changes in the discount rate:

| | **1% Decrease 5%** | **Current Rate 6%** | **1% Increase 7%** |
|---|---|---|---|
| Net pension liability - salaried | $ 741,430 | $ 433,309 | $ 172,848 |

**Note 13—Employee benefits (continued)**

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

| Description | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|---|---|
| Experience (gains) losses | $ 45,038 | $ 81,350 |
| Change of assumption | 6,802 | 759 |
| Net difference between projected and actual earnings on pension plan investments | 232,346 | 59,857 |
| Authority contributions subsequent to the measurement date | 132,723 | - |
| | $ 416,909 | $ 141,966 |

The deferred outflows of resources related to pensions, totaling $132,723 for 2023, 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 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending September 30, | Deferred Outflow/ Inflow, Net |
|---|---|
| 2024 | $ 45,410 |
| 2025 | 58,131 |
| 2026 | 52,725 |
| 2027 | (14,046) |

*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 13—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, 2024:

| 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, 2024 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 13—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, 2024, based on the December 31, 2023 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, 2022 | $ 50,942,150 | $ 55,941,914 | $ (4,999,764) |
| Changes for the year: | | | |
| Service cost | 1,012,647 | - | 1,012,647 |
| Interest | 3,454,275 | - | 3,454,275 |
| Differences between expected actual experience | 353,560 | - | 353,560 |
| Employer contributions | - | 3,900,906 | (3,900,906) |
| Employee contributions | - | 246,709 | (246,709) |
| Net investment income | - | 6,823,626 | (6,823,626) |
| Benefit payments | (3,190,717) | (3,190,717) | - |
| Administrative expense | - | (519,089) | 519,089 |
| Net changes | 1,629,765 | 7,261,435 | (5,631,670) |
| Balance at December 31, 2023 | $ 52,571,915 | $ 63,203,349 | $ (10,631,434) |

*Discount Rate – Jax Transit Management Corp. Drivers Plan*

The discount rate used to measure the total pension liability was 7% as of December 31, 2023. 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, 2023 to changes in the discount rate:

| | 1% Decrease 6% | Current rate 7% | 1% Increase 8% |
|---|---|---|---|
| Net pension liability (asset) - Drivers | $ (5,561,316) | $ (10,631,434) | $ (15,008,229) |

## Note 13—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 | $ 22,593 | $ 549,647 |
| Net difference between projected and actual earnings on drivers pension plan investments | 6,486,282 | 4,166,552 |
| Experience (gains) losses | 1,024,405 | 46,061 |
| Authority contributions subsequent to the measurement date | 3,485,122 | - |
| | $ 11,018,402 | $ 4,762,260 |

The deferred outflows of resources related to Jax Transit Management Corp. Drivers pension plan, totaling $3,485,122 for 2024, resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability or an increase to the net pension asset in the fiscal year ended September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending September 30, | Deferred Outflow/ (Inflow), Net |
|---|---|
| 2025 | $ 600,505 |
| 2026 | 1,002,326 |
| 2027 | 1,701,886 |
| 2028 | (533,697) |
| | $ 2,771,020 |

## Note 14—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 other postemployment benefits ("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 14—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 $285,269 as of September 30, 2024 is based on August 1, 2024 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 14—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, 2023 |
| Discount Rate as of September 30, 2023: | 4.63% |

*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 14—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 | 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% |

## Note 14—Other postemployment benefits (continued)

*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.

**Change in Net OPEB Liability**

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a)-(b) |
|---|---|---|---|
| Balance as of September 30, 2022 for FYE 2023 | $ 105,893 | $ - | $ 105,893 |
| Changes for the year: | | | |
| Service cost | 12,723 | - | 12,723 |
| Interest | 4,410 | | 4,410 |
| Experience losses (gains) | 162,971 | - | 162,971 |
| Contribution - Employer | - | 11,337 | (11,337) |
| Changes in assumptions | 10,609 | - | 10,609 |
| Benefit payments (net of retiree contributions) | (11,337) | (11,337) | - |
| Net changes | 179,376 | - | 179,376 |
| Balance as of September 30, 2023 for FYE 2024 | $ 285,269 | $ - | $ 285,269 |

