

Board of Directors Meeting



Start Time is 8:45AM or immediately following Audit Committee Meeting

February 23, 2026 08:45 AM

Agenda Topic

Presenter

Agenda

I. Pledge of Allegiance/Moment of Silence

Daniel Bean

II. [Approval of Minutes](#)

Board of Directors Meeting Minutes - December 1, 2025

III. Public Comments

IV. Presentations:

Check Presentation to United Way & CHC: Creating Healthier Communities

Kimberly Norman

V. New Business

[BD2026-02-01 FY2025 Audited Financial Statements](#)

Joey Greive

[AC2026-02-01 Purchase of Two \(2\) STS Diesel-Electric Container Handling Cranes CO#2](#)

Joey Greive

Liebherr-America, Inc. d/b/a Liebherr USA Co., Maritime Cranes

[BD2026-02-02 James Bennett Memorial Endowed Scholarship](#)

Beth McCague

VI. CEO Update

Eric Green

VII. Reports

[R2026-02-01 Engineering and Construction Update](#)

Tripper Jones

[R2026-02-02 Financial Highlights & Monthly Financials/Vital Statistics](#)

Joey Greive

[R2026-02-03 Commercial Highlights](#)

Robert Peek

VIII. Other Business

Chair Palmer
Clarkson

Approval of Travel - Chair Palmer Clarkson recommends approval of travel by one or more Board Members of the Authority for business solicitation purposes or to attend any necessary conferences during the months of February and March 2026.

IX. **Miscellaneous**

- A. Awards Committee Meeting Minutes - February 12, 2026
- B. Emergency Purchases - Global Rigging & Transport Standby
- C. Unbudgeted Transactions - None

X. **Adjourn**



**BOARD OF DIRECTORS' MEETING
Jacksonville Port Authority
2831 Talleyrand Avenue
December 1, 2025**

A meeting of the Jacksonville Port Authority Board of Directors was held on Monday, December 1, 2025, at the Port Central Office Building, 2831 Talleyrand Avenue, Jacksonville, Florida. Chair Palmer Clarkson called the meeting to order at 9:00AM and welcomed all attendees. Board Member Wendy Hamilton led the audience in the Pledge of Allegiance and a moment of silence.

Board Members Attending:

Mr. Palmer Clarkson, Chair
Ms. Soo Gilvarry, Vice Chair
Mr. Tom Slater, Treasurer
Mr. Patrick Kilbane, Secretary – via Zoom
Ms. Wendy Hamilton Member
Mr. Charles Spencer, Member

Absent: Mr. Daniel Bean, Member

Other Attendees:

Mr. Eric Green, Chief Executive Officer
Ms. Beth McCague, Chief of Staff
Mr. Joey Greive, Chief Financial Officer
Mr. James Bennett, Chief Operating Officer
Mr. Robert Peek, Chief Commercial Officer
Ms. Linda Williams, Chief Administrative Officer
Mr. Nick Primrose, Chief, Regulatory Compliance
Ms. Chelsea Kavanagh, Chief Communications Officer
Ms. Rebecca Dicks, Board Liaison

Chair Clarkson recognized Michael Fackler, General Counsel for the City of Jacksonville. Mr. Fackler advised the Board of recent changes within his office and announced that Regina Ross will replace Reese Wilson as the Office of General Counsel attorney assigned to represent JAXPORT.

Approval of Minutes

Chair Clarkson called for approval of the minutes from the September 29, 2025, Board of Directors Meeting. Following a motion by Mr. Slater, seconded by Ms. Gilvarry, the Board unanimously approved the minutes as submitted.

Public Comments

Chair Clarkson called for comments from the public. There were no public comments.

Presentation

Chair Clarkson recognized two-time JAXPORT Board Chair Wendy Hamilton and thanked her for her leadership and service over the past year.

New Business

BD2025-12-01 Public Transportation Agreement Blount Island Marine Terminal RO/RO Gate Complex & Roadway

Mr. Justin Ryan presented this submission for Board approval of a Public Transportation Grant Agreement with the Florida Department of Transportation (FDOT) for the construction of a new RO/RO Gate Complex and associated roadway infrastructure at Blount Island Marine Terminal.

After a motion by Mr. Spencer and a second by Mr. Slater, the Board voted to approve this submission.

BD2025-12-02 Public Transportation Grant Agreement Physical & Cybersecurity Enhancements

Mr. Justin Ryan presented this submission for Board approval of a Public Transportation Grant Agreement with the Florida Department of Transportation (FDOT) for the implementation of physical and cybersecurity enhancements across JAXPORT's MTSA-regulated seaport facilities.

After a motion by Mr. Slater and a second by Mr. Spencer, the Board voted to approve this submission.

AC2025-10-01 Milling & Asphalt Installation, Maintenance & Repair Services Watake, Inc.

Mr. James Bennett presented this submission for Board approval of the issuance of a contract to Watake, Inc. for Milling and Asphalt Maintenance and Repair Services in the estimated amount of \$2,100,000.00. The initial contract period is three years with two one-year renewal options made at the sole discretion of JAXPORT, based on vendor's performance and adherence to all terms and conditions of the contract.

After a motion by Ms. Hamilton and a second by Mr. Spencer, the Board voted to approve this submission.

**AC2025-10-02 BIMT Hanjung Crane #8810 Refurbishment & IHI Crane #2253
Dismantle & Removal CO#2
(Refurbishment of Hanjung Crane #8811)
Reading Crane & Engineering Co.**

Mr. James Bennett presented this submission for Board approval of the issuance of Change Order #2 in the amount of \$2,870,356.00 to Reading Crane & Engineering Co. The total contract cost to include Change Order #1-2 is \$6,278,896.00.

After a motion by Mr. Spencer and a second by Mr. Slater, the Board voted to approve this submission.

**AC2025-11-01 Terminal Development for SET – Added Scope through Owner
(SET) Directed Changes for Project Closeout
JE Dunn Construction Company**

Mr. James Bennett presented this submission for Board approval of additional change orders in the estimated amount of \$2,000,744.68 to JE Dunn Construction Company for Terminal Development for SET – Added Scope through Owner (SET) Directed Changes for Project Closeout. Change Orders will be executed for the final amounts prior to work being performed. The total contract cost to include these Change Orders will be \$138,962,847.58.

After a motion by Mr. Slater and a second by Ms. Gilvarry, the Board voted to approve this submission.

CEO UPDATE

Mr. Green reported that JAXPORT opened the fiscal year in a strong position, with October vessel calls and tonnage increasing by double digits across containers, autos, and breakbulk—underscoring healthy demand and the benefits of a diversified cargo portfolio. Looking ahead, while industry analysts anticipate softer import volumes nationally, JAXPORT is maintaining close engagement with customers to monitor potential impacts.

Mr. Green advised the Board of a recent incident involving a barge operated by port tenant Trailer Bridge that ran aground near the Bahamas while enroute from Jacksonville to San Juan. Approximately 90 percent of the containers were opened by looters; however, no injuries were reported. The barge has since returned to Jacksonville, where JAXPORT staff supported the U.S. Coast Guard, and U.S. Customs and Border Protection conducted subsequent safety and regulatory reviews.

Mr. Green reported that since the August meeting, JAXPORT has reached several key milestones, including the start of foundation work by JEA to raise the powerlines near Blount Island. This marks the first visible phase of a project expected to deliver significant operational benefits. Shipping line partners are being kept informed as the schedule advances, and JEA has confirmed the project remains on time and within budget.

Mr. Green reported on continued progress at Blount Island, where Southeast Toyota received its first vehicle shipment at its new, state-of-the-art facility. The expanded footprint enhances throughput and efficiency for vehicle movements through Jacksonville.

At Talleyrand, Enstructure is backfilling the space previously occupied by Southeast Toyota. To support this growth, JAXPORT acquired 23 acres from Southeast Toyota, which Enstructure will lease as a flexible, mixed-use cargo facility. The acreage is already being utilized to move heavy equipment to Jamaica for hurricane recovery efforts, and Enstructure has secured new agreements to process Mazda imports as well as Toyota vehicles destined for Puerto Rico.

Mr. Green noted that JAXPORT will host the Puerto Rico Ports Authority for working sessions to establish a joint working group focused on sharing project-management best practices, particularly for federally funded construction and maintenance projects. This collaboration supports JAXPORT's largest trading partner and further strengthens the Memorandum of Understanding executed in 2021.

Mr. Green also reported on recent international engagement, including meetings in Panama with the Panama Canal Authority to discuss commercial opportunities and operational best practices. The Canal remains a critical partner for JAXPORT and for many of its container and automotive customers.

Mr. Green informed the Board that while in Japan, the team met with Toyota and Mazda to facilitate a smooth transition of vehicle operations to Blount Island and Talleyrand and to further strengthen long-standing relationships.

In Cartagena, JAXPORT convened LNG industry experts and port authority leadership to share best practices, as the Port of Cartagena explores replicating aspects of JAXPORT's LNG success. Cartagena remains a key partner, moving approximately 30,000 TEUs annually through JAXPORT. This engagement builds on the recent launch of the Gemini service and the Memorandum of Understanding executed earlier this year.

Mr. Green noted that JAXPORT hosted the Consul General of Japan in Miami for a tour of port operations, including the new vehicle berth at Blount Island. Japan continues to be JAXPORT's top trading partner for vehicle tonnage.

Mr. Green reported that JAXPORT continues to support large-scale military deployments. Over the past three months, and continuing through December, the port has worked closely with the U.S. Army's 841st Transportation Battalion to move more than 2,800 pieces of equipment, including tanks and related support assets. In recent public remarks, the military commended its strong partnership with JAXPORT and cited the port's capabilities as critical to mission readiness and execution.

Mr. Green reported on recent cruise activity, noting that JAXPORT joined the City of Jacksonville and Norwegian Cruise Line on Halloween to celebrate the inaugural sailing of the *Norwegian Gem*. The vessel will provide seasonal service through April 2028. He noted that the first month of operations has proceeded smoothly, with positive feedback from both Norwegian Cruise Line and passengers, reflecting the strong performance of JAXPORT's operations and public safety teams.

Mr. Green concluded his report by noting that JAXPORT was honored with the First Coast Manufacturers Association's Partner of the Year Award, recognizing the port's efforts to support manufacturers across the region and the state by connecting their businesses to the global economy.

Reports

R2025-12-01 Engineering and Construction Update

Mr. James Bennett provided an overview of the key capital and engineering projects.

R2025-12-02 Financial Highlights & Monthly Financials/Vital Statistics

Mr. Joey Greive provided Financial Highlights for the month of October 2025 and provided an overview of the financial and vital statistics.

R2025-12-03 Commercial Highlights

Mr. Robert Peek provided updated commercial highlights to the Board in their books for the month of December 2025.

R2025-12-04 Safety Update

Mr. Nick Primrose provided a Safety Report as info only.

Other Business

Chair Clarkson reported that he recently had a 45-minute telephone conversation with the external auditor, RSM. The auditor was highly complementary of the finance team, noting the quality of the financial reporting, the clarity of the numbers, and the team's openness to questions and challenges. Chair Clarkson expressed his appreciation to the finance team on behalf of the Board, which commended their professionalism.

Chair Clarkson requested a motion to approve travel by one or more Board members of the Authority for business solicitation purposes or to attend necessary conferences and/or meetings during the months of November/December 2025 and January 2026. After a motion by Mr. Slater, second by Ms. Hamilton, the Board unanimously approved the motion.

There being no further business of the Board, the meeting adjourned at 10:10AM.

BD2026-02-01



SUBMISSION FOR BOARD APPROVAL

SUBJECT: FY2025 Audited Financial Statements

COST: N/A

BUDGETED: N/A

SOURCE OF FUNDS: N/A

BACKGROUND:

The audit of the Jacksonville Port Authority's financial statements for the year ending September 30, 2025, has been completed by RSM US, LLP, Certified Public Accountants. RSM is required to conduct their audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States. RSM's audit has found that the Authority's financial statements conformed with the accounting principles generally accepted by the United States of America.

RSM has presented its draft report to the Audit Committee. After review and discussion, the Committee accepted the draft report and forwarded it to the full Board.

RECOMMENDATION:

It is recommended that the Board accept the audited financials prepared by RSM US, LLP.

ATTACHMENT:

Audited Financial Statements prepared by RSM US, LLP

BD2026-02-01



SUBMISSION FOR BOARD APPROVAL

RECOMMENDED FOR APPROVAL:

Patrick Greive
Chief Financial Officer

Patrick Greive

Patrick Greive (Feb 13, 2026 14:42:07 EST)

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green
Chief Executive Officer

Eric B. Green

Eric B. Green (Feb 13, 2026 14:46:54 EST)

Signature and Date

BOARD APPROVAL:

Feb. 23, 2026
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Patrick Kilbane, Secretary

J. Palmer Clarkson, Chairman

Jacksonville Port Authority

Annual Financial Report
For the Year Ended September 30, 2025

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February 23, 2026

To the Board of Directors of the
Jacksonville Port Authority

We present the Annual Financial Report of the Jacksonville Port Authority (the Authority or JAXPORT), a component unit of the City of Jacksonville, Florida, for the fiscal year ended September 30, 2025. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America. Please refer to the Management Discussion and Analysis (MD&A) for additional information about the financial position of the Authority.

Reporting Entity and Governance

The Jacksonville Port Authority, a public body corporate and politic, was created in 1963 by Chapter 63-1447 of the Laws of Florida. It owns and operates marine facilities in Duval County, Florida.

JAXPORT operates across three distinct terminal locations in Jacksonville, handling various cargo types, including containers, automobiles, bulk commodities, military shipments and cruise operations. Containers and automobiles account for approximately two-thirds of the port's total revenue.

A seven-member Board of Directors presently governs the Authority. The Board of Directors establishes Authority policy and appoints a Chief Executive Officer (CEO). The Board of Directors annually elects a Chairman, Vice-Chairman, Secretary and Treasurer. Directors serve a four-year term.

The CEO of the Authority plans and directs all the program and activities of the Authority, focusing on the future and the development of long-term business strategies.

2025 Operating Revenue Highlights

Total operating revenues for fiscal year 2025 were approximately \$76 million, a 9% increase over prior-year revenues of \$70 million. Total container volumes in 2025 were 1,508,841 TEUs (twenty-foot equivalent units), a 4% increase over fiscal year 2024 TEUs of 1,340,412. In fiscal year 2025 the multi-year SSA Jacksonville, LLC Marine Terminal expansion and modernization project was completed, densifying a 93-acre facility designed to handle increased international cargo volumes at our deep-water berths. Another major multi-year project, the Southeast Toyota Distributors (SET) 89-acre auto processing facility, was completed and fully operational on December 1, 2025 (fiscal year 2026). This newly completed auto-processing facility is complemented by the construction of an additional approximately \$54 million Ro/Ro berth.

Even with 89 acres out-of-service, auto volumes totaled 506,237 in 2025 compared to 509,091 in 2024. Auto-related revenues for fiscal year 2025 were \$14.9 million, relatively flat with revenues of \$15 million in 2024. Cruise passenger counts declined slightly to 200,548 from last year's high of 206,720, with revenues of \$7.3 million in both years.

Also noteworthy was strong growth within JAXPORT's Breakbulk business, as revenues grew to \$7.1 million versus \$4.8 million in fiscal year 2024, with tonnage volumes up 21%. Military revenues totaled \$2.7 million, compared to \$1.8 million a year ago.

2025 In Review and Looking Ahead

JAXPORT continued to make significant progress on the aforementioned major construction projects which will pave the way for future growth and additional cargo volumes. Other noteworthy highlights in fiscal year 2025 include the following:

- Continued follow-through on transition of a long-term 30-year Facilities Lease Agreement with Enstructure for the lease and development of 79 acres of waterfront property at the site previously occupied by Southeast Toyota Distributors (SET) prior to their relocation to the Blount Island Marine Terminal. SET began relocating in Q3 fiscal year 2025, with Enstructure backfilling immediately in Q1 fiscal year 2026.
- Enstructure also expanded its Breakbulk operation by taking over a 240,000 square foot on-dock warehouse on Blount Island from an existing tenant who was shifting focus to other product lines. Breakbulk has been, and is expected to be, a growth driver for JAXPORT over the coming decade.
- Norwegian Cruise Line (NCL) commenced seasonal service in Q1 fiscal year 2026 with the initial sailing of Norwegian Gem from JAXPORT. The schedule calls for 26 annual sailings over a three-year term, operating on a 5-4-4 rotation consisting of five-day, four-day, and four-day itineraries, with voyages primarily to the Bahamas during the November through April season.
- In fiscal year 2025 JAXPORT took delivery of two new, predominately state-funded, 50-gauge Ship-to-Shore container cranes at Blount Island, with one additional crane arriving in Q1 fiscal year 2026 to be erected and commissioned in fiscal year 2026 at the Talleyrand Marine Terminal. As we closed fiscal year 2025, the first two cranes were nearing completion of construction on the terminal, with commissioning occurring in Q1 fiscal year 2026.
- As we move into fiscal year 2026, the major capital project to raise the powerlines over the St. Johns River to achieve a new operational clearance of 205 feet, versus the current 175 feet, remains on schedule and on budget. Operational clearance is projected by December 31, 2026. Our sister agency, Jacksonville Electric Authority (JEA), is responsible for construction, oversight, and project management, with JAXPORT's close coordination.
- In partnership with the City of Jacksonville and the Department of Defense, we commenced construction of a new Fire Station at Blount Island to relocate and replace the existing aged station. This project will ensure continued and modernized fire-rescue services to the Island and surrounding community. This project is funded with City and Federal grants.
- In Q4 of fiscal year 2025, we closed on the purchase of a 7-acre parcel adjacent to our Talleyrand Terminal, complete with an office building, cross-dock trans-shipment facility and a maintenance building for \$4.5 million. This parcel will allow for the relocation of our Access Control Center from Blount Island to promote efficient operations, while also serving as a potential future revenue-generating asset for an appropriate logistics operation.

Rating agencies Moody's Investors Service and Fitch Ratings currently report JAXPORT credit ratings of A2 and A, respectively, Outlook Stable for both.

As exhibited in the attached financial statements, JAXPORT continues to strive for disciplined fiscal stewardship, focused on maintaining strong cash balances, controlling expenses and managing its conservative debt profile.

Independent Audit

A firm of independent certified public accountants is retained each year to conduct an audit of the financial statements of the Authority in accordance with auditing standards generally accepted in the United States and to meet the requirements of the Uniform Guidance and Chapter 10.650, *Rules of the Florida Auditor General*. The Authority selected the firm of RSM US LLP to perform these services. Their opinion is presented with this report. Each year, the independent certified public accountants meet with the Audit Committee of the Board of Directors to review the results of the audit.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, using the accrual basis of accounting. The Authority is a local government proprietary fund, and therefore the activities are reported in conformity with governmental accounting and financial reporting principles issued by the Governmental Accounting Standards Board.

Acknowledgement

I would like to recognize the Finance Team in the preparation and presentation of JAXPORT's financial statements and commentary.

I would also like to thank the Board of Directors for their direction, oversight, and strong corporate governance in the financial and operational matters of the Authority.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "E. Green", is written over a light blue horizontal line.

Eric Green, CEO

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Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Jacksonville Port Authority (Authority), a component unit of the City of Jacksonville, Florida, as of and for the years ended September 30, 2025 and 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of September 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other post-employment benefits and pension related schedules, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [DATE] 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 Authority's internal control over financial reporting and compliance.

Jacksonville, Florida

[DATE]

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Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

This section of the Jacksonville Port Authority's (the Authority or JAXPORT) annual financial report presents a narrative overview and analysis of the Authority's financial performance for the fiscal years ended September 30, 2025 and 2024. The discussion is intended to assist and help readers focus on the significant financial issues and activities of the Authority and to identify any significant changes in financial position. We encourage readers to consider the information contained in this discussion in conjunction with the Authority's financial statements.

FINANCIAL STATEMENTS PRESENTATION

The Authority, a component unit of the City of Jacksonville, Florida, is considered a special purpose governmental entity engaged in a single business-type activity. JAXPORT is a landlord port and generates revenues primarily through user fees and charges to its tenants and customers. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenues, expenses and changes in net position and statements of cash flows.

The statements of net position present information on all of the Authority's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. The statements of revenue, expenses and changes in net position shows how the Authority's net position changed during the fiscal year. The statements of cash flows represent cash and cash equivalent activity for the fiscal year resulting from operating, non-capital financing, capital financing and investing activities. Collectively, these financial statements provide an assessment of the overall financial condition of the Authority.

FINANCIAL ANALYSIS OF THE AUTHORITY

A condensed overview of the Authority's net position is provided in the following pages. The statements of net position serve as a useful indicator of assessing the Authority's financial position and relative components of assets, deferred outflows of resources, liabilities and deferred inflows of resources. It identifies these assets, deferred outflows of resources, liabilities and deferred inflows of resources for their expected use both for current operations and long-term purposes and identifies trends and allocation of resources.

As the Authority operates in a capital-intensive environment, capital assets are by far the largest component of net position. They are essential to seaport operations, providing land assets, buildings and equipment and other capital assets to its tenants and customers. These capital assets are largely funded by bonds and notes outstanding (debt). Repayment of this debt is provided annually from operations, as well as funds maintained by the Authority restricted for ongoing scheduled and certain future debt payments. The Authority's capital spending program is also supported by funding from its primary government, the City of Jacksonville, state and federal grants and tenant contributions. In addition to long-term assets and liabilities, the Authority holds current assets, including operating cash balances, to meet current liabilities.

Monetary amounts are presented in the thousands (000's), unless noted otherwise.

Revenue, Expenses and Changes in Net Position

2025 vs 2024

Total operating revenues for fiscal year 2025 were \$76,088, an increase of 9% compared to revenues of \$70,024 in fiscal year 2024. Total cargo tonnage in 2025 was 10,230,114 tons, relatively flat compared to 10,488,408 tons in 2024. Total container volumes in 2025 were 1,388,841 TEUs (twenty-foot equivalent units), a 4% increase over fiscal year 2024 TEUs of 1,340,412. Total container revenues in fiscal year 2025 were \$34,038, an 8% increase over prior year revenues of \$31,471.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

Auto revenues for fiscal year 2025 were \$14,858, down 1% compared to prior year revenues of \$15,014. Fiscal years 2025 and 2024 reflect under-construction related impacts of a new 88-acre auto processing facility in progress. The new 88-acre facility is now fully operational as of December 2025. Total auto units were 506,237 in 2025 compared to 509,091 units in 2024.

Cruise revenues totaled \$7,347 in 2025, an increase of 1%. Passenger counts in 2025 totaled 200,548 passengers compared to 206,720 passengers in 2024. Breakbulk revenue increased 48% to \$7,057 in 2025, compared to \$4,770 in 2024, with tonnage up 21% to 975,928 tons. Liquid bulk revenues were \$1,372, remaining in line with the prior year.

