City of Jacksonville, Florida
Downtown Investment Authority

FINANCIAL STATEMENTS

September 30, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency"), 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 Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Jacksonville, Florida Downtown Investment Authority, as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 Agency'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 budgetary comparison information on pages 4-7 and 32-35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026, on our consideration of the Agency'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 Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Jacksonville, Florida
June 24, 2026

As management of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency"), we offer readers of the Agency's financial statements this narrative overview of the financial activities of the Agency for the fiscal year ended September 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Agency exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $30 million.
- The Agency total net position increased $5.4 million over the course of the year's operation primarily due to unspent project funds.
- The Agency's financial statements reported an ending fund balance of $68.5 million, an increase of $3.8 million compared to the prior year. This represents unspent funds which will be carried forward and used in subsequent years.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the Agency:

Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting.

The statement of net position presents information on all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the components (assets and deferred outflows of resources, less liabilities and deferred inflows of resource) presented as net position. Net position is reported as one of three categories: net investment in capital assets, restricted, or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net position that is otherwise restricted. Over time, increases or decrease in net position may serve as useful indicators of whether the City's financial position is improving or deteriorating.

Fund financial statements.

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Agency's funds are governmental funds. The Agency has no proprietary funds or fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of resources, as well as on balances of nonspendable and spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds. Information is presented separately for the Northbank Downtown Area and Southside Area, both of which are considered to be major funds.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other information.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is a comparison between the Agency's adopted and final budget and actual financial results. The Agency adopts annual appropriated budgets for both major funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budgets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time, net position may serve as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $30 million at the close of the most recent fiscal year, which is an increase of $5.4 million.

The following table reflects the condensed statement of net position:

	2025	2024
Current and other assets	**$ 69,188,104**	$ 66,143,181
Other receivables	**787,990**	124,984
Long-term receivables	**1,325,750**	1,025,750
Lease receivables	**405,977**	509,578
Total assets	**71,707,821**	67,803,493
Current and other liabilities	**3,142,258**	3,831,125
Long-term liabilities outstanding	**35,502,215**	37,754,214
Total liabilities	**38,644,473**	41,585,339
Deferred Inflows of Resources	**3,096,413**	1,646,421
Restricted Net Position	**$ 29,966,935**	$ 24,571,733

The largest portion of the net position is the Agency's cash and cash equivalents and investments. These accounts reflect funds available for future projects.

The following table shows condensed revenue and expense data:

	2025	2024
General revenues:		
Property taxes	$ 21,146,824	$ 21,396,163
Investment earnings	3,506,282	3,539,319
Miscellaneous	2,311,918	2,972,114
Transfers from (to) primary government, net	799,841	175,000
Total revenues	27,764,865	28,082,596
Program expenses:		
Economic environment	21,324,330	10,802,531
Interest and related costs on long-term debt	1,045,333	889,127
Total expenses	22,369,663	11,691,658
Change in net position	5,395,202	16,390,938
Net position - beginning restated	24,571,733	8,180,795
Net position - ending	$ 29,966,935	$ 24,571,733

The Agency's net position increased $5.4 million primarily from accumulation of resources for future projects.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

Revenues (excluding transfers) for the Agency's activities decreased $940,000 primarily due to a decrease in miscellaneous revenues.

Budgetary highlights.

During the fiscal year, the budgets for the major funds were amended after adoption. The primary differences between the original budget and the final amended budget are summarized as follows:

- Northbank Downtown Area – increases in economic environment expenditures of approximately $40.3 million for new projects.
- Southside Area - increases in economic environment expenditures of approximately $23.1 million for new projects.

CAPITAL ASSET AND DEBT ACTIVITY

Capital assets.

The Agency does not maintain the capital assets, including intangible right-to-use leased assets. Capital assets are transferred to funds maintained by the City of Jacksonville, Florida.

Long-term debt.

At the end of the current fiscal year, the Agency had long-term debt outstanding of approximately $37.6 million. This represents two bond payables, lease payable, as well as a loan to a fund maintained by the City of Jacksonville, Florida. Additional information regarding the Agency's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The consolidated City of Jacksonville is the most populated city in Florida based on the 2020 Census. It is anticipated that the city's population will grow significantly over the next few years reflecting the general economic recovery, Jacksonville's pro-business economic development policies, moderate tax burden, all-year outdoor climate, and in-migration of businesses from less desirable areas of the country.

Assessed valuation has increased. The value of building permits has improved significantly indicating a recovery in housing and economic growth for the City. It is difficult to forecast the rate of economic improvement but we do anticipate continued improvement in assessed values in the near to mid-term future.

Unemployment continues to decline and MSA employment continues to increase; both very positive trends.

The Agency approved area budgets for FY 2025-2026. Tax increment revenue projections were based upon actual values from the Property Appraiser's Office. The Agency anticipates Tax Increment Financing (TIF) revenue growth in the coming years as perennial increases in property values continue and future redevelopment projects break ground.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Jacksonville, Florida Downtown Investment Authority's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Council Auditor's Office located at 117 West Duval Street, Suite 200, Jacksonville, Florida 32202.

City of Jacksonville, Florida
Downtown Investment Authority
Basic Financial Statements

City of Jacksonville, Florida
Downtown Investment Authority
Statement of Net Position

September 30, 2025	Governmental Activities
Assets	
Equity in cash and cash equivalents	$ 1,562,215
Investments	67,625,889
Other receivable	787,990
Non-current assets	
Loans receivable, net	1,325,750
Lease receivable	405,977
Total assets	71,707,821
Liabilities	
Accounts payable	1,018,381
Deposits	2,500
Non-current liabilities	
Due within one year	
Bonds payable	1,429,091
Lease payable	95,518
Internal loans payable	596,768
Due in more than one year	
Bonds payable	26,076,893
Lease payable	3,015,959
Internal loans payable	6,177,624
Unamortized bond premiums	231,739
Total liabilities	38,644,473
Deferred Inflows of Resources	
Deferred inflow of leases	892,646
Deferred inflows on refunding	878,017
Deferred inflows of revenue	1,325,750
Total deferred inflows of resources	3,096,413
Net Position	
Restricted	29,966,935
Total net position	$ 29,966,935

The accompanying notes are an integral part of this financial statement.