## Note 14—Other postemployment benefits (continued)

### OPEB Expense

| | | |
|---|---|---|
| Service cost | $ | 12,723 |
| Interest | | 4,410 |
| | | |
| Differences between expected and actual experience: | | |
| In current fiscal year recognized in current year | | 40,743 |
| From past years recognized in current year | | (24,942) |
| | | 15,801 |
| | | |
| Changes in assumptions: | | |
| In current fiscal year recognized in current year | | 2,652 |
| From past years recognized in current year | | (8,275) |
| | | (5,623) |
| Total OPEB expense | $ | 27,311 |

### 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 3.63%** | **Discount Rate 4.63%** | **1% Increase 5.63%** |
|---|---|---|---|
| Total and net OPEB liability | $ 300,976 | $ 285,269 | $ 270,108 |

*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 | $ 263,250 | $ 285,269 | $ 310,020 |

## Note 14—Other postemployment benefits (continued)

### Deferred Inflows/Outflows of Resources Related to OPEB

For the fiscal year ended September 30, 2024, the Authority recognized an OPEB expense of $27,311. At September 30, 2024, 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 | $ 122,228 | $ - |
| Changes of assumptions | 7,957 | 7,383 |
| | $ 130,185 | $ 7,383 |

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 | $ 36,012 |
| 2026 | 43,395 |
| 2027 | 43,395 |

## Note 15—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 |
|---|---|---|---|---|---|
| Spendable: | | | | | |
| Restricted for government funded construction projects | $ - | $ 30,708,553 | $ - | $ - | $ 30,708,553 |
| Restricted for capital projects | - | - | 13,732,848 | - | 13,732,848 |
| Restricted for debt service | - | - | - | 11,531,354 | 11,531,354 |
| 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 | 37,957,744 | - | - | - | 37,957,744 |
| Unassigned | 20,943,537 | - | - | - | 20,943,537 |
| Total fund balance | $ 70,901,281 | $ 30,708,553 | $ 13,732,848 | $ 11,531,354 | $ 126,874,036 |

## Note 16—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 $6,356,705 for the six remaining years of the contract from fiscal year 2025 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 $65,000,000. 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. The total budget for the BSIC project is $65,000,000, which Balfour Beatty Construction, LLC contract represents $63,000,000 and England-Thims & Miller, Inc. (for CEI services) is $2,000,000. Actual expenditures since the start of the project through December 2024 is $45,045,580 and $1,244,771, and the remaining commitment is $17,954,420 and $755,229 for Balfour Beatty Construction, LLC and England-Thims & Miller, Inc. respectively.

On behalf of the State of Florida with guidance from the Florida Public Transportation Association for the State of Florida Heavy Duty Bus procurement, the Authority entered into agreements with third party vendors for the manufacture of heavy-duty buses on May 24, 2019 with Gillig LLC, on December 18, 2019 with NOVA Bus, a division of Prevost Car (US) Inc. and on February 3, 2020 with New Flyer of America, Inc. respectively, for a period of performance of a Two (2) Year Base with Three (3) One Year Options for a total term of Five (5) years. These agreements operate as a contractual vehicle available to all transit agencies in the State of Florida 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 purchased from the Gillig LLC contract in 2022 ordering 6 buses for delivery in 2023 valued at $3,965,600, and in 2023 ordered 30 buses valued at $22,680,708, which 18 buses were delivered in 2024, 11 buses were received in 2025 and 1 bus pending for delivery in 2025. In addition, 3 new buses were ordered in 2024 for delivery in 2025 valued at $2,274,870.

*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 17—Subsequent events

During October 2024, the Authority issued $28,875,000 Senior Lien Local Option Gas Tax Refunding Bonds, Series 2024 for the purpose of refunding a portion of the outstanding Senior Lien Local Option Gas Tax Revenue Bonds, Series 2015. The remainder of the Series 2015 Bonds are expected to be refunded in May 2025.

Subsequent to year-end, significant funding cuts have been implemented by the United States Government. It is unclear at this time what impact, If any, these actions may have on the Authority.