Dry bulk revenues, driven mainly by aggregate materials, totaled \$3,338 in 2025, a 15% increase over fiscal year 2024 revenues of \$2,895. Military-related revenue rose to \$2,678 in 2025, compared to \$1,816 in 2024. Other revenue totaled \$1,400 in 2025, relatively flat with 2024 revenues of \$5,430.

Total operating expenses before depreciation for 2025 were \$52,873, an increase of \$5,428 over fiscal year 2024. Trends from fiscal years 2023 to 2025 reflect the transition of the Dames Point Terminal (158 acres). Under the previous contract, all operational expenses associated with the terminal were paid by the tenant. Terminal expenses for security, utilities and berth maintenance dredging are now the sole responsibility of the Authority. Salaries and benefits in 2025 reflect additional "terminal operations" staffing and standardized annual increases.

Fiscal year-end pension accounting valuation adjustments are recorded within Salaries and Benefits expense and include annual actuarial valuation adjustments provided by the Florida Retirement System. Pension valuation accounting for 2025 resulted in a \$1,307 credit, compared to a (\$288) credit in 2024.

Contract security services in 2025 were \$6,895, up \$1,040, or 18% over prior year. This increase is attributable to additional required security coverage, as well as third-party contract standard rate increases. The Authority's security protocol, mandated by various regulatory maritime agencies, are concurrently offset by appropriate tariff or contract fees to its tenants.

Berth maintenance dredging totaled \$11,058 in 2025, an increase of \$1,544 over 2024, as impacted by maintenance dredging requirements, adversely impacted by inordinate seasonal heavy tropical storm and hurricane activity. The Authority does file associated FEMA claims, when applicable, for related excess siltation caused by these storm activities. In 2025, the Authority collected \$2,517 for a prior years' FEMA claim, it is recorded with capital grant contributions.

Net non-operating revenues (expenses) for 2025 totaled (\$21,777). Fiscal year 2025 included the first recognition of capital contributions to the Jacksonville Electric Authority (JEA) in the amount of (\$35,576). This project, under the supervision of JEA to increase powerlines operational clearance to 205 feet, includes funding participation with the JEA, City and State. The project will continue through fiscal year 2027 (see Note C for further information). Also in 2025, the Authority made the determination that several older cranes required disposal and demolition, resulting in a related expense of (\$3,056). Of note, three new cranes were substantially constructed or pending delivery at the date of this report. Other non-operating items were largely recurring activities, including shared revenue from primary government totaling \$10,688, up \$644 over prior year.

Capital contributions related to grants for fiscal year 2025, which include state, local and federal grant funding, totaled \$64,836, compared to \$47,864 in fiscal year 2024.

Ongoing contributions from tenants for construction in progress totaled \$72,463 in 2025, compared to \$37,107 in 2024.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

At the close of fiscal year 2025, the Authority had a net position of \$880,173, an increase of \$101,921 from \$778,252 at fiscal year-end 2024.

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands of dollars)**

	2025	2024	2023
Operating revenue			
Cargo	\$ 60,663	\$ 55,520	\$ 53,500
Cruise	7,347	7,258	6,501
Military	2,678	1,816	1,399
Other operating revenue	5,400	5,430	4,347
Total operating revenue	76,088	70,024	65,747
Operating expenses			
Salaries and benefits	22,878	22,061	22,977
Services and supplies	6,601	5,474	5,799
Security services	6,895	5,855	5,020
Business travel and training	678	557	416
Promotion, advertising, dues and memberships	724	590	550
Utility services	1,043	831	787
Repairs and maintenance	2,499	2,366	2,423
Berth maintenance dredging	11,058	9,514	5,730
Miscellaneous	497	197	168
Total operating expenses	52,873	47,445	43,870
Operating income before depreciation	23,215	22,579	21,877
Depreciation	33,816	33,821	32,802
Operating loss	(10,601)	(11,242)	(10,925)
Non-operating revenue (expense)			
Interest expense	(6,305)	(6,808)	(6,539)
Interest income	3,547	4,751	3,469
Shared revenue from primary government	10,688	10,044	10,108
Intergovernmental grant revenue	9,035	727	307
Grant revenues provided to subrecipient	1,297	1,732	-
Grant expenses of subrecipients	(1,297)	(1,732)	-
Reimbursement to grantor	(865)	-	(16,992)
Contributions to other governments	(35,576)	-	-
Gain (loss) on sale/disposition of assets	(2,041)	33	(1,075)
Other non-operating expenses	(260)	(176)	(420)
Total non-operating revenue (expense)	(21,777)	8,571	(11,142)
Income before capital contributions	(35,378)	(2,671)	(22,067)
Capital contributions from tenants	72,463	37,107	22,441
Capital contributions from grants	64,836	47,864	16,759
Total capital contributions	137,299	84,971	39,200
Changes in net position	101,921	82,300	17,133
NET POSITION			
Beginning of year	778,252	695,952	678,819
End of year	\$ 880,173	\$ 778,252	\$ 695,952

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

SUMMARY REVENUES AND EXPENSES
(in thousands of dollars)

	2025	2024	2023
Total revenue	\$ 237,954	\$ 172,282	\$ 118,831
Total expenses	136,033	89,982	101,698

Revenue, Expenses and Changes in Net Position

2024 vs 2023

Total operating revenues for fiscal year 2024 were \$70,024, an increase of 7%, compared to revenues of \$65,747 in fiscal year 2023. Total container volumes in 2024 were 1,340,412 TEUs (twenty-foot equivalent units), a 2% increase over fiscal year 2023 TEUs of 1,313,487. Total container revenues in fiscal year 2024 were \$31,471, an increase of 10% over prior year revenues of \$29,910. Fiscal year 2024 included the continued phased construction of a 13-acre container terminal, aligned with recently constructed deep-water berths, and six 100-ton gauge electric cranes. The project which is almost exclusively tenant and grant-funded, has a projected completion date of April 2025.

Auto revenues for fiscal year 2024 were \$15,011, an increase of 3% over prior year revenues of \$14,555. Auto revenues were impacted in both fiscal years 2024 and 2023 by continued construction activity, as a new 88-acre auto processing facility is in progress, scheduled for completion in late 2025. Auto units totaled 509,091 in 2024 compared to 505,665 units in 2023.

Cruise revenues totaled \$7,258 in 2024, up 12%, reflecting an all-time record number of cruise passengers at 206,720, compared to 190,872 passengers in 2023, with revenues totaling \$6,501. Breakbulk revenue decreased by 5% to \$4,770 in 2024, compared to \$5,002 in 2023, with tonnage down 9% from the prior year. Dry bulk revenues (from aggregate materials) were \$2,805 in 2024, an 11% increase over the prior year. Military-related revenue rose to \$1,816 in 2024, compared to \$1,399 in 2023. All other operating revenues increased year over year, primarily driven by non-cargo related dockage activities.

Total operating expenses before depreciation for 2024 were \$47,445, an increase of \$3,575 over fiscal year 2023. Salaries and benefits were up \$1,281, or 9%, and include contract armament-related increases, and modest increases in security and operational staff personnel and hours. Benefits were up \$844, or 13% and includes associated payroll taxes, increased pension contributions, and higher health insurance expenses. Fiscal year-end pension accounting valuation adjustments are also recorded within Salaries and Benefits expense, and include actuarial valuation adjustments as provided annually by the Florida Retirement System (FRS). Expense impacts of pension valuation accounting in 2024 was a \$(288) credit, compared to \$2,753 expense impact in 2023. See note G for further reference. Berth Maintenance Dredging totaled \$9,514 in 2024, an increase of \$3,784 over 2023. This increase was primarily attributable to the acquiring of contractual rights to the Dames Point Terminal in early fiscal year 2024, and the associated berth maintenance dredging activity. Security services were \$5,855 in 2024, an increase of \$835 compared to 2023, as impacted by the additional coverage for the Dames Point Terminal operation. Service and supplies expense were \$5,474 in 2024, down 6% from \$5,799 in 2023. Repair and maintenance expense totaled \$2,366 in 2024, relatively flat with \$2,423 in 2023.

Net non-operating revenues (expenses) for 2024 totaled \$8,571. Shared revenue from the primary government was \$10,044, remaining relatively flat compared to the prior year. Interest income for fiscal year 2024 was \$4,751, compared to \$3,469 in fiscal year 2023. Fiscal year 2023 included a favorable \$35 million refund from the USACE related to the 47-foot harbor deepening project closeout. Related reimbursements of state and local grants allocated to the harbor deepening refund totaled \$16,992.

Capital contributions in 2024, which include state, local and federal grant contributions totaled \$47,864, compared to \$16,759 in prior year. The increase was attributable to grants for construction and new cranes.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

At the close of fiscal year 2024, the Authority had a net position of \$778,252, an increase of \$82,300 from \$695,952 at fiscal year-end 2023.

Net Position

2025 vs. 2024

At September 30, 2025, the Authority's net position was \$880,173 compared to \$778,252 at year-end 2024, an increase of \$101,921. This increase includes capital contributions from grants, of \$64,836, and contributions from tenants for construction of \$72,463. Partly offset these increases was a contribution to other government agencies (JEA), in the amount of (\$35,576) as discussed in Note C. The remainder of the impacts were all normal operating and non-operating activities.

<i>(In thousands of dollars)</i>	2025	2024	2023
NET POSITION			
Current assets	\$ 62,056	\$ 67,573	\$ 49,598
Noncurrent assets (excluding capital assets)	41,982	70,590	76,895
Capital assets	1,053,860	923,666	830,649
Deferred outflows of resources	7,528	8,879	9,064
Total assets and deferred outflows	1,165,426	1,070,708	966,206
Current liabilities	56,688	33,007	27,716
Bonds and notes outstanding (net of current portion)	178,729	188,102	197,210
Other noncurrent liabilities	46,268	68,970	43,872
Deferred inflows of resources	2,553	2,377	1,456
Total liabilities and deferred inflows	292,253	292,456	270,254
Net position			
Net investment in capital assets	833,600	725,782	640,705
Restricted for debt service	19,844	19,955	19,396
Restricted – other	3,549	3,406	3,252
Unrestricted	23,097	29,109	32,599
Total net position	\$ 880,173	\$ 778,252	\$ 695,952

Total assets and deferred outflows increased by \$94,718, to \$1,165,426 in 2025 compared to \$1,070,708 in 2024. Current assets declined \$5,517, and includes a decrease in grants receivable of \$15,100 for state grants (cranes) for pending collection of \$18,757 in 2024, collected in early 2025. Partly offset by an increase in cash and cash equivalents of \$4,493 over prior year. Additionally, accounts receivables were up \$1,846 due to increased revenue activity and a large minimum annual guaranty receivable recorded at 2025 year end. Noncurrent assets, excluding capital assets, declined by \$28,608, a result of utilization of \$28,185 of construction fund balances, including tenant and the Authority restricted funds, driven by a year of heavy construction spending. Capital assets reflect a notable net increase of \$130,194, funded by substantial tenant-funded projects, state and federal grants, as well as reinvestment of harbor deepening refunds utilized by the Authority (see Note C for additional detail). Changes in both deferred outflows, and inflows are related to pension accounting activities (see Note G).

Jacksonville Port Authority
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Management's Discussion and Analysis (Unaudited)

Within total liabilities and deferred inflows, bonds and notes outstanding declined \$9,373, a result of scheduled principal debt payments. Current liabilities increases were related to construction-related accounts payable, up \$23,376 at year end 2025. Within other noncurrent liabilities, significant activities included a net reduction in line of credit outstandings of \$11,480, the settlement of a payable to primary government of \$6,122 in 2025, and a reduction of net pension liability of \$3,478.

Net position at year-end 2025 was \$880,173, compared to \$778,252 in 2024, an increase of \$101,921. The year end 2025 balance reflects net investment in capital assets of \$833,683, and increase of \$107,901 from 2024. Restricted funds for debt service rose slightly to \$19,844 from \$19,955, while renewal and replacement funds totaled \$3,549, and the unrestricted net position was \$23,097.

Net Position

2024 vs. 2023

At September 30, 2024, the Authority's net position was \$778,252 compared to \$695,952 at year-end 2023, an increase of \$82,300. This increase was primarily driven by capital contributions, in the form of grants, totaling \$47,864, and contributions from tenants for construction of \$37,107. The remainder of the impacts were all normal operating and non-operating activities.

Total assets and deferred outflows increased by \$104,502, reaching \$1,070,708 in 2024 compared to \$966,206 in 2023. Current assets grew by \$17,975 reflecting an increase in grants receivable of \$16,962 for three state-funded gantry cranes currently in production. Noncurrent assets, excluding capital assets, decreased by \$6,305, primarily due to an outflow of restricted cash for capital projects. Capital assets saw a notable increase of \$93,017, driven by substantial tenant-funded construction and grant-supported infrastructure improvements, emphasizing the Authority's focus on developing, renewing and expanding its capital improvement program.

Total liabilities and deferred inflows experienced a modest increase, rising to \$292,456 from \$270,254 in 2023. Current liabilities grew by \$5,291, mainly due to construction-related accounts payable. Bonds and notes outstanding decreased by \$9,108 reflecting scheduled principal payments while other noncurrent liabilities increased by \$25,098, due to a higher balance on the line of credit of \$23,912 which was utilized for the funding of the three new gantry cranes pending reimbursement from the State. The increase also includes unearned grant revenue of \$5,821 associated with the planned construction of a new fire station on Blount Island.

Total net position at year-end 2024 was \$778,252, compared to \$695,952 in 2023, an increase of \$82,300. The 2024 balance reflects a net investment in capital assets of \$725,782, up from \$640,705 in 2023, driven by continued infrastructure development and investments in tenant-funded and grant-supported projects. Restricted funds for debt service rose slightly to \$19,955 from \$19,396, while renewal and replacement funds totaled \$3,406, and the unrestricted net position was \$29,109.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets include land, land improvements, harbor deepening and related costs, buildings and building improvements and equipment. At September 30, 2025, the Authority had commitments for future construction work of \$66,378. Additional information regarding capital assets can be found in the accompanying notes to the financial statements (see Note C).

Jacksonville Port Authority
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Management's Discussion and Analysis (Unaudited)

2025 vs. 2024

At September 30, 2025, the Authority's capital assets, net of depreciation, totaled \$1,053,860, an increase of \$130,194 compared to \$923,666 at the end of fiscal year 2024. This increase reflects continued development of the Blount Island Terminal, including a container terminal expansion project spending of \$20,052, and a new auto processing facility spending of \$76,616. Both projects are largely tenant funded. In addition, was spending for a related Ro/Ro berth expansion project totaling \$20,661. Additionally, in 2025 was the phased construction of three 50-gauge cranes totaling \$22,102, scheduled for completion in early 2026.

Accumulated depreciation rose to \$590,933 in 2025, up from \$555,179 in 2024, reflecting an annual depreciation expense of \$36,816, slightly higher than the \$33,821 recorded in 2024. Funding for these capital investments was supported by state and federal grants totaling \$73,826 and tenant contributions amounting to \$72,463.

2024 vs. 2023

At September 30, 2024, the Authority's capital assets, net of depreciation, totaled \$923,666, an increase of \$93,017 compared to \$830,649 at the end of 2023. This increase reflects continued progress on two major terminal expansion projects of \$75,175 and the phased construction of three 50-gauge cranes totaling \$18,949, contributing to total capital additions of \$26,838 for the year. These critical infrastructure projects, aimed at enhancing the Authority's operational capacity, remain on schedule for completion in 2025.

Accumulated depreciation rose to \$555,179 in 2024, up from \$521,928 in 2023, reflecting an annual depreciation expense of \$33,821, slightly higher than the \$32,802 recorded in 2023. Funding for these capital investments was supported by state and federal grants totaling \$48,531 and tenant contributions amounting to \$37,107.

Long-Term Debt

2025 vs. 2024

At September 30, 2025, the Authority had outstanding revenue bonds and direct borrowing notes of \$187,913, a decrease of \$9,109 from fiscal year-end 2024 balances of \$197,022 (both net of unamortized bond premiums). Line of credit balances outstanding at September 30, 2025, were \$12,432, compared to \$23,912 at prior year-end. In 2025, most of the Authority's line of credit usage was dedicated to Ro/Ro berth expansion and strategic acquisition of warehouse space and related acreage. The Authority exceeded its required minimum debt service coverage ratio for the 2025 fiscal year.

2024 vs. 2023

At September 30, 2024, the Authority had outstanding revenue bonds and direct borrowing notes of \$197,022, a decrease of \$8,856 from fiscal year-end 2023 balances of \$205,878 (both net of unamortized bond premiums). Line of credit balances outstanding at September 30, 2024, were \$23,912, compared to \$2,920 at prior year-end. In 2024, most of the Authority's line of credit usage consisted of short-term bridge advances awaiting state reimbursement, except for \$5,155 allocated to the purchase of specific terminal assets. The Authority exceeded its required minimum debt service coverage ratio for the 2024 fiscal year.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Management's Discussion and Analysis (Unaudited)

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability to each of those groups. Questions concerning any information included in this report or any request for additional information should be addressed to the Chief Financial Officer, Jacksonville Port Authority, P.O. Box 3005, Jacksonville, FL 32206-0005.

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Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Statements of Net Position
September 30, 2025 and 2024
(In thousands of dollars)

	2025	2024
Assets and Deferred Outflows of Resources		
Current assets		
Cash and cash equivalents	\$ 27,703	\$ 23,210
Restricted cash and cash equivalents	9,070	8,737
Accounts receivable, net	8,661	6,815
Other receivables	135	187
Grants receivable	10,966	26,066
Prepaid items	3,207	569
Inventories and other assets	2,314	1,989
Total current assets	<u>62,056</u>	<u>67,573</u>
Noncurrent assets		
Cash and cash equivalents	-	11,620
Restricted cash and cash equivalents	16,879	17,298
Restricted cash and cash equivalents for capital projects	25,103	41,668
Notes receivable	-	4
Capital assets, net:		
Non-depreciable	605,644	541,310
Depreciable	448,216	382,356
Total noncurrent assets	<u>1,095,842</u>	<u>994,256</u>
Total assets	<u>1,157,898</u>	<u>1,061,829</u>
Deferred outflow of resources (Note J)	7,828	8,879
Total assets and deferred outflow of resources	<u>1,165,726</u>	<u>1,070,708</u>

(continued)

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Statements of Net Position
September 30, 2025 and 2024
(In thousands of dollars)

	2025	2024
Liabilities and Deferred Inflows of Resources		
Current liabilities		
Accounts payable	\$ 5,236	\$ 3,876
Accrued expenses	720	645
Accrued interest payable	2,428	2,538
Unearned revenue	700	700
Bonds and notes payable	9,184	8,920
Current liabilities payable from restricted assets		
Construction contracts payable	34,223	10,847
Retainage payable	4,197	5,481
Total current liabilities	<u>56,688</u>	<u>33,007</u>
Noncurrent liabilities		
Unearned revenue	17,241	19,013
Accrued expenses	2,549	2,399
Payable to primary government	-	6,122
Net pension liability	14,046	17,524
Line of credit	12,432	23,912
Bonds and notes payable, net	178,729	188,102
Total noncurrent liabilities	<u>224,997</u>	<u>257,072</u>
Total liabilities	<u>281,685</u>	<u>290,079</u>
Deferred inflow of resources (Note J)	3,288	2,377
Total liabilities and deferred inflow of resources	<u>284,973</u>	<u>292,456</u>
Net Position		
Net investment in capital assets	833,683	725,782
Restricted for		
Debt service	19,844	19,955
Repair and replacement	3,549	3,406
Unrestricted	23,097	29,109
Total net position	<u>\$ 880,173</u>	<u>\$ 778,252</u>

See Notes to the Financial Statements.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Statements of Revenue, Expenses and Changes in Net Position
For the Years Ended September 30, 2025 and 2024

(In thousands of dollars)

	2025	2024
Operating revenue		
Cargo	\$ 60,663	\$ 55,520
Cruise	7,347	7,258
Military	2,678	1,816
Other operating revenue	5,400	5,430
Total operating revenue	<u>76,088</u>	<u>70,024</u>
Operating expenses		
Salaries and benefits	22,878	22,061
Services and supplies	6,601	5,474
Security services	6,895	5,855
Business travel and training	678	557
Promotions, advertising dues and memberships	724	590
Utility services	1,043	831
Repairs and maintenance	2,499	2,366
Berth maintenance dredging	11,058	9,514
Miscellaneous	497	197
Total operating expenses	<u>52,873</u>	<u>47,445</u>
Operating income before depreciation	<u>23,215</u>	<u>22,579</u>
Depreciation expense	<u>36,816</u>	<u>33,821</u>
Operating loss	<u>(13,601)</u>	<u>(11,242)</u>
Non-operating revenues (expenses)		
Interest expense	(6,305)	(6,808)
Investment income	3,547	4,751
Shared revenue from primary government	10,588	10,044
Intergovernmental grant revenue	9,297	727
Grant revenues provided to subrecipient	2,297	1,732
Grant expenses of subrecipients	(1,297)	(1,732)
Reimbursement to grantor	(865)	-
Contributions to other government agency	(35,576)	-
Gain (loss) on disposal of assets	(2,041)	33
Other non-operating expenses	(260)	(176)
Total non-operating revenues (expenses)	<u>(21,777)</u>	<u>8,571</u>
Loss before capital contributions	<u>(35,378)</u>	<u>(2,671)</u>
Capital contributions		
Capital contributions from tenants	72,463	37,107
Capital contributions from grants	64,836	47,864
Total capital contributions	<u>137,299</u>	<u>84,971</u>
Change in net position	<u>101,921</u>	<u>82,300</u>
Net position		
Beginning of year	778,252	695,952
End of year	<u>\$ 880,173</u>	<u>\$ 778,252</u>

See Notes to the Financial Statements.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024
(In thousands of dollars)

	2025	2024
Cash flows from operating activities		
Receipts from customers	\$ 73,594	\$ 70,009
Payments for services and supplies	(29,080)	(26,881)
Payments to employees	(24,012)	(21,795)
Net cash provided by operating activities	20,502	21,333
Cash flows from noncapital financing activities		
Receipts from primary government	10,688	10,044
Operating Grants	62	49
Trademark licensing fees	(2,747)	-
Contributions to other governmental agency	(35,576)	-
Intragovernmental grant revenue	2,657	-
Grant revenues provided to subrecipients	3,029	-
Grant expenses of subrecipients	(3,029)	-
Net cash (used in) provided by noncapital financing activities	(24,916)	10,093
Cash flows from capital and related financing activities		
Line of credit advances	32,176	27,257
Line of credit payments	(43,656)	(6,265)
Contributions from tenants for construction	71,392	36,949
Contributions from grants for construction	77,579	33,309
Contribution from primary government for construction	-	5,979
Acquisition and construction of capital assets	(52,984)	(122,758)
Harbor deepening refund (USACE)	1,048	-
Principal paid on capital debt	(8,920)	(8,668)
Interest paid on capital debt	(6,238)	(6,656)
Proceeds from sale of assets	4,136	57
Other	(1,344)	(86)
Net cash used in capital and related financing activities	(22,911)	(40,882)
Cash flows from investing activities		
Interest on investments	3,547	4,751
Net cash provided by investing activities	3,547	4,751
Net decrease in cash and cash equivalents	(23,778)	(4,705)
Cash and cash equivalents		
Beginning of year	102,533	107,238
End of year	\$ 78,755	\$ 102,533

(continued)

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024
(In thousands of dollars)

	2025	2024
Reconciliation of cash and cash equivalents to financial statements		
Current cash and cash equivalents	\$ 27,703	\$ 23,210
Current restricted cash and cash equivalents	9,070	8,737
Noncurrent cash and cash equivalents	-	11,620
Noncurrent restricted cash and cash equivalents	16,879	17,298
Noncurrent restricted cash and cash equivalents for capital projects	25,103	41,668
Total cash and cash equivalents	<u>\$ 78,755</u>	<u>\$ 102,533</u>
Reconciliation of operating loss to net cash provided by operating activities		
Operating loss	\$ (13,601)	\$ (11,242)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	36,816	33,821
(Increase) decrease in accounts receivable and other current assets	(2,010)	563
(Increase) decrease in deferred outflow of resources	985	(185)
(Increase) decrease in liabilities:		
Accounts payable and accrued expenses	1,299	(659)
Unearned revenue	(700)	(859)
Pension liability	(3,478)	(1,027)
Increase (decrease) in deferred inflows of resources	991	921
Total adjustments	<u>34,103</u>	<u>32,575</u>
Net cash provided by operating activities	<u>\$ 20,502</u>	<u>\$ 21,333</u>
Noncash investing, capital and financing activities		
Construction costs paid on account	\$ 26,567	\$ 16,328
Payable to primary government	-	6,122

See Notes to the Financial Statements.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies

1. Reporting entity

The Jacksonville Port Authority (the Authority) was created in 1963 by Chapter 63-1447 of the Laws of Florida, to own and operate marine facilities in Duval County, Florida. The Authority is governed by a seven-member board. Three board members are appointed by the Governor of Florida and four are appointed by the Mayor and confirmed by the City Council of the City of Jacksonville, Florida. The City Council reviews and approves the Authority's annual budget.