City of Jacksonville, Florida
Downtown Investment Authority
Statement of Activities

For the year ended September 30, 2025		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Economic environment	$ 21,324,330	$ -	$ -	$ -	$ (21,324,330)
Interest and related costs on long-term debt	1,045,333	-	-	-	(1,045,333)
Total governmental activities	$ 22,369,663	$ -	$ -	$ -	$ (22,369,663)
General revenues and transfers					
Taxes					
Property taxes					21,146,824
Investment earnings					3,506,282
Miscellaneous					2,311,918
Transfers, net					799,841
Total general revenues					27,764,865
Change in net position					5,395,202
Net position, beginning of year					24,571,733
Net position, end of year					$ 29,966,935

The accompanying notes are an integral part of this financial statement.

Balance Sheet – Governmental Funds

September 30, 2025	Northbank Downtown Area	Southside Area	Total Governmental Funds
Assets			
Equity in cash and cash equivalents	$ 987,894	$ 574,321	$ 1,562,215
Investments	42,764,415	24,861,474	67,625,889
Lease receivables	405,977	-	405,977
Other receivables	787,990	-	787,990
Total assets	$ 44,946,276	$ 25,435,795	$ 70,382,071
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	970,653	47,728	1,018,381
Deposits	2,500	-	2,500
Total liabilities	973,153	47,728	1,020,881
Deferred Inflows of Resources			
Leases	892,646	-	892,646
Total deferred inflows of resources	892,646	-	892,646
Fund balances			
Restricted	43,080,477	25,388,067	68,468,544
Total fund balances	43,080,477	25,388,067	68,468,544
Total liabilities, deferred inflows of resources, and fund balances	$ 44,946,276	$ 25,435,795	$ 70,382,071

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

City of Jacksonville, Florida
Downtown Investment Authority
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

September 30, 2025		
Total fund balances - governmental funds	$	68,468,544
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term assets, including loans receivable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Loans receivable		1,325,750
Deferred inflow of resources related to long term contracts are not recognized in the governmental funds; however, they are recorded in the statement of net position under full accrual accounting.		(1,325,750)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		(27,505,984)
Internal loans payable		(6,774,392)
Unamortized bond premiums		(231,739)
Leases payable		(3,111,477)
Certain assets, liabilities, deferred inflow of resources, and deferred outflow of resources reported in governmental activities are not financial resources and therefore are not reported in the funds:		
Deferred gain on refunding		(878,017)
Net position of governmental activities	$	29,966,935

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

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the year ended September 30, 2025	Northbank Downtown Area	Southside Area	Total Governmental Funds
Revenues			
Taxes	$ 13,981,388	$ 7,165,436	$ 21,146,824
Interest	2,431,924	1,074,358	3,506,282
Miscellaneous revenue	2,311,918	-	2,311,918
Total revenues	18,725,230	8,239,794	26,965,024
Expenditures			
Current			
Economic environment			
Public investment expenditures	4,839,205	5,515,350	10,354,555
Other expenditures	10,252,797	500,699	10,753,496
Debt service			
Principal	1,827,287	-	1,827,287
Interest	975,207	70,126	1,045,333
Total expenditures	17,894,496	6,086,175	23,980,671
Excess (deficiency) of revenues over (under) expenditures	830,734	2,153,619	2,984,353
Other Financing Sources (Uses)			
Transfers from primary government	804,841	-	804,841
Transfers to primary government	(2,500)	(2,500)	(5,000)
Net other financing sources (uses)	802,341	(2,500)	799,841
Net change in fund balances	1,633,075	2,151,119	3,784,194
Fund balances, beginning of year	41,447,402	23,236,948	64,684,350
Fund balances, end of year	$ 43,080,477	$ 25,388,067	$ 68,468,544

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

City of Jacksonville, Florida
Downtown Investment Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended September 30, 2025		
Net change in fund balances - total governmental funds	$	3,784,194
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report certain debt transactions as sources or uses. However, in the statement of activities these transactions are reported over the life of the debt as expenses.		
Amortization of bond premium		23,174
Amortization of gain on refunding		(333,327)
Amortization of right to use leased assets		93,874
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Long-term debt principal payments		1,827,287
Change in net position of governmental activities	$	5,395,202

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The legal entity, Downtown Investment Authority (the "Agency"), (formally Downtown East, Northside West and Southside) (the "Major Funds") was created by ordinances of the City of Jacksonville (the "City") to carry out community redevelopment within the City of Jacksonville under Chapter 163, Part 3, of the Florida Statutes. The Downtown Investment Authority Board sits as the board of the Northbank Downtown and Southside community redevelopment areas and approves the budgets. The Agency's approved budgets are then submitted to the City of Jacksonville City Council so that they may be included in the City's annual budget for adoption. The Agency is reported as a blended component unit of the City because of the existence of a financial benefit/burden relationship. Both Major Funds as well as two (2) other community redevelopment agencies are combined into the Tax Increment District Fund for financial reporting in the City's annual comprehensive financial report. The Tax Increment District Fund receives a distribution of ad valorem tax revenue levied and collected in the City's tax increment districts used to promote future commercial business development that expands property tax base values in the areas.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities* are those which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements imposed by the provider have been met.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major governmental funds:

The *Northbank Downtown Area Fund* is the operating fund for the Northwest USD1 B Tax Increment District and the Northeast USD1 C Tax Increment District. It accounts for all financial resources of these Tax Increment Districts.