# 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, 2024*

| | 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 | 1,497,494 | 1,497,494 | 5,107,624 | 3,610,130 |
| Other miscellaneous | 166,044 | 166,044 | 848,392 | 682,348 |
| Total Revenues | 4,663,538 | 4,663,538 | 8,956,016 | 4,292,478 |
| Expenditures: | | | | |
| General government | 4,663,538 | 4,663,538 | 5,671,030 | (1,007,492) |
| Total Expenditures | 4,663,538 | 4,663,538 | 5,671,030 | 1,007,492 |
| Excess of Revenues Over Expenditures | - | - | 3,284,986 | 3,284,986 |
| Other Financing Uses (Sources): | | | | |
| Transfer out | - | - | (32,415,678) | (32,415,678) |
| Net change in fund balance | - | - | (29,130,692) | (29,130,692) |
| Fund balances, beginning of year | 115,269,129 | 115,269,129 | 100,031,973 | (15,237,156) |
| Fund balances, end of year | $ 115,269,129 | $ 115,269,129 | $ 70,901,281 | $ (44,367,848) |

See Note to Budgetary Comparison Schedule

## 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. 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, 2024*

| As of September 30 Fiscal Year | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|
| Total OPEB Liability: | | | | | | | |
| Service cost | $ 12,723 | $ 14,757 | $ 20,773 | $ 19,362 | $ 12,828 | $ 12,750 | $ 12,737 |
| Interest cost | 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 | 10,609 | (22,149) | (4,395) | 2,289 | (4,703) | (1,662) | (2,057) |
| Benefit payments | (11,337) | (8,587) | (25,432) | (20,278) | (16,645) | (28,396) | (25,471) |
| Net Changes in Total OPEB Liability | 179,376 | (13,459) | (79,392) | 6,384 | 34,765 | (11,874) | (9,634) |
| Total OPEB liability - beginning of year | 105,893 | 119,352 | 198,744 | 192,360 | 157,595 | 169,469 | 179,103 |
| Total OPEB Liability - End of Year | $ 285,269 | $ 105,893 | $ 119,352 | $ 198,744 | $ 192,360 | $ 157,595 | $ 169,469 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - employer net investment income | $ 11,337 | $ 25,432 | $ 25,432 | $ 20,278 | $ 16,645 | $ 28,396 | $ 25,471 |
| Benefit payments (net of retiree contributions) | (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 | 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% |
| Covered-Employee Payroll[1] | | | | | | | |
| Net OPEB Liability as a % Payroll[1] | | | | | | | |
| Expected average remaining service years of all participants | 4 | 3 | 3 | 4 | 4 | 4 | 4 |
| Notes to Schedule: Benefit Changes | 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% |
| 9/30/2019 | 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% | | |
| 9/30/2021 | 2.41% | 2.41% | 2.41% | 2.41% | | | |
| 9/30/2022 | 2.19% | 2.19% | 2.19% | | | | |
| 9/30/2023 | 4.40% | 4.40% | | | | | |
| 9/30/2024 | 4.63% | | | | | | |

[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, 2024*

| | Other Postemployment Medical Benefits | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** |
| Valuation Date: | September 30, 2024 | October 1, 2022 | October 1, 2021 | October 1, 2020 | October 1, 2019 | October 1, 2018 |
| Measurement Date: | September 30, 2023 | October 1, 2022 | October 1, 2021 | October 1, 2020 | October 1, 2019 | October 1, 2018 |
| Actuarial cost method Amortization method Remaining amortization period | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| | level dollar | level dollar | level dollar | level dollar | level dollar | level dollar |
| | 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 |
| Medical Trend Assumptions; | | | | | | |
| Rate of inflation | 2.60% | 2.50% | 2.50% | 2.50% | 2.50% | 2.20% |
| Rate of Growth in Real income/GDP per capita | 1.40% | 1.40% | 1.40% | 1.50% | 1.50% | 1.60% |
| Extra Trend Due To Technology And Other Factors | 0.90% | 1.00% | 1.00% | 1.10% | 1.10% | 1.30% |
| Health Share of GDP Resistance Point | 17% | 20% | 20% | 25% | 25% | 25% |
| Year for Limiting Cost Growth to GDP Growth | 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 el future. 35% of employees with coverage are assumed to elect to continue coverage upon retirement. 35% of those currently enrolled with spouse/family coverag coverage upon retirement | | | | | |
| **Interest Assumptions** | Not Funded | Not Funded | Not Funded | Not Funded | Not Funded | Not Funded |
| Discount Rate | 4.63% | 4.40% | 2.19% | 2.41% | 2.75% | 3.83% |