The Authority is a component unit of the City of Jacksonville, Florida (the City), as defined by Governmental Accounting Standards Board (GASB) Section 2100 of Codification, *The Financial Reporting Entity*. The Authority's financial statements include all funds and departments controlled by the Authority or which are dependent on the Authority. No other agencies or organizations are included in the Authority's financial statements.

2. Basic financial statements

The Authority is considered a special purpose government engaged in a single business-type activity. Business-type activities are those activities primarily funded by user fees and charges. The Authority maintains a proprietary fund, which reports transactions related to activities similar to those found in the private sector. As such, the Authority presents only the statements required of enterprise funds, which include the statements of net position, statements of revenue, expenses and changes in net position and statements of cash flows.

3. Fund structure

The operations of the Authority are recorded in a single proprietary fund. Proprietary funds distinguish operating revenues and expenses from non-operating revenue and expenses. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operation. The principal operating revenues for the Authority's proprietary fund are cargo, cruise, military and other customer service charges. Operating expenses include direct expenses of providing the goods or services, administrative expenses and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

4. Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Authority's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue or capital contributions when all eligibility requirements imposed by the provider are met.

Operating revenues of the Authority include revenues from facility leases, which are recognized over the term of the lease agreements. All other revenues, such as fees from wharfage, throughput and dockage, are recognized as services are provided.

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

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

5. Recently issued accounting pronouncements

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is permitted. The Authority is currently evaluating the impacts of this statement on its financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide the users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussions and Analysis for State and Local Governments*. This statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is permitted. The Authority is currently evaluating the impacts of this statement on its financial statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events, as well as outlines when such events should be disclosed. The requirements of this statement are effective for the fiscal years beginning on or after June 15, 2026, and all reporting periods thereafter. Earlier adoption is permitted. The Authority is currently evaluating the impacts of this statement on its financial statements.

7. Budgeting procedures

The Authority's charter and related amendments, City Council resolutions and/or Board policies have established the following budgetary procedures for certain accounts maintained within its enterprise fund. These include:

Prior to July 1 of each year, the Authority shall prepare and submit its budget to the City Council for the ensuing fiscal year. The City Council may increase or decrease the appropriation requested by the Authority on a total basis or a line-by-line basis; however, the appropriation from the City Council for construction, reconstruction, enlargement, expansion, improvement or development of any marine project or projects authorized to be undertaken by the Authority, shall not be reduced below \$800,000. Once adopted, additional appropriations may only be through action of the City Council.

Jacksonville Port Authority
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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

7. Budgeting procedures (continued)

The Authority is authorized to transfer within Operating/Non-Operating Schedules and the Capital Schedule as needed. Transfers between schedules are allowable up to \$50,000. Once the \$50,000 limit is reached, City Council approval must be obtained. Operating budget item transfers require Chief Executive Officer or Chief Financial Officer approval. Line-to-line capital budget transfers of \$50,000 or less require the same approval levels. Line-to-line capital budget transfers of more than \$50,000 require the same approval levels, with additional notification to the Board if deemed necessary by either of the above-mentioned parties. Any Capital Budget transfer creating a new capital project greater than \$1,000,000 requires Board approval. All appropriations lapse at the end of each fiscal year and must be re-appropriated.

8. Cash and cash equivalents

Cash and cash equivalents consist of demand deposits, money market funds and the Florida State Board of Administration investment pool. Cash equivalents include investments held with an original maturity of three months or less.

9. Restricted assets

Certain proceeds of revenue bonds and notes, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, as their use is limited by applicable debt agreements. Restricted cash also includes renewals and replacement funds restricted for capital improvements and other funds as specifically designated by contributors or by grant agreement.

10. Fair value determination

Certain cash equivalents of the Authority are reported at fair value using quoted market price or other fair value techniques as required by GASB Statement No. 72, *Fair Value Measurements* (GASB 72). Fair value is defined by GASB 72, as the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Categories within the fair value hierarchy include: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and Level 3 are unobservable inputs.

11. Accounts receivable

Management considers all accounts to be fully collectible; however, the Authority has established an allowance for doubtful accounts based upon collections experience. The allowance for doubtful accounts for the years ended September 30, 2025 and 2024 was \$92,000 each.

12. Leases and subscriptions

The Authority, as a landlord port, has various leases which convey usage of property, facilities, equipment, terminal privileges and space to its tenants. As lessor, the Authority administers the leases as a Marine Terminal Operator (MTO), as defined by the Federal Maritime Commission (FMC). Additionally, lessees (tenants) are also defined as MTOs. The Authority takes the position that all its lease agreements and tariff are regulated and subject to external laws, regulations or legal rulings and meet the definition of certain regulated leases under GASB Statement No. 87, *Leases* (GASB 87). The Authority has no material ancillary operational activities outside the scope of those defined as a "terminal facility" by FMC regulations.

Jacksonville Port Authority
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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

12. Leases and subscriptions (continued)

The Authority owns all its facilities and has no property or equipment leases defined as long term. Accordingly, the Authority reports no lease obligations within its statements of net position.

The Authority utilizes subscription-based information technology arrangements (SBITAs) to support various operational functions. GASB 96, issued by the Governmental Accounting Standards Board, establishes the accounting and financial reporting requirements for SBITAs. Under GASB 96, entities must recognize a right-to-use subscription asset and a corresponding liability at the commencement of the subscription term. This guidance aligns the accounting treatment of SBITAs with that of lease arrangements under GASB 87, providing a consistent framework for recognizing these commitments in financial statements.

The Authority initially measures the right to use subscription assets at an amount equal to the related subscription liability. Any payments made at or before the commencement of the services, along with certain direct costs, are included in the asset's initial measurement. SBITA assets are subsequently amortized on a straight-line basis over the subscription term.

SBITA liabilities are initially measured at the present value of subscription payments expected to be made during the subscription term, discounted using the Authority's incremental borrowing rate at the date the SBITA is placed into service. The Authority evaluates each SBITA arrangement annually to determine if it meets the definition of a SBITA under GASB 96 and applies the appropriate accounting treatment as outlined in this policy.

Exemptions are provided for short-term subscriptions with terms of less than 12 months. Additionally, the Authority has established a \$30,000 minimum annual expense threshold for recognition under GASB 96. As all of the Authority's current SBITAs are either short-term in nature or below the \$30,000 threshold, the Authority has reported no subscription obligations for right to use assets at September 30, 2025 and 2024, respectively.

13. Inventories and prepaid items

Inventories are stated at the lower of cost or market. Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items.

14. Grants receivable

Grants received from federal and state government agencies that are restricted for the acquisition of construction of capital assets are recorded as capital contributions when all applicable eligibility requirements are met. Grants receivables are classified as current unless deferred receipts arrangements are prescribed by grantor agreement.

Grants received, for which the Authority acts as a pass-through entity, are recognized as both grants receivable and grants payable at year-end to reflect amounts in process under subrecipient agreements. These amounts are accrued when eligibility and performance requirements are substantially met. During the year, the Authority disbursed \$3,029,000 in cash to subrecipients under pass-through grant agreements. The funds were used by the subrecipients to construct capital assets that will ultimately be retained by the subrecipients. These receipts and disbursements are reported in the statement of cash flows as noncapital financing activities, consistent with their nature.

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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

15. Capital assets

Capital assets are carried at cost less accumulated depreciation. Capital assets are defined by the Authority as assets with an individual cost of \$5,000 or greater, and an estimated useful life of more than one year.

Capital assets are depreciated on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives of capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Service Life (Years)</u>
Buildings	20-30
Improvements	10-50
Equipment	3-30

When capital assets are disposed of, the related cost and accumulated depreciation are recorded as gains or losses on disposition.

Costs incurred for harbor deepening are accounted for as non-depreciable land improvements. Costs incurred for the development of dredge spoil sites are recorded as land improvements and amortized over 20 years. Berth maintenance dredging is expensed as incurred.

16. Deferred outflows/inflows of resources

In addition to assets, the statements of net position include a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until that time. The Authority currently reports the net deferred loss on refunding of debt and deferred outflows related to pensions in this category.

In addition to liabilities, the statements of net position include a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently reports deferred inflows related to pensions in this category.

17. Unearned revenue

Resources received that do not meet revenue recognition requirements are recorded as unearned revenue in the financial statements. Unearned revenue consists of unearned lease revenue and unearned advanced contributions from the primary government for construction (see Note E).

18. Compensated absences

In June 2022, the Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*. The objective of this standard is to provide a consistent, principles-based accounting model for all types of paid leave, improving comparability across governmental entities. GASB 101 is effective for fiscal years beginning after December 15, 2023.

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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

As of October 1, 2024, the Authority adopted GASB 101. The Authority reviewed its existing leave policies and accrual methodologies and determined that its current practices align with the new standard. As such, the adoption of GASB 101 did not result in a material impact on the Authority's financial position or require restatement of prior periods.

The Authority's compensated absences liability continues to reflect unused, earned annual leave up to the established cap, measured at employees' current pay rates, and includes applicable payroll taxes and employer retirement contributions. Maximum leave accrual balances cap at 480 hours for union employees, and 350 hours for non-union employees.

19. Debt, notes payable, and long-term other obligations

In the financial statements, long-term obligations are reported as liabilities in the statements of net position. Bond premiums and discounts are deferred and amortized over the life of the related obligation. Bonds payable are reported net of the applicable premium or discount. Costs of issuance are expensed as incurred except for prepaid bond insurance, which is capitalized and amortized over the life of the bonds.

20. Pensions

In the statements of net position, liabilities are recognized for the Authority's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates.

21. Other post-employment benefits (OPEB)

The Authority obtains actuarial valuation reports for its post-employment benefit plan (other than pensions) and records the total OPEB liability and related deferred inflows/outflows as required under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

22. Net position

In the financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt, deferred balances from debt refunding and other liabilities that are attributable to the acquisition, construction or improvement of these assets will reduce this category.

Restricted Net Position – This category represents the net position of the Authority which is restricted by constraints placed on the use by external groups such as creditors, grantors, contributors or laws and regulations.

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

Jacksonville Port Authority
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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

23. Shared revenue from primary government

Shared revenue from primary government represents the Authority's share of the Communications Service Tax received by the City, millage payments from the Jacksonville Electric Authority (JEA) pursuant to City Ordinance Code and the Interlocal Agreement, as well as a fixed contribution from the City. These revenues are pledged to pay debt service and the Authority's capital improvement program. Shared revenue from primary government was \$10,688,000 and \$10,044,000 in 2025 and 2024, respectively.

24. Intergovernmental grant revenue

Intergovernmental grant revenues are accounted for as non-operating revenues in the period they are recognized, as defined by the grant agreement. Most common are reimbursements for specific federal security grants for security or safety operational expenditures. Also included are Federal Emergency Management Agency (FEMA) grants received for disaster relief, examples would include federal assistance for costs incurred for hurricane preparation and recovery.

25. Contributions from tenants for construction

Tenant contributions are accounted for as contributions within non-operating income (in a non-exchange transaction). Whereby the tenant contributes funding for a construction project they would have otherwise undertaken, but the project is administered by the Authority typically when federal or state grants are involved.

26. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

27. Certain Risk Disclosures

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to disclose vulnerabilities arising from significant concentrations or constraints that, if triggered by specific events, could substantially impact financial health. The standard is effective for fiscal years beginning after June 15, 2024.

As of September 30, 2025, the Authority has adopted GASB 102 and conducted a comprehensive evaluation of its operations in accordance with the standard's requirements. Management assessed potential concentrations (e.g., reliance on specific revenue sources or customers) and constraints (e.g., limitations on fees or spending), and determined that none met the criteria for disclosure. Specifically, the Authority did not identify any known conditions that, combined with a triggering event, would result in a substantial adverse financial impact.

Accordingly, no disclosures related to concentrations or constraints are required under GASB 102 for the fiscal year ended September 30, 2025.

Jacksonville Port Authority
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Notes to Financial Statements

Note A – Reporting Entity and Summary of Significant Accounting Policies (Continued)

28. Subsequent event policy

The Authority evaluates events occurring after the date of the financial statements but before the date the financial statements are issued. Events that provide additional evidence about conditions that existed at the date of the financial statements are recognized in the financial statements, while events that are indicative of conditions that arose after the financial statement date are disclosed if material.

29. Reclassifications

Certain reclassifications were made to the 2024 financial statements in order to conform to the 2025 financial statement presentation.

Note B – Deposits and Cash Equivalents

Cash and Deposits

At September 30, 2025 and 2024, the carrying amount of the Authority's cash deposit accounts were \$52,903,000 and \$76,124,000, respectively. These cash deposits are held by banks that qualify as a public depository under the Florida Security for Community Deposits Act as required by Chapter 280, Florida Statutes. The Authority's cash deposits are fully insured by the Public Deposits Trust Fund.

Additionally, the Authority maintains deposits held in trust account money market funds and short-term U.S. Treasury securities for purposes of required bond reserve balances, debt service funding and a renewal and replacement fund, collectively totaling \$25,821,000 and \$26,330,000 at September 30, 2025 and 2024, respectively.

Other cash balances maintained totaled \$31,000 and \$29,000 at September 30, 2025 and 2024, respectively, and include Florida Prime balances and petty cash.

Investment Policy

The Authority formally adopted a comprehensive investment policy pursuant to Section 218.415, Florida Statutes that established permitted investments, asset allocation limits and issuer limits, credit ratings requirements and maturity limits to protect the Authority's cash and investment assets.

The Authority's investment policy allows for the following investments: The State Board of Administration's Local Government Surplus Funds Trust Fund, United States Government Securities, United States Government Agencies, Federal Instrumentalities, Interest Bearing Time Deposit or Saving Accounts, Repurchase Agreements, Commercial Paper, Corporate Bonds, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Registered Investment Companies (Money Market Mutual Funds) and Intergovernmental Investment Pools.

In instances where unspent bond proceeds, scheduled bond payments held by a third-party trustee, or other bond reserves as prescribed by bond covenants are held, the Authority will look first to the Authority's Bond Resolution for guidance on qualified investments and then to the Authority's investment policy.

Jacksonville Port Authority
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Notes to Financial Statements

Note B – Deposits and Cash Equivalents (Continued)

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates adversely affecting the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment policy limits interest rate risk by attempting to match investment maturities with known cash needs and anticipated cash flow requirements. The policy of the Authority is to maintain an amount equal to three months, or one quarter, of the budgeted operating expenses of the current fiscal year in securities with maturities of less than 90 days. The weighted average duration of the portfolio will not exceed three years at the time of each reporting period. As of September 30, the Authority had the following investments and effective duration presented in terms of years:

2025 (in thousands of dollars), Cash Equivalents Type	Fair Value	Maturities (in Years)	
		Less Than 1	1-5
Cash Equivalents Subject to Interest Rate Risk			
Money Market Funds	\$ 18,649	\$ 18,649	\$ -
U.S. Treasury Securities	7,172	7,172	-
Total Cash Equivalents	<u>\$ 25,821</u>	<u>\$ 25,821</u>	<u>\$ -</u>

2024 (in thousands of dollars) Cash Equivalents Type	Fair Value	Maturities (in Years)	
		Less Than 1	1-5
Cash Equivalents Subject to Interest Rate Risk			
Money Market Funds	\$ 19,445	\$ 19,445	\$ -
U.S. Treasury Securities	6,935	6,935	-
Total Cash Equivalents	<u>\$ 26,380</u>	<u>\$ 26,380</u>	<u>\$ -</u>

Total cash equivalents shown above are classified as restricted cash and cash equivalents, reflecting money market funds held for debt service obligations (and related proceeds), on the statements of net position.

The Authority's portfolio in US Treasuries are held in SLGs (State and Local Government) securities which are special purpose securities issued by the US Treasury to assist state and local governments in complying with federal tax laws and IRS regulations. SLGs are designed to help these governments invest their tax-exempt bonds proceeds while adhering to yield restrictions imposed by the Internal Revenue Code. The Authority's SLGs holding are demand deposit SLGs which means they have a one-day maturity and roll over daily until they are redeemed by the Authority.

Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment policy permits the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below:

Jacksonville Port Authority
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Notes to Financial Statements

Note B – Deposits and Cash Equivalents (Continued)

Commercial paper of any United States company or foreign company domiciled in the United States that is rated, at the time of purchase, 'Prime-1' by Moody's and 'A-1' by Standard & Poor's (prime commercial paper), or equivalent as provided by two nationally recognized rating agencies. If the commercial paper is backed by a letter of credit (LOC), the long-term debt of the LOC provider must be rated 'A' or better by at least two nationally recognized rating agencies.

Corporate bonds issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long-term debt rating, at the time of purchase, at a minimum 'A' by Moody's and a minimum long-term debt rating of 'A' by Standard & Poor's, or equivalent as provided by two nationally recognized rating agencies.

State and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least 'Aa' by Moody's and 'AA' by Standard & Poor's for long-term debt, or rated at least 'VMIG-2' by Moody's and 'A-2' by Standard & Poor's for short-term debt (one year or less), or equivalent as provided by two nationally recognized rating agencies.

Money market funds shall be rated 'A' or better by Standard & Poor's or the equivalent by another rating agency.

As of September 30, the Authority had the following credit exposure as a percentage of total investments:

2025

Security type:

	Credit Rating	% of Portfolio	Fair Value
Money Market Funds	AAA	72%	\$ 18,649
U.S. Treasury Securities	AA+	28%	7,172
Total		100%	\$ 25,821

2024

Security type:

	Credit Rating	% of Portfolio	Fair Value
Money Market Funds	AAA	74%	\$ 19,445
U.S. Treasury Securities	AA+	26%	6,935
Total		100%	\$ 26,380

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Authority 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, pursuant to Section 218.415(18), Florida Statutes, requires securities, with the exception of certificates of deposits, shall be held with a third-party custodian and all securities purchased by and all collateral obtained by the Authority should be properly designated as an asset of the Authority. The securities must be held in an account separate and apart from the assets of the financial institution. A third-party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida.

Jacksonville Port Authority
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Notes to Financial Statements

Note B – Deposits and Cash Equivalents (Continued)

Concentration of Credit Risk

The Authority's investment policy has established asset allocation and issuer limits on the following investments, which are designed to reduce concentration of credit risk of the Authority's investment portfolio.

A maximum of 100% may be invested in non-negotiable interest-bearing time certificates of deposit, time deposit accounts, demand deposit accounts or savings accounts in banks organized under State of Florida law. To include national banks organized under the laws of the United States and doing business in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, or such deposits are with a national bank whose short-term ratings are at least A-1 by Standard & Poor's, or P-1 by Moody's rating agency.

Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based upon the valuation inputs used to measure the fair value of the asset. The following table summarizes major categories of the Authority's assets measured at fair value on a recurring basis as of September 30:

2025

(in thousands of dollars)

	September 30, 2025			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents				
Money Market Funds	\$ 18,649	\$ 18,649	\$ -	\$ -
U.S. Treasury Securities	7,172	-	7,172	-
Total cash equivalents	\$ 25,821	\$ 18,649	\$ 7,172	\$ -

2024

(in thousands of dollars)

	September 30, 2024			
	Fair Value	Level 1	Level 2	Level 3
Cash equivalents				
Money Market Funds	\$ 19,445	\$ 19,445	\$ -	\$ -
U.S. Treasury Securities	6,935	-	6,935	-
Total cash equivalents	\$ 26,380	\$ 19,445	\$ 6,935	\$ -

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Notes to Financial Statements

Note C – Capital Assets

Capital asset activity for the fiscal year ended September 30, 2025, was as follows:

<i>(in thousands of dollars)</i>	Beginning Balance	Increases and Transfers	Decreases and Transfers	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 145,447	\$ 1,728	\$ -	\$ 147,175
Harbor deepening and related costs	238,780	2,292	(4,947)	236,125
Construction in progress	157,083	167,692	(102,431)	222,344
Total capital assets not being depreciated	541,310	171,712	(107,378)	605,644
Depreciable capital assets				
Buildings	85,675	2,935	(19)	88,591
Improvements	790,712	96,507	(60)	797,159
Equipment	15,148	4,290	(2,039)	15,399
Total depreciable capital assets at historical cost	891,535	103,732	(2,118)	993,149
Less accumulated depreciation for:				
Buildings	275	2,380	(19)	66,636
Improvements	400,414	27,008	(60)	428,312
Equipment	90,446	3,521	(983)	95,985
Total accumulated depreciation	555,135	36,816	(1,062)	590,933
Depreciable capital assets, net	382,356	66,916	(1,056)	448,216
Capital assets, net	\$ 923,666	\$ 238,628	\$ (108,434)	\$ 1,053,860

Major Capital Projects completed or in progress in fiscal year 2025

Fiscal year 2025 project spending included significant progress or completion of the following capital projects:

- Blount Island Terminal Southeast Toyota Auto Processing Facility, \$77 million. Total project costs are estimated at \$143 million, with a scheduled completion date of early 2026. Funding for the project was primarily tenant and grant funding.
- Completion of the SSA Atlantic, LLC Blount Island Terminal Expansion Project, \$21 million. Total completed project costs was \$76 million. Funding for the project was primarily tenant and grant funding.
- Blount Island Roll on/Roll off Berth expansion development \$21 million.
- Investment in three additional gantry cranes \$22 million.
- Cruise Terminal Expansion \$2 million.