The *Southside Area Fund* is the operating fund for the Southside USD1 A Tax Increment District. It accounts for all financial resources of this Tax Increment District.

Budgetary Information

The Agency has elected, as permitted by Section 2400: Budgetary Reporting of the GASB Codification, to disclose all budgetary information in the notes to the required supplementary information.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balances

Cash and cash equivalents

The Agency's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the Agency are reported at fair value (generally based on quoted market prices).

Receivables and Payables

Long-term receivables – The Agency's loans money to organizations in the community. Some of these are forgivable and are offset with an allowance. Others are set to be paid back over a period of time.

Lease receivables - The Agency's lease receivables are measured at the present value of lease payments expected to be received during the least term. Under the lease agreement, the Agency may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has three (3) items that qualify for reporting as deferred inflows of resources. The deferred inflows related to leases are associated with amounts owed to the Agency, as lessor, by entities leasing the Agency's capital assets. The deferred amount on refunding results from debt refinancing, whereby the reacquisition price of the funding debt instruments is lower than their net carrying amount. The deferred amount on refunding is amortized over the shorter of the life of the refunded or refunding debt. The deferred amount related to revenue is for long-term loans only recognized when the cash is received.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: *Interest Costs – Imputation*, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Long-Term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Categories and Classification of Net Position and Fund Balance

Net position flow assumption – Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions – Sometimes the Agency will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Agency itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The provisions of GASBC Section 1800, *Classification and Terminology*, specifies the following classifications:

Nonspendable fund balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Agency's highest level of decision-making authority. The Agency's Boards is the highest level of decision-making authority for the Agency that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Fund Balance (continued)

Categories and Classification of Net Position and Fund Balance (Continued)

Assigned fund balance – Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as committed. Fund Balance may be assigned through the following: 1) The Director of Finance is authorized by Agency's Boards to assign amounts for a specific purpose. 2) The Agency's Boards have authorized the Director of Finance, in coordination with the Council Auditor, to recapture excess fund balance that isn't restricted or committed and transfer the excess to the City's General Fund. Excess fund balance that is not recaptured is classified as assigned by the Director of Finance to be used for the purpose of the subfund. The Agency's Boards may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance – Unassigned fund balance is the residual classification for fund balance not meeting criteria to be reported as nonspendable, restricted, committed, or assigned.

Revenues, Expenditures/Expenses and Transfers

Program revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Tax increment revenues – The primary source of revenues is tax increment funds ("TIF") received from the City of Jacksonville, Florida. The revenue is computed by multiplying the various operating tax millage rates of each taxing district by the increased value of the properties within the areas' boundaries over the base property value. The TIF revenues received from the City are reported as property tax.

Transfers to the primary government are due to transactions to the City for debt service costs and amounts remaining at the end of the fiscal year that were not encumbered or allocated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2026, and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Calendar

The Tax Collector remits collected taxes at least monthly to the City, which is then allocated to the Agency. The Agency recognizes property tax revenue as it is received from the Tax Collector (City) since virtually all taxes levied will be collected through the tax collection process within the fiscal year levied. The calendar of events is as follows:

January 1	Property taxes are based on assessed value at this date as determined by the Duval County Property Appraiser.
July 1	Assessment roll approved by the state.
September 30	Millage resolution approved by the City Council.
October 1	Beginning of fiscal year for which taxes have been levied.
November 30	Last day for 4% maximum discount.
April 1	Unpaid property taxes become delinquent.
May 31	Tax certificates are sold by the Duval County Tax Collector by this date. This is the first lien date on the properties.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 101, Compensated Absences, The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. This Statement differs from the prior standards in that governments should recognize a liability for (1) all forms of compensated absences, not just vacation leave, sick leave, and similar types of leave; (2) leave that may be carried forward and used and paid for while still employed, in addition to leave that may be carried forward and paid for at the end of employment; (3) leave that is more likely than not (instead of probable) to be used, paid, or settled; and (4) parental leave, military leave, jury duty leave, and other types of compensated absences that depend upon the occurrence of a sporadic event that affects a relatively small proportion of employees, but not until the leave commences. The potential effect of implementing this Statement is to encompass compensated absences for which long-term liabilities previously were not recognized, including sick leave, which City policy allows to be carried forward and used and paid for while still employed but not paid for at the end of employment. There were no significant impacts of implementing this Statement.

GASB Statement No. 102, *Certain Risk Disclosures.* The objective of this Statement is to provide essential information about risks related to a government's vulnerabilities due to certain concentrations (a lack of diversification related to an aspect of a significant revenue source or expense) or constraints (limitations imposed externally or by formal action of a government's highest level of decision-making authority). A government is required to disclose information about such risks if a concentration or constraint (1) is known to the government before the financial statements are available to be issued, (2) makes the government vulnerable to the risk of the substantial impact, and (3) an event or events associated with the concentration or constraint that could cause the substantial impact has occurred, begun to occur, or

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

is more likely than not to begin to occur within 12 months of the date the financial statements are available to be issued. There were no significant impacts of implementation this Statement.