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, 2024*

| ** Plan Year Ended December 31: | 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 | Drivers Pension Plan 2016 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Pension Liability: | | | | | | | | | | | | | | | | | | |
| Service cost | $ 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 | $ 790,363 |
| Interest | 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 | 2,400,761 |
| Changes of benefit terms | - | - | - | - | - | - | - | - | - | - | - | 688,965 | - | - | - | - | - | - |
| Participant contributions | - | - | - | - | - | 884,133 | - | - | - | - | - | - | 6,716 | - | 25,190 | - | - | - |
| Transfers to ATU Plan | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Difference between expected and actual experience | (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 | 384,557 |
| Changes of assumptions | 12,716 | - | - | - | (46,311) | (1,799,687) | (8,180) | (122,883) | 77,601 | 181,699 | - | - | - | - | - | 819,121 | 819,121 | 819,121 |
| Benefit payments, including refunds of member contributions | (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) | (2,068,840) |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | (1) | - | - | - | - | - |
| Net Change in Total Pension Liability | 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 | 2,325,962 |
| Total pension liability-beginning (a) | 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 | 34,523,141 |
| Total Pension Liability-Ending (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 | $ 36,849,103 | $ 36,849,103 |
| Plan fiduciary net position | | | | | | | | | | | | | | | | | | |
| Contributions-Authority | $ 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 | $ 2,180,892 |
| Contributions-Employees | 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 | 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 | 2,743,015 |
| Benefit payments, including refunds of member contributions | (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) | (2,068,840) |
| Administrative expenses | (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) | (377,674) |
| Investment expenses | - | - | - | - | - | - | - | - | - | - | - | - | (3,803) | - | (3,533) | - | - | - |
| Other | - | - | (751,987) | - | - | - | - | - | - | - | - | - | 4,153 | (42,261) | - | - | - | - |
| Net change in Plan Fiduciary Net Position | 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 | 2,477,393 |
| Plan fiduciary net position-beginning | 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 | 36,453,908 |
| Plan Fiduciary Net Position-Ending (b) | 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 | 38,931,301 |
| Net Pension Liability (Asset) - Ending (a) - (b) | $ 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) | $ (2,082,198) |
| Plan fiduciary net position as a percentage of the total pension liability | 81% | 120% | 69% | 110% | 130% | 126% | 83% | 115% | 99% | 111% | 99% | 98% | 70% | 110% | 58% | 106% | 106% | 106% |
| Covered payroll | 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* | N/A* |
| Net pension liability as a percentage of covered payroll | 88% | -70% | 133% | -33% | -95% | -66% | 45% | -36% | 2% | -24.45%*** | 2% | 3.53%*** | 51% | N/A* | 74% | 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. 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 CONTRIBUTIONS – DRIVERS AND SALARIED PENSION PLAN (UNAUDITED)

*YEAR ENDED SEPTEMBER 30, 2024*

**Salaried Employees Pension Plan**

| ** Plan Year Ended December 31: | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 178,061 | $ 185,059 | $ 160,000 | $ 98,065 | $ 91,406 | $ 159,514 | $ 165,015 | $ 175,635 | $ 167,906 | $ 380,399 |
| Contribution made in relation to the actuarially determined contribution | 202,877 | 191,046 | 97,504 | 80,000 | 178,028 | 401,110 | 397,716 | 229,190 | 414,692 | 291,591 |
| Contribution Deficiency (Excess) | $ (24,816) | $ (5,987) | $ 62,496 | $ 18,065 | $ (86,622) | $ (241,596) | $ (232,701) | $ (53,555) | $ (246,786) | $ 88,808 |
| Covered payroll | 493,294** | 528,919** | 603,674** | 576,904** | 568,666 | 764,894 | 865,309 | 782,112 | 751,943 | 962,567 |
| Contributions as a percentage of covered payroll | 41.13% | 36.12% | 16.15% | 13.86% | 19.00% | 52.43% | 45.96% | 29.30% | 55.15% | 30.29% |