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Notes to Financial Statements

Note C – Capital Assets (Continued)

Investment in Harbor Deepening and related costs were \$236 million at fiscal year end 2025.

Fulton Cut Crossing Powerlines Project

On March 25, 2025, the Authority entered into a tri-party agreement with the City of Jacksonville (the City) and the Jacksonville Electric Authority (JEA) for the construction and funding of the Fulton Cut Crossing Powerlines Project. The Fulton Cut Crossing Powerlines Project will raise existing high-voltage electric transmission lines crossing the St. Johns River to provide increased air draft clearance for marine navigation. The project will increase the height of the transmission lines to approximately 225 feet above mean high water, providing a minimum navigational air draft clearance of approximately 205 feet, which will allow larger and higher-capacity vessels to transit the Fulton Cut and call on the Authority marine terminals. The total Project cost is estimated at \$117,000,000, funded by contributions of approximately \$32,500,000 from the Authority, \$32,500,000 from JEA, \$29,500,000 from the City (including the reclassification of previously authorized loans to grants) and \$22,500,000 from the Florida Department of Transportation (FDOT). The project is expected to be completed in fiscal year 2027, with operational clearance achieved by December 31, 2026. As construction progresses, the Authority will contribute funding annually to JEA. As of September 30, 2025, total project costs incurred amounted to \$35,576,000. This is not an asset of the Authority.

Capital asset activity for the fiscal year ended September 30, 2024, was as follows:

<i>(in thousands of dollars)</i>	Beginning Balance	Increases and Transfers	Decreases and Transfers	Ending Balance
Capital assets not being depreciated				
Land and improvements	\$ 145,447	\$ -	-	\$ 145,447
Harbor deepening and related costs	236,460	2,020	-	238,780
Construction in progress	65,932	116,590	(2,439)	157,083
Total capital assets not being depreciated	447,839	118,910	(25,439)	541,310
Depreciable capital assets				
Buildings	85,675	-	-	85,675
Improvements	677,534	23,178	-	700,712
Equipment	141,529	10,189	(570)	151,148
Total depreciable capital assets at historical cost	904,738	33,367	(570)	937,535
Less accumulated depreciation for:				
Buildings	61,925	2,350	-	64,275
Improvements	375,363	25,101	-	400,464
Equipment	84,640	6,370	(570)	90,440
Total accumulated depreciation	521,928	33,821	(570)	555,179
Depreciable capital assets, net	382,810	(454)	-	382,356
Capital assets, net	\$ 830,649	\$ 118,456	\$ (25,439)	\$ 923,666

Note D – Leasing Operations

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Notes to Financial Statements

In accordance with GASB 87 paragraph 43, lessors who are regulated by external laws, regulators or legal rulings, should only recognize current inflows of resources and provide the required disclosures outlined in GASB 87 paragraph 60.

The Authority leases property to terminal operators for the purpose of cargo movement generated from international trade and foreign commerce. All assets including cranes and other equipment include language in contracts such as – a minimum complement of cranes (not specified), tenant acreage is exclusive to the extent that the port properties are segregated for operational and security purposes.

As of September 30, 2025, capital assets held for lease have a historical cost of approximately \$1,049,512,000 and had accumulated depreciation of \$502,523,000, compared to \$940,763,000 and \$465,424,000 as of September 30, 2024.

Inflows of resources received from leases were \$60,725,000 and \$54,106,000 for the years ended September 30, 2025 and 2024, respectively. Revenues of \$39,857,000 in 2025 and \$36,340,000 in 2024 were related to contractual annual guarantees and required rents. Inflows of resources from variable payments not included in expected future minimum payments were \$20,868,000 and \$17,766,000 for the fiscal years ended 2025 and 2024, respectively.

The Authority has no lease agreements with terms and conditions that allow the lessee to solely terminate the lease or abate payments. The Authority relies on its pledged revenues to support its debt obligations, but no lease agreement calls for lease payments as security for debt obligations. Minimum future rental receipts and contractual minimum annual guarantees for each of the next five years and thereafter, excluding contingent or volume variable payments on non-cancelable operating facility leases at September 30, 2025, are as follows:

<i>Year (in thousands of dollars)</i>	
2026	42,730
2027	42,171
2028	41,112
2029	40,223
2030	38,501
2031-2035	179,353
2036-2040	171,661
2041-2045	170,241
2046-2050	153,434
2051-2055	114,445
2056-2060	31,139
2061-2065	19,492
2066-2070	650
	<u>\$ 1,045,022</u>

Note E – Unearned Revenue

In fiscal year 2019, the Authority entered into a 25-year lease agreement with SSA Atlantic, LLC (SSA). As part of the agreement, SSA advanced \$18 million in rent payments, which are recognized as lease revenue on a straight-line basis over the lease term, in accordance with applicable lease accounting standards.

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Notes to Financial Statements

Note E – Unearned Revenue (Continued)

Unearned revenue related to this agreement was \$13,191,000 at September 30, 2025, and \$13,892,000 at September 30, 2024.

In fiscal year 2024, the Authority entered into an agreement with the City to construct a new Fire Station #48 at Blount Island. Under the agreement, the City contributed \$5,979,000 toward project costs, complemented by a matching federal grant from the Department of Defense (DoD). These funds are being used for planning, design and construction of the fire station, currently in progress at fiscal year 2025 year end.

The City's contribution is recognized as unearned revenue until eligible project expenses are incurred, as specified in the agreement. Any unearned funds, along with any interest earned, must be returned to the City upon project completion. Unearned revenue related to this agreement totaled \$4,750,000 at September 30, 2025 and \$5,821,000 at September 30, 2024.

Note F – Pension Plan

Retirement Benefits

The Authority provides retirement benefits to its employees through the Florida Retirement System (FRS), the Florida Retirement System Health Insurance Subsidy (HIS) and an FRS Deferred Retirement Option Program (DROP). Additionally, the Authority provides an implicit rate subsidy for retiree insurance (an age adjusted premium benefit), which is addressed in Note H – Other Post-Employment Benefits.

As a participating employer, the Authority follows accounting guidance under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), which requires employers participating in cost-sharing multiple employer defined benefit pension plans to report the employers' proportionate share of the net pension liabilities and related pension amounts of the defined benefit pension plans. The GASB 68 component of pension expense captures and records the Authority's proportionate share of net pension liability of both the FRS Pension Plan and Health Insurance Program, along with the Authority's related allocation of deferred outflows and deferred inflows and pension expense impacts. The GASB 68 pension expense accrual has no current year impact on pension funding. The employer share of FRS and HIS pension funding contributions are recorded as expense when contributed. The two elements (accrual and contributions) are combined to show total pension expense of the Authority.

General Information about the FRS

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple employer defined benefit pension plan, to assist retired members of any State-administered retirement system in paying the costs of health insurance.

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Notes to Financial Statements

Note F – Pension Plan (Continued)

Essentially all regular employees of the Authority are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement and consists of the two cost-sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report and other relevant information, is available from the Florida Department of Management Services Web site (www.dms.myflorida.com).

The Authority's pension expense for FRS and HIS totaled \$1,457,012 and \$2,334,317 for the fiscal years ended September 30, 2025 and 2024 respectively. Included in pension expense is the amortization of deferred inflows and outflows as well as the changes in the net pension liability. The Authority's FRS and HIS balances for the years ended September 30, 2025 and 2024, is as follows:

Plan	2025			
	Net Pension Expense	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources
FRS	\$ 1,336,005	\$ 2,343,038	\$ 2,343,038	\$ 2,695,240
HIS	121,007	4,122,569	1,224,959	409,709
Total	\$ 1,457,012	\$ 14,045,711	\$ 3,567,997	\$ 3,104,949

Plan	2024			
	Net Pension Expense	Net Pension Liability	Deferred Inflows of Resources	Deferred Outflows of Resources
FRS	\$ 2,170,035	\$ 11,981,074	\$ 1,053,358	\$ 3,607,284
HIS	164,282	5,542,569	773,372	483,191
Total	\$ 2,334,317	\$ 17,523,643	\$ 2,376,730	\$ 4,090,475

Florida Retirement System (FRS) Pension Plan

Plan Description: The FRS Pension Plan (the Plan) is a cost-sharing multiple employer defined benefit pension plan, with a DROP for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* – Members in senior management level positions.

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Notes to Financial Statements

Note F – Pension Plan (Continued)

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service. Members of the Plan may include up to four years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits and annual cost-of-living adjustments to eligible participants.

FRS Pension Plan members in a regularly established position can elect to participate in DROP for a period not to exceed a maximum of 96 calendar months. The election to participate in the DROP can be made at any time after the member first reaches their normal retirement date by age or service. This provision replaces the previous individual eligibility windows. The DROP allows a member to retire while continuing employment. While in the DROP, the member's retirement benefits accumulate in the FRS Trust Fund increased by a cost-of-living adjustment (COLA) each July, if eligible, and earn monthly interest equivalent to an annual rate of 4.00 percent on the preceding month's DROP accumulation until DROP participation ends. Upon employment termination, the DROP account is paid out as a lump sum payment, a rollover, or a combination partial lump sum payment and rollover. Monthly benefits are paid to the member in the amount calculated upon entry into the DROP, including any applicable COLA for intervening years.

The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

	% Value
<i>Regular Class members initially enrolled before July 1, 2011</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class members initially enrolled on or after July 1, 2011</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Senior Management Service Class</i>	2.00

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Notes to Financial Statements

Note F – Pension Plan (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions: The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for fiscal years 2025 and 2024, were as follows:

Notes: 2025 Employer rates include 2.00% for the post-employment health insurance subsidy program, and the assessment of 0.50% for administration of the FRS Investment Plan and retirement and financial planning for members of both plans

Class	Employee	Percent of Gross Salary	
		2025 Employer	2024 Employer
FRS, Regular	1.00	14.03	13.63
FRS, Senior Management Service	3.00	33.24	34.52
DROP – Applicable to members from all above classes	0.00	22.02	21.13

The Authority's contributions, for FRS and HIS totaled \$2,809,118 and employee contributions totaled \$457,575 for the fiscal year ended September 30, 2025. The Authority's contributions, for FRS and HIS totaled \$2,658,420 and employee contributions totaled \$431,078 for the fiscal year ended September 30, 2024.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At September 30, 2025, the Authority reported a liability of \$9,253,068 for its proportionate share of the FRS Plan's net pension liability, compared to \$11,981,074 at September 30, 2024. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Authority's proportionate share of the net pension liability was based on the Authority's 2024-25 fiscal year contributions relative to the 2024-25 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was 0.0298%, which was a decrease of 0.001% from its proportionate share measured as of June 30, 2024, of 0.0309%. At June 30, 2024, the Authority's proportionate share was 0.0309%, which was a decrease of 0.001% from its proportionate share measured as of June 30, 2023, of 0.0322%.

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Notes to Financial Statements

Note F – Pension Plan (Continued)

For the fiscal year ended September 30, 2025, the Authority recognized pension expense of \$1,336,005. Fiscal year 2024 showed pension expense of \$2,170,035 which, in addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources, for 2025 and 2024, as shown below:

<u>Description</u>	<u>2025</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 988,325	\$ -
Change of assumptions		1,074,522	-
Net difference between projected and actual earnings on FRS pension plan investments		-	1,544,893
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions		151,889	798,145
Authority FRS contributions subsequent to the measurement date		480,504	-
Total		<u>\$ 2,695,240</u>	<u>\$ 2,343,038</u>

<u>Description</u>	<u>2024</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 1,210,410	\$ -
Change of assumptions		1,642,116	-
Net difference between projected and actual earnings on FRS pension plan investments		-	796,325
Changes in proportion and differences between Authority FRS contributions and proportional share of contributions		285,594	807,033
Authority FRS contributions subsequent to the measurement date		469,164	-
Total		<u>\$ 3,607,284</u>	<u>\$ 1,603,358</u>

The deferred outflows of resources related to pensions, totaling \$480,504, resulted from the Authority's contributions to the Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2026	1,349
2027	(496)
2028	(587)
2029	(394)
	<u>\$ (128)</u>

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Notes to Financial Statements

Note F – Pension Plan (Continued)

Actuarial Assumptions: The total pension liabilities in the July 1, 2025 and 2024, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Inflation	2.40%	2.40%
Salary Increase	3.50%	3.50%
Investment Rate of Return	6.70%	6.70%

PUB2010 base table varies by gender, age category and sex, projected generationally with Scale MP-2018 details in valuation reports. The actuarial assumptions are based on an experience study for the period July 1, 2018 through July 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following tables:

July 1, 2025 actuarial assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.2%	3.2%	1.1%
Fixed Income	29.0%	5.5%	5.4%	4.0%
Global Equity	45.0%	8.5%	6.9%	18.3%
Real Estate	12.0%	8.4%	7.1%	16.8%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.5%	6.1%	8.7%
Total	100.0%			
Assumed inflation – Mean			2.4%	1.5%

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Notes to Financial Statements

Note F – Pension Plan (Continued)

July 1, 2024 actuarial assumptions:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	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	12.0%	8.1%	6.8%	16.6%
Private Equity	1.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100.0%			
Assumed inflation – Mean			2.4%	1.5%

Discount Rate: The discount rate used to measure the total pension liability was 6.7% for 2025 and 2024, respectively. The projection of cashflow used to determine the discount rate assumes participant contributions will be made at the current contribution rate and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.7%, 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 (5.7%) or one percentage-point higher (7.7%) than the current rate:

Authority's proportionate share of the net pension liability	1% Decrease	Current Discount Rate	1% Increase
As of September 30, 2025	\$ 18,159,003	\$ 9,253,068	\$ 1,786,461
As of September 30, 2024	\$ 21,074,290	\$ 11,981,074	\$ 4,363,546

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

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Notes to Financial Statements

Note F – Pension Plan (Continued)

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 under Section 112.363, Florida Statutes and may be amended by the Florida Legislature at any time. 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 fiscal year ended June 30, 2025, eligible retirees and beneficiaries received a monthly HIS payment of \$7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$7.50 and a maximum HIS payment of \$225 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive HIS Plan benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

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 all active FRS members. For the fiscal year ended June 30, 2025, the contribution rate was 2.0% of payroll pursuant to Section 112.363, Florida Statutes. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation of available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or delayed.

The Authority's contributions to the HIS Plan totaled \$34,984 for the fiscal year ended June 30, 2025, and \$278,886 for the fiscal year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2025, the Authority reported a net pension liability of \$4,792,523 for its proportionate share of the HIS Plan's net pension liability, compared to \$5,542,569 at September 30, 2024. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024 and rolled forward to the measurement date. The Authority's proportionate share of the net pension liability was based on the Authority's 2025-24 fiscal year contributions relative to the total 2025-24 fiscal year contributions of all participating members. At June 30, 2025, the Authority's proportionate share was 0.0374%, a 0.0005% increase in its proportionate share measured as of June 30, 2024, of 0.0369%. At June 30, 2024, the Authority's proportionate share was 0.0369%, a 0.0001% increase in its proportionate share measured as of June 30, 2023, of 0.0359%.

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Notes to Financial Statements

Note F – Pension Plan (Continued)

For the fiscal year ended June 30, 2025, the Authority recognized the HIS Plan pension expense of \$121,007 and \$164,282 for fiscal year 2024. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2025</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 28,608	\$ 7,602
Change of assumptions		42,419	1,159,188
Net difference between projected and actual earnings on HIS pension plan investments		-	3,989
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		249,861	54,180
Authority HIS contributions subsequent to the measurement date		88,821	-
Total		<u>\$ 409,709</u>	<u>\$ 1,224,959</u>

<u>Description</u>	<u>2024</u>	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience		\$ 53,517	\$ 10,643
Change of assumptions		98,090	656,169
Net difference between projected and actual earnings on HIS pension plan investments		-	2,005
Changes in proportion and differences between Authority HIS contributions and proportional share of contributions		245,673	104,555
Authority HIS contributions subsequent to the measurement date		85,911	-
Total		<u>\$ 483,191</u>	<u>\$ 773,372</u>

The deferred outflows of resources related to pensions, totaling \$88,821 resulted from the Authority's contributions to the HIS Plan subsequent to the measurement date and will be recognized as a reduction of the net pension liability in 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

<u>Year</u>	<u>Amount</u>
2026	\$ (216)
2027	(234)
2028	(191)
2029	(155)
2030	(108)
	<u>\$ (904)</u>

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Notes to Financial Statements

Note F – Pension Plan (Continued)

Actuarial Assumptions: The total pension liabilities in the July 1, 2025 and 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2025	2024
Inflation	2.40%	2.40%
Salary Increase	3.50%	3.50%
Investment Rate of Return	5.20%	3.93%

Mortality rates were based on the Generational RP-2010 with Projection Scale MP 2018. The investment rate of return increased from 3.65% in 2023 to 3.93% in 2024. The actuarial assumptions are based on an experience study for the period July 1, 2018 through June 30, 2023.

Discount Rate: The discount rate used to measure the total pension liability was 5.20% and 3.93% for 2025 and 2024, respectively. In general, the discount rate for calculating the total pension liability 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 Plan 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.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Authority's proportionate share of the net pension liability calculated using the applicable discount rate for each fiscal year, 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 or one percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Authority's proportionate share of the net pension liability			
As of September 30, 2025	\$ 5,404,341	\$ 4,792,523	\$ 4,279,402
As of September 30, 2024	\$ 6,589,116	\$ 5,542,569	\$ 5,185,504

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Notes to Financial Statements

Note F – Pension Plan (Continued)

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

FRS – Defined Contribution Pension Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal years ended September 30, 2025 and 2024, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided, the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The Authority's Investment Plan pension expense totaled \$1,424,965 for the fiscal year ended September 30, 2025 and \$1,284,260 for the fiscal year ended September 30, 2024.

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Notes to Financial Statements

Note G – Deferred Compensation Plan

The Authority provides a deferred compensation plan (the 457 Plan) for its employees, established under Internal Revenue Code (IRC) Section 457. This plan, available to all full-time employees, allows participants to defer a portion of their salary to future years. Deferred compensation is accessible only upon termination, retirement, death, or in cases of unforeseeable emergency. All plan assets are held in trust for the exclusive benefit of participants and beneficiaries and therefore are not reported on the Authority's statements of net position.

The Authority also sponsors a separate retirement plan under IRC Section 401(a), which includes matching contributions. The Authority matches a specified amount for each dollar deferred by employees into the 457 Plan. Similar to the 457 Plan, all 401(a) assets are held in trust for the sole benefit of participants and beneficiaries, and are not reflected on the Authority's statements of net position.

The Authority's 401(a) matching contributions were \$224,000 for the fiscal year ended September 30, 2025 and \$214,000 for the fiscal year ended September 30, 2024.

Note H – Other Post-Employment Benefits (OPEB)

Plan Description

The Authority maintains a single employer medical benefits plan that it makes available both to current and retired employees. Retired employees have a one-time benefit option to continue coverage under the group plan upon retirement. Retirees pay the full insurance premium with no direct subsidy from the Authority. The medical plan is an experience-rated insurance contract plan that provides medical benefits to employees and eligible retirees and their dependents. The OPEB portion of the benefits (referred to as OPEB) refers to the benefits applicable to current and future retirees based upon GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB 75). The Authority currently has 175 active participants in the group medical plan and 0 participating retirees.

OPEB Liability

GASB 75 requires the recording of the OPEB liability. The OPEB liability is the actuarial present value of the total projected benefits allocated to years of employment prior to the measurement date. The Authority recognizes an implicit rate subsidy (age-adjusted premium benefit), which is calculated based on the annual required contribution of the employer, as determined in accordance with parameters of GASB 75. The OPEB expense reflects the annual change in the employer's OPEB liability, with deferred recognition provided for certain items. GASB 75 calls for the Authority to have an OPEB valuation performed every two years. The Authority does not accumulate assets to pay benefits but rather finances the program on a pay-as-you-go basis.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note H – Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions

Category	2025	2024
Measurement date	9/30/2025	9/30/2024
Valuation Date	9/30/2025	9/30/2023
Census Date	9/30/2025	9/30/2023
Discount Rate	4.5% per annum (for FYE 25 Expense); 4.5% (disclosures); 3.5%-5.5% (sensitivity)	4.87% per annum (for FYE 24 Expense); 4.06% (disclosures); 3.06%-5.06% (sensitivity). The discount rate was increased from 4.77% in FYE 2023 to 4.87% in FYE 2024.
Salary Scale	3% per annum	3% per annum
Mortality	PUBH-2010 mortality table with MP-2021 projection	PUBH-2010 mortality table with MP2021 projection
Retirement Rates	Florida Retirement System Actuarial Valuation as of July 1, 2024 for Regular Employees	Florida Retirement System Actuarial Valuation as of July 1, 2018 for Regular employees
Health Care Cost Trend Rate	6.5% per annum trending down to .05% until reaching the ultimate rate of 4.5%	6.5% per annum trending down to .05% until reaching the ultimate rate of 4.5%
Asset Valuation Method	Market value	Market value
Amortization Basis	Experience gains/losses average expected future working lifetime of the whole group. Amortization changes: average expected future working lifetime of the whole group	Experience gains/losses average expected future working lifetime of the whole group. Amortization changes: average expected future working lifetime of the whole group

Changes in Total OPEB Liability

The following data presents the changes in the total OPEB liability for fiscal years ended September 30:

	2025	2024
Balance, beginning of year	\$ 299,698	\$ 267,191
Service cost	20,752	13,243
Interest cost	12,001	12,619
Differences between expected and actual experience	2,007	5,616
Changes in assumptions or other inputs	(3,829)	17,187
Implicit rate subsidy fulfillment	(6,163)	(16,158)
Net change	13,011	32,507
Balance, end of year	\$ 312,709	\$ 299,698

Deferred inflows and outflows associated with the Authority's total OPEB liability are not considered significant by management and accordingly have not been recorded in the Authority's financial statements.