The Government Accounting Standards Board has issued statements that will become effective in the future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting blueprint to enhance its effectiveness in providing essential information and to address certain application issues. The Statement requires changes to management's discussion and analysis to make it easier to read and understand and to focus on explaining the reasons why balances and results of operation have changed. The Statement also provides more explicit definitions of operating and nonoperating revenues and expenses and changes the presentation of nonoperating revenues and expenses in the proprietary funds statement of revenues, expenses, and changes in fund net position. The new standards also (1) combine extraordinary items and special items into a single category, unusual or infrequent items, and clarify how they should be reported; (2) limits the reporting of major component unit information to the face of the government-wide financial statements, if it does not reduce their readability, or in combining financial statements following the fund financial statements; and (3) requires that budgetary comparisons be presented as required supplementary information, eliminating the option to present them as basic financial statements.

GASB Statement No. 104, *Disclosures of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. In addition to existing requirements regarding the level of detail with which notes to financial statements should disclose intangible right-to-use lease and subscription-based information technology arrangements (SBITA) assets, the Statement requires that (1) intangible right-to-use assets recognized by government operators in a public-public partnership should be disclosed by major class of underlying asset; (2) other types of intangible assets should be disclosed by major class; and (3) right-to-use assets should be disclosed separately from owned assets of the same type. The Statement also establishes that capital assets held for sale are those a government has decided to sell and whose sale within a year of the financial statement date is probable. Capital assets held for sale should be disclosed together with other capital assets of the same class. Governments also should disclose in notes the historical cost and accumulated depreciation (or amortization) of capital assets held for sale, as well as the carrying amount of debt for which they are pledged as collateral, by major class of asset for governmental and business-type activities.

GASB Statement No. 105, *Subsequent Events*. The objective of this Statement is to enhance the consistency with which the standards for reporting subsequent events are applied, thereby better meeting the information needs of financial statement users. The Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued (that is, when the financial statements are complete in a form and format that complies with generally accepted accounting principles and approvals necessary for issuance have been obtained), rather than the date the financial statements are issued. The date through which subsequent events have been evaluated should be disclosed. A recognized subsequent event provides evidence of conditions that existed at the financial statement date that inform accounting estimates reported as of the financial statement date and should be reflected in those estimates. A nonrecognized subsequent event results in a significant effect (favorable or unfavorable) that is recognized or disclosed in the basic financial statements in the reporting period in which the event occurs and is one of the following: a debt-related transaction; government combination or a disposal of government operations; a change to the legally separate entities that compose the financial reporting

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

entity; or a transaction or other event that is of such a nature that disclosure is essential to a user's analysis for making decisions or assessing accountability.

Governments will be required to disclose a description of the nonrecognized event and its effect and an estimate of the amount of the effect (or the reason why an estimate cannot be made).

The Agency is evaluating requirements of the above Statements and the impact on reporting.

NOTE 2: DETAILED NOTES ON ALL FUNDS

Deposits and Investments

A. Cash on Deposit

The Agency participates in the City's cash and investment pool. The "Equity in Cash and Cash Equivalents" consists of cash and investments owned by the Agency and defined as resources that can be liquidated without delay or penalty. Cash and investments held separately where contractual arrangements and bond covenants require such arrangements, are classified as "restricted assets". Investment earnings are allocated to the Agency monthly based on the Agency's weighted average daily cash and investment balance.

Monies on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts and certificates of deposit are defined as public deposits. All of the Agency's public deposits are held in qualified public depositories pursuant to State of Florida Statutes, Chapter 280, "Florida Security for Public Deposits Act", and are also covered by federal depository insurance. For amounts in excess of such federal depository insurance, the Act provides that all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor is liable for any loss thereof. Any losses to public depositors are covered by applicable deposit insurance, sales of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

B. Investments and Investment Practices

The Agency is subject to the City's operating fund investment guidelines. The City's operating fund investment guidelines are defined by City Ordinance Code Section 110, Part 2 and a written Investment Policy (the "Policy") as approved by City Council. The Policy establishes a diversified investment strategy, both by type of investment and by manager, a minimum credit quality, and duration limitations. An internal investment committee has oversight, within Policy limits, of the implementation and direction of investment strategies. The Policy is reviewed annually for any adjustments due to changes or developments within the investment markets that may provide enhanced investment and/or risk management opportunities.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Other than operating cash invested overnight through the City's zero balance sweep accounts, all invested cash is managed by third-party money managers. Performance benchmarks for the portfolio are established in the Policy and performance benchmarks for each of the specific third party managers are established by the investment committee. The Policy defines the average duration and compliance categories for investments. Compliance category limits are stated as a percentage of the Fiscal Year 2025 normal portfolio balance of $2.15 billion, which is defined by Ordinance Code as the City's average total portfolio balance for the proceeding twelve months. Performance and compliance reports are prepared for the investment committee monthly. The City employs an independent investment custodian who takes direction from the money managers and independently settles all trades. The custodian provides performance and compliance reporting at both the portfolio level and by individual manager.

The following schedule reports portfolio compliance at year end, as well as the maximum exposure for each compliance category during the year. Certain compliance categories include assets also measured in another compliance category, i.e. "US Government" issued treasury bonds are also appropriately included in the "US Government plus Agency" category. As a result, the amounts reported as year-end compliance exposures exceed the portfolio balance at year end in aggregate.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Compliance Guideline Characteristics
As of September 30, 2025