**Drivers Pension Plan**

| ** Plan Year Ended December 31: | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 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 | $ 2,289,802 |
| Contribution made in relation to actuarially determined contribution | 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 | 2,332,063 |
| Contribution (Excess) | $ (659,702) | $ - | $ - | $ - | $ (40,892) | $ - | $ - | $ - | $ - | $ (42,261) |
| Covered payroll | 15,092,348** | 15,048,876** | 19,387,559** | 21,421,999** | 21,257,336** | 20,221,919 | N/A* | N/A* | N/A* | N/A* |
| Contributions as a percentage of covered payroll | 25.84% | 16.88% | 14.80% | 10.83% | 12.59% | 12.53% | N/A* | 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

<u>Notes to Schedule</u>:
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, 2024*

| Notes to Schedule: | 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| Valuation Date: | December 31, 2023 | December 31, 2023 | December 31, 2022 | December 31, 2022 | December 31, 2021 | December 31, 2021 | December 31, 2020 | December 31, 2020 | December 31, 2019 | December 31, 2019 |
| Measurement Date: | December 31, 2023 | December 31, 2023 | December 31, 2022 | December 31, 2022 | December 31, 2021 | December 31, 2021 | December 31, 2020 | December 31, 2020 | December 31, 2019 | December 31, 2019 |
| 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* | 7 years* | 7 years* | 7 years* | 7 years* | 7 years* | 7 years* | 7 years* | 7 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% 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 | Assumed 2.5% per year | Assumed 3% per year | Assumed 2.5% per year |
| Inflation | 2.0% | 2.5% | 2.0% | 2.5% | 2.0% | 2.5% | 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: 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 | 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 |

| | 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 | Salaried Employees Pension Plan 2015 | Drivers Pension Plan 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Valuation Date: | December 31, 2018 | December 31, 2018 | December 31, 2017 | December 31, 2017 | December 31, 2016 | December 31, 2016 | December 31, 2015 | December 31, 2015 | December 31, 2014 | December 31, 2014 |
| Measurement Date: | December 31, 2018 | December 31, 2018 | December 31, 2017 | December 31, 2017 | December 31, 2016 | December 31, 2016 | December 31, 2015 | December 31, 2015 | December 31, 2014 | December 31, 2014 |
| Actuarial cost method | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal | Entry age normal |
| Amortization method | Level % of payroll | Level dollar | Level dollar | Level dollar | Level dollar | Level dollar | Level dollar | Level dollar | Level dollar | Level dollar |
| Remaining amortization period | 7 years* | 7 years * | 10 years | 10 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% per annum | 7% per annum | 6% per annum | 7% per annum | 4% 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 4 % per year | Assumed 2.5% per year | Assumed 4% per year | Assumed 2.5% per year | Assumed 4% per year | Assumed 2.5% per year |
| Inflation | 2.0% | 2.5% | 2.0% | 2.5% | 2.0% | 2.5% | 4.0% | 2.5% | 4.0% | 2.5% |
| Cost of living adjustments | None | None | None | None | None | None | None | None | None | None |
| Mortality rates | IRC 430(h) combined table for 2015 | SOA RP-2014 Blue Collar Mortality with Scale MP 2017 | IRC 430(h) combined table for 2015 | SOA RP-2014 Blue Collar Mortality with Scale 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 | IRC 430(h) combined table for 2015 | SOA RP-2014 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.

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

*YEAR ENDED SEPTEMBER 30, 2024*

| | Salaried Employees Pension Plan | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *** Plan Year Ended December 31:** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
| Annual money-weighted rate of return Net of investment expenses | 5.97% | 5.47% | -6.15% | 9.41% | 4.91% | -6.71% | 15.16% | 4.90% | -2.95% | 1.46% |
| | **Drivers Pension Plan** | | | | | | | | | |
| *** Plan Year Ended December 31:** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
| Annual money-weighted rate of return Net of investment expenses | 7.02% | 5.66% | -5.09% | 10.11% | 4.10% | -4.03% | 14.02% | 6.70% | -0.98% | 4.13% |