The OPEB expense for fiscal year 2025 and 2024 was \$22,976 and \$18,205, respectively.

Jacksonville Port Authority
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Notes to Financial Statements

Note H – Other Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate and Discount Rate

Health Care Cost Trend Sensitivity: Calculated using trend rates that are 1% lower and higher than the current rate assumption:

	Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2025	6.5%	\$ 275,969	\$ 312,709	\$ 357,085
As of September 30, 2024	6.5%	\$ 267,145	\$ 299,698	\$ 338,399

Discount Rate Sensitivity: The discount rate was based upon a 20-year tax-exempt municipal bond fund, below are the changes as impacted by a 1% lower and higher than the current rate assumption:

	Rate	Total OPEB Liability		
		1% Decrease	Current Rate	1% Increase
As of September 30, 2025	4.50%	\$ 315,118	\$ 312,709	\$ 283,649
As of September 30, 2024	4.06%	\$ 222,210	\$ 299,698	\$ 278,458

Changes in actuarial assumptions: The discount rate was increased from 4.06% to 4.50% and the demographic assumptions were updated to those used in the July 1, 2024 Florida Retirement System Pension Plan Actuarial Valuation.

Note I – Risk Management

The Authority participates in the City's experience rated self-insurance plan which provides for auto liability, comprehensive general liability and workers' compensation coverage, up to \$1,200,000 per occurrence for workers' compensation claims. The Authority has excess coverage for individual workers' compensation claims above \$1,200,000. The Authority's expense is the premium charged by the City's self-insurance plan. Workers' compensation and general liability insurance premiums amounted to \$278,000 and \$187,000 for the years ended September 30, 2025 and 2024, respectively.

The Authority is also a participant in the City's property insurance program which is provided through commercial insurance policies. Premium expenses amounted to \$1,057,000 and \$1,036,000 for the years ended September 30, 2025 and 2024, respectively.

As a part of the Authority's risk management program, the Authority also purchases certain additional commercial insurance policies to cover exposures such as special risk employees and business interruption coverage. The Authority does not retain any risk on their policies and settlements have not exceeded insurance coverage for each of the last three fiscal years. There has been no change in coverage from 2024 to 2025.

Jacksonville Port Authority
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Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows

Long-term liability activity for the years ended September 30, was as follows:

	2025				
(In thousands of dollars)	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue bonds					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Unamortized original issue premium amounts	4,647	-	(189)	4,458	-
Direct borrowing notes					
Revenue notes – tax exempt	149,480	-	(8,425)	141,055	9,184
Revenue note – taxable	495	-	(495)	-	-
Total revenue bonds and direct borrowing notes	<u>197,022</u>	<u>-</u>	<u>(9,109)</u>	<u>187,913</u>	<u>9,184</u>
Liability for pollution remediation	664	133	(76)	721	-
Compensated absences and OPEB	2,067	421	(326)	2,162	334
Payable to primary government	6,122	878	(7,000)	-	-
Line of credit	23,912	-	(43,656)	12,432	-
Total	<u>\$ 229,787</u>	<u>\$ 33,008</u>	<u>\$ (60,167)</u>	<u>\$ 203,228</u>	<u>\$ 9,518</u>
	2024				
(In thousands of dollars)	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue bonds					
Revenue bonds	\$ 42,400	\$ -	\$ -	\$ 42,400	\$ -
Unamortized original issue premium amounts	4,835	-	(188)	4,647	-
Direct borrowing notes					
Revenue notes – tax exempt	156,248	-	(6,768)	149,480	8,425
Revenue note – taxable	2,395	-	(1,900)	495	495
Total revenue bonds and direct borrowing notes	<u>205,878</u>	<u>-</u>	<u>(8,856)</u>	<u>197,022</u>	<u>8,920</u>
Liability for pollution remediation	732	36	(104)	664	-
Compensated absences and OPEB	2,010	272	(215)	2,067	332
Payable to primary government	6,122	-	-	6,122	-
Line of credit	2,920	27,257	(6,265)	23,912	-
Total	<u>\$ 217,662</u>	<u>\$ 27,565</u>	<u>\$ (15,440)</u>	<u>\$ 229,787</u>	<u>\$ 9,252</u>

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows
(Continued)

Revenue bonds are bonds that are offered for public sale. Direct borrowing notes are negotiated between the Authority and a bank. The Authority's source of repayment is pledged funds, which consist of net revenues, interlocal agreement revenues and amounts within a composite reserve account or sub account.

Revenue bonds, notes and line of credit at September 30, consisted of the following:

<i>(in thousands of dollars)</i>	2025	2024
Revenue Bonds		
Revenue Bonds, Series 2018A, due in varying amounts thru 2048. Interest rate is fixed at 5.00%	\$ 42,400	\$ 42,400
Total Revenue Bonds	42,400	42,400
Direct Borrowing Notes		
Tax Exempt Revenue Note, Series 2007, due in varying amounts through 2028. Interest rate is fixed at 2.25%	9,875	12,210
Tax Exempt Revenue Note, Series 2010, due in varying amounts through 2030. Interest rate is fixed at 2.00%	10,794	12,348
Tax Exempt Bank Note Crane 2014, Subordinate Obligation due in varying amounts through 2034. Interest rate is fixed at 3.04%	13,032	14,200
Tax Exempt Revenue Note, Series 2018A, due in varying amounts through 2033. Interest rate is fixed at 2.872%	19,939	21,853
Taxable Revenue Note, Series 2020A, matured November 2024. Interest rate was fixed at 2.66%	-	495
Tax Exempt Revenue Note, Series 2022, due in varying amounts through 2038. Interest rate is fixed at 2.10%	87,415	88,870
Total Direct Borrowing Notes	141,055	149,976
Line of Credit		
\$50 million Line of Credit, Subordinate Obligation, interest due monthly in varying rates, 4.93% to 6.11% in 2025 and 2024. Principal due February 2028.	12,432	23,912
Total revenue bonds, notes and line of credit	195,887	216,288
Less current portion	9,184	8,920
Total revenue bonds, notes and line of credit, net	\$ 186,703	\$ 207,368

Jacksonville Port Authority
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Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows
(Continued)

Revenue bonds

In August 2018, the Authority issued \$42,400,000 in Revenue Bonds, Series 2018B, for the purposes of financing the Authority's capital improvement program, largely the harbor deepening project. The bonds have a fixed term rate of 5.00% with a term of 30 years through 2048. The outstanding balance as of September 30, 2025 was \$42,400,000. The Series 2018B bonds may be redeemed prior to maturity at the option of the Authority, as a whole or in part on November 1, 2028, or on any date thereafter, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date. The bond agreement does not address remedies available to bondholders in the event of default because such remedies are subject to judicial action which is discretionary.

Direct placement notes

In November 2017, the Authority executed a loan agreement with Regions Bank, the Tax-Exempt Revenue Note, Series 2017, for the purpose of paying off the balance of the 2008 Bonds. The original amount of the loan was \$23,120,000, at a fixed term rate of 2.25%, with a final maturity of 2028. The outstanding balance as of September 30, 2025, was \$9,800,000. The Series 2017 is subject to redemption prior to its respective date of maturity, at any time, on or after November 1, 2022, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the note to be redeemed, plus accrued interest to the redemption date. In the event of default, the note holder may either declare all outstanding balances immediately due and payable, or apply a default rate of the lesser of 6% or the maximum rate permitted by law until balances are paid and collected.

In November 2010, the Authority executed a loan agreement with Regions Bank, Tax-Exempt Revenue Note Series 2010, for the purpose of paying off the Series 2000 Revenue Bonds and to establish a required reserve account. The Regions Bank, Tax-Exempt Note Series 2010, has a final maturity of 2030. The outstanding balance as of September 30, 2025, was \$10,794,418. The Series 2010 is subject to redemption prior to its respective date of maturity, at any time, on or after September 30, 2020, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the note to be redeemed, plus accrued interest to the redemption date. In the event of default, the note holder may either declare all outstanding balances immediately due and payable, or apply a default rate of the lesser of 12% or the maximum rate permitted by law until balances are paid and collected.

In September 2014, the Authority executed a loan agreement in the amount of \$25,000,000 to support the acquisition of three new cranes. The agreement has a fixed term rate of 3.04%. The SunTrust Bank Note issued has a final maturity of 2034. The outstanding balance as of September 30, 2025, was \$13,032,437. The Series 2014 is subject to redemption prior to its respective date of maturity, at any time, on or after September 12, 2014, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the note to be redeemed, plus accrued interest to the redemption date. Collateral includes pledged revenues and the cranes and related equipment. In the event of default, the note holder may either require the Authority to return the equipment, or require all outstanding principal and accrued interest to be immediately due.

In August 2018, the Authority executed a \$28,982,000 loan agreement with Chase Bank, N.A., Tax-Exempt Revenue Note Series 2018A, for the purpose of financing or refinancing expenditures relating to the cost of portions of the Authority's capital program and to pay down the Authority's line of credit. The agreement has a fixed term rate of 2.872% with a term of 15 years through 2033. The outstanding balance as of September 30, 2025, was \$19,939,000. The Series 2018A is not subjected to redemption before maturity. The agreement does not address remedies available to debtholders in the event of default.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows
(Continued)

In March 2020, the Authority executed loan agreements with Truist Bank for the purpose of advance refunding \$84,695,000 (95%) of the Series 2012 Bonds. The transaction resulted in two bank notes, the Taxable Revenue Note, Series 2020A for \$3,405,000, at 2.66%, and the Taxable Revenue Note, Series 2020B in the amount of \$88,870,000, ranging from 2.10% to 2.66%. In August 2022, the Revenue Refunding Bond, Series 2022 in the amount of \$88,870,000 (Tax-Exempt) were exchanged for Taxable Revenue Note, Series 2020B in the same amount. The remaining Taxable Revenue Note, Series 2020A matured in 2024, and has a balance as of September 30, 2025 of \$0.

In August 2022, the Authority executed an agreement with Truist Commercial Equity, Inc. to issue Tax-Exempt Revenue Refunding Bonds, Series 2022 for \$88,870,000 for the purposes of redeeming the Taxable Revenue Note, Series 2020B in the same amount. The bond has a tax-exempt interest rate of 2.10%, with a maturity date of November 1, 2038. The outstanding balance as of September 30, 2025, was \$87,415,000. The Series 2022 is subject to redemption prior to its respective date of maturity, at any time, on or after March 31, 2030, at the option of the Authority, in whole or in part, at redemption price equal to 100% of the principal amount of the note to be redeemed, plus accrued interest to the redemption date. In the event of default, a default rate of the lesser of 6% or the maximum rate permitted by law will be applied until balances are paid and collected.

Line of credit

In January 2009, the Authority established a \$50 million multi-year line of credit with Regions Bank, which has been subsequently renewed for multi-year terms since that time. An eighth renewal was executed on December 12, 2022, and is due and payable February 2, 2028. The current agreement allows for an additional renewal option through 2029. It is the intention of the Authority to use the line for a revolving medium term or long-term funding source designated for the Authority's capital spending program. The taxable interest rate is the Secured Overnight Financing Rate (SOFR) on the applicable reset date, plus 1.75%. The tax-exempt rate is 79% of the SOFR on the applicable reset date, plus 1.53%. In the event of default, the note holder may either declare all outstanding balances immediately due and payable, or apply a default rate of the lesser of 6% greater than the variable rate or the maximum rate permitted by law until balances are paid and collected. The outstanding balance on the line of credit at September 30, 2025, was \$12,431,980. The unused balance on the line of credit at September 30, 2025, was \$37,568,020.

Bond covenants

The Authority's debt resolutions place restrictions on the issuance of additional bonds, designate required funding of related bond reserves and requires certain monies for debt service payments be held in trust funds. The Authority has also agreed in its bond covenants to establish and maintain rates charged to customers that will be sufficient to generate certain levels of operating revenues and operating income in excess of its annual debt service on the various outstanding bonds. The Authority has agreed to maintain net operating revenues in excess of 125% of the senior debt service obligations and 100% of the total subordinate debt service obligations.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows
(Continued)

Debt maturities

Required debt service for the outstanding bonds and notes payable for the next five years and thereafter to maturity as of September 30, 2025, are as follows (in thousands):

Years ending	Revenue Bonds		Direct Borrowing Notes	
	Principal	Interest	Principal	Interest
2026	\$ -	\$ 2,120	\$ 9,184	\$ 3,214
2027	-	2,120	9,438	2,978
2028	-	2,120	9,703	2,735
2029	-	2,120	9,978	2,485
2030	-	2,120	11,003	2,222
2031-2035	10,045	10,551	56,241	6,950
2036-2040	11,330	8,754	35,508	1,512
2041-2045	14,555	5,535	-	-
2046-2050	14,570	1,503	-	-
	<u>\$ 42,400</u>	<u>\$ 39,193</u>	<u>\$ 141,055</u>	<u>\$ 22,096</u>

Original issue discount and deferred loss on refunding

Unamortized premiums on bonds were \$4,458,000 and \$4,647,000 at year-end 2025 and 2024, respectively. Unamortized deferred loss on debt refundings was \$4,423,000 and \$4,788,000 in 2025 and 2024, respectively.

Deferred outflow/inflow of resources

Deferred outflow of resources as shown on the statements of net position include unamortized loss on debt refundings and defeasance transactions. Additionally, deferred outflows and inflows are recorded for changes related to pensions activities.

(in thousands of dollars)

	2025	2024
Deferred loss on debt refundings	\$ 4,423	\$ 4,788
Deferred outflow pension (see Note F)	3,105	4,091
Total deferred outflow of resources	<u>\$ 7,528</u>	<u>\$ 8,879</u>
Deferred inflow of resources – pension (see Note F)	<u>\$ 3,568</u>	<u>\$ 2,377</u>

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note J – Long-Term Debt, Other Noncurrent Liabilities and Deferred Inflows and Outflows
(Continued)

Other noncurrent liabilities

Unearned revenue balances were approximately \$17,941,000 and \$19,713,000 for years ended September 30, 2025 and 2024, respectively. The current portion was \$700,000 each year and represents one year of rent amortization on SSA rents collected but unearned. See Note E for further explanation regarding unearned lease rent revenue recognition. This balance also includes unearned grant funds of \$4,750,000 for ongoing projects and construction funding agreements from the City of Jacksonville to construct Fire Station #48 at Blount Island. These funds will remain unearned until they are utilized for eligible project expenses.

In fiscal year 2025, a final accounting of the 47-foot Harbor Deepening refund was received from the USACE. Prior to this final accounting, the Authority had recorded a payable to the primary government in the amount of \$6,122,000 in fiscal year 2023, representing the City's prorata share of an initial \$35 million refund. The final accounting in 2025 resulted in a total amount of \$7 million due to the City. Amounts carried as payables in fiscal year ended 2023 and 2024, combined with the 2025 prorata share of funds allocation were settled in fiscal year 2025.

OPEB liabilities for retiree medical benefits were approximately \$313,000 and \$300,000 at September 30, 2025 and 2024, respectively. See Note H for additional information.

Note K – Commitments and Contingencies

Grant Related

The Authority participates in various federal and state grant programs, the principal of which are subject to program compliance audits pursuant to the federal and state Single Audit Acts as amended. Accordingly, the Authority's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority anticipates such amounts, if any, will be immaterial.

Construction Related

As of September 30, 2025, the Authority has committed approximately \$66,378,000 for future construction work. This primarily includes terminal construction projects, berth improvements and the acquisition of three new container cranes.

Environmental Remediation

The Authority owns several parcels of property located at the southernmost portion of the Talleyrand Marine Terminal which previous owners used to conduct fertilizer blending and packaging and other operations involving the use of chemicals. Property adjacent to these parcels, owned by an unrelated third-party has also been identified to contain contaminants attributed to its former use. In conjunction with the Florida Department of Environmental Protection (FDEP), the Authority developed an Interim Remedial Action Plan (IRAP), which includes a site soil and groundwater treatment system, allowing for the groundwater to be captured by wells and discharged to a nearby publicly owned treatment works facility (POTW). The Authority originally (in 2011) established a \$1.5 million reserve for project and ongoing operations costs of the groundwater treatment system and has periodically added to that reserve since that time. As a result of an updated review of the ongoing operational costs of this system in 2025, the Authority provided an incremental charge of \$133,000 to supplement the reserve. At September 30, 2025 and 2024, the liability for pollution remediation recorded was approximately \$721,000 and \$664,000, respectively, for ongoing operations and monitoring costs.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to Financial Statements

Note K – Commitments and Contingencies (Continued)

Collective Bargaining Agreement

The Authority's workforce is comprised of approximately 177 employees, of which union employees represent approximately 34% of the total. The collective bargaining agreement in effect during fiscal year 2025 expired on September 30, 2025. Subsequent to fiscal year-end, the Authority entered into a new collective bargaining agreement with the union, which will govern labor terms through September 30, 2028.

Note L – Significant Customers

2025

The Authority had five customers with significant operating revenues (10% or more of total revenues): Crowley Liner Services (16%), SSA (15%), Tote Maritime (11%), AMPORTS (10%) and Carnival Cruise Lines (10%).

2024

The Authority had five customers with significant operating revenues (10% or more of total revenues): Crowley Liner Services (17%), SSA (15%), Tote Maritime (11%), APS East Coast (12%) and Carnival Cruise Lines (10%).

Note M – Capital Contributions From Grants

Federal Contributions

The Authority received monies from federal funding awards designated for constructing various capital assets and capital improvements. Contributions of \$6,877,390 and \$8,379,000 were recorded for the years ended September 30, 2025 and 2024, respectively.

State Contributions

State funded awards totaled \$57,959,452 and \$39,484,573 for the years ended September 30, 2025 and 2024, respectively.

JACKSONVILLE PORT AUTHORITY
A Component Unit of the City of Jacksonville, Florida

Schedule of Changes in Total OPEB Liability (Unaudited)
Last Ten Fiscal Years*
(in dollars)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability – beginning	\$ 299,612	\$ 267,191	\$ 352,942	\$ 404,992	\$ 315,914	\$ 294,914	\$ 317,699	\$ 319,347
Service cost	21,521	13,243	9,832	16,442	15,206	15,000	16,000	14,896
Interest cost	12,044	12,619	16,450	9,397	7,917	12,000	12,098	11,984
Differences between expected and actual experience	207	5,616	(94,022)	(5,422)	18,890	-	67,260	-
Changes in assumptions or other inputs	(13,829)	17,187	(1,853)	(35,873)	83,659	-	(115,492)	(18,451)
Implicit rate subsidy fulfillment	(6,163)	(2,558)	(16,158)	(36,594)	(36,594)	(6,000)	(2,651)	(10,077)
Net change	17,776	32,500	(85,751)	(52,050)	89,078	21,000	(22,785)	(1,648)
Total OPEB liability – ending	\$ 312,709	\$ 299,698	\$ 267,191	\$ 352,942	\$ 404,992	\$ 315,914	\$ 294,914	\$ 317,699
Covered employee payroll	\$ 15,863,117	\$ 13,219,311	\$ 12,415,171	\$ 10,920,134	\$ 10,092,846	\$ 9,887,483	\$ 9,578,318	\$ 9,164,400
Total OPEB liability as a percentage of covered payroll	1.97%	2.26%	2.15%	3.23%	4.01%	3.20%	3.08%	3.47%

* Changes in total OPEB liability for the fiscal years prior to 2018 were not available, and accordingly, not included in the schedule.

Note: The discount rate was increased from 4.06% to 4.50% and the demographic assumptions were updated to those used in the July 1, 2024 Florida Retirement System Pension Plan Actuarial Valuation.

JACKSONVILLE PORT AUTHORITY
A COMPONENT UNIT OF THE CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY –
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the FRS net pension liability	0.0298%	0.0309%	0.0322%	0.0343%	0.0328%	0.0317%	0.0341%	0.0358%	0.0374%	0.0353%
Authority's proportionate share of the FRS net pension liability	\$ 9,253,068	\$ 11,981,011	\$ 12,848,797	\$ 12,764,006	\$ 2,480,995	\$ 13,754,260	\$ 11,740,361	\$ 10,797,420	\$ 11,070,761	\$ 8,917,567
Authority's covered-employee payroll	\$ 17,299,000	\$ 15,920,787	\$ 12,415,717	\$ 12,713,611	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007
Authority's proportionate share of the FRS net pension liability as a percentage of its covered-employee payroll	53.49%	75.25%	103.49%	100.40%	20.22%	112.42%	95.86%	86.15%	90.78%	74.87%
FRS Plan fiduciary net position as a percentage of the total pension liability	87.26%	83.71%	83.38%	82.89%	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%

Note: The amounts presented for each fiscal year were determined as of June 30th. This schedule is presented to illustrate the requirements of GASB Statement No. 68.

**JACKSONVILLE PORT AUTHORITY
A COMPONENT UNIT OF THE CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY –
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the HIS net pension liability	0.0374%	0.0369%	0.0359%	0.0365%	0.0343%	0.0353%	0.0370%	0.0370%	0.0398%	0.0383%
Authority's proportionate share of the HIS net pension liability	\$ 4,760,023	\$ 5,542,561	\$ 5,702,456	\$ 3,780,704	\$ 4,209,146	\$ 4,315,437	\$ 4,137,205	\$ 3,917,903	\$ 4,250,943	\$ 4,461,658
Authority's covered-employee payroll	\$ 17,299,191	\$ 15,787,000	\$ 16,241,507	\$ 12,713,611	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007
Authority's proportionate share of the HIS net pension liability as a percentage of its covered-employee payroll	27.70%	34.81%	35.11%	29.74%	34.31%	35.27%	33.78%	31.26%	34.86%	37.46%
HIS Plan fiduciary net position as a percentage of the total pension liability	6.36%	4.80%	4.80%	4.80%	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%

Note: The amounts presented for each fiscal year were determined as of September 30th. This schedule is presented to illustrate the requirements of GASB Statement No. 68.