	Sector Guideline Exposures				
			% of Normal Portfolio Balance		
				Maximum	
Compliance Guideline		Exposure to Specific Guideline	Year end Exposure %	During Year	By Policy
Duration[1]		2.65	NA	2.69	5.00
Liquidity	$	24,173,322	36.1%	36.8%	100.0%
Requirements					
USG + Agencies	$	22,362,733	33.4%	41.8%	100.0%
US Govt (USG)		16,608,259	24.8%	29.9%	100.0%
Constraints					
Agencies	$	5,754,475	8.6%	11.9%	45.0%
MBS		4,742,035	7.1%	9.3%	35.0%
Agency MBS		3,340,660	5.0%	6.9%	35.0%
Non-Agency MBS		1,401,374	2.1%	2.4%	15.0%
Asset Backed Securities		2,666,536	4.0%	4.0%	7.5%
Corporates		12,772,731	19.1%	21.2%	60.0%
Corporates > 1 Year		8,855,744	13.2%	15.1%	40.0%
Municipal Bonds		169,699	0.3%	0.4%	10.0%
Bond Funds		15,081,471	22.5%	29.0%	85.0%
Money Market Funds		10,372,474	15.5%	34.8%	40.0%
Certificates of Deposits		-	0.0%	0.0%	20.0%
Repurchase agreements		-	0.0%	0.0%	20.0%
Rule 144a Securities		2,516,775	3.8%	3.8%	10.0%
Specialty Risk					
High Yield	$	810,183	1.2%	1.3%	9.0%
International		1,342,763	2.0%	2.2%	7.5%
International (non-hedged)		-	0.0%	0.0%	5.0%
Emerging Markets		104,984	0.2%	0.2%	5.0%
Duration > 8.5		952,687	1.4%	1.6%	7.5%
Normal Portfolio Balance	$	66,919,588			

[1]Commingled Funds and Cash are excluded

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

C. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs and valued with the market approach valuation technique; Level 3 inputs are significant unobservable inputs.

Fair Value of Assets by Measurement Type

Investment Type	Total Fair Value	Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate Stock - Preferred	$ 23,221	$ -	$ 23,221	$ -
Registered Investment Companies	32,341,451	32,341,451	-	-
U. S. Government Securities	17,580,246	15,076,310	2,503,936	-
Corporate Debt Instruments	13,363,274	-	13,363,274	-
Common/Collective Trust	4,470,371	-	-	4,470,371
Other Investments	(152,674)	(389,952)	237,279	-
Total Investments	$ 67,625,889	$ 47,027,809	$ 16,127,710	$ 4,470,371

The City has the following recurring fair value measurements as of September 30, 2025:

- Corporate Stock (Preferred) – Valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.

- Registered Investment Co. – Valued at the daily closing net asset value (NAV) as reported by the fund. Short term fixed income investment funds (security maturities that do not exceed one year) may be valued using book value.

- U.S. Government Securities – Short term US government fixed income securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids and based upon calculations that reflect the expected price to an investor in an orderly transaction.

- Corporate Debt Instruments – Short term corporate debt securities (with maturities that do not exceed one year) are valued using book value. Securities with maturities greater than one year are valued using prevailing market bids or a measurable market close and are based upon calculations that reflect the expected price to an investor in an orderly transaction.

- Common/Collective Trusts – Valued based on an appraisal or calculated and assigned by a general or managing partner of the vehicle in which the investment is held.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

D. Interest Rate Risk

Interest rate risk is controlled primarily through duration, which is a measure that approximates the change in value of a bond, or bond portfolio, for a given change in interest rates. In general, shorter duration measures are less sensitive to interest rate shifts, while longer durations are more sensitive. To limit the portfolio volatility associated with changes in interest rates, the City's Investment Policy Statement restricts the average duration of the overall portfolio to a range of 0.75 – 5.00 years, of which, no more than 7.5% of the individual securities in the portfolio can have a duration greater than 8.5 years. This guideline applies to all investment types underlying the portfolio including, but not limited to, government, agency, corporate, international, and mortgage backed securities.

E. Credit Quality

The Operating portfolios measure credit quality of the fixed income holdings contained therein using Moody's rating schedule. Within the Operating Portfolio, the City's Investment Policy Statement is designed to control credit risk by requiring both minimum amounts that must be invested in the highest quality U.S. Government securities, as well as a maximum limit of 9.0% of the normal portfolio balance in non-investment grade securities. This is reported and monitored monthly by the investment committee and staff. Overall portfolio credit quality reports are provided to illustrate the credit risk at fiscal-year end.

Quality Breakdown	Portfolio (%)
Aaa	9.2%
Aa1-Aa3	49.2%
A1-A3	11.2%
Baa1-Baa3	10.7%
Ba1-Ba3	1.4%
Other	6.7%
Commingled	11.6%
	100%

Ratings definitions:
Treasury – United States Treasury Securities (Included in Aaa)
Agency – Government Agency Securities (Included in Aaa)
Aaa (AAA) – Highest Investment Grade Quality Rating
Aa1–Aa3 (AA+ to AA-) – Medium Investment Grade Quality Rating
A1-A3 (A+ to A-) – Medium Low Investment Grade Quality Rating
Baa1-Baa3 (BBB+ to BBB-) – Lowest Investment Grade Quality Rating
Ba1-Ba3 (BB+ to BB-) – Highest Non-investment Grade Quality Rating
Commingled – Securities that are not applicable to Quality Ratings - mutual funds that are listed and valued as a whole, not individual holdings, as well as minor exposure to non-investment grade securities.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

F. Custodial Credit Risk

The custodial relationship for investments are governed by written agreements that are executed by all parties and specifies that all securities owned and cash held by the City shall be held in the City's or its nominee's name in an account separate from all other accounts maintained by the custodian and shall at all times, while in the custody of the custodian, be designated as an asset of the City.

G. Foreign Currency

The Agency has nominal exposure to foreign currencies due to investments in non-U.S. markets implemented through our money managers' portfolios. Foreign currencies will fluctuate relative to the U.S. dollar, but it is believed that the diversification benefits outweigh potential risks. Given the limited exposure, foreign currency risk is considered minor. At September 30, 2025, the Agency's exposure to foreign currency risk is approximately $491, which represents 0.0007% of the Agency's total investments.