* 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, 2024*

| * Plan Year Ended June 30: | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Authority's proportion of the FRS net pension liability | 0.039% | 0.047% | 0.042% | 0.045% | 0.037% | 0.035% | 0.035% | 0.034% | 0.034% | 0.032% |
| Authority's proportionate share of the FRS net pension liability | $ 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 | $ 4,178,293 |
| Authority's covered payroll | $ 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 | $ 13,375,131 |
| Authority's proportionate share of the FRS net pension liability as a percentage of its covered payroll | 61.12% | 73.77% | 74.47% | 15.22% | 87.25% | 68.33% | 65.88% | 64.91% | 61.68% | 31.24% |
| FRS Plan fiduciary net position as a percentage of the total pension liability | 83.70% | 82.83% | 82.89% | 96.40% | 78.85% | 82.61% | 84.26% | 83.89% | 85.00% | 92.00% |

* 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, 2024*

| *** Plan Year Ended June 30:** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|---|---|---|---|---|
| Authority's proportion of the HIS net pension liability | 0.0586% | 0.0581% | 0.0550% | 0.0603% | 0.0522% | 0.0478% | 0.0457% | 0.0458% | 0.0458% | 0.040% |
| Authority's proportionate share of the HIS net pension liability | $ 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 | $ 4,110,889 |
| Authority's covered payroll | $ 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 | $ 13,375,131 |
| Authority's proportionate share of the HIS net pension liability as a percentage of its covered payroll | 35.24% | 40.08% | 28.07% | 32.95% | 34.46% | 31.40% | 31.56% | 31.60% | 38.16% | 30.74% |
| HIS Plan fiduciary net position as a percentage of the total pension liability | 4.80% | 4.12% | 4.81% | 3.56% | 3.00% | 2.63% | 2.15% | 1.64% | 0.97% | 0.50% |

* 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, 2024*

| Plan Year Ended June 30: | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required pension contribution | $ 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 | $ 1,257,792 |
| Pension contributions in relation to the contractually required pension contribution | $ 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 | 1,257,792 |
| Pension Contribution Deficiency (Excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority's covered payroll | $ 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 | $ 13,375,131 |
| Pension contributions as a percentage of covered payroll | 10.15% | 12.69% | 11.16% | 9.79% | 8.71% | 7.73% | 7.64% | 7.21% | 7.06% | 9.40% |

* 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, 2024*

| *** Plan Year Ended June 30:** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required pension contribution | $ 496,185 | $ 395,732 | $ 346,085 | $ 373,174 | $ 320,763 | $ 284,140 | $ 264,140 | $ 246,472 | $ 230,032 | $ 208,514 |
| HIS contributions in relation to the contractually required pension contribution | 496,185 | 395,732 | 346,085 | 373,174 | 320,763 | 284,140 | 264,140 | 246,472 | 230,032 | 208,514 |
| Pension contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Authority's covered payroll | $ 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 | $ 13,375,131 |
| Pension contributions as a percentage of covered payroll | 1.99% | 1.72% | 1.66% | 1.66% | 1.74% | 1.59% | 1.65% | 1.59% | 1.66% | 1.56% |