JACKSONVILLE PORT AUTHORITY
A COMPONENT UNIT OF THE CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	\$ 2,463,434	\$ 2,379,534	\$ 2,023,954	\$ 1,731,637	\$ 1,437,015	\$ 1,217,755	\$ 1,167,644	\$ 1,202,882	\$ 1,046,313	\$ 947,884
FRS contributions in relation to the contractually required FRS contributions	2,463,434	2,379,534	2,023,954	1,731,637	1,437,015	1,217,755	1,167,644	1,202,882	1,046,313	947,884
FRS contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 17,299,191	\$ 15,920,787	\$ 12,411,127	\$ 12,711,611	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007
FRS contributions as a percentage of cover-employee payroll	14.2%	14.9%	16.3%	13.6%	11.7%	10.0%	9.5%	9.6%	8.6%	8.0%

Note: The amounts presented for each fiscal year were determined as of June 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

JACKSONVILLE PORT AUTHORITY
A COMPONENT UNIT OF THE CITY OF JACKSONVILLE, FLORIDA
SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PENSION PLAN
LAST TEN FISCAL YEARS
(UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required HIS contribution	\$ 345,984	\$ 278,886	\$ 256,123	\$ 223,739	\$ 203,674	\$ 203,097	\$ 203,293	\$ 208,052	\$ 202,440	\$ 197,706
HIS contributions in relation to the										
contractually required HIS contributions	345,984	278,886	256,123	223,739	203,674	203,097	203,293	208,052	202,440	197,706
HIS contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered-employee payroll	\$ 17,299,191	\$ 15,920,787	\$ 12,415,111	\$ 12,713,111	\$ 12,269,541	\$ 12,234,777	\$ 12,246,587	\$ 12,533,283	\$ 12,195,198	\$ 11,910,007
HIS contributions as a percentage										
of cover-employee payroll	2.0%	1.8%	2.1%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%

Note: The amounts presented for each fiscal year were determined as of September 30th. The schedule is presented to illustrate the requirements of GASB Statement No. 68.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Schedule of Expenditures of Federal Awards and State Financial Assistance
Fiscal Year Ended September 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Contract Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security					
Port Security Grant Program	97.056	EMW-2021-PU-00128	Not applicable	\$ -	\$ 3,635
Port Security Grant Program	97.056	EMW-2022-PU-00224	Not applicable	-	604,618
Port Security Grant Program	97.056	EMW-2023-PU-00062	Not applicable	-	267,430
Total Port Security Grant Program				-	875,683
Passed Through the State of Florida:					
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	Z3160	Z3160	-	2,516,710
Total Disaster Grants – Public Assistance (Presidentially Declared Disasters)				-	2,516,710
Total U.S. Department of Homeland Security				-	3,392,393
U.S. Department of Transportation					
National Infrastructure Investments	20.933	693JF72040002	Not applicable	-	5,057,803
Port Infrastructure Development Program	20.823	693JF72344033	Not applicable	1,297,369	1,297,369
Port Infrastructure Development Program	20.823	693JF72344033	Not applicable	-	45,419
Total Port Infrastructure Development Program				1,297,369	1,342,788
Total U.S. Department of Transportation				1,297,369	6,400,591
U.S. Department of Defense					
Community Investment	12.600	HQ00052310057	Not applicable	-	943,904
Total U.S. Department of Defense				-	943,904
Total Expenditures of Federal Awards				\$ 1,297,369	\$ 10,736,888
State Grantor/Pass-Through Grantor/Project Title	Federal Assistance Listing Number	Contract Number			Total State Expenditures
State of Florida Department of Transportation					
Seaport Grant Programs	55.005	G0Y96		\$	57,995
Seaport Grant Programs	55.005	G1L			78,736
Seaport Grant Programs	55.005	G1L			110,300
Seaport Grant Programs	55.005	G1L			1,167,434
Seaport Grant Programs	55.005	G2752			38,286
Seaport Grant Programs	55.005	G2756			3,195,262
Seaport Grant Programs	55.005	G2757			1,958,131
Seaport Grant Programs	55.005	G2758			15,486,772
Seaport Grant Programs	55.005	G2F55			11,193,868
Seaport Grant Programs	55.005	G2H79			71,108
Seaport Grant Programs	55.005	G2V31			162,650
Total Seaport Grant Programs					33,520,542
Intermodal Access Development Program	55.014	G3D62			106,667
Total Intermodal Access Development Program					106,667
Local Transportation Projects	55.039	G2N13			12,280,441
Local Transportation Projects	55.039	G3188			12,319,714
Total Local Transportation Projects					24,600,155
Total Expenditures of State Financial Assistance				\$	58,227,364
Total Expenditures of Federal Awards and State Financial Assistance				\$	68,964,252

See accompanying notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

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 Port Authority (the Authority), a component unit of the City of Jacksonville, Florida, under programs of the federal and state government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Florida Auditor General* (Chapter 10.550). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and Chapter 10.550, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The Authority has elected not to use the 10% *de minimis* indirect cost rate for awards prior to October 1, 2024 nor the 15% *de minimis* indirect cost rate for awards on or after October 1, 2024, as allowed under the Uniform Guidance.

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority

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 (*Government Auditing Standards*), the financial statements of the Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated [DATE].

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Jacksonville, Florida

[DATE]

DRAFT

**Report on Compliance for the Major Federal Program
and the Major State Financial Assistance Project; Report on Internal Control
Over Compliance; and Report on Schedule of Expenditures of
Federal Awards and State Financial Assistance Required by the Uniform Guidance
and State of Florida Chapter 10.550, *Rules of the Auditor General***

Independent Auditor's Report

Members of the Board of Directors
Jacksonville Port Authority

Report on Compliance for the Major Federal Program and the Major State Financial Assistance Project

Opinion on the Major Federal Program and the Major State Financial Assistance Project

We have audited Jacksonville Port Authority's (the Authority), a component unit of the City of Jacksonville, Florida, compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and 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 financial assistance project for the year ended September 30, 2025. The Authority's major federal program and major state financial assistance project 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 compliance requirements referred to above that could have a direct and material effect on its major federal program and major state financial assistance project for the year ended September 30, 2025.

Basis for Opinion on the Major Federal Program and Major State Financial Assistance Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State of Florida 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 major state financial assistance project. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs and state financial assistance 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 GAAS, *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 major state financial assistance project as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or state financial assistance 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 financial assistance 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 financial assistance 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.

Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550

We have audited the financial statements of the Authority as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon, dated [DATE], which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550 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.

Jacksonville, Florida

[DATE]

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported

Type of auditor's report issued on compliance for major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a)?

<u> </u> Yes	<u> X </u> No
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Identification of major federal program:

Federal Assistance Listing Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs:

\$1,000,000

Auditee qualified as low-risk auditee?

<u> </u> Yes	<u> </u> No
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State Financial Assistance Projects

Internal control over major state project:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> None Reported

Type of auditor's report issued on compliance for major state project:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Chapter 10.550, *Rules of the Auditor General*?

<u> </u> Yes	<u> X </u> No
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Identification of major state project:

State CSFA Number	Name of State Program or Project
55.005	Seaport Grant Programs

Dollar threshold used to distinguish between type A and type B projects:

\$ 1,746,821

Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Schedule of Findings and Questioned Costs (Continued)

Section II – Financial Statement Findings

No matters were reported.

Section III – Findings and Questioned Costs for Federal Awards and State Financial Assistance

No matters were reported.

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Jacksonville Port Authority
A Component Unit of the City of Jacksonville, Florida

Summary Schedule of Prior Audit Findings

The prior year single audit disclosed no findings in the Schedule of Findings and Questioned Costs and no uncorrected or unresolved findings exist from the prior audit's Summary of Prior Audit Findings.

DRAFT

Management Letter

To the Board of Directors
Jacksonville Port Authority

Report on the Financial Statements

We have audited the financial statements of the Jacksonville Port Authority (the Authority), a component unit of the City of Jacksonville, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated [DATE].

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for the Major Federal Program and the Major State Financial Assistance Project; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and State of Florida Chapter 10.550, *Rules of the Auditor General*, 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 Section 218.415, Florida Statutes. Disclosures in those reports and schedules, which are dated [DATE], 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 financial audit report. No findings or recommendations were 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 this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority is disclosed in Note 1 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 condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures 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 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)5.a., *Rules of the Auditor General*, the Authority's management represented that the PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Authority's geographical boundaries during the fiscal year under audit.

Special District Component Units

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

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 reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 173.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year is 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$17,429,077.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency is \$0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project. This information is included in the schedule below.

JACKSONVILLE PORT AUTHORITY 2024-2025 CAPITAL PROJECTS > \$65K		
PROJECT NUMBER	PROJECT DESCRIPTION	CONTRACT PAYMENTS
B2022-11	Auto Processing Facility Development	76,615,595.61
G2023-03	Power Lines	22,387,736.41
C2024-01	Purchase of (3) New Cranes	22,101,938.20
B2022-10	T Berth Construction @ Berth 20 (Design)	20,660,725.89
B2020-01	Container Terminal Upgrades	20,051,975.35
G2024-05	Misc Land Acquisition	4,678,305.15
B2022-13	Hanjung Crane #8810 Upgrades	3,340,660.92
B2020-02	Breasting Dolphin - Berth 22 - Design & Construction	2,688,167.41
B2025-15	BIMT Warehouse #1 Upgrades	2,542,468.75
B2024-01	JFRD New Facility	2,052,318.10
D2025-01	Cruise Terminal Upgrades	1,806,739.88
T2021-06	Pile, Cap and Beam Rehab TMT-Berth 5 - (Cleaning, Design, Construction)	1,588,499.44
B2021-06	Gitmo Building Upgrades	1,338,901.52
B2025-03	Dave Rawls SB left lane addition	901,988.06
G2023-04	PSPG Rd 22 Security Grant	822,242.54
T2025-01	TMT Upgrades	748,743.02
T2025-03	TMT Rail Crossing Back Upgrades - Terminal wide	626,077.80
G2023-08	PCOB Renovations	590,440.99
B2022-15	Hanjung Crane #8841 Upgrades	540,849.33
T2021-02	Rehabilitation Under Deck Concrete	520,626.26
G2024-01	Bartram Island MMA Cell Capacity Grant	500,000.00
G2024-02	PSPG Rd 23 Security Grant	356,573.08
T2025-06	Storm drain upgrades - Inspect, design and construction MP's replacement	346,786.60
B2025-02	Watermain Permanent Relocation - Dave Rawls/Wilson Mills Intersection	324,639.30
T2025-04	TMT Berth Upgrades Berth 18 asphalt replacement resurface (2" Thickness) 1700ft	298,522.14
T2024-02	Upgrade Fire System Water Tank (Breakdown Warehouses)	289,700.00
B2025-05	Tenant Asphalt Facility Rehab FY25	282,660.16
B2024-03	New RORO Entrance Blount Island Blvd	279,604.10
B2025-20	Jaxport BI Pilot Project	213,333.32
B2025-04	Railroad Crossing/Track/Ties Upgrades - Terminal Wide	186,680.99
T2022-06	Hanjung Crane #8844 Upgrades	182,092.91
T2025-05	TMT Resurface Leased Areas	168,072.19
C2025-06	ZPMC Crane #10486 Upgrades	168,045.56
B2022-14	Hanjung Crane #8811 Upgrades	167,743.56
B2024-06	Access Control Building Upgrades (Roof & Remodel)	163,476.38
G2025-05	Buck Island Access Road Bridge (Design)	155,986.00
G2025-03	FSTED 25 Security Grant	149,456.87
D2021-01	CBP PHYSEC Upgrades	138,331.17
T2023-02	Warehouse #1 Canopies & Expansion (Upgrades)	131,253.68
D2024-08	DPMT Entrance Reconfiguration	119,581.26
T2025-17	21st Street Property Improvements	116,304.76
C2025-08	Paceco #106 Upgrades	106,080.50
B2025-10	Maintenance storage shed refurbish (roof, paint, fasteners, etc) (Building 60)	96,998.88
G2023-06	FSTED 23 Security Grant	94,810.08
C2025-07	Paceco #105 Upgrades	88,338.42
D2025-05	Reseal Pre-cast seams and windows at Admin Building	83,346.66
D2024-01	August Dr Road Raise Elevation	77,984.29
B2025-08	Handrails @ Berth 20 & 22	76,303.80
G2024-03	FSTED 24 Security Grant	67,974.32
OTHER CAPITAL		
003.2013.172	Harbor Deepening Monitoring Fees	2,291,650.00
003.2046.XXX	Vehicle Purchases for all Terminals	353,147.00
003.2044.178-H	45k Forklift	345,494.04
003.2042.193-D	Maximo Upgrades (Including Barcoding)	312,218.50
003.2035.173-25A	PCOB Aqua Snap 130T HVAC Unit Replacement	235,179.07
003.2044.177-25A	New Automatic Fuel Truck (Replacement-Life Cycle)	213,571.36
003.2042.193-25I	IT Hardware/Software Upgrades	158,597.01
003.2042.193-25C	Portwide Conference Room Standardization	153,641.44
003.2035.173-25B	PCOB Server Room AC Replacement	151,379.91
003.2035.173	PCOB Cooling Tower	144,463.55
003.2044.177-R	Highbay service hoist replacement (10 ton) (Replacement-Life Cycle)	139,898.00
003.2042.193-25E	Cybersecurity Software	104,865.25
003.2042.193-25D	Business Intelligence Solution	99,400.00
003.2030.176-25B	Upgrade 5 Truck Scales	96,918.99
003.2044.177-25B	New 12K LP Forklift Doosan (Replacement-Life Cycle)	67,185.91

- 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 district amends a final adopted budget under Section 189.016(6), Florida Statutes. This information is included in the schedule below.

JACKSONVILLE PORT AUTHORITY
QUARTERLY REPORT SUMMARY
For the Twelve Months Ending September 30, 2025
UNAUDITED

BALANCE SHEET				
Cash and Investments	\$ 78,755,343		Current Liabilities	\$ 48,226,128
Accounts Receivable & Other Assets	32,909,483		Notes and Bonds Payable	200,344,734
Fixed Assets	1,102,056,198		Other Liabilities	39,505,885
TOTAL ASSETS	\$ 1,213,721,024		Net Position	925,644,277
			TOTAL LIABILITIES & EQUITY	\$ 1,213,721,024

	2024/2025 ORIGINAL BUDGET	2024/2025 AMENDED BUDGET	2024/2025 YTD ACTUAL	FAVORABLE (UNFAVORABLE) BUDGET VARIANCE
OPERATING REVENUES				
Containers	\$ 32,954,363	\$ 32,954,363	\$ 33,587,899	\$ 633,536
Autos	15,476,916	15,476,916	14,848,015	(628,901)
Military	1,688,762	1,688,762	2,678,498	989,736
Break Bulk	4,646,851	4,646,851	6,015,938	1,369,087
Liquid Bulk	1,342,321	1,342,321	1,371,774	29,453
Dry Bulk	3,219,539	3,219,539	3,338,259	118,720
Cruise	6,075,399	6,075,399	7,299,827	1,224,428
Other Operating Revenues	4,407,029	4,407,029	5,399,665	992,636
TOTAL OPERATING REVENUES	\$ 69,811,180	\$ 69,811,180	\$ 74,539,875	\$ 4,728,695
OPERATING EXPENDITURES				
Salaries	17,081,170	17,081,170	17,224,084	(142,914)
Employee Benefits	7,997,883	7,997,883	7,968,172	29,711
Services & Supplies	7,778,210	7,778,210	6,601,219	1,176,991
Security Services	6,795,007	6,795,007	6,894,907	(111,440)
Business Travel & Training	4,034	4,034	677,640	176,394
Promotion, Advertising & Dues	777,004	777,004	723,816	49,528
Utility Services	1,043,307	1,043,307	1,043,307	19,608
Repairs & Maintenance Projects	2,619,263	2,619,263	2,619,263	160,035
Crane Maintenance Pass Thru	(825,000)	(825,000)	(1,146,116)	321,116
Berth Maintenance Dredging	10,391,297	10,391,297	9,618,348	772,949
Miscellaneous	194,704	194,704	497,058	(302,354)
TOTAL OPERATING EXPENDITURES	\$ 54,871,322	\$ 54,871,322	\$ 52,721,698	\$ 2,149,624
OPERATING INCOME	\$ 14,939,858	\$ 14,939,858	\$ 21,818,177	\$ 2,579,071
NON-OPERATING REVENUES				
Investment Income	\$ 2,038,921	\$ 2,038,921	\$ 3,112,000	\$ 1,073,733
Shared Revenue from Primary Govt	9,982,747	9,982,747	10,688,340	705,593
LOC Advance	2,747,132	2,747,132	2,747,132	-
Operating Grants	237,500	237,500	45,419	(192,081)
Other Revenue	8,500	8,500	2,806	(5,694)
	\$ 15,014,800	\$ 15,014,800	\$ 16,596,351	\$ 1,581,551
NON-OPERATING EXPENSES				
Debt Service	\$ 16,984,896	\$ 16,984,896	\$ 15,157,570	\$ 1,827,326
Trademark License Fee	2,747,132	2,747,132	2,747,132	-
Crane Demo	-	-	3,055,645	(3,055,645)
Other Expenditures	3,360	3,360	10,847	(7,487)
	\$ 19,735,388	\$ 19,735,388	\$ 20,971,194	\$ (1,235,806)
NET INCOME BEFORE CAPITAL OUTLAY AND CONTINGENCY	\$ 10,219,270	\$ 10,219,270	\$ 17,443,334	\$ 7,224,064
Transfer (to)/from Operating Capital Outlay	\$ (10,219,270)	\$ (10,219,270)	\$ (9,337,276)	\$ (881,994)
SURPLUS (DEFICIT)	-	-	8,106,058	(8,106,058)
TOTAL REVENUES	\$ 84,825,980	\$ 84,825,980	\$ 91,136,226	
TOTAL APPROPRIATIONS	\$ 84,825,980	\$ 84,825,980	\$ 83,030,168	

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 has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Jacksonville, Florida

[DATE]

DRAFT

Independent Accountant's Report

Board of Directors
Jacksonville Port Authority

We have examined the Jacksonville Port Authority's (the Authority), a component unit of the City of Jacksonville, Florida, compliance with the local government investment policy requirements of Section 218.415, *Florida Statutes* (Specified Requirements) during the period October 1, 2024 to September 30, 2025. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

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

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 of the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the local government investment policy requirements of Section 218.415, *Florida Statutes* during the period October 1, 2024 to September 30, 2025.

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

Jacksonville, Florida
[DATE]

SUBMISSION FOR AWARDS COMMITTEE AND CHIEF EXECUTIVE OFFICER APPROVAL JACKSONVILLE PORT AUTHORITY

AC2026-02-01

Reference No.

File

02/12/2026

Date

SUBJECT: Purchase of Two (2) STS Diesel-Electric Container Handling Cranes CO#2

JPA Project No.: C2024.01

JPA Contract No.: EQ-1915 CO #2

Liebherr-America, Inc. dba Liebherr USA, Co., Maritime Cranes

COST: \$ 4,446,680.08 (estimated)

☒ **BUDGETED**

☐ **NON-BUDGETED**

BACKGROUND:

On September 21, 2023, Procurement Services solicited bids from qualified companies interested in providing STS cranes. On October 23, 2023, Procurement Services received one (1) conforming bid from Liebherr-America, Inc. dba Liebherr USA, Co., Maritime Cranes. After careful review of the conforming bid and negotiating a Best and Final Offer (BAFO), it was the recommendation of the Engineering Department to award a contract to Liebherr-America, Inc. dba Liebherr USA, Co., Maritime Cranes, who offered a responsive, responsible and acceptable BAFO.

Under this project JAXPORT has approved:

- On December 4, 2023, a contract for the purchase, design manufacture, transport, erection, testing, commissioning, and final delivery of two (2) STS diesel-electric container handling cranes to the Blount Island Marine Terminal (EQ-1915).
- On June 24, 2024, one (1) contract amendment for the purchase, design manufacture, transport, erection, testing, commissioning, and final delivery of one (1) STS diesel-electric container handling crane to the Talleyrand Marine Terminal (EQ-1915 CO #1).

This contract amendment (CO #2) covers the tax and destination fees associated with the purchase and delivery of two Liebherr Ship-to-Shore (STS) cranes to the Blount Island Marine Terminal. Additionally, it accounts for the anticipated future expenditure related to the delivery of a third STS crane to the Talleyrand Marine Terminal.

Current contract amendment for tax and destination fees for two (2) STS cranes delivered and commissioned at Blount Island Marine Terminal:

$\$1,173,340.04 \text{ each} \times 2 = \$2,346,680.08$

The estimated fees are considered accurate as of this submission; however, they remain subject to adjustment in the event of unforeseen taxes or additional charges.

Future estimated expenditure for tax and destination fees for the third (3) STS crane delivered and in the assembly process at Talleyrand Marine Terminal:

Approx. \$2,100,000.00

EXPENSE CATEGORY:

- ☐ Renewal of existing services
- ☒ Replacement (end of life) or upgrade of equipment
- ☐ Related to new opportunity
- ☐ Related to or part of CapEx strategy

This is a budgeted capital item for FY 26 and will be funded with 100% JPA funds.

FINANCIAL:

Available Budget:	\$ 4,576,452
Proposed Expense:	<u>\$ 4,446,680</u>
Remaining Balance:	\$ 129,772

RECOMMENDATION:

Management recommends that the Board of Directors approve the execution of Contract Amendment CO #2 to cover tax and destination fees for the two Liebherr Ship-to-Shore (STS) cranes delivered to Blount Island, in the amount of \$2,346,680.08, acknowledge and approve the anticipated expenditure of \$2,100,000.00 for tax and destination fees related to the third STS crane upon completion of delivery to Talleyrand. The total contract cost to include Change Order No. 1 – 2 is \$52,511,555.06.

AC2026-02-01

Once necessary approvals are obtained by the Awards Committee Chairman, the Chief Executive Officer is authorized to sign purchase orders, agreements or contracts for the Award.