Long-Term Debt and Liabilities

Special Revenue Bonds

On April 19, 2022, the City closed on the sale of $28.68 million Taxable Special Revenue Bonds, Series 2022B. The 2022B bonds have a true interest cost of 2.82%, an average coupon rate of 2.77% with no mandatory sinking schedule and a maturity date of October 1, 2041. The proceeds of the 2022B bonds were used to refinance outstanding debt and finance the construction of certain capital equipment and improvements for parking garages owned and operated by Metropolitan Parking Solutions, LLC. The issuance provided net proceeds of $155.04 million, which is inclusive of underwriter's discount and cost of issuance totaling $1.00 million. The refunding of the Taxable Transportation Refunding Revenue Bonds, Series 2020 resulted in net PV savings of $20.99 million and a decrease in aggregate debt service in the amount of $35.14 million. The outstanding balance of the 2022B bonds is $25,386,600 at September 30, 2025.

On August 27, 2024, the City closed on the sale of $265.56 million Special Revenue and Refunding Bonds, Series 2024. The Series 2024 bonds have a true interest cost of 3.897%, an average coupon rates of 5.00% (refunding portion) and 5.08% (new-money portion) and maturity dates of October 1, 2034 (refunding portion) and October 1, 2054 (new-money portion). The proceeds of the 2024 bonds were used to fully refund the City's outstanding Series 2014 ($77.31 million par defeased), to finance and refinance the acquisition and construction of certain capital equipment and improvements for the City ($184.21 million), and to fix out a portion of the City's outstanding commercial paper debt ($41.30 million). For the refunding portion, the issuance provided net proceeds of $70.30 million, which is inclusive of underwriter's discount and cost of issuance totaling $404,415; it also resulted in net present value of savings of $6.64 million and a reduction in debt service in the amount of $7.27 million; for the new-money and fix-out portion, the issuance provided net proceeds of $226.81 million, which is inclusive of underwriter's discount and cost of issuance totaling $1.30 million. $2,359,000 of the Special Revenue and Refunding Bonds, Series 2024 ("SRB 2024 Bonds") relates to the Agency. The outstanding balance is $2,119,384 as of September 30, 2025.

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Long-Term Debt and Liabilities (Continued)

Special Revenue Bonds (Continued)

The following is a summary of governmental notes payable for the year ended September 30, 2025:

	Governmental Activities			
Year ending	Internal Loans Payable		Total	
September 30,	Principal	Interest	Principal	Interest
2026	$ 596,768	$ 203,232	$ 2,025,859	$ 1,012,410
2027	614,671	185,329	2,086,695	951,652
2028	633,111	166,889	2,317,164	889,002
2029	652,105	147,895	2,389,659	816,012
2030	671,668	128,332	2,464,822	740,611
2031-2035	3,606,069	327,045	12,156,877	2,544,742
2036-2040	-	-	8,907,100	1,021,271
2041-2042	-	-	1,932,200	53,522
Total	6,774,392	1,158,721	34,280,376	8,029,221
Current portion	(596,768)	(203,232)	(2,025,859)	(1,012,410)
Payable after one year	$ 6,177,624	$ 955,490	$ 32,254,517	$ 7,016,811

NOTE 2: DETAILED NOTES ON ALL FUNDS (Continued)

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2025, was as follows for governemental activities:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
Special Revenue Bond, Series 2022B	$ 26,634,500	$ -	$ (1,247,900)	$ 25,386,600	$ 1,282,500
Special Revenue Bond, Series 2024	2,359,384	-	(240,000)	2,119,384	146,591
Loans payable	7,353,779	-	(579,387)	6,774,392	596,768
Lease Liability	3,205,351	-	(93,874)	3,111,477	95,518
Other debt related amounts					
Issuance premiums	254,913	231,739	(254,913)	231,739	-
Governmental activity long-term liabilities	$ 39,807,927	$ 231,739	$ (2,416,074)	$ 37,623,592	$ 2,121,377

NOTE 3: RISK MANAGEMENT

The Agency is party to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and ommissions; and natural disasters. The Agency's insurance is managed through the City's Risk Management Division which administers a self-insured public liability (general liability and automobile liability) program (the "Program"). The City manages and reports on the Program's self insurance fund in the City's separately issued financial statements. The Program is a combination of self-insurance, coupled with certain layers of excess coverage to mitigate abberrant and substantial unexpected losses.

The Program does transfer some of the Agency's risk through the purchase of insurance for its other exposures. The Program maintains watercraft, wharfingers liability, out of state automobile liability, aviation, terrorism, crime, property, and other certain general liability policies (rails to trails, power lines easement, riverwalk, and voting precints) to transfer risk. These policies are subject to sub limits, policy aggregates (where applicable), terms, conditions, and exclusions as noted in the policies. Additional details on the Program can be found in the City's separately issued financial statements.

The Agency may be named as a party in legal proceedings which occur in the normal course of operations. The Agency is covered by the City's self-insurance Program as described above. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of counsel for the Agency, the liabilities which may arise from such actions would not result in losses which would exceed the liability insurance limits in effect at the time the claim arose or otherwise materially affect the financial condition of the Agency or results of activities.

NOTE 4: LEASES

Lessor Leases

The City is a Lessor for various noncancellable long-term leases of buildings, land, and infrastructures. Lease terms for the leases vary from 36 to 132 months. The discount rate used for the calculation of the lease receivable varies depending on the length of the leases and ranged from 0.276% to 0.936%.

As of September 30, 2025, the Agency lease receivable is valued at approximately $406,000 and deferred inflow of resources associated with the leases that will be recognized as revenue over the term of the leases are approximately $893,000.