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

# COMPLIANCE SECTION

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

*YEAR ENDED SEPTEMBER 30, 2024*

| 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: | | | |
| Federal Transit Cluster: | | | |
| 70FBD Ferry Boat Discretionary | | | |
| Ferry Boat Discretionary Grants (FHWA) | 20.205 | FL-2023-062-00 | $ 186,378 |
| | 20.205 | G2687 | 8,120 |
| | 20.205 | G2M34 | 2,312 |
| Total 70FBD Ferry Boat Discretionary | | | 196,810 |
| Federal Transit Capital Investment Grants | 20.500 | FL-03-0343 | 3,577 |
| | 20.500 | FL-03-0338 | 100 |
| Total Capital Investment Grants | | | 3,677 |
| TOD Discretionary Grants | 20.500 | FL-2021-005 | 153,688 |
| | 20.500 | FL-2021-035 | 178,506 |
| Total TOD Discretionary Grants | | | 332,194 |
| New Start Program | 20.500 | FL-2017-119 | 28,374 |
| | 20.500 | FL-2020-002 | 56,882 |
| | 20.500 | FL-2022-014 | 70,172 |
| | 20.500 | G1E81 | 28,440 |
| Total New Starts Program Grants | | | 183,868 |
| Total ALN 20.500 | | | 519,739 |
| 5307 - Urbanized Area Formula Grants | 20.507 | FL-2017-104 | 74,416 |
| | 20.507 | FL-2018-115 | 66,117 |
| | 20.507 | FL-2018-097 | 11,082 |
| | 20.507 | FL-2019-018 | 104,766 |
| | 20.507 | FL-2020-111 | 285,753 |
| | 20.507 | FL-2020-007 | 3,046,606 |
| | 20.507 | FL-2020-015 | 64,575 |
| | 20.507 | FL-2020-086 | 131,941 |
| | 20.507 | FL-2021-020 | 579,933 |
| | 20.507 | FL-2021-088 | 837,110 |
| | 20.507 | FL-2023-072 | 3,753,626 |
| | 20.507 | FL-2024-XXX | 19,160 |
| | 20.507 | FL-2024-024 | 4,726 |
| | 20.507 | FL-2024-026 | 3,671,851 |
| | 20.507 | FL-2025-XXX | 1,560,309 |
| Total Urbanized Area Formula Grants | | | 14,211,971 |
| State of Good Repairs Formula Grant | | | |
| | 20.525 | FL-2018-126 | 8,995 |
| | 20.525 | FL-2017-007 | 15,836 |
| | 20.525 | FL-2019-078 | 55,966 |
| | 20.525 | FL-2021-088 | 47,779 |
| | 20.525 | FL-2018-099 | 59,013 |
| Total State of Good Repairs Formula Grant | | | 187,589 |
| Bus and Bus Facilities Formula Grant | | | |
| | 20.526 | FL-2021-016 | 188,065 |
| | | FL-2024-015 | 9,520,320 |
| | 20.526 | FL-2024-026 | 1,230,415 |
| Total Bus and Bus Facilities Formula Grant | | | 10,938,800 |
| Total Federal Transit Cluster | | | 25,858,099 |
| National Infrastructure Investments | | | |
| 79 - BUILD (OST) | 20.933 | FL-2020-055 | 5,088,268 |
| Total 79 - BUILD (OST) | | | 5,088,268 |
| Total Direct Programs | | | 31,143,177 |

See accompanying notes and Report of Independent Auditor

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

*YEAR ENDED SEPTEMBER 30, 2024*

| | | | |
|---|---|---|---|
| Pass through: | | | |
| Indirect Programs | | | |
| State of Florida Department of Transportation: | | | |
| Community Project Funding | 20.534 | FL-2024-013 | 43,392 |
| Total North Florida Transportation Planning Organization | | | 43,392 |
| COVID19 Formula Grants for Rural Areas Cares Act Funding | | | |
| | 20.509 | G1A10 | 41,133 |
| | 20.509 | G1O55 | 96,647 |
| | 20.509 | G2C58 | 15,443 |
| Total Formula Grants for Rural Areas Cares Act Funding | | | 153,223 |
| Total ALN 20.509 | | | 196,615 |
| Transit Services Programs Cluster | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | G2660 | 1,447 |
| | 20.513 | G2L04 | 6,603 |
| | 20.513 | G2V76 | 267,375 |
| Total Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513-CL | | 275,425 |
| Total Indirect Programs | | | 472,040 |
| Total United States Department of Transportation | | | 31,615,217 |
| Total Federal Expenditures | | | $ 31,615,217 |
| State of Florida Department of Transportation: | | | |
| Commission for the Transportation Disadvantaged (CTD) | | | |
| Trip and Equipment Grant Program | 55.001 | G2K31 | $ 414,645 |
| | 55.001 | G2K39 | 1,138,872 |
| | 55.001 | 2022/2023-315 | 160,800 |
| Total Commission for the Transportation Disadvantaged (CTD) | | | 1,714,317 |
| Public Transit Block Grant Program | | | |
| | 55.010 | G2N96 | 5,029,877 |
| Total Public Transit Block Grant Program | | | 5,029,877 |
| Public Transit Service Development Program | | | |
| | 55.012 | G2A65 | 46,272 |
| | 55.012 | G2A74 | 112,656 |
| Total Public Transit Service Development Program | | | 158,928 |
| Transportation Corridor Program | | | |
| | 55.013 | G2H62 | 2,421 |
| | 55.013 | G2443 | 28,661 |
| | 55.013 | G2444 | 9,052 |
| | 55.013 | G2445 | 144,449 |
| | 55.013 | G2450 | 222,865 |
| | 55.013 | G2451 | 84,000 |
| | 55.013 | G3991 | 18,105 |
| | 55.013 | G2R48 | 253,249 |
| | 55.013 | G2R50 | 200,000 |
| Total Transportation Corridor Program | | | 962,802 |
| State Transit Capital/Operating Assistance | | | |
| | 55.046 | G2686 | 6,785,107 |
| | 55.046 | G2687 | 1,049,241 |
| Total New Starts Program | | | 7,834,348 |
| Total State Expenditures | | | $ 15,700,272 |

## 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.

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 Jacksonville Transportation Authority (the “Authority”), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated March 31, 2025.