Attachments: Liebherr-America, Inc's invoice dated 01/21/2026

ORIGINATED BY:


James Jones (Feb 17, 2026 12:35:36 EST)

Tripper Jones, Sr. Director, Engineering & Construction

SUBMITTED FOR APPROVAL


Christopher Good (Feb 17, 2026 12:34:11 EST)

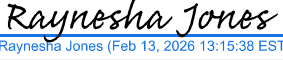
Christopher Good, Director, Procurement Services

AWARDS COMMITTEE ACTION

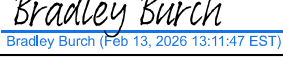
Approved

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):


Raynesha Jones (Feb 13, 2026 13:15:38 EST)

Raynesha Jones, Secretary to Awards Committee


Bradley Burch (Feb 13, 2026 13:11:47 EST)

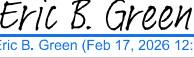
Bradley Burch, Chair to Awards Committee

CHIEF EXECUTIVE OFFICER ACTION

Approved

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):


Eric B. Green (Feb 17, 2026 12:51:58 EST)

Eric B. Green, Chief Executive Officer

CONDITIONS OF APPROVAL (IF ANY):

Rebecca Dicks, Corporate Secretary

BOARD DECISION

APPROVED/REJECTED/DEFERRED

CONDITIONS OF APPROVAL (IF ANY):

Board Chairman

Board Secretary

LIEBHERR

Liebherr USA, Co.
4800 Chestnut Ave, Newport News, VA 23607

JACKSONVILLE PORT AUTHORITY
2831 TALLEYRAND AVENUE
JACKSONVILLE, FL
32206-3417

Delivery Address

JACKSONVILLE PORT AUTHORITY
2831 TALLEYRAND AVENUE
JACKSONVILLE, FL
32206-3417

Invoice
DAR 15022628

Please indicate in all correspondence

Name	Order No.
SALCE, Carolina	441134 / 015
Order Date	Supplier No.
12-01-2023	

Subject to the present terms of delivery and payment

Original

Machine No. STS 2197	Please indicate in your payment						Page 1 of 2
	Customer No.	Document No.	Date				
	703275	DAR15022628	01-21-2026				
	Reference A	WINSTON ZIEGLER			Phone	+1 305 8177512	
	Reference B	2197			Fax		
	Customer Order No.	2 of 2 STS CRANE			E-mail	carolina.salce@liebherr.com	
Pos.	Article No.	CC	Quantity	UQ	Unit price	Discount	Total price
	Description					Delivery Date	

LIEBHERR CONTAINER CRANE
2 OF 2 STS S/N CC 2197
PER AGREEMENT & INVITATION NO EQ-1915
2 X SHIP TO SHIP TO SHORE DIESEL ELECTRIC CONTAINER HANDLING CRANES
MODEL LIEBHERR P168L (WS)-SUPER
TWO BROMMA TWINLIFT SPREADERS MODEL STR45
ONE HOOK BEAM 75LT

TOTAL CONTRACT VALUE 27,821,571.00 EUR @ EXCHANGE RATE 1.0972 = 30,525,548.39 USD
PER CRANE 13,910,785.50 EUR @ EXCHANGE RATE 1.0972 = 15,262,774.20 USD

4	807874 0010066	1.00	Pcs	1,173,340.04	1,173,340.04
	TARIFF SURCHARGE				

Goods	0.00
Costs	1,173,340.04
Discount	0.00
Net	1,173,340.04

Shipping mode (Incoterms 2020)	Gross weight	Terms of payment	
	Net weight	according contractual agreement	
Liebherr America Inc. dba LIEBHERR USA, Co. Phone: +1 757 340-4350 lus-accountsreceivable@liebherr.com www.liebherr.com French VAT- ID - Cose ID. TVA: FR26 832400881 German VAT - ID - DE 311716432	Check payment: Liebherr USA, Co. PO Box 603928 Charlotte, NC 28260-3928	Overnight Check Payment: Liebherr USA, Co. Lockbox Services 603928 1525 West W.I. Harris Blvd 2C2 Charlotte, NC 28262	USD Wires: Wells Fargo Bank Routing NO: 121000248 SWIFT: WFBUS65 Account No.: 4706116937
			EURO Wires: Deutsche Bank SWIFT: DEUTDE33 IBAN DE04 6307 0088 0205 5960 00

We reserve the title to the goods until payment is made in full.

LIEBHERR

Please indicate in all correspondence		Please indicate in your payment				Page 2 of 2
Order No.	Supplier No.	Customer No.	Document No.	Date		
441134 / 015		703275	DAR15022628	01-21-2026		
Pos.	Article No. Description	CC	Quantity	UQ	Unit price	Discount Delivery Date
Total USD						1,173,340.04

THANK YOU FOR YOUR ORDER!
CAROLINA SALCE

This sale is subject to the terms and conditions identified at
<https://www.liebherr.com/LUS/TermsAndConditions.html>
FOR RECIPIENT USE ONLY

Shipping mode (Incoterms 2020)	Gross weight	Terms of payment according contractual agreement		
	Net weight			
Liebherr America Inc. dba LIEBHERR USA, Co. Phone: +1 757 340-4350 lus-accountsreceivable@liebherr.com www.liebherr.com French VAT - ID - Cose ID. TVA: FR26 832400881 German VAT - ID - DE 311716432	Check payment: Liebherr USA, Co. PO Box 603928 Charlotte, NC 28260-3928	Overnight Check Payment: Liebherr USA, Co. Lockbox Services 603928 1525 West W.I. Harris Blvd 2C2 Charlotte, NC 28262	USD Wires: Wells Fargo Bank Routing NO: 121000248 SWIFT: WFBUS65 Account No.: 4706116937	EURO Wires: Deutsche Bank SWIFT: DEUTDE33 IBAN DE04 6307 0088 0205 5960 00

We reserve the title to the goods until payment is made in full.

BD2026-02-02



SUBMISSION FOR BOARD APPROVAL

SUBJECT: James Bennett Memorial Endowed Scholarship

COST: N/A

BUDGETED: N/A

SOURCE OF FUNDS: N/A

BACKGROUND: On December 8, 2025, JAXPORT Chief Operating Officer James Bennett was tragically killed in an automobile accident. The leadership and expertise he provided to JAXPORT, and our maritime community were unmatched. Team members, tenants, and community partners have expressed strong interest in honoring his professional contributions and personal impact.

James was a respected leader in the engineering and transportation fields and a frequent guest speaker in engineering classes at the University of North Florida. In recognition of his legacy, JAXPORT has partnered with UNF to establish the James Bennett Memorial Endowed Scholarship.

The scholarship will be awarded annually to junior-or senior-level students pursuing degrees in engineering, logistics, or transportation. Eligible recipients must be from the five-county North Florida area, with preference given to a student from Baker County, demonstrate financial need, and maintain a minimum GPA of 3.0, among other criteria.

STATUS: Contributions to date from JAXPORT team members, tenants, and community partners currently total more than \$33,000.

RECOMMENDATION: Management recommends the Board approve the establishment of the James Bennett Memorial Endowed Scholarship at the University of North Florida Foundation and a resolution confirming same.

ATTACHMENT:

Board Resolution

BD2026-02-02



SUBMISSION FOR BOARD APPROVAL

RECOMMENDED FOR APPROVAL:

Beth McCague
Chief of Staff

Beth McCague

Beth McCague (Feb 17, 2026 16:09:44 EST)

Signature and Date

SUBMITTED FOR APPROVAL:

Eric Green
Chief Executive Officer

Eric B. Green

Eric B. Green (Feb 17, 2026 16:27:38 EST)

Signature and Date

BOARD APPROVAL:

February 23, 2025
Meeting Date

Rebecca Dicks/Recording Secretary

ATTEST:

Patrick Kilbane, Secretary

J. Palmer Clarkson, Chair

**A RESOLUTION OF THE JACKSONVILLE PORT AUTHORITY HONORING
THE LIFE AND SERVICE OF JAMES G. BENNETT**

WHEREAS, James G. Bennett joined JAXPORT in 2017 as Senior Director of Engineering and Construction. In this role, he was responsible for the port's marine and landside infrastructure development and engineering and construction operations, helping transform the port's capabilities through the completion of major growth projects including the deepening of the Jacksonville shipping channel to 47 feet, a \$375 million project supporting thousands of Jacksonville jobs, and significant upgrades to the port's landside assets and equipment, including berths and cranes, as well as renovations to improve the JAXPORT Cruise Terminal; and

WHEREAS, in 2022, Mr. Bennett was promoted to be the Chief Operating Officer for JAXPORT, overseeing the port's three operational divisions, its engineering and construction department, the implementation of a capital growth program in excess of \$250 million annually, including the significant expansion of Blount Island's container and vehicle-handling capabilities; and

WHEREAS, Mr. Bennett was a frequent contributor to the Authority's Board meetings, where his detailed knowledge of major capital projects and preparedness earned the confidence and respect of Board members; and

WHEREAS, James G. Bennett also represented the people of Baker County as County Commissioner for District 4, and served as a liaison to the Northeast Florida Regional Council, North Florida Regional Transportation Commission, the North Florida Transportation Planning Organization, and the Small County Coalition; and

WHEREAS, James G. Bennett was known for his extraordinary leadership, dedication, unwavering commitment to his work and colleagues, and a spirit that uplifted all those around him; and

WHEREAS, Mr. Bennett tragically passed away on Monday, December 8, 2025, as a result of an automobile accident, and his loss is deeply felt by his family, friends, colleagues, constituents, and all who had the honor of knowing him; and

WHEREAS, in the weeks since the passing of our colleague and friend, James G. Bennett, JAXPORT has been approached by many seeking a meaningful and lasting way to honor his memory.

NOW, THEREFORE, BE IT RESOLVED that the Jacksonville Port Authority hereby honors and remembers the life, service, and contributions of James G. Bennett.

Section 1: Honoring and Remembering. The Jacksonville Port Authority hereby honors the life and legacy of James G. Bennett by partnering with the University of North Florida Foundation to establish the James Bennett Memorial Endowed Scholarship, in support of students at the University of North Florida. This tribute reflects James' deep commitment to mentorship, education, and the development of the next generation of leaders - values he exemplified throughout his career and daily work within Northeast Florida's transportation and logistics network.

Section 2: This resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 23rd day of February 2026.

ATTEST:

JACKSONVILLE PORT AUTHORITY

Patrick Kilbane, Secretary

J. Palmer Clarkson, Chairman

E&C ACTIVE PROJECTS REPORT (OVER \$500,000)

Project No	Project Name	Commitment Number	Company Name	Commitment Description	Original Contract Amount	Approved Changes	Total Contract Value (Including TSPOs)	Net Actuals Paid To-Date	Retainage	Remaining to be Paid	Pending Changes	Project Most Recent Note
030.6164	Dismantle, Removal and Disposal of IHI Cranes at TMT & DPMT	EQ-1842B	Global Rigging & Transport	Dismantle, Removal, and Disposal of TMT IHI Crane 1516 and DPMT Paceco Crane 108 TMT / 107 DPMT	\$2,113,000.00	\$942,440.00	\$3,055,440.00	\$2,286,650.00	\$120,350.00	\$648,440.00	\$0.00	Cranes 108, 107 and 103 have been demolished and removed from DPMT and TMT IHI Crane has been demolished and removed from TMT. Crane 104 (DPMT) demolition is ongoing.
B2022-10	T Berth Construction Berth 20 (Design)	AE-1814	Taylor Engineering Inc	Provide Engineering Design Services for T-erth Modifications to Berth 20 at BIMT	\$1,262,278.50	\$1,920,702.80	\$3,182,981.30	\$1,958,961.91	\$0.00	\$1,224,019.39	\$0.00	Taylor Engineering has continued providing Services During Construction and oversight of the Berth 21 Project.
B2022-10	T Berth Construction Berth 20 (Design)	C-1814	RUSH Marine, LLC	BIMT Berth 20 Wharf Expansion	\$51,220,050.50	-\$13,695,576.02	\$37,524,474.48	\$19,812,849.21	\$1,042,781.51	\$16,668,843.76	\$0.00	All pre-stressed piles have been installed. Cast-in-place concrete for pile caps and beams is ongoing. Purchase of materials like pre-cast slabs continues.
B2022-11	Auto Processing Facility Development (SET)	AE-1830	JE Dunn Construction	Terminal Development for SET - CM at Risk	\$700,000.00	\$137,866,461.58	\$138,566,461.58	\$132,154,433.00	\$3,388,575.00	\$3,023,453.58	\$0.00	JE Dunn has completed all new buildings and main site work, and moved their operations from TMT to the BIMT new facility. JE Dunn is currently working on finishing the new rail Track 6 on BI Blvd.
B2022-13	Hanjung Crane #8810 Upgrades FY22	EQ-1907H	T-T Electric USA	Purchase of Eight (8) Gantry Motors for Hanjung Crane No. 8810 at BIMT	\$499,816.00	\$30,625.76	\$530,441.76	\$530,441.76	\$0.00	\$0.00	\$0.00	Equipment received and paid.
B2022-13	Hanjung Crane #8810 Upgrades FY22	EQ-2006	Reading Crane & Engineering (dba of Flatiron Crane Operating Co LLC)	BIMT Hanjung Crane #8810 Refurbishment and IHI Crane #2253 Dismantle & Removal	\$3,372,736.00	\$35,804.00	\$3,408,540.00	\$2,495,434.45	\$131,338.71	\$781,766.84	\$0.00	Contractor completed crane 8810 refurbishment and re-installed crane on the dock rails. Demolition of IHI 2253 pending to start. Owner's Option Crane 8811 refurbishment awarded under B2022-14.
B2022-14	Hanjung Crane #8811 Upgrades FY22	EQ-2006	Reading Crane & Engineering (dba of Flatiron Crane Operating Co LLC)	BIMT Hanjung Crane #8810 Refurbishment and IHI Crane #2253 Dismantle & Removal CO#2 - (Refurbishment of Hanjung Crane # 8811) (See B2022-13 for original Contract)	\$0.00	\$2,870,356.00	\$2,870,356.00	\$0.00	\$0.00	\$2,870,356.00	\$0.00	Flatiron has started the mechanical works as well as the coating works. Projected completion early April.
B2024-01	JFRD New Facility	AE-1935A	Auld & White Constructors LLC	Design-Build for New JFRD Fire Station 48 at BIMT	\$8,403,400.00	-\$785,894.82	\$7,617,505.18	\$3,479,782.14	\$128,581.86	\$4,009,141.18	\$0.00	All site works completed. Building has been erected, and roofing works are currently ongoing.
B2024-01	JFRD New Facility	AE-1935B	VIA Consulting Services Inc	Construction Engineering and Inspection Services for JFRD Fire Station 48 at BIMT	\$537,878.06	\$0.00	\$537,878.06	\$204,601.54	\$0.00	\$333,276.52	\$0.00	VIA has continued providing services during construction for JFRD Fire station 48.
C2024-01	Purchase of Two (2) New Cranes	AE-1915	Taylor Engineering Inc	Engineering and Bid Support Services for the purchase of new STS container cranes.	\$112,500.92	\$1,075,005.91	\$1,187,506.83	\$1,044,982.66	\$0.00	\$142,524.17	\$0.00	Taylor Engineering has been providing Technical support to JAXPORT's Equipment and E&C teams, for the purchase of new STS cranes.
C2024-01	Purchase of Two (2) New Cranes	EQ-1915	Liebherr USA Co Maritime Cranes	Purchase of Two (2) STS Diesel-Electric Container Handling Cranes	\$30,525,548.40	\$18,314,326.58	\$48,839,874.98	\$46,978,995.87	\$0.00	\$1,860,879.11	\$2,346,680.08	BIMT cranes moved to dock rails and are currently working; TMT crane has been delivered and is currently being assembled.

Board of Directors Meeting - R2026-02-01 Engineering and Construction Update

Project No	Project Name	Commitment Number	Company Name	Commitment Description	Original Contract Amount	Approved Changes	Total Contract Value (Including TSPOs)	Net Actuals Paid To-Date	Retainage	Remaining to be Paid	Pending Changes	Project Most Recent Note
D2025-01	Cruise Terminal Upgrades	C-2017C	ACON Construction Co Inc	Cruise Terminal New Gangway	\$698,495.00	\$119,097.66	\$817,592.66	\$436,997.43	\$22,999.88	\$357,595.35	\$0.00	Gangway construction completed and in use during NCL cruise days; additional canopy has been installed. Currently working on a resolution of issues with brow hoist to close out project.
G2023-03	Power Lines	MOA-1911	Jacksonville Electric Authority	Memorandum of Agreement between JAXPORT and JEA for Fulton Crossing "Power Line" Tower Replacement Project.	\$42,098,775.00	\$10,449,999.58	\$52,548,774.58	\$44,674,640.00	\$0.00	\$7,874,134.58	\$0.00	Works continue with the construction of Access roads preparation, Access Matting, Clearing, Grading, Foundations, Surveying, Mapping and Permitting continues. Purchase of electrical/transmission materials and equipment continues.
T2021-06	Pile Cap & Beam Rehab TMT	C-1780	Michels Construction Inc	TMT Berth 5 Pile Jacket Repairs	\$1,319,732.00	-\$134,446.26	\$1,185,285.74	\$1,126,021.46	\$59,264.28	\$0.00	\$0.00	Project completed. Contractor working on final documentation for close out.

Financial Highlights: January / Fiscal Year '26

REVENUES

January revenues of \$6.556 million were ahead of plan by \$145 thousand. Containers were slightly behind plan for the month, by \$153 thousand, and are also lagging for the fiscal year to date due to ongoing global challenges in trade. However, our next largest line of business, Autos, was ahead of plan for the month of January by \$297 thousand at \$1.792 million versus plan of \$1.495 million. There are two key factors driving the outperformance of auto revenues. One is that Southeast Toyota has now fully ramped up on their expanded footprint at Blount Island. The second is that Enstructure began receiving autos at their expanded footprint at Talleyrand. The revenue for Enstructure was programmed to be largely Break Bulk in the approved budget so the recent addition of Auto to their product mix is a positive to the budgeted revenues in this area. Break Bulk, at \$620 thousand versus \$472 thousand budgeted, continues to exceed expectations despite Enstructure adding Autos to their Talleyrand Marine Terminal operation.

Cruise, at \$508 thousand, was \$72 thousand below budget for the month due to dry-dock improvements to the Carnival Elation. The addition of NCL has enhanced full year performance and, in a period where one ship is temporarily out of service, helps to stabilize revenue performance.

EXPENSES

Operating Expenses were \$577 thousand over plan for January at \$5.472 million, primarily impacted by heavy berth maintenance dredging which totaled \$1.223 million for the month. These numbers reflect heavy dredging activity at the DPMT berths. There are fewer dredge events scheduled in February and March, which will help to normalize berth maintenance dredging expense by the end of the second quarter. For the year to date it is also important to note that we have already expensed the full year mobilization charge of \$300 thousand such that we will not pay a fee every time the dredge contractor has to change locations in the river. Non-Operating items were largely in-line with budget with positive performance on interest earnings and savings on debt service offsetting slight weakness in City shared revenues.

BOTTOM LINE

Income Before Depreciation for January was \$793 thousand, representing a \$371 thousand shortfall to budget for the month, again due primarily to the heavy dredging activities that fell into the month. Year to date income before depreciation is \$7.074 million, which exceeds budget expectations by \$1.705 million. We will continue to monitor trends carefully and keep the board apprised of developments that may impact our performance.

BALANCE SHEET

We closed the month in a strong and stable financial position. Cash and Cash Equivalents ended at \$29.093 million, an increase over last month. Strong collections against Grants and Accounts Receivable were contributors to this improvement in cash balance as we move closer to our summer bond transaction.

CONCERNS

We are aware of nationwide cargo slowdowns and will continue to monitor our volume trends for impact from evolving global trade dynamics and changes in tariffs.

VITAL STATISTICS

JANUARY FY25 - Cargo Performance

CARGO INDICATORS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Vessel Calls	126	133	131	-5%	-4%	529	532	530	-1%	0%
Total Tons	749,516	915,921	767,856	-18%	-2%	3,408,438	3,663,685	3,399,236	-7%	0%
Total Revenue	\$6,555,509	\$6,410,413	\$5,811,024	2%	13%	\$27,637,337	\$26,359,041	\$24,655,323	5%	12%

OPERATING REVENUE / STATISTICS

	VARIANCE					YEAR-TO- DATE			VARIANCE	
	Actual	Budget	Prior	Budget	Prior	Actual	Budget	Prior	Budget	Prior
Container Revenue	\$2,752,243	\$2,905,650	\$2,786,052	-5%	-1%	\$10,921,041	\$11,622,600	\$11,043,666	-6%	-1%
Container TEU's	101,235	121,352	114,775	-17%	-12%	431,087	485,408	482,976	-11%	-11%
ICTF Rail Lifts	1,337	1,700	1,491	-21%	-10%	6,448	6,800	6,518	-5%	-1%
Auto Revenue	\$1,791,729	\$1,495,049	\$1,130,380	20%	59%	\$6,172,374	\$5,980,196	\$4,874,908	3%	27%
Auto Units	39,807	43,811	41,202	-9%	-3%	179,695	175,243	176,744	3%	2%
Military Revenue	\$159,269	\$158,855	\$17,752	0%	797%	\$1,189,167	\$635,420	\$1,546,413	87%	-23%
Breakbulk Revenue	\$620,491	\$472,021	\$420,747	31%	47%	\$3,226,604	\$1,888,084	\$1,776,229	71%	82%
Breakbulk Tons	88,306	93,290	67,579	-5%	31%	319,852	373,158	326,951	-14%	-2%
Liquid Bulk Revenue	\$102,942	\$137,324	\$127,629	-25%	-19%	\$350,874	\$549,296	\$510,981	-36%	-31%
Liquid Bulk Tons	26,534	29,946	31,569	-11%	-16%	72,245	119,784	119,594	-40%	-40%
Dry Bulk Revenue	\$258,205	\$270,048	\$325,086	-4%	-21%	\$1,298,773	\$1,080,192	\$981,439	20%	32%
Dry Bulk Tons	53,689	142,642	68,745	-62%	-22%	520,460	570,569	268,837	-9%	94%
Cruise Revenue	\$508,337	\$580,670	\$571,447	-12%	-11%	\$3,065,547	\$3,040,069	\$2,085,952	1%	47%
Cruise Passengers	11,588	15,965	17,152	-27%	-32%	90,912	89,460	63,701	2%	43%
Total Cargo Revenue	\$6,193,216	\$6,019,617	\$5,379,094	3%	15%	\$26,224,379	\$24,795,857	\$22,819,587	6%	15%
Other Revenue	\$362,293	\$390,796	\$431,930	-7%	-16%	\$1,412,958	\$1,563,184	\$1,835,736	-10%	-23%

Jacksonville Port Authority**Comparative Income Statement (Unaudited)****For the 4 months ending 01/31/2026**