Future principal and interest related to the City's lease receivables are estimated as follows:

	Governmental Activities		
Year ending	Lease Receivable		
September 30,	Principal	Interest	Total
2026	$ 99,930	$ 5,849	$ 105,779
2027	92,733	4,314	97,046
2028	80,946	2,800	83,746
2029	68,163	1,805	69,968
2030	64,206	1,586	65,792
2031-2032	-	-	-
Total	405,977	16,354	422,331
Current portion	(99,930)	(5,849)	(105,779)
Due beyond one year	$ 306,047	$ 10,505	$ 316,552

Lessee Leases

The Agency is a Lessee for a lease for a land improvement. Lease terms for the lease are 356 months. The discount rate used for the calculation of the lease liability varies depending on the length of the lease and is 1.751%.

As of September 30, 2025, the Agency's right-to-use capital assets are $3.1 million included in the City's governmental activities. Future principal and interest payment requirements related to the Agency's lease liability recorded in the Agency's governmental activities at September 30, 2025 are as follows:

NOTE 4: LEASES (Continued)

Year ending September 30,	Governmental Activities Lease Amortization Principal	Interest	Total
2026	$ 95,518	$ 54,482	$ 150,000
2027	97,191	52,809	150,000
2028	98,892	51,108	150,000
2029	100,624	49,376	150,000
2030	102,386	47,614	150,000
2031-2035	539,457	210,543	750,000
2036-2040	588,370	161,630	750,000
2041-2045	641,718	108,282	750,000
2046-2050	699,902	50,098	750,000
2051+	147,419	2,581	150,000
Total	3,111,477	788,523	3,900,000
Current portion	(95,518)	(54,482)	(150,000)
Payable after one year	$ 3,015,959	$ 734,041	$ 3,750,000

NOTE 5: COMMITMENTS AND CONTINGENCIES

The City entered into agreements for a private developer to construct and operate three parking garages. Two of the garages are to support the sports complex and the other is to support a new courthouse site. The current agreement provides an operating subsidy to support debt service, operating deficits, required reserves, and percentage return of equity, totaling approximately $4 million per year. Associated therewith, the City has options to buyout the current business arrangement, refinance the related non-city debt and assume operational control thereof.

Following City Council approval of a mediated settlement agreement to litigation filed in 2020, the Agency took over full operation control of the three Metropolitan Parking Solutions (MPS) garages on April 22, 2022. Related outcomes include:

- The City borrowed $28,476,710.
- The City paid off all outstanding MPS bonds.
- MPS executed Amended and Restated Loan Agreements totaling $94,848,654 (the 2005 Master Note balance in the amount of $12,895,000, plus the 2005A Master Note balance in the amount of $14,860,000, plus all Subordinate Master Notes – the “Development Note” - totaling $67,093,654) with an interest rate of 1.9% per annum.

NOTE 5: COMMITMENTS AND CONTINGENCIES (Continued)

- MPS and the Agency executed a lease agreement which requires the Agency to pay annual rent for all three garages in the total amount of $150,000, contribute $25,000 annually to the Capital Reserve Fund, and provide MPS with a $2.5 million annual note offset to the Amended and Restated Loan Agreements (less any amount paid for annual rent and contributed to the Capital Reserve Fund). The note offset is applied in the following order: first, equally to the accrued but unpaid interest on the Master Notes; second, equally to the unpaid principal of the Master Notes; thirdly, equally to accrued but unpaid interest on the Development Note, and lastly, equally, to the unpaid principal of the Development Note.

The Agency has contractual commitments totaling approximately $114.2 million at September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT’S DISCUSSION AND ANALYSIS

Budgetary Comparison Schedule – Northbank Downtown Area

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 13,977,578	$ 13,966,004	$ 13,981,388	$ 15,384
Interest	1,677,946	1,677,946	2,431,924	753,978
Miscellaneous revenue	2,031,883	2,031,883	2,311,918	280,035
Total revenues	17,687,407	17,675,833	18,725,230	1,049,397
Expenditures				
Current				
Economic environment	16,503,195	56,783,066	16,067,209	40,715,857
Debt Service				
Principal	1,500,000	1,500,000	1,827,287	(327,287)
Interest	485,676	485,676	975,207	(489,531)
Total expenditures	18,488,871	58,768,742	17,894,496	39,899,039
Excess (deficiency) of revenues over (under) expenditures	(801,464)	(41,092,909)	830,734	41,923,643
Other Financing Sources (Uses)				
Transfers from primary government	803,964	803,964	804,841	877
Transfers to primary government	(2,500)	(40,000)	(2,500)	37,500
Total other financing sources (uses)	801,464	763,964	802,341	38,377
Net change in fund balance	-	(40,328,945)	1,633,075	41,962,020
Fund balance, beginning of the year	41,447,402	41,447,402	41,447,402	-
Fund balance, end of year	$ 41,447,402	$ 1,118,457	$ 43,080,477	$ 41,962,020

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

City of Jacksonville, Florida
Downtown Investment Authority
Budgetary Comparison Schedule – Southside Area

For the year ended September 30, 2025	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	$ 7,140,385	$ 7,140,385	$ 7,165,436	$ 25,051
Interest	613,409	613,409	1,074,358	460,949
Total revenues	7,753,794	7,753,794	8,239,794	486,000
Expenditures				
Current				
Economic environment	7,385,438	30,500,638	6,016,049	24,484,589
Debt Service				
Principal	240,000	240,000	-	240,000
Interest	125,856	130,316	70,126	60,190
Total expenditures	7,751,294	30,870,954	6,086,175	24,784,779
Excess (deficiency) of revenues over (under) expenditures	2,500	(23,117,160)	2,153,619	25,270,779
Other Financing Sources (Uses)				
Transfers to primary government	(2,500)	(2,500)	(2,500)	-
Total other financing sources (uses)	(2,500)	(2,500)	(2,500)	-
Net change in fund balance	-	(23,119,660)	2,151,119	25,270,779
Fund balance, beginning of the year	23,236,948	23,236,948	23,236,948	-
Fund balance, end of year	$ 23,236,948	$ 117,288	$ 25,388,067	$ 25,270,779

Note that this schedule is prepared on a budgetary basis, but is not different from Generally Accepted Accounting Principles (GAAP) in the presentation.