## 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

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

**Purpose of this Report**

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

Cherry Bekaert LLP

Orlando, Florida
March 31, 2025

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

***Opinion on Each Major Federal Program and State Project***

We have audited 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 *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the requirements described in the State of Florida's *Department of Financial Services'* State Projects Compliance Supplement, that could have a direct and material effect on the Authority's major federal program and major state projects for the year ended September 30, 2024. The Authority's major federal program and major state projects are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and its major state projects for the year ended September 30, 2024.

***Basis for Opinion on Each Major Federal Program and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 ("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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program and each major state project. Our audit does not provide a legal determination of Authority's compliance with the compliance requirements referred to above.

***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 the 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 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 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.

**Report on Internal Control over Compliance**
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Cherry Bekaert LLP

Orlando, Florida
March 31, 2025

## I. Summary of Auditor's Results

| | |
|---|---|
| *Financial Statements* Type of auditor's report issued: | **Unmodified** |
| Internal control over financial reporting: | |
| Material weakness identified? | **No** |
| Significant deficiency identified? | **None reported** |
| Noncompliance material to financial statements noted? | **No** |
| *Federal Awards* Internal control over major programs: | |
| Material weakness identified? | **No** |
| Significant deficiencies identified? | **None reported** |
| Type of auditor's report issued on compliance for major programs: | **Unmodified** |
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | **No** |

Identification of major programs:

*Federal Transit Cluster*
*ALN Nos. 20.500, 20.507, 20.525, 20.526*

| | |
|---|---|
| The threshold for distinguishing types A and B programs was: | **$948,457** |
| Did the auditee qualify as a low-risk auditee? | **No** |
| State Financial Assistance Internal control over major projects: | |
| Material weakness identified? | **No** |
| Significant deficiency identified? | **None reported** |
| Type of auditor's report issued on compliance for major projects: | **Unmodified** |
| Any audit findings disclosed that are required to be reported with Chapter 10.550, Rules of the Florida Auditor General? | **No** |

Identification of major projects:

*Transit Corridor Development Program Grant CSFA No. 55.013*

*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

None reported.

## III. Findings and Questioned Costs – Major Federal Programs

None reported.

## IV. Findings and Questioned Costs – Major State Projects

None reported.

## V. Schedule of Prior Year Findings

None reported.

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## 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, 2024, and have issued our report thereon dated March 31, 2025.

### 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 the Major Federal Program and Major State Projects and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 31, 2025, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and 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 that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures 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.

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 District 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 District did not operate a PACE program within its geographical boundaries during the year ended September 30, 2024.

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 District did not operate a PACE program within its geographical boundaries during the year ended September 30, 2024.

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 District did not operate a PACE program within its geographical boundaries during the year ended September 30, 2024.

## 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 833.

b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year as 39.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $90,224,713.

d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as $5,481,675.

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 Expenditure as of 9/30/2024** |
|---|---|
| Ferry Phase V | $ 1,319,225 |
| Bus Stop Amenities & Shelter Work | $ - |
| Escalator Modernization | $ - |
| HVAC Replacements | $ 29,602 |
| Storage Improvements Bldg #11 | $ - |
| Skyway Station Railings | $ - |
| Sidewalk Andrew Robinson | $ - |
| Ultimate Urban Circulator FY-2024-034 (U2C) | $ - |
| Facilities Maintenance | $ 56,050 |

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, that 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
March 31, 2025

Cherry Bekaert LLP
Your Guide Forward

**Independent Accountant's Report 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, 2024. 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 judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that 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 a 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, 2024.

This report is intended solely for the information and use of the Florida Auditor General, the District 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
March 31, 2025