	Current Month Actual	Current Month Budget	Budget Variance	Prior Year Month Actual	Current YTD Actual	Current YTD Budget	Budget Variance	Prior Year YTD Actual
OPERATING REVENUES								
CONTAINERS	2,752,243	2,905,650	(153,407)	2,786,052	10,921,041	11,622,600	(701,559)	11,043,666
AUTOS	1,791,729	1,495,049	296,680	1,130,380	6,172,374	5,980,196	192,178	4,874,908
MILITARY	159,269	158,855	414	17,752	1,189,167	635,420	553,747	1,546,413
BREAK BULK	620,491	472,021	148,470	420,747	3,226,604	1,888,084	1,338,520	1,776,229
LIQUID BULK	102,942	137,324	(34,382)	127,629	350,874	549,296	(198,422)	510,981
DRY BULK	258,205	270,048	(11,843)	325,086	1,298,773	1,080,192	218,581	981,439
CRUISE	508,337	580,670	(72,333)	571,447	3,065,547	3,040,069	25,478	2,085,952
OTHER OPERATING REVENUE	362,293	390,796	(28,503)	431,930	1,412,958	1,563,184	(150,226)	1,835,736
TOTAL OPERATING REVENUES	6,555,509	6,410,413	145,096	5,811,024	27,637,337	26,359,041	1,278,296	24,655,323
OPERATING EXPENSES								
SALARIES & BENEFITS	2,302,988	2,244,803	58,185	2,251,615	8,829,684	8,979,212	(149,528)	8,367,172
SERVICES & SUPPLIES	814,247	651,605	162,642	602,795	2,432,947	2,606,420	(173,473)	2,505,104
SECURITY SERVICES	606,908	633,471	(26,563)	549,478	2,481,062	2,533,884	(52,822)	2,169,730
BUSINESS TRAVEL AND TRAINING	39,149	81,243	(42,094)	63,708	184,693	324,972	(140,279)	262,285
PROMO,ADV,DUES & MEMBERSHIPS	100,035	71,460	28,575	105,544	315,292	285,840	29,452	384,094
UTILITY SERVICES	107,063	107,063	-	87,885	368,592	428,252	(59,660)	335,426
REPAIRS & MAINTENANCE	304,296	263,591	40,705	232,532	1,054,788	1,054,364	424	758,362
CRANE MAINTENANCE PASS THRU	(42,536)	(100,000)	57,464	(99,866)	(164,525)	(400,000)	235,475	(382,200)
BERTH MAINTENANCE DREDGING	1,222,929	933,334	289,595	1,031,799	3,986,019	3,733,336	252,683	4,074,570
MISCELLANEOUS	17,328	18,034	(706)	17,548	67,109	72,136	(5,027)	155,669
TOTAL OPERATING EXPENSES	5,472,406	4,904,604	567,802	4,843,038	19,555,661	19,618,416	(62,754)	18,630,212
OPERATING INC BEFORE DS AND DEPR	1,083,103	1,505,809	(422,706)	967,986	8,081,676	6,740,625	1,341,050	6,025,112
NON OPERATING INCOME								
INVESTMENT INCOME	141,199	89,813	51,386	217,645	752,429	359,252	393,177	1,186,532
SHARED REVENUE FROM CITY	868,646	941,892	(73,246)	1,274,961	3,495,525	3,767,568	(272,043)	3,786,413
OPERATING GRANTS - SECURITY	2,650	19,792	(17,142)	-	29,015	79,168	(50,153)	13,272
OTHER NON OP INC/(EXP)	(440)	428	(868)	(580)	(2,651)	(1,712)	(939)	(1,624)
TOTAL NON OPERATING ITEMS	1,012,054	1,051,925	(39,871)	1,492,027	4,274,316	4,204,276	70,040	4,984,593
NON OPERATING EXPENSE								
DEBT SERVICE	1,302,235	1,394,046	(91,811)	1,225,859	5,282,272	5,576,183	(293,911)	5,151,773
CRANE DEMOLITION	-	-	-	205	-	-	-	205
TOTAL NON OPERATING EXPENSE	1,302,235	1,394,046	(91,811)	1,226,064	5,282,272	5,576,183	(293,911)	5,151,978
INCOME BEFORE DEPRECIATION	792,922	1,163,688	(370,767)	1,233,949	7,073,720	5,368,718	1,705,002	5,857,727

Jacksonville Port Authority
Balance Sheet (in thousands)
At January 31, 2026

	<u>January 31, 2026</u>	<u>December 31, 2025</u>	<u>September 30, 2025</u>
Current Assets			
Cash & cash equivalents	29,093	28,236	27,703
Restricted cash & cash equivalents	2,482	1,259	9,070
Accounts receivable, net	9,312	10,312	8,661
Notes and other receivables	292	257	135
Grants receivable	5,461	11,014	10,966
Inventories and other assets	5,039	4,935	5,521
Total Current Assets	51,679	56,013	62,056
Noncurrent Assets			
Restricted cash & cash equivalents	17,110	17,017	16,879
Restricted Cash for Cap Projects	13,246	19,201	25,103
Deferred outflow of resources	7,406	8,421	7,528
Capital Assets, net	1,092,695	1,085,477	1,053,860
Total Noncurrent Assets	1,130,457	1,130,116	1,103,370
Total Assets	1,182,136	1,186,129	1,165,426
Current liabilities			
Accounts payable	3,601	2,822	5,236
Construction accounts payable	8,621	12,029	34,223
Accrued expenses	790	1,260	720
Accrued interest payable	1,304	869	2,428
Retainage payable	4,645	4,645	4,197
Bonds and Notes Payable	9,184	9,184	9,184
Total Current Liabilities	28,145	30,809	55,988
Noncurrent liabilities			
Unearned Revenue	16,994	17,214	17,941
Accrued Expenses	2,325	2,549	2,549
Line of credit	23,360	25,233	12,432
Bonds and notes payable	170,088	170,104	178,729
Net Pension Liability	14,046	14,046	14,046
Deferred inflows - Pension	3,568	3,568	3,568
Total Non Current Liabilities	230,381	232,714	229,265
Total Liabilities	258,526	263,523	285,253
Net Position	923,610	922,606	880,173

COMMERCIAL HIGHLIGHTS

February 2026



GLOBAL NEWS...

Hapag Lloyd acquisition of Zim Lines

America's Maritime Action Plan

Panama Canal

- Panamanian Supreme Court ruling
- No local changes/impacts to date

Recent Trade Announcements

- India: Framework for an interim agreement
- EU: Eased tariffs on U.S. imports
- Americas: New Agreements on Reciprocal Trade (*El Salvador, Ecuador, Guatemala*)
- Argentina: Mutual tariff reductions
- South Korea: Strategic Trade and Investment Deal



COMMERCIAL HIGHLIGHTS

PROJECTED MONTHLY CONTAINER IMPORTS (2026 YoY Change vs. Prior Year)

		JAXPORT	EVERGLADES	MIAMI	SAVANNAH	CHARLESTON	U.S. West Coast	
FORECAST	2026	Jan	↘ -1.6%	↓ -20.5%	↘ -9.8%	↗ 9.3%	↘ -1.4%	↘ -7.9%
		Feb	↓ -11.4%	↓ -28.2%	↓ -14.9%	↘ -9.6%	↓ -18.2%	↗ 3.4%
		Mar	↘ -4.9%	↓ -32.4%	↓ -12.8%	↓ -17.8%	↓ -14.0%	↓ -11.5%
		Apr	↓ -12.7%	↓ -22.8%	↗ 2.5%	↓ -11.1%	↘ -3.5%	↘ -5.6%
		May	↘ -1.6%	↘ -6.0%	↘ -1.0%	↘ -0.5%	↘ -4.2%	↑ 16.6%
		Jun	↑ 10.5%	↓ -13.9%	↑ 18.9%	↑ 23.8%	↗ 7.0%	↗ 0.9%
	AVG.		-3.6%	-20.6%	-2.9%	-1.0%	-5.7%	-4.1%

Source: Global Port Tracker. Hackett Associates/National Retail Federation, Jan. 2026



COMMERCIAL HIGHLIGHTS

REVENUE YEAR-TO-DATE *(Actuals, YoY)*

Containers	-1%
Autos	+27%
Breakbulk	+82%
Dry Bulk	<u>+32%</u>
Total Cargo	+15%

VEHICLE CARGOES

- New automobile processor: Enstructure Auto Logisitcs



BREAKBULK AND BULK CARGOES

- Continued close cooperation with tenant partners



NEW BUSINESS EXAMPLES

NEW BUSINESS	CARGO TYPE	COMMODITY	PROJECTED NEW BUSINESS	TRADE LANE
PROJECT JOBS	Container	Proteins	1,500 TEU/year	Central America
PROJECT DROP	Container	Coffee	1,200 TEU/year	South Asia
PROJECT WAZE	Container	Furniture	400 TEU/year	Asia
PROJECT JOE	Container	Doughs/Breads	300 TEU/year	South America



SPECIAL SHIPMENT: MAYO CLINIC



Mayo Clinic sculpture

SHIPMENT COORDINATION

Artist:	Jefre
Mayo Clinic:	Project Director
Ocean carrier:	Zim Lines
Terminal operator:	SSA Atlantic
Customs Broker	OIA Global
Inspection:	U.S. Customs
Trucker:	ATS
Facilitation	JAXPORT



COMMERCIAL HIGHLIGHTS

February 2026





Post Office Box 3005
2831 Talleyrand Avenue
Jacksonville, Florida 32206-0005

AWARDS COMMITTEE ZOOM MEETING MINUTES

**February 12, 2026
1:00PM**

Awards Committee Members Attending

Bradley Burch, Chair
Chelsea Kavanagh, Co-Chair
Beth McCague

Raynesha Jones, Recording Secretary
Christopher Good
Patrick Greive

Other Attendees

Brenda Dewitt
Elijah Wright
Edwin Simmons
Neil Stephens
Brian Capprotti
Aaron Jones
Nicholas Primrose

Jose Vazquez
Jack Taylor
Gabriel Loring
Ronnie Booker
Michael McCoy
Brandon Blanton
Corelyn Diaz
James Jones

*Bradley
called the meeting to order at 1:00PM*

Item No. 1

AC2026-02-01

Purchase of Two (2) STS Diesel-Electric Container Handling Cranes CO#2

JPA Project G/L No.:C2024.01
Liebherr USA, Co., Maritime Cranes

JPA Contract No.: EQ-1915 CO #2
\$4,446,680.08 (estimated)

A motion was made and seconded. The Awards Committee voted unanimously to award this contract. Joey recused himself from voting

Item No. 2

AC2026-02-02

Coating and Mechanical Inspections – Crane #8811

JPA Project G/L No.: B2022.14
C&ES

JPA Contract No.:MC-1905D
\$72,787.66

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 3

AC2026-02-03

TMT Warehouse Demolition at 1732 Talleyrand Ave

JPA Project G/L No.:T2026.04

JPA Contract No.: MC-2108A

1st Choice Engineering, Construction, & Dev LLC **\$208,811.29**

A motion was made and seconded. The Awards Committee voted unanimously to award this contract. Stephen recused himself.

Item No. 4

AC2026-02-04

e-Builder Software License Renewal

JPA Project G/L No.: 193.5842
e-Builder

JPA Contract No.: MC-1595I
\$75,600.00

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 5

AC2026-02-05

Repair of one (1) Spare Main Hoist Gearbox

JPA Project G/L No.: 003.2050.CIPPARTS

JPA Contract No.: EQ-1936C

GearTec, Inc..

\$134,496.00

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

Item No. 6

AC2026-02-06

Purchase of one (1) 500 KW Generator for the Cruise Terminal

JPA Project G/L No.: G2026-04

JPA Contract No.: EQ-2117

Cogburn Bros. Inc.

\$349,551.15

A motion was made and seconded. The Awards Committee voted unanimously to award this contract.

The meeting was adjourned at 1:23 pm

One (1) item requires Board Approval

C.P.O.# 5538



P.O. Box 3005
Jacksonville, Florida 32206-0005
(904) 357-3062

Remit to: Accounts.payable@jaxport.com**CAPITAL PURCHASE ORDER**

VENDOR: Global Rigging & Transport #11654 **CONTRACT NO:** EM-1907

ADDRESS: PO Box 7569 **REQUESTING DEPT:** Engineering

Virginia Beach, VA 23458 **JAXPORT TELEPHONE:** (904)357-3013

JAXPORT CONTACT: Michael Johnson

TELEPHONE/FAX: (757)437-0027 **G/L ACCT. #:** 003.2050. T2022.06.JPA-100%

DESCRIPTION

Provide all labor, materials, equipment, and supervision necessary to Rollback Hanjung Crane #8844 on January 31, 2026, at TMT (See GRT's Proposal #G2024-01/JJ012626 dated 1/26/2026). **"Required Limits of Insurance"** as per attached.

TOTAL COST \$ 107,300.00**AUTHORIZATION DATE:****AUTHORIZED COST: \$ 107,300.00****REQUESTED BY:****ENGINEERING APPROVAL:****PROCUREMENT APPROVAL:****CHIEF EXECUTIVE OFFICER:**

FINANCE-original

VENDOR-copy

ISSUING DIVISION-copy

ENGINEERING-copy

1 of 1

CONCURRENCE _____
Fed/State

REQUIRED LIMITS OF INSURANCE

Provide evidence of the Bidder's ability to provide the following minimum insurance coverage, either by means of an existing policy or other verifiable proof (such as a project specific endorsement or Agent/Broker commitment letter) from a company or companies authorized to do business in Florida and that have and maintain a Best's Rating of "A-" or better and a Financial Size Category of "VII" or better according to A. M. Best Company, or b) with respect only to Workers' Compensation/Employers' Liability Coverage, is authorized as a group self-insurer by Florida Statutes 440.57. **The Bidder shall be the Named Insured for all contractually required insurance, with JAXPORT; the members of their Governing Body; and their officers, officials, and employees as Additional Insureds.** The submitted documentation shall demonstrate compliance with the following minimum indemnification and insurance requirements (inclusive of any amounts provided by an umbrella or excess policy) in the amounts below:

1. WORKERS' COMPENSATION/EMPLOYERS' LIABILITY

Part One - There shall be no maximum limit (other than as limited by the applicable statute) for liability imposed by the Florida Workers' Compensation Act, the Longshoremen's and Harbor Workers' Compensations Act or any other coverages required by the contract documents which are customarily insured under Part One of the standard Workers' Compensation Policy.

Part Two - The minimum amount of coverage for those coverages required by the contract documents which are customarily insured under Part Two of the standard Workers' Compensation Policy shall be:

- \$1,000,000 (Each Accident)
- \$1,000,000 (Disease-Policy Limit)
- \$1,000,000 (Disease-Each Employee)

NOTE: If the project is to be accomplished on the face of the wharf, the concrete area where crane rails are located to the edge of the wharf and underneath the wharf (piling, deck repairs, etc.) the Longshoremen's and Harbor Workers' Compensation will be required.

2. MARINE GENERAL LIABILITY

The limits are to be applicable only to work performed under this contract and shall be those that would be provided with the attachment of the Amendment of Limits of Insurance (Designated Project or Premises) endorsement to a Marine General Liability Policy with the following minimum limits:

- \$5,000,000 Each Occurrence, \$10,000,000 General Aggregate
- \$5,000,000 Products/Completed/On-Going Operations Aggregate
- \$5,000,000 Personal and Advertising Injury (each occurrence)
- \$5,000,000 Bodily Injury and Property Damage (each occurrence)

with maximum deductible or self-insured retention in an amount not exceeding \$100,000.

The Policy shall include Completed Operations and On-Going Operations Coverage for ten (10) years following completion per the period of Florida statutory liability (Florida Statutes § 95.11), with no ISO Form 2294 Rider or other subcontractor error exclusion. Any deductible or self-insurance retention should be indicated on the Bidder's certificate of insurance.

Contractor's Marine General Liability coverage will be primary and non-contributory.

3. BUSINESS AUTO POLICY

\$5,000,000 Each Occurrence with Combined Bodily Injury & Property Damaged.

Maximum deductible or self-insured retention in an amount not exceeding \$10,000. Any deductible or self-insurance retention should be indicated on the Bidder's certificate of insurance.

4. POLLUTION LIABILITY

\$5,000,000, with maximum deductible or self-insured retention in an amount not exceeding \$100,000. Any deductible or self-insurance retention should be indicated on the Proposer's certificate of insurance.

Contractors Pollution Liability coverage will be required for any Environmental/Pollution related services including but not limited to testing, design, consulting, analysis, or other consulting work, whether self-performed or subcontracted, contractor will also maintain Contractor's Pollution Liability coverage. Such coverage will include bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed; defense including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages; coverage for losses caused by pollution conditions that arise from the operations of the contractor. The Jacksonville Port Authority shall be named as additional insured.

5. UMBRELLA LIABILITY

\$5,000,000 per Occurrence

Minimum underlying coverages shall include Marine General Liability, Business Auto Liability and Pollution Liability.

Umbrella coverage will have drop down insurance coverage.

6. MARINE CONTRACTORS LIABILITY

Contractor shall obtain Marine Contractors Liability coverage for property damage to marine structures with applicable sub-limits, or equivalent policy form to cover the course of construction in the amount of the completed value or full insurable value.

7. FLOOD INSURANCE

Contractor must provide Flood Insurance coverage resulting from earthquake, wind damage, water damage, surge, storm surge, and named storms with applicable limits to cover the course of marine construction in the amount of the completed value or full insurable value.

8. PROPERTY INSURANCE

Contractor shall obtain property coverage for all Contractor owned equipment and tools. Each loss may be subject to a deductible. However, losses up to the deductible amount shall be the responsibility of the Contractor. All tools and equipment not intended as part of the construction or installation will be the sole responsibility of the Contractor. Contractor shall provide an Installation Floater or similar property coverage for Contractor materials not yet installed, whether stored on-site or off-site or in transit with the minimum amount of insurance to be 100 percent of the value of such property or materials.

Prior to commencing work, Contractor shall furnish JAXPORT Risk Manager with:

- Certificates of Insurance;
- Additional Insured Endorsement;
- Marine General Liability primary and non-contributory endorsement;
- Waiver of Subrogation for Workers' Compensation, Marine General Liability, and Business Auto Liability, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth.

Contractor waives all rights against JAXPORT and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by any of the policies of insurance maintained pursuant to this Subcontract.

Cross-Liability Coverage. If Contractor's liability policies do not contain the standard ISO separation of insured's provision, or a substantially similar clause, they shall be endorsed to provide cross-liability coverage.

Subcontractor's' Insurance. Contractor shall cause each subcontractor employed by Contractor to purchase and maintain insurance of the type specified in this agreement. When requested by Owner, Contractor shall furnish to Owner copies of certificates of insurance evidencing coverage for each subcontractor

No Representation of Coverage Adequacy. By requiring the insurance as set out in this Agreement, Owner does not represent that coverage and limits will necessarily be adequate to protect Contractor, and such coverage and limits shall not be deemed as a limitation on Contractor's liability under the indemnities provided to Owner in this Subcontract.

If the Contractor/Subcontractor/Architect/Consultant maintains broader coverage and/or higher limits than the minimums shown above, the Owner requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor/Subcontractor/Architect/Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to

the Owner.



GLOBAL RIGGING & TRANSPORT

USA: 1315 Taylor Farm Road, Virginia Beach, VA 23453, Tel: (757) 437-0027, Fax (757) 437-7089
CDN: #200 19399 96th Ave., Surrey, BC V4N 4C4, Tel: (604) 513-8468, Fax: (604) 513-3814

To: JAXPORT
Attn: Tripper Jones

Date: 01/26/2026

From: Tommy Felch

FILE: G2024-01/JJ012626

Number of pages: One

SUBJECT: Delay in Moving STS Crane 8844 back to the rails

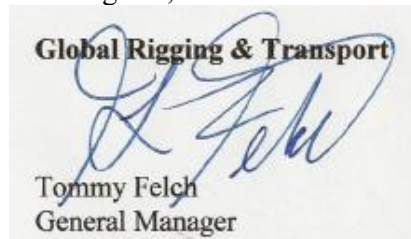
Dear Mr. Jones,

The standby rate for delaying the return of STS Crane 8844 to the rails is 20k per day. To move the crane back to the rails starting, on Friday and over the weekend, would be an additional \$7,300.00 in premium time for working Saturday and Sunday.

With JAXPORT paying the standby fee and Gantrex providing the proper insurance, GRT will allow Gantrex to replace the rail clips in the back reach.

Please let us know as soon as you can if JAXPORT wants to delay the return of STS 8844 to the rails.

Best Regards,



Global Rigging & Transport
Tommy Felch
General Manager



Emergency Purchase Order Justification

Date: January 26, 2026
To: Procurement Department
From: James Jones, Senior Director, Engineering and Equipment
Subject: Emergency Purchase Order Justification – Global Rigging & Transport Standby

Background

Global Rigging & Transport (GRT) completed refurbishment of STS Crane #8844 in June 2024 under the January 2024 Agreement EQ-1907A. During the subsequent 12-month warranty period, corrective items were identified that required the crane to be removed from the berth and into a backland work zone to provide access for repairs. Crane #8844 is now in the work zone, allowing the warranty items to be completed without impacting operations. With the crane in this position, this also provides JAXPORT an opportunity to adjust the crane fleet arrangement along the berth.

GRT completed the warranty items and was prepared to re-rail Crane #8844 on January 26, 2026. JAXPORT requested that GRT stand by and re-rail Crane #8844 beginning January 31, 2026, resulting in five (5) standby days incurred by GRT.

Justification

With no Tenant commitments the weekend of January 31, 2026, this is the best opportunity for reconfiguring our crane order and reducing Tenant impacts. The relocation of Crane #8844 provides operational relief to a crane that has accumulated the highest number of working hours by redistributing workload across the fleet. The reconfiguration will alter utilization and reduce runtime and wear on the most utilized crane and provide longer maintenance windows to address systems more thoroughly, improving overall reliability and extending equipment life.

The reorganization of the cranes was not completed during the original rollback due to operational commitments, vessel schedules, and unforeseen maintenance requirements identified since the completion of the project in June 2024.

Impact

By authorizing standby time GRT, JAXPORT minimized tenant impacts while supporting the operational reliability of the crane fleet. This decision mitigated the risk of extended berth downtime and enabled completion of the planned fleet reconfiguration during the lowest-impact operational window.

This action was unforeseen, not reasonably preventable, and necessary to maintain operational efficiency, protect operational continuity, and safeguard JAXPORT's economic interests.

James Jones

James Jones (Jan 27, 2026 13:58:17 EST)

James Jones
Senior Director, Engineering & Equipment



PROCEDURES AND GUIDELINES

STATEMENT OF EMERGENCY
REQUEST FOR EMERGENCY PROCUREMENT

Date: 01/26/26 Date / Time Emergency Occurred: 1/23/26 2:03 pm Cost Center: T2022-06

General description of item/services required: Stand by time to minimize tenant impacts and to realign crane fleet arrangement

Suggested Sources: Global Rigging & Transport, LLC.

What is maximum time available to obtain item/services? Immediately

Justification for Emergency Purchase: See Attached

Vendors contacted for quotes: Global Rigging & Transport, LLC.

What action can be taken to prevent this emergency in the future? _____

Requested by: Michael Johnson Department Manager Approval: Jose Vazquez
Jose Vazquez (Jan 27, 2026 14:13:24 EST)

Next Level Director: James Jones
James Jones (Jan 27, 2026 14:27:24 EST)

Purchase Order Number: CPO# 5538 Amount: \$ 107,300.00

Vendor Number: 15061 Vendor Name: Global Rigging & Transport, LLC.

Corrective action taken to prevent future emergencies: _____

Approved by: Christopher Good Date: _____
Christopher Good (Jan 27, 2026 14:50:49 EST)
Director of Procurement Services

Approved by: Eric B. Green Date: _____
Eric B. Green (Jan 27, 2026 14:56:10 EST)
Chief Executive Officer

ALL EMERGENCY PURCHASES WILL BE APPROVED IN ACCORDANCE WITH FORMAL -INFORMAL BID
THRESHOLDS ESTABLISHED ON SECTION 3-106 (13) OF SOP 1215