The accompanying notes to required supplementary information are an integral part of this schedule.

NOTE 1: BUDGETARY INFORMATION

The Agency follows the City's budget development procedures in establishing the budgetary data reflected in the financial statements as follows:

a) The City of Jacksonville, Florida ("City") adopts its budget in accordance with Chapters 129 and 200, Florida Statutes, the City Charter and Municipal Ordinance Code.

   a. The City Mayor's Proposed Budget is presented to the City Council before its first committee meeting in July; the budget ordinance, millage levy ordinance and related resolutions are introduced.

   b. During the first Council meeting in September, public hearings are held on both the budget and the millage rate. Following the public hearings, the Council adopts a tentative budget and tentative millage rate. A final budget and millage is adopted by full Council, and is effective on October 1.

The Agency presents a Budgetary Comparison Schedule as Required Supplementary Information for each major special revenue fund with a legally adopted budget. The Agency has opted to make this presentation in the format and classifications of the budget document. These schedules report actual expenditures using generally accepted accounting principles as well as expenditures on the budgetary basis, which include amounts encumbered for future spending.

b) The Agency adopts annual budgets for each community redevelopment area. The Agency reports Budgetary Comparisons for its Major Special Revenue Funds in the Required Supplementary Information section of the report. None of these funds had an excess of expenditures over appropriations for the year ended September 30, 2025. Project or program budgets, which may not coincide with the Agency's fiscal year, or which may exceed a single annual period, are adopted by separate ordinance for most Special Revenue Funds

c) Level of Budgetary Control – The Agency complies with the City's level of budgetary control as outlined below. Expenditures may not exceed appropriations and are controlled in the following manner:

   a. The budget is adopted by ordinance which sets the legal level of control at the fund level by department.

   b. The City adopted more stringent administrative policies that control expenditures at the major category (Personal Services, Operating Expense, Capital Outlay, Debt Service) level within divisions within individual funds.

   c. The City, additionally, adopted a Municipal Ordinance Code Policy that provides transfer authority to the Mayor, without City Council approval, within an individual fund if the total transferred funds for a specific purpose, project or issue is under $500,000 during the fiscal year. These transfers are reported to the Finance Committee on a quarterly basis.

NOTE 1: BUDGETARY INFORMATION (Continued)

d) Supplemental Appropriations - The Agency may, through passage of an ordinance, amend the budget in any manner permissible under state and local law, with one exception. Bond covenants, trust and agency agreements, and certain clauses of ordinances in effect may restrict certain budgetary items in terms of amount or use.

   In certain instances, the Agency may supplement the appropriations in a fund due to unexpected high levels of receipts or under estimates of carry forward balances. Supplemental appropriations to the Fiscal Year 2025 Annual Budget Ordinance were made throughout the year, the effects of which were not material.

e) All appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end or at the close of the authorizing project/program, unless specifically carried forward by ordinance.

f) Formal budgetary integration is used as a management control device for all funds of the Agency.

g) The Agency’s Annual Financial Plan, or published budget document, may be obtained from the City’s Budget Office located at 117 West Duval Street, Suite 325, Jacksonville, Florida 32202.

REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS

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INDEPENDENT AUDITOR'S 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*

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency"), 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 Agency's basic financial statements, and have issued our report thereon dated June 24, 2026.

Report on Internal Control over Financial Reporting

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

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 24, 2026

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund, of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated June 24, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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* and Independent Accountant's Reports on examinations conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 24, 2026, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

No prior year findings were repeated in the current year.

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 legal authority of the Agency is disclosed in the footnotes. The Agency has no component units.

Financial Condition and Management

Section 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 Agency 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 Agency 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 Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Agency represents that a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Agency's geographical boundaries during the fiscal year under audit.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Agency reported:

a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as $0.
d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 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 as:
    - JEA Electrical Duct Bank Relocation - $1,850,625
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, as shown on pages 31 and 32 of this report - $2,329,256 expenditures under the original adopted budget.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or is likely to have occurred, that have an effect on the financial statements that is less than material but 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 Agency's Board Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 24, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have examined compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, of the City of Jacksonville, Florida Downtown Investment Authority (the "Agency") for the year ended September 30, 2025. The Agency's management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency'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 Agency complied with the specified requirements referenced above, in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency 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 examination engagement.

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

In our opinion, the Agency complied with Section 218.415, Florida Statutes, *Local Government Investment Policies,* for the year ended September 30, 2025, in all material respects.

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

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 24, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 163.387(6) and 163.387(7), FLORIDA STATUTES

To the Honorable Mayor and Members of the City Council
City of Jacksonville, Florida

We have examined compliance with the requirements of Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Policies*, of the City of Jacksonville, Florida Downtown Investment Authority's (the "Agency") for the year ended September 30, 2025. The Agency's management is responsible for the Agency's compliance with the specified requirements. Our responsibility is to express an opinion on the Agency'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 Agency complied with the specified requirements referenced above, in all material respects. An examination involves performing procedures to obtain evidence about whether the Agency 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 examination engagement.

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

In our opinion, the Agency complied with Sections 163.387(6) and (7), Florida Statutes, *Redevelopment Trust Policies* during the year ended September 30, 2025, in all material respects.

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

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
June 24, 2026